

**Black Health Alliance**  
**Financial Statements**  
**March 31, 2024**

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Financial Statements  
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# MICHAEL G.G. PINNOCK, CPA



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## INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of  
**Black Health Alliance (“the Organization”)**

### *Qualified Opinion*

I have audited the financial statements of the Organization, which comprise the statement of financial position as at March 31, 2024, and the statement of operations and net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respect, the financial position of the Organization as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

In common with many not-for-profit organizations, the Organization derives revenue from grants and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, I was not able to determine whether any adjustments might be necessary to grants and/or fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2024, current assets as at March 31, 2024, and net assets as at April 1, 2023 and March 31, 2024.

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

*The engagement principal on the audit resulting in this independent auditor's report is Michael Pinnock.*



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**Michael G. G. Pinnock, FCPA, FCA**  
Fellow Chartered Professional Accountant  
Licensed Public Accountant

Innisfil, Ontario

December 14, 2024

**Black Health Alliance**  
**Financial Statements**  
**March 31, 2024**


**Statement of Financial Position**

As at March 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>ASSETS:</b>		
<b>CURRENT:</b>		
Cash	3,734,139	5,883,478
GIC investment	1,848,424	
Accounts receivable [Note 9]	103,154	113,272
Prepayments	16,960	4,941
<b>Total</b>	<u>5,702,677</u>	<u>6,001,691</u>
<b>NONCURRENT:</b>		
Capital assets: net [Note 3]	7,871	10,121
GIC investment	1,250,000	202,424
<b>Total</b>	<u>1,257,871</u>	<u>212,545</u>
<b>Total Assets</b>	<u>6,960,548</u>	<u>6,214,236</u>
<b>LIABILITIES:</b>		
<b>CURRENT:</b>		
Accounts payable and accrued liabilities	166,777	192,149
<b>Total</b>	<u>166,777</u>	<u>192,149</u>
<b>NET ASSETS:</b>		
Net Assets - Operating Fund	5,352,023	4,675,169
- Restricted Fund	1,441,748	1,346,918
<b>Total Net Assets</b>	<u>6,793,771</u>	<u>6,022,087</u>
<b>Total Liabilities and Net Assets</b>	<u>6,960,548</u>	<u>6,214,236</u>

Approved by:  \_\_\_\_\_

Lydia-Joi Marshall - Chair

Approved by:  \_\_\_\_\_

Adrian Palmer - Treasurer

The accompanying notes on pages 4 to 9 are an integral part of these financial statements.

**Black Health Alliance**  
**Financial Statements**  
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**Statement of Operations and Changes in Fund Balances**

For the year ended March 31, 2024

	Restricted Funds							2024	2023
	Operating	Govt. of Canada	Govt. of Ontario	City of Toronto	Ontario Trillium Foundation	United Way of Greater Toronto	Others	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>									
Donations	411,947							<b>411,947</b>	1,157,363
Grants	556,859	221,346	500,000	65,500	142,800	75,000		<b>1,561,505</b>	1,106,313
Earned income	212,500							<b>212,500</b>	
Membership dues	275							<b>275</b>	50
Interest	121,504							<b>121,504</b>	52,103
	<u>1,303,085</u>	<u>221,346</u>	<u>500,000</u>	<u>65,500</u>	<u>142,800</u>	<u>75,000</u>	<u>0</u>	<b><u>2,307,731</u></b>	<u>2,315,829</u>
<b>EXPENSES</b>									
Accounting and audit	47,812							<b>47,812</b>	47,812
Amortization	5,578							<b>5,578</b>	3,147
Annual General Meeting	2,220							<b>2,220</b>	8,391
Bank charges	1,032							<b>1,032</b>	981
Board and other meetings									11,133
Communication	19,355		67,000	10,033			82,336	<b>178,724</b>	91,387
Dues, subscription and memberships	81							<b>81</b>	20
Insurance	1,434							<b>1,434</b>	1,056
Occupancy	52,612							<b>52,612</b>	54,664
Office expense	21,080		11,667	1,862				<b>34,609</b>	23,060
Professional fees	38,242		41,529	87,382	2,000	810	17,700	<b>187,663</b>	267,948
Program expense	118,102		23,713	5,522	13,560	4,937		<b>165,834</b>	48,050
Salaries and related costs	397,895		335,506		38,815	79,128		<b>851,344</b>	589,950
Travel and accommodation	3,639		180	1,010	2,275			<b>7,104</b>	1,624
	<u>709,082</u>	<u>0</u>	<u>479,595</u>	<u>105,809</u>	<u>56,650</u>	<u>84,875</u>	<u>100,036</u>	<b><u>1,536,047</u></b>	<u>1,149,223</u>
<b>Excess of revenue over expenses</b>	<u>594,003</u>	<u>221,346</u>	<u>20,405</u>	<u>(40,309)</u>	<u>86,150</u>	<u>(9,875)</u>	<u>(100,036)</u>	<b><u>771,684</u></b>	<u>1,166,606</u>
<b>Fund balances, beginning of year</b>	4,675,168	(312,175)	453,177	242,430	(68,957)	18,668	1,013,776	<b>6,022,087</b>	4,855,481
Excess of revenue over expenses	594,003	221,346	20,405	(40,309)	86,150	(9,875)	(100,036)	<b>771,684</b>	1,166,606
<b>Fund balances, end of year</b>	<u>5,269,171</u>	<u>(90,829)</u>	<u>473,582</u>	<u>202,121</u>	<u>17,193</u>	<u>8,793</u>	<u>913,740</u>	<b><u>6,793,771</u></b>	<u>6,022,087</u>

