

Financial Statements

Ontario Black History Society

Toronto, Ontario

March 31, 2021

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Independent Auditors' Report

To the Members of Ontario Black History Society:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Ontario Black History Society, which comprise the statement of financial position as at March 31, 2021 and the statements of operations and 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 financial statements present fairly, in all material respects, the financial position of Ontario Black History Society as at March 31, 2021, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Corporation derives revenue from fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Corporation.

Therefore, we are not able to determine whether any adjustments might be necessary to fundraising and donations revenue, surplus (deficit) and cash flows from operations for the years ended March 31, 2021 and March 31, 2020 and current assets and net assets as at March 31, 2021 and March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2020 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Ontario Black History Society 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 qualified 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 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 misstatement, whether due to fraud or error.

Independent Auditors' Report - continued

In preparing the financial statements, management is responsible for assessing Ontario Black History Society'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ontario Black History Society's financial reporting process.

Auditors' 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 auditors' 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. 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 Ontario Black History Society'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 Ontario Black History Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

Independent Auditors' Report - continued

- 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.

Toronto, Ontario
November 1, 2021

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

Chartered Professional Accountants, Licensed Public Accountants

Ontario Black History Society

March 31, 2021

Statement of Financial Position	2021	2020
Current Assets		
Cash, Note 3	\$ 235,068	\$ 27,144
Temporary investments, Note 3	204,003	83,298
Accounts receivable (net of allowance 2021 \$1,925, 2020 \$1,000)	3,432	5,645
HST receivable	20,798	33,768
Canada Emergency Wage Subsidy (CEWS) receivable, Note 9	7,586	0
Due from related parties, Note 4	0	900
Prepaid expenses	2,201	2,082
Total Current	473,088	152,837
Capital Assets , Note 5	4,933	7,399
Incorporation Costs	227	227
	478,248	160,463

Approved by The Board

Director: Natasha Henry

Director: Dorothy Abbott

Ontario Black History Society*March 31, 2021*

Statement of Financial Position	2021	2020
Current Liabilities		
Accounts payable and accrued liabilities	\$ 16,188	\$ 8,440
Government remittances	1,651	647
Deferred interest benefit, Note 6	4,679	0
Total Current	22,518	9,087
Canada Emergency Business Account (CEBA) Loan , Note 6	54,983	0
Deferred income , Note 8	98,324	98,324
Deferred interest benefit , Note 6	338	0
Total Liabilities	176,163	107,411
Net Assets		
Unrestricted net assets, per statement	302,085	53,052
	478,248	160,463

The notes on pages 10 through 14 form an integral part of these financial statements.

Ontario Black History Society

Year ended March 31, 2021

Statement of Operations and Net Assets	2021	2020
Revenues		
Government grants	\$ 218,214	\$ 98,632
Sponsorships	90,861	55,000
Luncheon	6,124	76,700
Goods and services	11,824	19,367
Fundraising and donations	172,718	32,689
Investment income	705	1,077
Memberships	2,919	2,175
Government assistance	1,866	0
Total Revenues	505,231	285,640
Expenses		
Office	1,973	11,583
Insurance	3,592	4,647
Interest and bank charges	5,942	1,323
Professional fees	13,200	11,824
Occupancy costs	28,267	26,596
Salaries and benefits	68,597	91,337
Luncheon	22,758	99,843
Fundraising	2,049	14,596
Web hosting	10,558	0
Outside services	43,041	0
Bad debt	925	1,000
Events	52,034	34,206
Amortization	2,466	2,466
Printing and design	796	0
Total Expenses	256,198	299,421
Surplus (Deficit)	249,033	(13,781)
Unrestricted net assets beginning of year	53,052	66,833
Net Assets End of Year	302,085	53,052

Ontario Black History Society*Year ended March 31, 2021*

Statement of Cash Flows	2021	2020
Operating Activities		
Surplus (deficit)	\$ 249,033	\$ (13,781)
Non-cash items		
Amortization	2,466	2,466
	<u>251,499</u>	<u>(11,315)</u>
Net change in non-cash working capital	<u>17,130</u>	<u>(12,919)</u>
<i>Cash Provided By (Used In) Operating Activities</i>	<u>268,629</u>	<u>(24,234)</u>
Investing Activities		
Capital expenditures	0	(9,866)
Increase in investments	(120,705)	(1,077)
	<u>(120,705)</u>	<u>(10,943)</u>
<i>Cash Used In Investing Activities</i>	<u>(120,705)</u>	<u>(10,943)</u>
Financing Activities		
CEBA loan	60,000	0
	<u>60,000</u>	<u>0</u>
<i>Cash Provided By Financing Activities</i>	<u>60,000</u>	<u>0</u>
Net cash increase (decrease) during the year	207,924	(35,177)
Cash position beginning of year	27,144	62,321
<i>Cash Position End Of Year</i>	<u>235,068</u>	<u>27,144</u>

