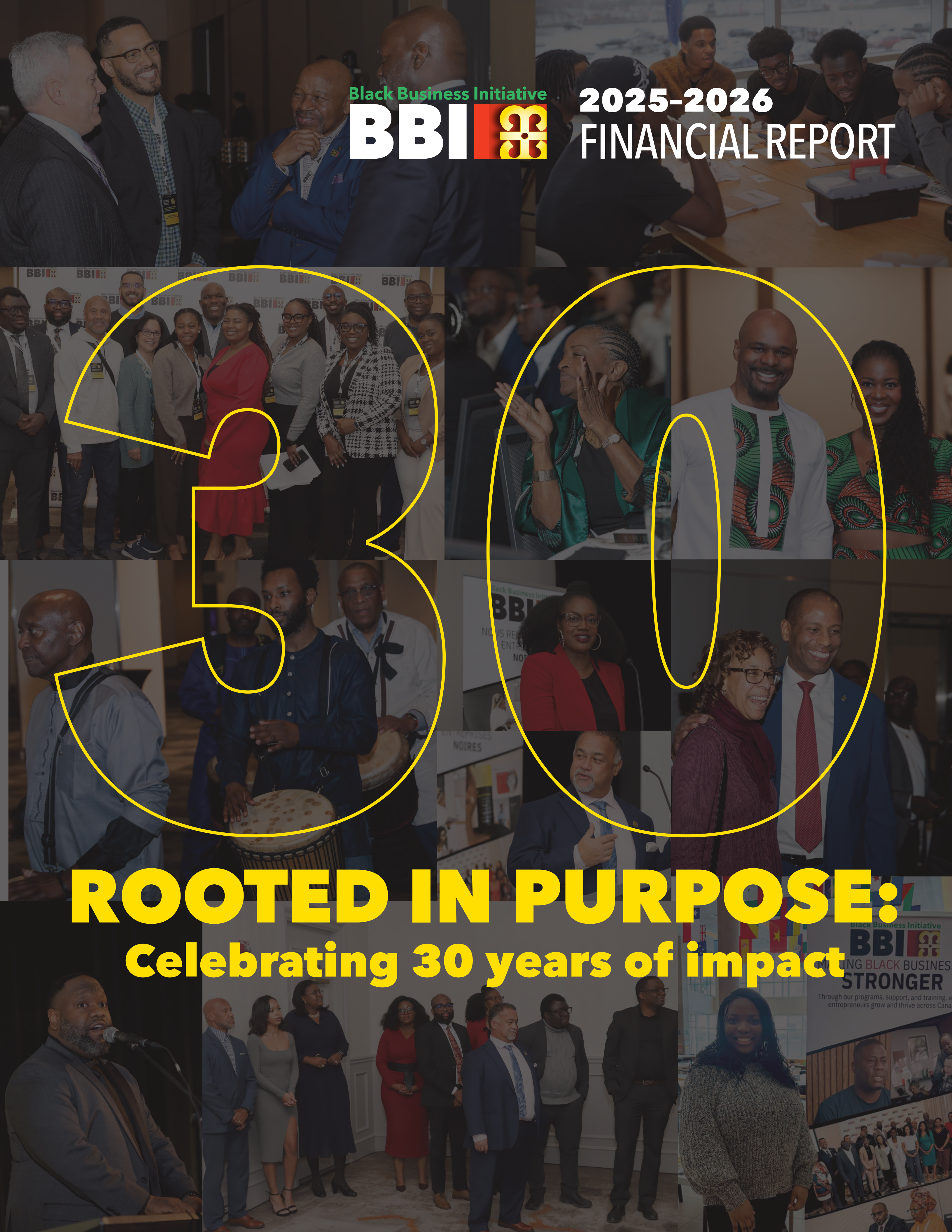

Black Business Initiative BBI

2025-2026 FINANCIAL REPORT

ROOTED IN PURPOSE:

Celebrating 30 years of impact

BUSOLA ADENIJI
Treasurer,
Black Business Initiative

Treasurer's report

On my first year as Treasurer of the Black Business Initiative (BBI), I am honoured to support an organization whose work continues to strengthen, empower, and create opportunities for Black entrepreneurs, businesses, and communities across Nova Scotia, Atlantic Canada and Canada as a whole. It is my pleasure to present BBI's financial statements for the 2025-26 fiscal year.

