# THE FEDERATION OF BLACK CANADIANS

## 2025 Financial Statements

# THE FEDERATION OF BLACK CANADIANS / LA FÉDÉRATION DES CANADIENS NOIR
**Financial Statements**

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## Independent Auditor's Report

**To the members of**
**The Federation Of Black Canadians / La Fédération des Canadiens Noir**

*Opinion*
We have audited the financial statements of The Federation Of Black Canadians / La Fédération des Canadiens Noir, which comprise the statement of financial position as at December 31, 2025, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, 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 ( ASNPO).

*Basis for Opinion*
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.

*Other Matter*
The financial statements of the Organization for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on these financial statements on October 8, 2025. The basis for that qualification related to a limitation in the scope of audit procedures regarding the completeness of fundraising revenue, which is common with many not-for-profit organizations.

*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.

## 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.

GMS Chartered Professional Accountants LLP

GMS Chartered Professional Accountants
Limited Liability Partnership
Licensed Public Accountants

Mississauga, Ontario
July 23, 2026

# THE FEDERATION OF BLACK CANADIANS / LA FÉDÉRATION DES CANADIENS NOIR

**Statement of Financial Position**
**As at December 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash | $ 474,620 | $ 637,186 |
| Contribution receivable | 22,829 | 282,505 |
| Prepaid expenses | 2,366 | 9,542 |
| Deposits (note 3) | 5,000 | 5,000 |
| Government remittances recoverable | - | 14,620 |
| Accounts receivable | 9,047 | 1,195 |
| | 513,862 | 950,048 |
| Investments | 10,000 | 10,000 |
| Property, plant and equipment (note 4) | - | 1,023 |
| | $ 523,862 | $ 961,071 |
| **LIABILITIES AND FUND BALANCES** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 34,435 | $ 102,042 |
| Government remittances payable | 47,150 | - |
| | 81,585 | 102,042 |
| Deferred revenue (note 5) | 234,828 | 500,548 |
| Funds held in trust (note 6) | 45,305 | 99,500 |
| | 361,718 | 702,090 |
| Net assets | 162,144 | 258,981 |
| | $ 523,862 | $ 961,071 |

**See accompanying notes**

**On behalf of the Board**

**Member** Jose Wilson Jose wilson Jul 30 2026

**Member** ChrisThompson Jul 23 2026

# THE FEDERATION OF BLACK CANADIANS / LA FÉDÉRATION DES CANADIENS NOIR

**Statement of Operations**
**and Changes in Net Assets**
**Year ended December 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| Revenue | | |
| Government grant (note 8) | $ 1,715,349 | $ 1,066,023 |
| Other grants (note 9) | 259,382 | 160,290 |
| Donations | 55,482 | 70,014 |
| Service fee | 3,086 | 48,973 |
| | 2,033,299 | 1,345,300 |
| Expenditures | | |
| Salaries and related benefits | 969,404 | 922,837 |
| Program delivery | 944,425 | 76,389 |
| Advertising and promotion | 90,605 | 16,495 |
| Professional fees | 32,203 | 106,992 |
| Office Supplies | 20,604 | - |
| Insurance | 18,668 | - |
| Travel | 15,439 | - |
| Office and administration | 32,488 | 16,780 |
| Meals and entertainment | 3,577 | - |
| Subscriptions, permits and licenses | 1,700 | 9,637 |
| Amortization | 1,023 | 10,276 |
| Micro Contributions | - | 80,875 |
| Travel and accommodation | - | 18,862 |
| Computer expense | - | 8,950 |
| Honorarium | - | 6,705 |
| | 2,130,136 | 1,274,798 |
| Excess (deficiency) of revenue over expenditures | (96,837) | 70,502 |
| Net assets | | |
| As previously stated | 225,435 | 188,479 |
| Prior period adjustment (note 7) | 33,546 | - |
| Net assets, as restated | 258,981 | 188,479 |
| Net assets, end of year | $ 162,144 | $ 258,981 |

**See accompanying notes**

# THE FEDERATION OF BLACK CANADIANS / LA FÉDÉRATION DES CANADIENS NOIR

**Statement of Cash Flows**
**Year ended December 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| Operating activities | | |
| Excess (deficiency) of revenue over expenditures | $ (96,837) | $ 70,502 |
| Item not involving cash | | |
| Amortization | 1,023 | 10,276 |
| | (95,814) | 80,778 |
| Net change in non-cash working capital items | | |
| Contribution receivable | 259,676 | (270,740) |
| Prepaid expenses | 7,176 | (9,542) |
| Funds held in trust | (54,195) | (14,238) |
| Accounts receivable | (7,852) | 12,945 |
| Deferred revenue | (265,721) | 317,913 |
| Government remittances | 61,770 | 326 |
| Accounts payable and accrued liabilities | (67,606) | (37,756) |
| | (66,752) | (1,092) |
| Net change in cash during the year | (162,566) | 79,686 |
| Cash, beginning of year | 637,186 | 557,500 |
| Cash, end of year | $ 474,620 | $ 637,186 |

**See accompanying notes**

## 1. Nature of operations

The Federation Of Black Canadians / La Fédération des Canadiens Noir ( the "Organization") was incorporated without share capital under the Canada Not-for-Profit Corporation's Act. The Organization was granted registered charity status under the Income Tax Act on April 29, 2025, and is eligible to issue donation receipts for income tax purposes. The primary activity of the Organization is to advance the social, economic, and cultural interests of Canadians of African descent.

