The Caribbean Canadian Association of Waterloo Region

Financial Statements

Year Ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Directors of The Caribbean Canadian Association of Waterloo Region

Qualified Opinion

We have audited the financial statements of The Caribbean Canadian Association of Waterloo Region, which comprise the statement of financial position as at December 31, 2025, and the statement 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 possible 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 Caribbean Canadian Association of Waterloo Region 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Caribbean Canadian Association of Waterloo Region derives revenue from donations, 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 Caribbean Canadian Association of Waterloo Region. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess (deficient) of revenue over expenses, cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2025 was modified accordingly because of the possible effects of this scope limitation.

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 The Caribbean Canadian Association of Waterloo Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 audit 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 Caribbean Canadian Association of Waterloo Region'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 Caribbean Canadian Association of Waterloo Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Caribbean Canadian Association of Waterloo Region's financial reporting process.

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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 The Caribbean Canadian Association of Waterloo Region'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 Caribbean Canadian Association of Waterloo Region'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 Caribbean Canadian Association of Waterloo Region 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.

Pollard Gagliardi Navickas LLP

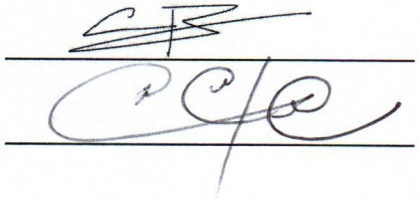
Waterloo, Ontario
August 7, 2026

Pollard Gagliardi Navickas LLP
Chartered Professional Accountants
Licensed Public Accountants

The Caribbean Canadian Association of Waterloo Region
Statement of Financial Position
As at December 31, 2025

	2025	2024
	$	$
Assets		
Current		
Cash	**44,379**	245,949
Term deposit (Note 4)	**21,647**	20,777
Grants receivable	**3,000**	192,953
Donations receivable (Note 5)	**4,602**	4,619
HST recoverable	**64,626**	47,440
Due from related party	**61,552**	61,552
Prepaid expenses	**7,786**	1,000
	207,592	574,290
Non-current		
Investments (cost $112,887 - 2024 - $171,215) (Note 6)	**152,970**	218,194
Tangible capital assets (Notes 2 & 3)	**7,164**	0
	160,134	218,194
	367,726	792,484
Liabilities		
Current		
Accounts payable and accrued charges (Note 7)	**129,603**	46,400
Deferred grants (Notes 11 & 12)	**244,495**	373,963
	374,098	420,363
Net Assets (deficit)	**(6,372)**	372,121
	367,726	792,484

Approved on Behalf of the Board:



Director

Director

The accompanying notes are an integral part of these financial statements.

The Caribbean Canadian Association of Waterloo Region
Statement of Operations and Net Assets
Year Ended December 31, 2025

	2025	2024
	$	$
Revenue		
Program grants - mentorship (Note 11)	**59,468**	4,600
Other grants (Note 11)	**55,900**	0
Program grants - Black History Month (Note 11)	**37,000**	40,000
Fundraising	**28,939**	10,370
Donations - scholarships	**19,685**	25,157
Membership dues	**155**	35
Donations - general	**0**	10,943
LiftOff program - Page 3 (Note 8)	**(381,415)**	76,384
	(180,268)	167,489
Expenses		
Program costs - mentorship	**59,468**	4,600
Program costs - other	**35,638**	19,316
Program costs - Black History Month	**33,235**	40,907
Professional fees	**25,745**	6,611
Scholarships awarded	**22,500**	19,500
Wages and benefits	**15,017**	0
Office and administration	**14,848**	5,051
Dues and fees	**9,350**	0
Insurance	**4,120**	4,664
Interest and bank charges	**1,279**	2,064
Amortization of tangible capital assets	**2,718**	0
	223,918	102,713
Excess (deficit) of revenue over expenses from operations	**(404,186)**	64,776
Other earnings		
Unrealized gain on investments	**16,092**	16,960
Dividend income	**8,684**	7,558
Interest income	**917**	415
	25,693	24,933
Excess (deficit) of revenue over expenses	**(378,493)**	89,709
Net assets, beginning of year	**372,121**	282,412
Net assets (deficit), end of year	**(6,372)**	372,121

The accompanying notes are an integral part of these financial statements.