The accompanying financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. In preparing these statements, management has exercised sound judgment and, where necessary, relied on reasonable estimates to ensure that the financial information is presented fairly and accurately.

Management is responsible for the integrity and objectivity of the financial statements and for ensuring that the information contained within this Annual Report is consistent with them. Through established financial and management control systems, BBI strives to provide reasonable assurance that transactions are appropriately authorized and recorded, assets are safeguarded, liabilities are recognized, and operations are conducted effectively and responsibly.

The Board of Directors' Audit and Risk Committee, comprised of independent directors, provides oversight of BBI's financial reporting responsibilities. Throughout the year, the committee works closely with management to review financial reporting processes, internal controls, compliance requirements, risk management practices, and the annual audited financial statements. This oversight helps ensure transparency, accountability, and responsible stewardship of the organization's resources.

The financial results presented in this report represent more than numbers on a page. They reflect the collective efforts of a dedicated team, the trust of our funding partners, and the ongoing impact of programs and initiatives that support the growth and success of Black-owned businesses and entrepreneurs throughout our province and country.

On behalf of BBI, I would like to extend our sincere gratitude to our longstanding core funding partners, the Atlantic Canada Opportunities Agency (ACOA) and the Province of Nova Scotia. Their continued financial and strategic support has been instrumental in helping BBI fulfill its mission and expand its reach within the communities we serve.

We also wish to acknowledge Employment and Social Development Canada (ESDC) for its support of the Supporting Black Canadian Communities Initiative (SBCCI) and the Barrier Breaker Youth Program during the year. These investments have strengthened our ability to deliver meaningful programs and create opportunities that contribute to lasting economic empowerment.

The Audit and Risk Committee would also like to thank our auditors, MNP LLP, for their professionalism, expertise, and support throughout the audit process. Their work helps ensure the integrity and reliability of the financial information presented in this report.

I am deeply appreciative of my fellow committee members for their commitment, insight, and thoughtful counsel throughout the year. Their guidance has been invaluable in fulfilling our governance responsibilities.

Finally, I would like to recognize and thank Ayoola Ogunbiyi, chief finance officer, and his team. Their diligence, professionalism, and unwavering commitment to excellence have been essential to the successful preparation of these financial statements and to the strong financial stewardship of the organization.

As we look ahead, I remain confident in BBI's continued ability to make a meaningful impact and to advance opportunities for Black businesses and entrepreneurs. It is a privilege to serve an organization that is helping to build a stronger, more inclusive, and more prosperous future for our communities.

Busola Adeniji, Treasurer

Black Business Initiative

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BLACK BUSINESS INITIATIVE SOCIETY

FINANCIAL STATEMENTS

March 31st, 2026

NOVA SCOTIA

Atlantic Canada Opportunities Agency
Agence de promotion économique du Canada atlantique

Canada

Contents

For the year ended March 31, 2026

To the Members of Black Business Initiative Society:

Opinion

We have audited the financial statements of Black Business Initiative Society (the "Society"), which comprise the statement of financial position as at March 31, 2026, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2026, 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 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 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 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 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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

MNP LLP
200 - 100 Venture Run, Dartmouth NS, B3B 0H9 1.800.495.5909 T: 902.835.7333 F: 902.835.5297

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 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 the 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 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 Society 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.