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

The Organization follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

Basis of accounting

Except for revenue from donations 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

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 grants 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.

Deferred revenue

Deferred revenue represents restricted funding for which the proceeds have been received but not yet spent.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

Property, plant and equipment

Property, plant and equipment are recorded at cost and they mainly comprise of the costs incurred to purchase computer equipment. Amortization of property, plant and equipment are based on their useful lives using the straight-line basis over an estimated three-year useful life. In the year of acquisition, the amortization of property, plant and equipment is 50% of the annual amortization rate. No amortization is recorded in the year of disposal.

Property, plant and equipment 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.

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

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 statement of financial position date and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.

Contributed services

The work of the Organization is accomplished by a significant contribution of voluntary services. The Organization does not record the value of volunteer services unless the fair value can be reasonably estimated. These services are received gratuitously, therefore, no value has been included in these financial statements as the fair value is not determinable.

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.

## 3. 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% [2024 - 2.25%] and matures March 13, 2026 [2024- March 13, 2025. The $10,000 four-year term deposit bears interest at 3.45% and matures April 10, 2027.

### 4. Property, plant and equipment

| | Cost | Accumulated amortization | 2025 Net | 2024 Net |
|---|---|---|---|---|
| Property, Plant and Equipment | $ 5,113 | $ 5,113 | $ - | $ 1,023 |

### 5. Deferred revenue

The Organization receives grants and other contributions for various operating acttivities and special projects. Deferred revenue represents restricted funding for which the proceeds have been received but not yet spent.

| | 2025 | 2024 |
|---|---|---|
| Balance, beginning of year | $ 500,548 | $ 182,636 |
| Plus: deferred contributions | 1,709,012 | 1,544,225 |
| Less: amounts recognized | (1,974,732) | (1,226,313) |
| Balance, end of year | $ 234,828 | $ 500,548 |

## 6. Funds held in trust

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, 2025, the balance of funds held in trust is $35,914 [2024 - $99,500].

The Organization is serving as the implementation partner for the City of Toronto (“CoT”),Chimneystack grant. As implementation partner, the Organization is responsible for distributing funds for the program as directed by CoT. 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, 2025, the balance of funds held in trust is $8,191.

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, 2025, the Organization distributed some of it's own funds on behalf of the program; as such, $7,312 is owed by BFN to the Organization and is included in accounts receivable. In 2024 the receivable was $46,371.

The Organization is serving as the implementation partner for the Black Innovation Zone (“BIZ”). As implementation partner, the Organization is responsible for distributing funds for the program as directed by BIZ. 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, 2025, the Organization distributed its own funds on behalf of the program. Because these funds are not recoverable from the program, the $25,957 has been recognized as an expense.

The Organization is serving as the implementation partner for British Columbia Community Alliance ("BCCA"). As implementation partner, the Organization is responsible for distributing funds for the program as directed by BIZ. 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, 2025, the balance of funds held in trust is $1,200.

## 7. Prior period adjustment

The Organization determined that some grants including the Black Entrepreneurship Program (BEP) grant should have been recognized as revenue in the previous year. As a result, the net assets balance as at January 1, 2025 was increased by $33,546 and the 2024 financial statements were restated. The line item "Government grant" and the excess of revenues over expenses in the 2024 statement of operations were increased by $33,546.

## 8. Government grant funding

Government grants relating to the 2025 fiscal year were as follows

| | 2025 | 2024 |
|---|---|---|
| (i) Youth Employment and Skills Strategy (YESS) | $ 1,560,559 | $ 94,881 |
| (ii) Region of Peel (B3 Grant) | 60,000 | - |
| (ii) Tropicanna Grant ( SBCCI 3 Project) | 26,004 | - |
| (iv) PHAC Intersectoral Action Fund | 23,134 | - |
| (v) New Horizons for Seniors | 20,467 | - |
| (vi) Ubuntu – Mental-Health Region of Peel_FBC | 9,000 | - |
| (vii) Young Canada Works (YCW) | 7,470 | - |
| (viii) Youth Take Charge | 8,715 | 51,285 |
| (ix) Black Entrepreneurship Program (BEP) Grant | - | 789,922 |
| (x) Black Defense | - | 40,670 |
| (xi) Canada Summer Jobs | - | 25,911 |
| (xii) Support Student Learning Program | - | 20,808 |
| (xiii) STABBI Western | - | 9,000 |
| | $ 1,715,349 | $ 1,032,477 |

## 8. Government grant funding — continued

(i) Youth Employment and Skills strategy:
The Organization received funding of $1,197,173 in the current fiscal year from the Federal Minister of Employment and Social Development in relation to the Youth Employment and Skills Strategy grant. The opening deferred revenue was $404,160. 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 2025, $1,581,026 of the funding was utilized with the remaining funds ($20,307) being deferred to 2026.

