

Financial Statements

**THE FEDERATION OF BLACK
CANADIANS
LA FÉDÉRATION DES
CANADIENS NOIR**

December 31, 2024



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Federation of Black Canadians La Fédération des Canadiens Noir

Qualified Opinion

We have audited the financial statements of **The Federation of Black Canadians La Fédération des Canadiens Noir** ("The Federation of Black Canadians" or the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 the Organization as at December 31, 2024, and its results of 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

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of donation 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 donation revenue, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2024 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 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.

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.



INDEPENDENT AUDITOR'S REPORT, continued

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. 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.

David Zetani & Co.

The Federation of Black Canadians

(Incorporated under the Canada Not-for-Profit Corporations Act)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2024 \$	2023 \$
ASSETS		
Current		
Cash	637,186	557,500
Term deposit [note 2]	5,000	5,000
Accounts receivable [note 5]	47,566	14,140
Prepaid expenses	9,542	-
Contributions receivable [note 8(i), 9(iii)]	236,134	11,765
Government remittances recoverable	14,620	14,946
	950,048	603,351
Long term		
Term deposit [note 2]	10,000	10,000
Capital assets [note 3]	1,023	3,068
Intangible asset [note 4]	-	8,231
	11,023	21,299
	961,071	624,650
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	102,041	139,797
Funds held in trust [note 5]	99,500	113,738
Deferred contributions [note 6]	534,095	182,636
	735,636	436,171
Unrestricted net assets	225,435	188,479
	961,071	624,650

See accompanying notes

On behalf of the board

	Director
	Director

The Federation of Black Canadians

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31

	2024 \$	2023 \$
Revenues		
Government grants [note 8]	1,032,477	1,961,132
Other grants [note 9]	160,290	7,491
Donations	70,014	73,489
Service fees	48,973	22,577
	1,311,754	2,064,689
Expenditures		
Advertising and promotion	16,495	67,024
Amortization	10,276	15,522
Bursaries	-	188,200
Community partnership	-	370,811
Computer expense	8,950	3,010
Contractors	225,734	536,650
Contributions	80,875	23,475
Digital content and website	9,637	14,817
Honorariums	6,705	36,002
Office and general	16,780	625
Organization events	95,251	79,887
Professional fees	106,992	82,741
Salaries, wages and related benefits [note 7]	697,103	562,016
	1,274,798	1,980,780
Excess of revenues over expenditures for the year	36,956	83,909
Unrestricted net assets, beginning of year	188,479	104,570
Unrestricted net assets, end of year	225,435	188,479

See accompanying notes

The Federation of Black Canadians

STATEMENT OF CASH FLOWS

Year ended December 31

	2024 \$	2023 \$
Operating activities		
Excess of revenues over expenditures for the year	36,956	83,909
Add: item not affecting cash		
Amortization	10,276	15,522
	47,232	99,431
Net change in non-cash balances related to operations:		
Accounts receivable	(33,426)	(14,140)
Prepaid expenses	(9,542)	-
Contributions receivable	(224,369)	(7,265)
Accounts payable and accrued liabilities	(37,756)	102,046
Government remittances	326	(16,502)
Funds held in trust	(14,238)	113,738
Deferred contributions	351,459	(1,030,579)
Cash provided by (used in) operating activities	79,686	(753,271)
Investing activities		
Purchase of term deposit	-	(10,000)
Cash used in investing activities	-	(10,000)
Net change in cash during the year	79,686	(763,271)
Cash, beginning of year	557,500	1,320,771
Cash, end of year	637,186	557,500

See accompanying notes

The Federation of Black Canadians

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

The Federation of Black Canadians (the "Organization") was incorporated without share capital under the Canada Not-for-Profit Corporation's Act. The Organization is a not-for-profit organization under the Income Tax Act, and as such, is exempt from income taxes. The primary activity of the Organization is to advance the social, economic, and cultural interests of Canadians of African descent.

1. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Revenue recognition

The Organization follows the deferral method of accounting for revenue. Government grants, other grants and restricted donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Service fees are recognized when the service has been rendered, and reasonable assurance exists regarding the consideration to be received and its ultimate collection.

Term deposit

The Organization's policy is to present term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Capital assets

Capital assets include the costs incurred to purchase computer equipment. Costs are amortized on a straight-line basis over an estimated three-year useful life. In the year of acquisition, the amortization of capital assets is 50% of the annual amortization rate. No amortization is recorded in the year of disposal.

Capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

Intangible asset

Internally generated intangible asset includes the costs incurred for website development to help the Organization generate revenue. Costs are amortized on a straight-line basis over an estimated three-year useful life. In the year of acquisition, the amortization of intangible asset is 50% of the annual amortization rate. No amortization is recorded in the year of disposal.

The Federation of Black Canadians

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. Significant accounting policies, continued

Contributed services

The Organization recognizes contributed materials and services at the fair value of materials and services received.

Volunteers contribute a significant number of hours to assist the Organization in carrying out its activities. Due to the difficulty in determining the fair value, volunteer contributed services are not recognized in the financial statements.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount.

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

Financial assets measured at amortized cost include cash, term deposit, accounts receivable, contributions receivable, and government remittances recoverable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and funds held in trust.

The Organization has not designated any financial asset or financial liability to be measured at fair value.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 excess of revenues over expenditures.

Use of estimates

The preparation of financial statements in conformity with ASNPO 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. Significant estimates include accrued liabilities. Actual results could differ from those estimates.

The Federation of Black Canadians

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

2. Term deposits

Two term deposits are held as security for a credit card facility issued to the Organization. The \$5,000 one-year term deposit bears interest at 2.25% [2023 - 1.75%] and matures March 13, 2025 [2023 - March 13, 2024]. The \$10,000 four-year term deposit bears interest at 3.45% and matures April 10, 2027.

3. Capital assets

	Cost	Accumulated amortization	2024 Net	2023 Net
	\$	\$	\$	\$
Computer equipment	6,135	5,112	1,023	3,068

4. Intangible asset

	Cost	Accumulated amortization	2024 Net	2023 Net
	\$	\$	\$	\$
Website	49,846	49,846	-	8,231

5. Funds held in trust

The Organization is serving as the implementation partner for the Black Founders Network (“BFN”), Black Youth Action Plan Career Advance Stream program. As implementation partner, the Organization is responsible for distributing funds for the program as directed by BFN. The contributions are not considered income to the Organization, and as such, are held in trust. The Organization receives an administration fee for managing the distribution of funds. As at December 31, 2024, the Organization distributed some of it's own funds on behalf of the program; as such, \$46,371 is owed by BFN to the Organization and is included in accounts receivable. The 2023 funds held in trust balance was \$113,738.

The Organization is serving as the implementation partner for the Ontario Trillium Foundation (“OTF”), Youth Innovations Stream program. As implementation partner, the Organization is responsible for distributing funds for the program as directed by OTF. The contributions are not considered income to the Organization, and as such, are held in trust. The Organization receives an administration fee for managing the distribution of funds. As at December 31, 2024, the balance of funds held in trust is \$99,500 [2023 - \$nil].

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

6. Deferred contributions

The Organization receives grants and other contributions for various operating activities and special projects. Deferred contributions related to expenses of future periods represent unspent externally restricted funds.

	2024 \$	2023 \$
Balance, beginning of year	182,636	1,213,215
plus: deferred contributions	1,544,226	983,116
less: amounts recognized	(1,192,767)	(1,968,623)
less: amounts repaid or payable	-	(45,072)
Balance, end of year	534,095	182,636

7. Salaries, wages and related benefits

The Organization has hired several employees who assist in carrying out its mission. Administrative wages are limited as the majority of the wages are directly attributed to supporting the facilitation of major programs and initiatives for the year which include: support to youth and young adult entrepreneurs to start and grow their businesses; helping youth overcome employment barriers; promoting civic and cultural engagement, raising health related awareness; support for students in academic persistence and preparedness needs.

8. Government grants

The following is a summary of government grants recognized during the year:

	2024 \$	2023 \$
(i) Black Entrepreneurship Program Ecosystem Fund grant	789,922	450,506
(ii) Youth Employment and Skills Strategy grant	94,881	-
(iii) Youth Take Charge grant	51,285	-
(iv) Black Health Defense grant	40,670	69,330
(v) Canada Summer Jobs grant	25,911	-
(vi) Support for Student Learning Program grant	20,808	1,299,508
(vii) Knowledge Mobilization Around Sexually Transmitted and Blood Borne Infections grant	9,000	-
Immunization Partnership Fund grant	-	91,061
Anti-Racism Action Program grant	-	50,727
	1,032,477	1,961,132