Dartmouth, Nova Scotia

MNP LLP

June 23, 2026

Chartered Professional Accountants

MNP

Black Business Initiative Society
Statement of Financial Position
As at March 31, 2026

	2026	2025
Assets		
Current		
Cash *(Note 4)*	**802,962**	854,328
Temporary investment *(Note 5)*	**300,000**	100,000
Accounts receivable *(Note 6)*	**1,169,796**	348,480
Due from related parties *(Note 7)*	**36,308**	15,572
Prepaid expenses	**11,277**	30,461
	2,320,343	1,348,841
Restricted assets *(Note 8)*	**547,960**	529,366
Capital assets *(Note 9)*	**16,996**	21,942
	2,885,299	1,900,149
Liabilities		
Current		
Accounts payable and accrued liabilities	**316,087**	304,862
Deferred contributions *(Note 10)*	**1,780,753**	1,033,491
Due to related parties *(Note 7)*	**-**	21,693
Provision for guaranteed loans *(Note 11)*	**-**	14,350
	2,096,840	1,374,396
Contingent liabilities *(Note 11)*		
Commitments *(Note 12)*		
Net Assets		
Unrestricted net assets	**223,504**	(25,555)
Internally restricted assets *(Note 8)*	**547,960**	529,366
Invested in property and equipment	**16,995**	21,942
	788,459	525,753
	2,885,299	1,900,149

Approved on behalf of the Board

e-Signed by Matthew Martel
2026-06-23 12:45:06:06 GMT
Director

e-Signed by Joe Parris
2026-06-23 13:22:23:23 GMT
Director

The accompanying notes are an integral part of these financial statements

Black Business Initiative Society
Statement of Operations
For the year ended March 31, 2026

	2026	2025
Revenue		
Program revenues *(Note 13)*		
ACOA *(Note 10)*	**600,000**	600,000
NS Dept. of Growth and Development *(Note 10)*	**500,000**	500,000
Other government contributions *(Note 13)*	**6,211,113**	7,403,698
Special projects and events	**84,835**	-
Training and other	**40,986**	34,647
Intermediary revenue *(Note 14)*	**29,525**	-
	7,466,459	8,538,345
Expenses		
Grants, funding, and project administration		
Black Entrepreneurship Program	**997,969**	1,428,745
Supporting Black Canadian Communities Initiative *(Note 7), (Note 10), (Note 13)*	**3,927,753**	5,814,541
Labour Market Program Support System *(Note 7)*	**5,320**	10,360
Youth Employment and Skills Strategy	**967,724**	-
	5,898,766	7,253,646
General and administrative *(Schedule 1)*	**1,061,827**	1,115,293
Business assistance		
Special projects and events	**213,635**	42,151
Intermediary expenses *(Note 14)*	**29,525**	-
	7,203,753	8,411,090
Excess of revenue over expenses	**262,706**	127,255

The accompanying notes are an integral part of these financial statements

Black Business Initiative Society
Statement of Changes in Net Assets
For the year ended March 31, 2026

	Investment in property and equipment	Unrestricted net assets	Internally restricted net assets	2026	2025
Net assets, beginning of year	**21,942**	**(25,555)**	**529,366**	**525,753**	398,499
Excess of revenue over expenses	**(6,392)**	**250,504**	**18,594**	**262,706**	127,254
Investment in capital assets	**1,445**	**(1,445)**	**-**	**-**	-
Net assets, end of year	**16,995**	**223,504**	**547,960**	**788,459**	525,753

The accompanying notes are an integral part of these financial statements

Black Business Initiative Society
Statement of Cash Flows
For the year ended March 31, 2026

	2026	2025
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**262,706**	127,255
Amortization	**6,391**	9,771
(Recovery) provision for loan guarantees	**(14,350)**	5,501
	254,747	142,527
Changes in working capital accounts		
	-	(1)
Accounts receivable	**(821,315)**	(189,237)
Prepaid expenses	**19,184**	(15,606)
Accounts payable and accrued liabilities	**11,226**	(8,048,726)
Deferred contributions	**747,262**	(1,464,541)
	211,104	(9,575,584)
Financing		
Advances from related parties	**-**	139,785
Repayment of advances from related parties	**(21,693)**	(133,125)
	(21,693)	6,660
Investing		
Advances to related parties	**(337,845)**	(221,277)
Repayment of advances to related parties	**317,108**	221,819
Repayment of advances of notes receivable	**-**	750
Purchase of temporary investment	**(300,000)**	(100,000)
Proceeds on disposal of temporary investment	**100,000**	-
Purchase of restricted assets	**(547,960)**	(529,366)
Proceeds on disposal of restricted assets	**529,366**	520,550
Acquisition of property and equipment	**(1,446)**	(5,764)
	(240,777)	(113,288)
Decrease in cash resources	**(51,366)**	(9,682,212)
Cash resources, beginning of year	**854,328**	10,536,540
Cash resources, end of year	**802,962**	854,328

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Black Business Initiative Society (the “Society”) was incorporated under the authority of Societies Act and is registered as a not-for-profit organization and thus is exempt from income taxes under section 149(1)(l) of the Income Tax Act (“the Act”).