(ii) BS Grant ( ROP):
The Organization received funding from Region of Peel to improve outcomes for Black communities in Peel by addressing the historical underfunding of Black not-for-profit organizations. The opening deferred revenue was $60,000. All amounts received have been fully utilized as at December 31, 2025.

(iii) Tropicanna (SBCCI 3 Project):
The Organization received funding of $6,992 during the year from Tropicana Community services to support FBC'S Sustainability plan through three main pillars of Digital Transformation, Charitable Status and Donor Stewardship. The opening deferred revenue was $19,012. All amounts received have been fully utilized as at December 31, 2025.

(iv) PHAC Intersectoral Action Fund:
The organization received funding of $150,000 during the year from the Public Health Agency of Canada (PHAC) for the Project Titled: Total Health and Equity (THE) Partnership. As at December 31, 2025, $23,134 of the funding was utilized with the remaining funds ($126,866) being deferred to 2026.

(v) New Horizons for Seniors:
The organization received funding of $20,467 during the year from the Federal Minister of Employment and Social Development. The purpose is to help initiate and plan community wellness activities. All amounts received have been fully utilized as at December 31, 2025.

(vi) Region of Peel:
The organization received funding of $9,000 from the Region of Peel in relation to the Ubuntu-Mental Health project. All amounts received have been fully utilized as at December 31, 2025.

(vii) Young Canada Works:
The Organization received funding of $7,470 for participation in the Young Canada Works in Both Official Languages (YCWBOL) Program. Young Canada Works is an initiative of the Department of Canadian Heritage (PCH) and is funded in part by the Government of Canada's Youth Employment and Skills Strategy (YESS) that offers young Canadians the opportunity to develop work skills and gain professional experience through short-term work experiences. All amounts received have been fully utilized as at December 31, 2025.

(viii) Youth Take Charge:
The Organization received funding of $3,000 during the year from the Federal Minister of Canadian Heritage in relation to the Youth Take Charge grant. There was an opening deferred revenue of $5,715. 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. All amounts received have been fully utilized as at December 31, 2025.

## 9. Other grants

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

| | | 2025 | | 2024 |
|---|---|---|---|---|
| (i) Law Foundation of Ontario (LFO) grant | $ | 68,904 | $ | - |
| (ii) Rideau Hall Foundation (RHF) grant | | 101,133 | | 98,793 |
| (iii) Scotiabank grant | | 50,000 | | - |
| (iv) RBC- Black Entrepreneurship Program (BEP) | | 20,000 | | - |
| (v) The Foundation of Black Communities (FFBC) grant | | 19,345 | | - |
| (vi) Information and Communications Technology Council grant | | - | | 7,000 |
| (vii) Tropicana Community Services grant | | - | | 54,497 |
| | $ | 259,382 | $ | 160,290 |

(i) Law Foundation of Ontario (LFO Grant 1.0):
The organization received funding of $24,904 from the Law Foundation of Ontario in relation to the bridge project. There was an opening deferred revenue of $44,000. All funding received have been fully utilized as at 31 December, 2025.

(ii) Rideau Hall Foundation (Catapult Canada GR04):
The Organization received funding of $99,927 from the Rideau Hall Foundation in relation to the Empower Brampton: Breaking Education, Employment and Learning Barriers grant. There was an opening deferred revenue of $1,207. 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. All funding received have been fully utilized as at 31 December,2025.

(iii) Scotiabank (Scotia Rise – FBC; SFL Partnership for SSLP 2025 - 2026):
The Organization received funding from the Bank to the Support for Student Learning Program. All funding received have been fully utilized as at December 31, 2025.

(iv) RBC - Black Entrepreneurship Program (BEP):
The Organization received funding of $100,000 from RBC towards work placement under the Black Entrepreneurship Program. As at December 31, 2025, $20,000 of the funding was utilized with the remaining funds ($80,000) being deferred to 2026.

(v) The Foundation of Black Communities (FFBC) - Big Ideas:
The Organization received funding during the year from The Foundation for Black Communities in relation to Funding for initiatives aimed at combatting anti-Black racism and improving social/economic outcomes via the Black-Led Philanthropic Endowment Fund.

## 10. Related party transactions

Directors and key management personnel excercise control over the organization, hence are considered related parties. Chris Thompson serves as Executive Director of both FBC and Skills for Life Inc., which constitutes a related-party relationship. In FY2025, FBC paid a total of $100,849.95 to Skills for Life Inc., comprising a $100,000 program support grant (Lifelong Learning) and $849.95 in program delivery costs (YESS mentorship and honoraria)

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

## 11. 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 $34,435 (2024 - $102,042). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its 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 contribution receivable of $35,004 (2024 - $282,505). 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. In the opinion of management the credit risk exposure to the Organization is low and is not material.

Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.