



**BLACK BUSINESS AND PROFESSIONAL ASSOCIATION**

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**2022 Financial Statements**

**BLACK BUSINESS AND PROFESSIONAL ASSOCIATION**  
2022 Financial Statements

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## Independent Auditor's Report

### To the Board of Directors of BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

#### *Qualified Opinion*

We have audited the financial statements of BLACK BUSINESS AND PROFESSIONAL ASSOCIATION, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of BLACK BUSINESS AND PROFESSIONAL ASSOCIATION as at March 31, 2022 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*

As is common with many not-for-profit organizations, the Organization derives revenue from 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, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, 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 to cease operations, 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*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.

## Independent Auditor's Report — continued

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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

*GMS Professional Corp*

GMS Professional Corporation  
Chartered Professional Accountants  
Authorized to Practice Public Accounting by the Chartered  
Professional Accountants of Ontario

Mississauga, Ontario  
August 10, 2022

**BLACK BUSINESS AND PROFESSIONAL ASSOCIATION**  
**Statement of Financial Position**  
**As at March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 800,607	\$ 1,870,430
Short term investment (note 3)	258,227	257,753
HST recoverable	252,863	42,616
Grant receivable	147,260	-
Prepaid expenses	216,210	51,566
Funds held in trust (note 4)	565	210
	<b>1,675,732</b>	<b>2,222,575</b>
Capital assets (note 5)	37,764	16,255
	<b>\$ 1,713,496</b>	<b>\$ 2,238,830</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 326,690	\$ 72,505
Government assistance (note 11)	-	40,000
Deferred revenue (note 7)	560,984	20,000
Bank overdraft and line-of-credit	-	(47)
Funds held in trust (note 4)	565	-
	<b>888,239</b>	<b>132,458</b>
Net assets	<b>825,257</b>	<b>2,106,372</b>
	<b>\$ 1,713,496</b>	<b>\$ 2,238,830</b>

See accompanying notes

On behalf of the Board

Rossing Cadastre, President (Acting):

Michael Pinnock, Treasurer:

# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

## Statement of Operations

Year ended March 31, 2022

	2022	2021
Revenue		
Donations (note 7)	\$ 445,066	\$ 1,810,482
Government grants (note 8)	2,578,557	210,000
Membership dues	21,803	37,074
Investment income	474	19,487
Sponsorship (note 9)	451,366	1,199,912
Other grant income (note 10)	79,125	-
Other income	11,130	-
Government assistance (note 11)	-	20,000
	<u>3,587,521</u>	<u>3,296,955</u>
Expenditures		
Amortization	8,132	5,167
Programs (note 12)	4,387,134	1,245,804
Administration (note 13)	204,379	92,823
Insurance	5,203	4,851
Professional	71,726	66,601
Payroll	183,747	94,075
Rent	8,315	8,315
	<u>4,868,636</u>	<u>1,517,636</u>
Excess (deficiency) of revenue over expenditures before undernoted item	(1,281,115)	1,779,319
Other expense		
Loss on disposal of capital assets	-	7,870
Excess (deficiency) of revenue over expenditures	<u>\$ (1,281,115)</u>	<u>\$ 1,771,449</u>

See accompanying notes

**BLACK BUSINESS AND PROFESSIONAL ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
Net assets, as previously stated	\$ 2,106,372	\$ 328,806
Prior period adjustment	-	6,117
Net assets, beginning of year, as restated	2,106,372	334,923
Excess (deficiency) of revenue over expenditures	(1,281,115)	1,771,449
Net assets, end of year	\$ 825,257	\$ 2,106,372

See accompanying notes

# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

## Statement of Cash Flows Year ended March 31, 2022

	2022	2021
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (1,281,115)	\$ 1,771,449
Items not involving cash		
Amortization	8,132	5,167
Loss on disposal of capital assets	-	7,870
	(1,272,983)	1,784,486
Net change in non-cash working capital items		
HST recoverable	(210,247)	(30,204)
Grant receivable	(147,260)	-
Prepaid expenses	(164,644)	70,215
Funds held in trust	(355)	7,770
Accounts payable and accrued liabilities	254,184	(15,294)
Government assistance (note 11)	(40,000)	40,000
Deferred revenue (note 7)	540,984	(65,000)
Funds held in trust	565	(7,980)
	233,227	(493)
Cash flows from operating activities provided by (used in) operating activities	(1,039,756)	1,783,993
Financing activities		
Bank overdraft and line-of-credit	47	(70,037)
Prior period adjustment	-	6,117
Cash flows from financing activities provided by (used in) financing activities	47	(63,920)
Investing activity		
Purchase of property, plant and equipment	(29,640)	(7,384)
Net change in cash during the year	(1,069,349)	1,712,689
Cash, beginning of year	2,128,183	415,494
Cash, end of year	\$ 1,058,834	\$ 2,128,183
Cash consists of:		
Cash	\$ 800,607	\$ 1,870,430
Short term investment	258,227	257,753
	\$ 1,058,834	\$ 2,128,183