Notes to Financial Statements

Status and Nature of Activities

Ontario Black History Society is dedicated to the celebration of Black history and heritage including the study, preservation and promotion of Black history in Ontario. The Corporation was incorporated under Letters of Patent dated April 17, 1979 as a corporation without share capital and is a registered charity under the Income Tax Act (Canada)

Note 1

Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

Government grants and sponsorships are recognized using the deferral method of accounting for contributions.

Revenue related to fundraising and donations, memberships and the luncheon are recognized when they are received.

Goods and services revenues are recognized when the service is provided or goods shipped.

Investment income includes interest from cash and fixed income investments. Revenue is recognized on an accrual basis. Interest from fixed income investments is recognized over the term of these investments using the effective interest method.

Financial Instruments

(a) Measurement of Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and term deposits.

Financial liabilities measured at amortized cost include accounts payable.

Note 1 Significant Accounting Policies - continued

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 2 Financial Instruments

Risk Management Policy

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2021:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

It is the opinion of the Board of Directors that the Corporation is not exposed to significant credit risks.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

Interest Rate Risk

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in low risk interest bearing vehicles such as term deposits as the means for managing its interest rate risk.

Note 2 Financial Instruments - continued

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time.

The Corporation manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its needs.

It is the opinion of the Board of Directors that the Corporation is not exposed to significant liquidity risks.

Note 3 Cash and Temporary Investments

	2021	2020
Cash		
Petty cash	\$ 80	\$ 80
Operating accounts	234,988	27,064
	235,068	27,144
 Temporary Investments		
Term deposits	204,003	83,298
	439,071	110,442

The average rate of return on cash and investments during the year was 0.5% (2020, 1.4%).

Note 4 Related Party Transactions

In a prior year, directors paid expenses on behalf of the Corporation or advanced funds to the Corporation. Amounts due from the directors are non-interest bearing and have no scheduled repayment terms. Related party transactions are recorded at exchange value

Ontario Black History Society

March 31, 2021

Note 5 Capital Assets

	Cost	Accumulated Amortization	2021	2020
Computer equipment	\$ 29,325	\$ (24,392)	\$ 4,933	\$ 7,399
Furniture and fixtures	21,224	(21,224)	0	0
	50,549	(45,616)	4,933	7,399

Note 6 CEBA Loan

The organization received a \$60,000 Canada Emergency Business Account (CEBA) interest free loan from TD Bank to finance expenses as a result of COVID-19. No minimum monthly principal payments are required until December 31, 2022. 33% of the loan is eligible for loan forgiveness if the outstanding balance of the loan is repaid on or before December 31, 2022. If the loan is not repaid by this date, it can be converted into a 3 year term loan with a 5% interest rate. As of year-end, no amounts have been repaid.

	2020
Total loan	\$ 60,000
Deferred interest benefit	(5,017)
	54,983
Interest benefit earned within one year	4,679

Note 7 Subsequent Event

Subsequent to the year-end, the Corporation renewed its lease for its office premises from Ontario Heritage Trust. The terms are as follows:

October 1, 2021 to September 30, 2022	\$1,323 per month plus HST
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Note 8 Deferred Income

In 2001, funds were received for the development of a Black History museum and to create a book of historically significant Black Ontarians. To date, costs of \$72,589 have been incurred in relation to these projects. No costs related to these projects were incurred in the current fiscal year.

Note 9 Future Uncertainty Resulting from the Pandemic.

There is significant uncertainty around the long-term economic and business consequences of COVID-19. As a result of the pandemic, the Corporation's office was closed and the annual Emancipation Day celebration was held virtually. Bus and walking tours have been cancelled. During the year, the Corporation received the Canada Emergency Wage Subsidy (CEWS) and the CEBA loan. It is not possible to estimate the actual financial effects at this time.