The Caribbean Canadian Association of Waterloo Region

LiftOff by CCAWR Program

Year Ended December 31, 2025

	2025 $ (Note 8)	2024 $
Revenue		
Donations - general	**1,500**	13,705
Government grants (Notes 8 & 11)	**0**	1,149,912
Other grants (Note 11)	**0**	4,790
Interest income	**0**	110
	1,500	1,168,517
Expenses		
Wages and benefits	**221,416**	797,348
Rent	**91,065**	100,083
Professional fees	**33,233**	103,013
Advertising and promotion	**18,008**	22,071
Interest and bank charges	**6,862**	3,204
Seed fund awards	**4,926**	22,210
Program materials	**4,651**	670
Office and administration	**2,754**	36,582
Travel	**0**	6,952
	382,915	1,092,133
Excess (deficit) of revenue over expenses	**(381,415)**	76,384

The accompanying notes are an integral part of these financial statements.

The Caribbean Canadian Association of Waterloo Region

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficit) of revenue over expenses	**(378,493)**	89,709
Amortization of tangible capital assets	**2,718**	0
Unrealized gain on investments	**(16,092)**	(16,960)
Grants receivable	**189,953**	(192,953)
Donations receivable	**17**	24,354
HST recoverable	**(17,186)**	(20,237)
Prepaid expenses	**(6,786)**	(1,000)
Accounts payable and accrued charges	**83,203**	34,175
Deferred grant revenue	**(129,468)**	303,480
	(272,134)	220,568
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to tangible capital assets	**(9,882)**	0
Purchase (sale) of investments	**81,316**	(7,558)
Due from related party	**0**	(61,552)
	71,434	(69,110)
Change in cash and equivalents	**(200,700)**	151,458
Cash and equivalents, beginning of year	**266,726**	115,268
Cash and equivalents, end of year	**66,026**	266,726
Cash and equivalents consist of the following:		
Cash	**44,379**	245,949
Term deposit	**21,647**	20,777
	66,026	266,726

The accompanying notes are an integral part of these financial statements.

1 Nature of Operations

The Caribbean Canadian Association of Waterloo Region was incorporated without share capital on November 28, 2002. Its primary activity is to promote the social, cultural and economic interests of, and advocate for, the Caribbean community in the Region of Waterloo on a non-profit basis.

In fiscal 2021, the organization entered into an agreement with the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) to help black business owners and entrepreneurs across the country recover from economic impacts of COVID-19 and grow their businesses through the Black Entrepreneurship Program - Ecosystem Fund.

2 Accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organization and include the following accounting policies:

Tangible capital assets

Tangible capital assets are stated at cost. Amortization is provided for using the declining balance method over the estimated useful lives.

Computer equipment	55%

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions related to the expenses of future periods are deferred and recognized as revenue in the period 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 estimated and collection is reasonably assured. This policy is applied to grant revenue and donations as required.

Financial instruments

Measurement of financial instruments

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

The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

Financial assets measured at amortized cost include cash, term deposit, donations receivable, grants receivable, HST recoverable, due from related party, and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued charges, and deferred grants.

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 excess of revenue over expenses. 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 excess of revenue over expenses.

Transaction costs

The entity recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3 Tangible capital assets

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
	$	$	$	$
Computer equipment	9,882	2,718	7,164	0

4 Term deposit

The organization holds a Guaranteed Investment Certificate (GIC) with a principal amount of $19,415 (2024 - $19,415). The GIC bears interest at a rate of 4% per annum and matures February 2026. Interest is payable at maturity. The investment is recorded at cost plus accrued interest, totaling $21,647 (2024 - $20,777).

5 Donations receivable

Donations to the organization are made through the Kitchener-Waterloo Multicultural Centre. The receivable balance represents donations made in the organization's name during the fiscal year, but not received from the Kitchener-Waterloo Multicultural Centre until subsequent to the year end.