See accompanying notes



# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

## Notes to Financial Statements

Year ended March 31, 2022

### 1. Nature of operations

BLACK BUSINESS AND PROFESSIONAL ASSOCIATION was incorporated in the province of Ontario on July 21, 1983 and is a registered charity which is exempt from tax under section 149(I) of the Income Tax Act. Its objects are:

- To advance Canada's Black communities by delivering programs that support business and professional excellence, higher education and economic development;
- To encourage and support the pursuit of entrepreneurship, business, professional excellence, higher education and economic empowerment;
- To facilitate access to people and resources;
- To identify and reward excellence in achievement; and
- To establish linkages and co-operate with other organizations on matters pertaining to business, education, economic development and community wellness;
- To build cross-cultural understanding and promote equity

### 2. Summary of significant accounting policies and general information

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

#### Basis of accounting

Except for revenue from donations and grants which are 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.

#### Basis of presentation - Going Concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

## Notes to Financial Statements

Year ended March 31, 2022

### 2. Summary of significant accounting policies and general information — continued

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

#### Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

#### Capital assets

Purchased capital assets are recorded at cost and donated capital assets are recorded at their fair values at the time of receipt. Amortization is provided on a declining balance basis at rates selected to write-off capital assets over the term of their estimated useful lives.

The rates are as follows:

Computer hardware	30%
Equipment, Furniture and Fixture	20%

#### Financial instruments

The Organization's financial instruments consist of cash, accounts receivable, line of credit, bank overdraft, accounts payable and accrued liabilities.. Unless otherwise noted it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks.

#### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

#### Donated goods and services

The organization benefits from volunteers who lend their time to further the organization's objectives. Due to the difficulties of determining their fair values, donated services are not recognized in the financial statements. Donated goods are not recognized to the extent that they would not normally be purchased by the organization.

# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

## Notes to Financial Statements

Year ended March 31, 2022

### 3. Short term investment

The Association invested in a 1-year Special rate Guaranteed Investment Certificate which pays interest at a rate of 0.35%. The Investment matures in October 5, 2022, at which time the face value of the investment will be paid, alongside the guaranteed annual interest. The face value of the Investment appreciated by \$474.13 between October 5, 2021 and March 31, 2022, which has been recognized in Income.

### 4. Funds held in trust

This represents funds held by BBPA in a dedicated bank account on behalf of an associate organization named "Black Physicians of Ontario".

### 5. Capital Assets

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Equipment	\$ 50,052	\$ 40,971	\$ 9,081	\$ 11,492
Computer hardware	37,296	8,613	28,683	4,763
	\$ 87,348	\$ 49,584	\$ 37,764	\$ 16,255

### 6. Deferred revenue

	2022	2021
Opening balance	\$ 20,000	\$ 85,000
Add: Contribution received during the year	3,502,772	20,000
Less: Amount amortized to revenue during the year	(2,961,788)	(85,000)
Total	\$ 560,984	\$ 20,000

# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

## Notes to Financial Statements

Year ended March 31, 2022

### 7. Donations

Below is a list of the major donors related to the 2022 fiscal year:

	2022	2021
Loblaws Companies Limited	\$ -	\$ 101,496
HSBC	-	125,000
Starbucks	-	100,000
Donald Reid Estate	-	100,000
RBC Foundation	20,000	200,000
Groupe Cossette	-	50,000
TJX Canada	66,513	66,513
TD Bank Financial Group	-	35,200
Estate of Paul Lynch	-	70,000
Mejuri	-	68,000
Wawanesa Insurance	-	50,000
Campbell Company of Canada	-	20,000
John Brooks Company Ltd	-	10,000
E & J Gallo Winery Canada Ltd	30,000	20,000
Royal & Sun Alliance Insurance Co	-	20,000
UJA Federation	-	25,000
The Prestin Foundation	15,000	15,000
Peter Gilgon Foundation	-	25,000
McKinsey Group	-	37,116
Strategic Charitable Giving Foundation	10,000	-
The Flanagan Foundation	50,000	-
ERAC Canada Foundation	39,536	-
Canada Helps	74,392	266,131
Other	139,624	406,026
<b>Total</b>	<b>\$ 445,065</b>	<b>\$ 1,810,482</b>