The Society was established to provide funding, guidance, and business development assistance to black-owned business "to foster a dynamic and vibrant black presence within the Nova Scotia business community".

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, including bank indebtedness with balances that fluctuate frequently from being positive to overdrawn, and short term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investments

Temporary and internally restricted investments consists of guaranteed investment certificates (GICs). Balances are recorded at cost and subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses for the year. GIC interest is accrued over the term of the GIC and recorded as interest income in the statement of operations.

Internally restricted investments are classified as current or non-current based on their expected realization period. Investments that are realizable within one year of the statement of financial position date are classified as current assets. Restrictions on the use of these investments do not impact their classification as current when the funds remain accessible within one year.

Capital assets

Purchased capital assets are recorded at cost.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer hardware	20 %
Computer software	50 %
Furniture and fixtures	50 %

Long-lived assets

Long-lived assets consist of property and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Society determines that a long-lived asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenues and expenses. Any impairment is included in excess of revenues over expenses.

Loans

Loans receivable arise as a result of funding previously guaranteed loans, which are acquired by the Society due to non-compliance in the area of loan performance. These loans are carried at the unpaid principal plus accrued interest, less provision for loan losses. Loans considered uncollectible are written off.

2. Significant accounting policies *(Continued from previous page)*

Provision for loan guarantees and loan losses

The provision for loan guarantees and loan losses is determined by assessing the collectability of the loan portfolio considering each loan's repayment history, security pledged and other circumstances. The provision at year end will equal the estimated uncollectible balances of all loans considered doubtful and estimated amounts that may be required to satisfy loan guarantees. The provision for loan losses is shown on the statement of financial position as a reduction of loans and investments and the provision for guaranteed loans is reflected as a liability. The current year's increase or decrease in the required provision is shown in the statement of revenue and expenses as a provision (recovery) for loan guarantees and loans losses.

Fund accounting

The Society follows the deferral method of accounting for contributions and reports using fund accounting, and maintains three funds: the Unrestricted Fund, the Investment in Property and Equipment Fund and the Internally Restricted Fund.

The Unrestricted Fund reports the Society's program delivery and administrative activities. This fund reports unrestricted revenues and expenses.

The Investment in Property and Equipment Fund represents the net book value of the Society's property and equipment.

The Internally Restricted Fund reports amounts that have been internally restricted by the Board to guarantee against financial risks of the Society, and to maintain a general reserve to safeguard assets that may be required in the future to fund deficiencies in general operations.

Revenue recognition

The Society follows the deferral method of accounting for contributions which includes government grants. Externally 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.

Unrestricted investment income is recognized as revenue when earned.

Government assistance

Government assistance relating to expenses is recognized according to the deferral method of accounting for restricted contributions which results in revenue being recognized when the related expenditures are incurred. Government assistance received pertaining to multi-year funding agreements is amortized evenly over the term of the agreement.

Restricted contributions for the purchases of capital assets are accounted for as deferred contributions and are amortized on the same basis as the amortization of the related assets.

Measurement uncertainty (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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Accruals are made based on actual subsequent invoices received and current obligations present. Loan provisions are determined based on payment history.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for equities quoted in an active market, which must be measured at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Society initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction (“related party financial instruments”) at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 7).