The accompanying notes on pages 4 to 9 are an integral part of these financial statements.

**Black Health Alliance**  
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**Statement of Cash Flows**

For the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Operating</b>		
Excess of revenue over expenses	771,684	1,166,606
Changes in non-cash working capital components:		
Amortization of capital assets	5,578	3,147
GIC investment	(1,848,424)	
Accounts receivable	10,118	368,804
Prepayments	(12,019)	(316)
Accounts payable and accrued liabilities	(25,372)	80,055
	<u>(1,098,435)</u>	<u>1,618,296</u>
<b>Investing</b>		
Purchase of Capital Asset	(3,328)	(13,268)
GIC investment	(1,047,576)	1,000,000
	<u>(1,050,904)</u>	<u>986,732</u>
(Decrease)/Increase in Cash	(2,149,339)	2,605,028
Cash, beginning of year	5,883,478	3,278,450
Cash, end of year	<u>3,734,139</u>	<u>5,883,478</u>
<b>REPRESENTED BY:</b>		
Cash at bank	<u>3,734,139</u>	<u>5,883,478</u>
	<u>3,734,139</u>	<u>5,883,478</u>

*The accompanying notes on pages 4 to 9 are an integral part of these financial statements.*



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**Notes to the Financial Statements**

March 31, 2024

**1 Registration, Incorporation and Purpose**

Black Health Alliance (BHA) was incorporated in the province of Ontario effective November 7, 2005 and was registered as a charity (Registration # 81517 5674 RR0001) effective April 26, 2012; and designated as a Charitable Organization. It is tax exempted under section 149(I) of the *Income Tax Act*.

The Organization received a Supplementary Letters Patent to change its object effective September 17, 2010.

Its object is:

1. To promote and improve the health and well-being of people from the diverse Black communities in Canada by:
  - a) Conducting seminars, workshops, conferences and community programs;
  - b) Conducting research and disseminating research report; and
  - c) Disseminating educational literature and educational resource information

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**2 Summary of Significant Accounting Policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organization. The financial statements reflect the following significant accounting policies:

**a) Basis of accounting**

Except for revenue from contributions which is recorded on a cash basis, with no accrual being made for amounts pledged but not received, revenues and expenditures are recorded on the accrual basis, whereby transactions and events are recognized in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

**Going concern**

Management has prepared the financial statements on the *Going Concern basis*. The Organization is expected to operate for the foreseeable future. Neither the management nor the Board of Director of the Organization has the intention or the need to close or curtail materially the operations of the Organization.

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**Notes to the Financial Statements**

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**2 Summary of Significant Accounting Policies (continued)**

**Use of estimates**

In the process of applying the Organization's accounting policies, management makes various judgements, estimates and assumptions that can significantly affect the amounts it recognises and the related disclosures reported in the financial statements. These estimates are based on historical experiences and management's best knowledge of current events and actions. Actual results may differ from those estimates and assumptions.

**b) Revenue recognition**

The Organization follows the restricted fund method of accounting for contributions and grants, it uses an Operating Fund for unrestricted contributions and Restricted Funds for all revenue which are *Externally* restricted. Resources transferred to a restricted or endowment fund as a result of the organization imposing *internal* restrictions would be recognized as inter-fund transfers.

Restricted funds are Grants from the Government of Canada, Province of Ontario, the City of Toronto, United Way of Greater Toronto and the Ontario Trillium Foundation. These are all *externally restricted*. These are recognized when received or receivable.