### 8. Government grants

Grants related to the 2022 fiscal year were as follows:

	2022	2021
Ontario Ministry of Education	\$ 110,000	\$ 110,000
City of Toronto	551,966	100,000
Federal Economic Development Agency Southern Ontario	1,873,963	-
Employment and Social Development Canada	42,628	-
<b>Total</b>	<b>\$ 2,578,557</b>	<b>\$ 210,000</b>

# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

## Notes to Financial Statements

Year ended March 31, 2022

### 9. Sponsorship

Sponsorship related to the 2022 fiscal year were as follows:

	2022	2021
Bell Canada	\$ -	\$ 15,000
BHER Canada	38,480	52,520
Future Skills Canada	-	773,392
Loblaw Companies Limited	30,000	95,000
Ontario Power Generation Inc	5,000	15,000
Pepsi Corporation	-	40,000
Ryerson University	24,000	79,000
Toronto Board of Trade	-	25,000
TT XERO Software	-	20,000
TD Bank Financial Group	14,000	60,000
Moody's Corporation	85,000	-
RBC Bank	150,000	-
Toyota Foundation	33,000	-
Other	71,886	25,000
<b>Total</b>	<b>\$ 451,366</b>	<b>\$ 1,199,912</b>

### 10. Other grant income

Other grant income related to the 2022 fiscal year were as follows:

	2022
Toronto Foundation	\$ 17,250
TT Silicon Valley	61,875
<b>Total</b>	<b>\$ 79,125</b>

### 11. Loan granted under the Canada Emergency Business Account Program

Loan, with an unpaid principal of \$60,000 guaranteed by the Canadian government, interest-free until December 31, 2022.

	2022	2021
CEBA Loan - opening balance	\$ 40,000	\$ 60,000
Less: Forgiveable portion	-	(20,000)
Less: Repayment of loan	(40,000)	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 40,000</b>

During the 2021 fiscal year, the organization obtained a \$60,000 loan under the Canada Emergency Business Account Program. If the organization repays \$40,000 by December 31, 2022, the \$20,000 balance will be forgiven. Otherwise, an interest rate of 5% will apply to the balance, which will be repayable in 36 monthly blended instalments [December 31, 2025]. The organization recognized the forgivable portion in revenue in the 2021 fiscal year, while the remaining \$40,000 was repaid during the 2022 fiscal year.

# BLACK BUSINESS AND PROFESSIONAL ASSOCIATION

Notes to Financial Statements  
Year ended March 31, 2022

## 12. Programs Expenses

	2022	2021
Ask the Professional	\$ 17,106	\$ 23,393
BAIDS	2,058,236	47,914
BBERG	17,559	176,247
Boss Women	61,271	79,168
BPAO	-	20,044
Financial Literacy	87,043	166,635
Harry Jerome Awards	202,204	102,588
Jean Augustine	-	10,000
Little Jamaica	451,810	87,162
Mentorship	19,635	80,495
Rise Up Pitch	96,375	76,483
Scholarship	248,393	312,038
The Art of Catering	-	31,857
Who Am I Workshop	-	13,000
Black Histroy Month	114,409	-
Golf Tournament	28,984	368
WIL Centennial College	45,727	-
Say It Loud Canada	18,000	-
Future Skills Canada	857,042	-
The Business Of	38,169	-
Other	25,171	18,780
<b>Total</b>	<b>\$ 4,387,134</b>	<b>\$ 1,246,172</b>

## 13. Administrative Expenses

	2022	2021
Advertising & promotion	\$ 19,805	\$ 30,282
Board development	11,184	12,067
Interest & bank charges	5,078	5,572
Meetings	21,931	18,787
Office & general supplies	27,912	8,520
Repairs & maintenance	11,168	2,217
Telephone & internet	8,185	15,378
Marketing	89,116	-
Awards	10,000	-
<b>Total</b>	<b>\$ 204,379</b>	<b>\$ 92,823</b>

## 14. Related party transactions

Directors exercise control over the organization, hence are considered related parties. During the fiscal year, the Organization paid directors an aggregate consideration of \$108,271 for services rendered in the execution of programs.

All these transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed upon by the parties and is determined based on the costs incurred.

**BLACK BUSINESS AND PROFESSIONAL ASSOCIATION**  
**Notes to Financial Statements**  
**Year ended March 31, 2022**

**15. Financial instruments**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$326,690 (2021\$72,505). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.

Credit risk

The Organization does have credit risk in government HST receivable of \$252,863. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. This amount is receivable from the Government of Canada and as such, in the opinion of management, the credit risk exposure to the Organization is low and is not material.