At initial recognition, the Society may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Society has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Society reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Society reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

3. Economic dependence

The Society's primary source of revenue for general operations is derived from the Atlantic Canada Opportunities Agency (ACOA) and the Nova Scotia Department of Growth and Development (formerly known as Invest Nova Scotia). The grant funding can be cancelled if the Society does not observe certain established guidelines. The Society's ability to continue viable operations is dependent upon maintaining its compliance with the criteria within the federal and provincial guidelines. As at the date of these financial statements the Society believes that it is in compliance with the guidelines. The current agreement with ACOA expired in the current year and is still subject to pending renewal. The agreement with the Nova Scotia Department of Growth and Development is for three years and expires in 2027.

4. Bank indebtedness

Bank indebtedness consists of bank overdraft and an operating line of credit, net of cash balances where there is a right to offset against operating line of credit.

At March 31, 2026, the Society had an available line of credit totalling $200,000, (2025 - $200,000), of which $130,000 (2025 - $nil) was drawn. This line of credit bears interest at RBC prime plus 0.50% (2025 - 0.50%)

Borrowings under these facilities are secured by restricted assets (refer to Note 8) with a carrying value of $200,000 (2025 - $200,000).

5. Temporary investment

	2026	2025
RBC cashable GIC bearing interest at 2.75%, matured in March 2026.	**-**	100,000
RBC cashable GIC bearing interest at 1.95%, maturing in March 2027.	**300,000**	-
	300,000	100,000

6. Accounts receivable

	2026	2025
Government contributions receivable *(Note 13)*	**1,086,384**	313,366
PSB rebate receivable	**40,666**	26,410
Other receivables	**23,550**	-
Intermediary receivables	**19,196**	8,704
	1,169,796	348,480

7. Related party transactions

During the year, the Society had the following expense transactions conducted with Business is Jammin' Society:

- Administrative payroll expenses of $149,531 (2025 - $166,088), of which $36,000 (2025 - $36,000) was recognized as a donated service.
- Program expenses of $5,320 (2025 - $10,360) related to the funding of summer staff positions and $17,700 (2025 - $nil) for costs of special projects.
- Program expenses of $54,108 (2025 - $nil) related to staffing costs utilized for BBI projects.

During the year, the Society had the following expense transactions conducted with Black Business Consulting Limited:
- Program expenses of $nil (2025 - $124,125) which related to consulting services provided on projects.

These transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At the end of the year, the Society had amounts due to/from related parties that are related by virtue of common management or Board representation. These amounts due to/from these related parties are non-interest bearing and have no set terms of repayment and are as follows:

	2026	2025
Due to:		
Black Business Community Investment Fund Limited	**-**	(4,958)
Black Business Consulting Limited	**-**	(16,735)
	-	(21,693)
Due from:		
Business is Jammin' Society	**35,412**	15,572
Black Business Community Investment Fund Limited	**896**	-
	36,308	(6,121)

8. Restricted assets

During the year, the Society's Board of Directors internally restricted $323,902 (2025 – $329,366) of unrestricted net assets to be held for the Society's guarantees to the Royal Bank of Canada (RBC) (refer to Note 11) and amounts secured related to the RBC operating line of credit (refer to Note 4). These funds have been invested in money market funds and guaranteed investment certificates. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

During the year, the Society's Board of Directors internally restricted $224,058 (2025 - $200,000) of unrestricted net assets to be held as a general reserve. This general reserve is restricted solely for use in operations should significant cash constraints that prevent operations arise. Any amounts required to be disbursed from the general reserve fund must be first approved by the Society's Board of Directors.

These funds have been invested in guaranteed investment certificates bearing interest at rates from 2.00% to 2.45% and maturing between June 2026 and February 2027.

	2026	*2025*
Restricted in favour of RBC for bank indebtedness *(Note 4)*	**200,000**	200,000
Restricted in favour of RBC for guarantees of client loans *(Note 11)*	**123,902**	129,366
Restricted for general reserve	**224,058**	200,000
	547,960	529,366

9. Capital assets

	Cost	***Accumulated amortization***	***2026 Net book value***	*2025 Net book value*
Computer hardware	**177,311**	**163,173**	**14,138**	16,227
Computer software	**63,880**	**63,872**	**8**	15
Furniture and fixtures	**78,677**	**75,827**	**2,850**	5,700
	319,868	**302,872**	**16,996**	21,942

10. Deferred contributions

Changes in the deferred contribution balance are as follows:

	2026	*2025*
Balance, beginning of year	**1,033,491**	2,498,032
Amounts received or receivable during the year	**7,462,181**	6,428,797
Less: Amount recognized as revenue during the year	**(6,714,919)**	(7,893,338)
Balance, end of year	**1,780,753**	1,033,491

During the year, the Society received $600,000 (2025 - $300,000) under the three-year contribution agreement with Invest Nova Scotia for the Society's operations, which commenced April 1, 2024. Under this agreement, Invest Nova Scotia provided an initial contribution of $600,000 prior to the project start date, where the Nova Scotia Department of Growth and Development whom assumed the agreement will contribute $300,000 annually until completion. The total amount of funding received under this project is recognized as revenue evenly over the three-year project term of which $500,000 has been recorded as deferred revenue as at year end as all of the upcoming year's funding has been received in advance.

During the year, the Society received a non-repayable contribution of $4,500,000 (2025 - $4,400,000) from ESDC for the Supporting Black Canadian Communities Initiative ("SBCCI") program and an additional $517,555 (2025 - $100,000) holdback to be received upon submission of reporting requirements. The Society acted as an intermediary on behalf of the ESDC and disbursed $3,927,753 (2025 - $5,566,071) to Black-led non-for-profit grassroot organizations before year-end. The Society is also entitled to another $100,000 holdback for the SBCCI program upon program completion and submission of all final reporting requirements.

During the year, the Society received a contribution of $625,184 (2025 - $350,000) from ESDC for the Youth Employment and Skills Strategy ("YESS") project for fiscal 2026, of which $7,460 (2025 - $350,000) has been recorded as deferred revenue as at year end.

During the year, total contributions received or receivable by the Society totalled $1,236,997 (2025 - $1,578,797) in government funding related to the Black Entrepreneurship Program from ACOA. The total amount of expenses plus administrative fees spent during the year totalled $1,097,766 (2025 - $1,578,797), where after including administrative expenses results in all funding received to be fully recognized as revenue in each year.

11. Contingent liabilities

During the year, the Society approved loans for clients totaling $nil (2025 - $50,000). Total loans outstanding at year end were $28,185 (2025 - $92,035). These loans have been made by, and are being administered by RBC on behalf of the Society. These loans have been guaranteed by the Society. The Society has internally restricted $123,902 (2025 - $129,366) of assets (refer to Note 8) to act as security for these guarantees.

Included in the provision for loan guarantees and bad debt expense is a recovery of $14,350 (2025 - expense of $5,501) of loans included in accounts receivable in the current year for which no provision was recorded in the past.

Changes in the provision for guaranteed loan balance are as follows:

	2026	*2025*
Provision for RBC loans, beginning of year	**14,350**	8,849
Adjustment for current year assessment of guaranteed loans	**(14,350)**	5,501
Provision for RBC loans, end of year	**-**	14,350

12. Commitments

In fiscal 2023, the Society entered into a new five-year premise lease agreement commencing on October 1, 2022, requiring payment of basic annual rent plus a proportionate share of facility operating costs, and parking.

The Society's estimated minimum annual payments for its various lease agreements are as follows:

2027	121,147
2028	61,178
	182,325

During the 2023 fiscal year, the Society committed to an in-kind contribution of $40,000 and $20,000 in financial support to North Preston's Future, which is a proposed community space project. During the year, the Society provided $15,000 (2025 - $nil) of in-kind services and $10,000 (2025 - $nil) in financial support toward this commitment. As at March 31, 2026, the Society has a remaining commitment of $35,000 ($25,000 in-kind and $10,000 financial support) (2025 - $60,000).

13. Government contributions

During the year, the Society received contributions from the following sources:

a) ACOA

In 2020, the Society was awarded a three-year core funding agreement with the contribution to be set on an annual basis. This non-repayable contribution is provided through the Business Development Program that is sponsored by ACOA. For the year ended March 31, 2026, the Society recognized $600,000 (2025 - $600,000) as revenue.