Operating fund comprised of:

- a. Donations and Grants – *Contributions from individuals, other charities and corporations to assist with the funding of the organization's programs. These are recognized when received.*
- b. Earned income – *Fees for services charged to third parties. Recognized when earned.*
- c. Member dues – *Annual fees paid by registered members. These are recognized when received.*
- d. Interest income – *Interest earned on funds invested. Recognized when earned.*

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**2 Summary of Significant Accounting Policies (continued)**

**c) Capital Assets (continued)**

Effective fiscal 2023, the organization changed the accounting policy for capital assets. Capital assets were no longer *expensed* but *capitalized*. This policy was applied prospectively with no restatement of prior periods.

Purchased capital assets are recorded at cost, donated capital assets are recorded at their fair value at the time of receipt. Amortization is provided on the reducing balance basis at rates estimated to write-off the capital assets over the term of their estimated useful lives. The rates used are as follows:

Furniture & Equipment	20%
Computer	55%

**d) Donated Services and Goods**

The Organization benefits from volunteer services. Since these services are not normally purchased by the organization and because of the difficulties of determining their fair value, donated services are not recognized in these financial statements. Donated goods are not recorded in the books unless they would normally be purchased.

**e) Financial Instruments**

The Organization’s financial instruments are initially recognized at *fair value*, and subsequently carried at cost and amortized cost, net of impairment.

These financial instruments consist of cash, investment, accounts receivable and; accounts payable and accrued liabilities.

**f) Allocated Expenses**

Except for salary and benefits relating to the Executive Director, which is allocated based on the relative time spent on the various activities, there are no allocation of expenses.

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**3 Capital Assets**

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net Book value</u>	<u>Net Book value</u>
Furniture and Equipment	2,869	803	<b>2,066</b>	2,582
Computer	13,727	7,921	<b>5,805</b>	7,539
	<u>16,595</u>	<u>8,725</u>	<u><b>7,871</b></u>	<u>10,121</u>

**4 Financial Instruments and Risk Management**

The Organization’s financial instruments consist of cash, investment, accounts receivable and; accounts payable and accrued liabilities. Except for the investment, The fair value of these financial instruments approximates their carrying values due to their short-term maturity and low *credit, liquidity* and *market risks*. The investment earns an average 4.76% interest per annum.

Since 2023, Economic Dependence was no longer a significant risk for the organization. The Organization derived **40%** (2023 – 31%) of its revenue from various levels of the Canadian Government.

**5 Government Remittances Payable**

Government remittances outstanding at the end of the fiscal periods were **\$Nil** (2023 - \$Nil).

**6 Revenue Restricted Fund - Other**

The revenue of the Restricted Fund – Other is comprised of:

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Wal-Mart Foundation	669,350	
University of Toronto	13,000	
Toronto Cummunity Housing	1,010	
	<u><b>0</b></u>	<u>683,360</u>

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**7 Critical Judgement and Sources of Estimation Uncertainty**

There were no critical judgements, apart from those involving estimations, which management has made in the process of applying the organization’s accounting policies that have a significant effect on the amounts recognized in the financial statements.

These estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discuss below:

I. Useful lives of capital assets

Depreciation is provided so as to write down the respective assets to their estimated residual values over their expected useful lives and as such, the selection of the expected useful lives and the estimated residual values of the assets require the use of estimates and judgements. Details of the estimated useful lives are shown in Note 2c and 3.

The actual results may differ from the estimate.

**8 Government Assistance**

The organization is funded by various levels of Government, these amounts are included in income as they become receivable. For 2024, the organization received **\$929,646** (2023 - \$727,103).

**9 Accounts Receivable**

	<u>2024</u>	<u>2023</u>
	\$	\$
Operations	<b>4,000</b>	40,000
HST rebate	<b>99,154</b>	73,272
	<u><b>103,154</b></u>	<u>113,272</u>

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**Notes to the Financial Statements**

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**10 Operating Lease**

The organization, under a Membership Agreement, pays membership fee for occupying premises with a 60-day commitment and automatic renewal for an additional 60-day, with no expiration date. Either party can terminate this agreement with 60 days notice. For 2024 fiscal, the monthly membership fee was \$4,200.00 plus applicable tax.

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**11 Capital Management**

The Organization defines capital as the balance in its *Operating* fund. The Organization's objective in managing capital, as an entity that does not receive core funding, is to provide at least twenty-four (24) months coverage for operating expense. Currently, \$3,000,000 is reserved for meeting this objective and is included in Investment.