6 Investments

Investments are recorded at fair market value. The major categories of investments at cost are as follows:

	2025	2024
	$	$
Fixed income	20,143	25,301
Balanced	56,597	113,238
Equity	36,147	32,676
	112,887	171,215

7 Accounts payable and accrued charges

Included in accounts payable and accrued charges are amounts owing for government remittances totaling $nil (2024 - $nil).

8 Grant maturity

Historically, the entity derives a significant portion of its funding from Black Entrepreneurship Program Ecosystem Fund (BEPEF) through FedDev Ontario. In 2024, the entity derived 83% of its revenue from FedDev Ontario. This funding pathway provided The Caribbean Canadian Association of Waterloo Region with $2,999,687 of funding over three years. As this funding pathway concluded at the end of fiscal year 2024, there was no similar level of funding to replace this grant in the 2025 fiscal year. As such, the entity has reduced programming as needed, however, some overhead expense categories could not be completely mitigated. As a result, in 2025, the entity incurred a deficit of revenue over expenses in the amount of $381,415 related to this program.

9 Use of estimates

The preparation of financials 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, disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditure during the reported period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. Financial statement areas requiring significant estimates include accounts payable and accrued charges.

10 Due from related party

CCAWR is currently involved in legal proceedings concerning amounts associated with Lanterna Black Innovation Hub (LBIH), formerly Liftoff Black Innovation Hub (LBIH). The organization has limited access to information regarding the entity's financial activities. As a result, the completeness and recoverability of amounts associated with the entity cannot presently be determined. CCAWR is pursuing recovery through ongoing legal proceedings, and the ultimate amount and timing of any recovery remain uncertain. The amounts recorded as receivable are $61,552 (2024 - $61,552). A conservative accounting policy has been adopted to defer the entire RISE grant of $10,000, and Economic Development grant of $50,000 as well as $138,563 of amounts received back from LBIH as deferred revenue. As of the date of this report of the 2025 fiscal year audit, proceedings are ongoing. Completeness of the grants receivable cannot be verified as the organization has limited access to the books and records of LBIH.

11 Revenue from grants

During the year, the organization received operating grants as follows:

	2025	2024
	$	$
Black History Month	**12,000**	65,000
Region of Waterloo - Talent Support Grant	**10,900**	0
Supporting Black Canadian Communities Initiative Grant	**0**	45,000
Racialized and Indigenous Supports for Equity (RISE) Grant	**0**	10,000
Black Entrepreneurship Program Ecosystem Fund (BEPEF)	**0**	1,122,528
Grants Collected by Liftoff Black Innovation Hub (LBIH)	**0**	138,563
Region of Waterloo - Upstream Grant	**0**	110,000
Economic Development - Entrepreneurial Initiatives Program	**0**	50,000
Region of Waterloo	**0**	22,210
Summer Student Grant	**0**	5,174
University of Waterloo Inclusive Research Grant	**0**	4,790
	22,900	1,573,265
Plus: prior year deferred grants recognized	**373,963**	0
Less: current year deferred grants	**(244,495)**	(373,963)
	152,368	1,199,302

Of the total grants received, $nil (2024 - $1,122,528) are related to the LiftOff, Black Entrepreneurship Program Ecosystem Fund, program.

12 Deferred grants

Deferred grants consist of restricted operating funds received in the current year that relate to the following year. The deferred grants consist of:

	2025	2024
	$	$
Government of Canada - Black History Month 2025	**0**	25,000
Government of Canada - Supporting Black Canadian Communities Initiative	**0**	45,000
Region of Waterloo - Upstream Grant	**45,932**	105,400
Grants Collected by Liftoff Black Innovation Hub (LBIH)	**138,563**	138,563
Economic Development - Entrepreneurial Initiatives Program	**50,000**	50,000
Racialized and Indigenous Supports for Equity (RISE) Grant	**10,000**	10,000
	244,495	373,963

13 Financial risks and concentration of risk

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization has minimal exposure to liquidity risk in respect of its accounts payable and accrued charges.

Credit risk

The organization is not exposed to credit risk as their revenue is derived from grants and funding.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization does not have significant exposure to currency risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization does not have significant exposure to interest rate risk.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through the investments.

The extent of the organization's exposure to the above risks did not change during the fiscal year.

14 Comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.