In the 2022 fiscal year, the Society was awarded a non repayable contribution provided through the Black Entrepreneurship Program that is funded by ACOA and sponsored by the federal government of Canada. The agreement ran to March 2026, with maximum contributions available of $5,012,609. During the year, the Society recognized $1,236,997 (2025 - $1,578,797) as revenue, and $nil (2025 - $400,000) of deferred revenue as described in Note 10.

b) Invest Nova Scotia and the Nova Scotia Department of Growth and Development

The Society recognized a total of $500,000 (2025 - $500,000) of revenue for the annual amortization of the $1,500,000 total core funding contract from Invest Nova Scotia that was assumed by the Nova Scotia Department of Growth and Development during the year. The assumed contract by the Province covers a three year period from April 1, 2025 to March 31, 2027. The amount of funding received for the project as at year-end totalled $1,500,000 (2025 - $900,000), of this amount $500,000 (2025 - $400,000) is recorded in deferred revenue.

c) ESDC

The Society was awarded a non-repayable contribution of $5,000,000 (2025 - $4,400,000) from ESDC for the Supporting Black Canadian Communities Initiative program. The Society acted as an intermediary on behalf of ESDC and awarded 137 (2025 - 95) Black-led non-for-profit grassroot organizations the sum of $3,726,552 (2025 - $5,566,071), with $1,273,293 (2025 - $283,491) remaining to be spent as at year-end as described in Note 10. A total of $- (2025 - $-) of funding received was spent in association with the administration of the program.

The Society was also awarded a government contribution of $625,184 (2025 - $350,000) from ESDC for the Youth Employment and Skills Strategy ("YESS") program. For the year ended March 31, 2026, the Society recognized $967,724 as revenue, and $7,460 (2025 - $350,000) as deferred revenue.

d) Other government contributions

Included in other government contributions is federal funding of $6,132,474 (2025 - $7,393,338), provincial funding of $78,639 (2025 - $10,360), and municipal funding of $nil (2025 - $nil).

14. Intermediary revenues and expenses

During the year, the Society acted as the lead agent for the facilitation of project activities to a coalition of intermediary members under the Supporting Black Canadian Communities Initiative. As a result of facilitating services under the coalition, the Society incurred expenses of $29,525 (2025 - $nil) and recognized revenues of $29,525 (2025 - $nil).

15. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss to the Society if a debtor fails to make payment when due. The Society is exposed to credit risk that arises from accounts receivable and loans. The Society provides administrative services on credit to third party intermediaries as part of its operations. The Society has provided $nil (2025 - $14,350) against its guaranteed loans (refer to Note 11). There has been no significant change in exposure from the prior year.

The Society is exposed to credit concentration risk on its cash and investments held with one financial institution. To minimize this risk, the Society holds its cash with a high quality financial institution of Canada.

Market risk

Market risk is the risk that the fair value or expected 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 risks. The Society is mainly exposed to interest rate risk.

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 Society is exposed to interest rate risk on its temporary investments and restricted assets, as they are subject to fixed interest rates, and its bank overdraft and line of credit, as they are at floating rates. There has been no significant change in exposure from the prior year.

16. Comparative figures

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

Certain staff costs related to specific projects were previously included in general and administrative salary and benefits expenses. These staff costs have been presented in grants, funding, and project administration expenses under the current presentation. A total of $426,332 has been reclassified to Black Entrepreneurship Program expenses and $248,470 has been reclassified to Supporting Black Canadian Communities Initiative expenses from general and administrative salaries and benefits in the comparative balances.

	2026	*2025*
General and Administrative		
Amortization	**6,392**	9,771
Annual general meeting	**10,736**	14,747
Bad debts	**22,384**	15,133
Bank charges and interest	**8,359**	10,018
Marketing	**14,100**	28,088
Office expenses	**177,535**	203,807
Professional fees - audit and legal	**31,956**	33,260
Rent	**111,873**	118,352
Salaries and benefits (Note 7)	**678,492**	682,117
	1,061,827	1,115,293

Black Business Initiative

BBI