The Federation of Black Canadians

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

8. Government grants, continued

- (i) The Organization received funding of \$454,331 [2023 - \$459,734] during the year from the Federal Economic Development Agency for Southern Ontario in relation to the Black Entrepreneurship Program Ecosystem Fund grant. The purpose of this grant is to enhance the Organization's services and help to build its capacity to support black youth and young adult entrepreneurs to start and grow their businesses. In 2024, \$789,922 [2023 - \$450,506] of the funding was utilized with \$229,134 receivable as at December 31, 2024.
- (ii) The Organization received funding of \$499,041 during the year from the Federal Minister of Employment and Social Development in relation to the Youth Employment and Skills Strategy grant. The purpose of this grant is to help youth overcome barriers to employment and develop a broad range of skills and knowledge in order to participate in the current and future labour market. In 2024, \$94,881 of the funding was utilized with the remaining funds being deferred to 2025.
- (iii) The Organization received funding of \$57,000 during the year from the Federal Minister of Canadian Heritage in relation to the Youth Take Charge grant. The purpose of this grant is to strengthen youth attachment to Canada through engagement in at least one of the four areas: history and heritage, civic engagement and youth service, arts and culture, and economic activities. In 2024, \$51,285 of the funding was utilized with the remaining funds being deferred to 2025.
- (iv) The Organization received funding of \$11,000 [2023 - \$99,000] during the year from the Public Health Agency of Canada in relation to the Black Health Defense: Empowering Community through Fall and in Winter under Immunization Partnership Fund grant. The purpose of this grant is to facilitate community discourse on vaccines, increase accessibility and awareness of the latest information on routine vaccinations, engage stakeholders on vaccine awareness, ensure continuous accessibility and provide timely updates. All amounts received have been fully utilized as at December 31, 2024 [\$69,330 - 2023] .
- (v) The Organization received funding of \$25,911 during the year from the Federal Minister of Employment and Social Development in relation to the Canada Summer Jobs grant. The purpose of this grant is to encourage employers to hire youth to help them in acquiring employment and career related skills. All amounts received have been fully utilized as at December 31, 2024.
- (vi) The Organization received funding of \$348,618 in 2023 from the Federal Minister of Employment and Social Development in relation to the Support for Student Learning Program grant. The purpose of this grant is to provide vulnerable youth within black communities across the country academic persistence and preparedness support; as well as, comprehensive mentorship and mental well-being support to help them continue their studies and graduate high school. All amounts received have been fully utilized as at December 31, 2024 [\$1,299,508 - 2023].
- (vii) The Organization received funding of \$9,000 in 2023 from the Federal Social Sciences and Humanities Research Council in relation to the Knowledge Mobilization Around Sexually Transmitted and Blood Borne Infections grant. The purpose of this grant is to support a collaborative research initiative regarding sexually transmitted and blood borne infections among the black community in Canada. All amounts received have been fully utilized as at December 31, 2024 [\$Nil - 2023].

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

9. Other grants

The following is a summary of other grants recognized during the year:

	2024 \$	2023 \$
(i) Empower Brampton: Breaking Education, Employment and Learning Barriers grant	98,793	-
(ii) Supporting Black Canadian Communities Initiative grant	54,497	7,491
(iii) Work Integrated Learning grant	7,000	-
	160,290	7,491

- (i) The Organization received funding of \$100,000 during the year from the Rideau Hall Foundation in relation to the Empower Brampton: Breaking Education, Employment and Learning Barriers grant. The purpose of this grant is to deliver tailored workshops, mentoring support, tutoring, and a career fair to address barriers, foster skills development, and enhance educational and employment opportunities for black youth in Brampton. In 2024, \$98,793 of the funding was utilized with the remaining funds being deferred to 2025.
- (ii) The Organization received funding of \$36,000 [2023 - \$45,000] during the year from Tropicana Community Services in relation to the Supporting Black Canadian Communities Initiative grant. The purpose of this grant is to build capacity for Black-led grassroots, not-for-profit organizations whose programs and mandates are to serve black communities. In 2024, \$54,497 [2023 - \$7,491] of the funding was utilized with the remaining funds being deferred to 2025.
- (iii) The Organization was granted \$7,000 of funding during the year from the Information and Communications Technology Council in relation to the Work Integrated Learning grant. The purpose of this grant is to help employers grow their businesses by providing wage subsidies for hiring post-secondary students. In 2024, \$7,000 of the funding was utilized with \$7,000 receivable as at December 31, 2024.

10. Financial instruments

The Organization is exposed to liquidity risk through its financial instruments. The following analysis provides a measure of the risk exposure at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization manages its liquidity risk by monitoring its operating requirements to ensure financial resources are available. The risk remains unchanged from the prior year.

The Federation of Black Canadians

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

11. Subsequent event

On April 29, 2025, the Organization was granted registered charity status under the Income Tax Act and became eligible to issue donation receipts for income tax purposes.

12. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenditures.