Community Sector Network of PEI Limited

Financial Statements

March 31, 2026

Community Sector Network of Prince Edward Island
March 31, 2026

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Independent Practitioner's Audit Engagement Report

To the Board of Community Sector Network of PEI Limited:

Opinion

We have audited the Financial Statements of Community Sector Network of PEI Limited (the “Organization”), which comprise the Statement of Operations as at March 31, 2026, the Statement of Financial Position, the Statement of Changes in Net Assets and the Statement of Cash Flows for the year then ended, and the 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 March 31, 2026, its financial performance 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 Auditors’ 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 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.

Our opinion on the Financial Statements does not cover other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and The Board 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 the 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.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objective is 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.

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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 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 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the Financial Statements.

We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion. 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.

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Independent Practitioner's Audit Engagement Report

The engagement partner on the audit resulting in this independent auditors' report is Jeremy Koughan.

Keough, O'Brien, Shea

Keough, O'Brien, Shea Chartered Professional Accountants

August 19, 2026

Community Sector Network of Prince Edward Island

Statement of Operations

For the Year Ended March 31, 2026

	2026	2025
Revenues		
Memberships	**$ 4,800**	$ 5,450
Grants	**547,511**	351,465
Services	**56,322**	9,146
	608,633	366,061
Expenditures		
Amortization	**204**	454
Bank charges and processing fees	**1,053**	762
Consulting	**72,306**	57,939
Dues and fees	**4,071**	2,036
Events	**62,047**	15,680
Insurance	**717**	2,542
Meals and meetings	**16,812**	14,468
Office	**7,593**	5,612
Professional fees	**22,701**	14,273
Social media management	**10,020**	5,406
Telephone	**2,282**	2,020
Training and development	**6,231**	570
Travel	**2,662**	1,741
Wages and benefits	**345,324**	231,195
	554,023	354,698
Excess of revenues over expenditures from operations	**54,610**	11,363
Non operating income and expenses		
Interest income	**-**	177
Excess of revenues over expenditures	**$ 54,610**	$ 11,540

Community Sector Network of Prince Edward Island

Statement of Financial Position

As at March 31, 2026

	2026	2025
Assets		
Cash and cash equivalents	**$ 118,891**	$ 161,525
Accounts receivable (Note 4)	**246,382**	10,651
Prepaid insurance	**1,550**	343
Harmonized sales tax recoverable	**16,513**	7,385
	383,336	179,904
Equipment, net of accumulated amortization (Note 5)	**167**	372
	$ 383,503	$ 180,276
Liabilities		
Accounts payable	**$ 12,004**	$ 450
Accrued liabilities (Note 6)	**10,000**	8,000
Employee deductions payable	**8,553**	7,716
Deferred revenue (Note 7)	**225,623**	91,397
	$ 256,180	$ 107,563
Net assets	**127,323**	72,713
	$ 383,503	$ 180,276

Approved:

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Community Sector Network of Prince Edward Island

Statement of Changes in Net Assets

For the Year Ended March 31, 2026

	2026	2025
Net assets, beginning of year	**$ 72,713**	$ 61,173
Excess of revenues over expenditures	**54,610**	11,540
Net assets, end of year	**$ 127,323**	$ 72,713

Community Sector Network of Prince Edward Island

Statement of Cash Flows

For the Year Ended March 31, 2026

	2026	2025
Cash Flows from Operating Activities:		
Net earnings from operations	**$ 54,610**	$ 11,540
Net change in non-cash working capital items:		
Amortization	**204**	454
Change in accounts receivable	**244,859)**	(12,350)
Change in prepaid expenses	**(1,208)**	617
Change in payables and accrued liabilities	**14,393**	8,329
Change in deferred revenue	**134,226**	49,997
	(42,634)	58,587
Net increase (decrease) in cash and cash equivalents	**(42,634)**	58,587
Cash and cash equivalents, beginning of year	**161,525**	102,938
Cash and cash equivalents, end of year	**$118,891**	$ 161,525

1. Status of the Corporation

The Community Sector Network of PEI Limited ("the Corporation") is incorporated under the laws of Prince Edward Island, conducting business as a non-profit organization. The Corporation has no share capital. The Corporation's mission is to advance the impact of Prince Edward Island's community sector. The four main objectives are: Make the community sector more recognized, so that Islanders understand it is essential to health and well-being; share expertise and work together to remain strong and efficient; ensure their voice is heard; and ensure it has the resources needed to deliver quality services in a sustainable way. The Corporation is accountable to its Board of Directors. As a not-for-profit organization, the Corporation is not subject to federal or provincial income taxes.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) issued by the Chartered Professional Accountants of Canada. The following accounting policies are considered significant:

Cash and cash equivalents

Cash consists of bank account balances on deposit with financial institutions.

Contributed services

Volunteers contribute an unknown number of hours per year to assist the Corporation in delivering its services. Because of the difficulty in determining their fair value, contributed services are not recognized in the Non-Consolidated Financial Statements.

Equipment

Assets are capitalized when they have a lifespan of longer than one year. Equipment is accounted for at cost and depreciated using the following annual rate and method:

Computer equipment – 55% Declining balance.

Equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flow expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis.

Financial Instruments

The Corporation considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in limited circumstances. The Corporation accounts for the following as financial instruments:

- Cash and cash equivalents
- Accounts receivable
- Payables and accruals

Significant Accounting Policies Continued…

Financial instruments are measured, and subsequently measured at amortized cost. Financial instruments are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write downs or reversals are recognized in net income.

The company removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Deferred Revenue

Deferred revenue relates to funding received for future years and these funds will be recorded as revenue when they are considered to have been earned.

Revenue Recognition

Grants and subsidies are recorded as revenue when the funding is receivable in accordance with the agreement. If there is significant uncertainty as to ultimate collection, revenue is recognized when cash is received. Membership fees are recognized as they are earned, and services are rendered. Government assistance related to operating and project expenses are recorded as revenue when the related expenses are incurred.

Use of estimates and measurement uncertainty

The preparation of financial statements requires management to make judgements on estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenditures, and disclosure of contingent assets and liabilities. Many items are measured using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be material differences between the recognized amounts and another reasonably possible amount.

3. Financial Instruments

Credit risk

- Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their obligations. The main credit risk exists primarily on the ability to receive funding each year. This risk is managed through active collection efforts and maintenance of strong relationships with funding agencies.

Liquidity risk

- Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation monitors its bank balances on a regular basis to ensure funds are available to meet its liquidity requirements.

4. Accounts receivable

	2026	2025
Trade receivable	$1,750	-
Memberships	-	50
Grant receivable	244,632	10,601
	$246,382	$10,651

5. Equipment

	2026	2025
Computer equipment		
Cost	$2,531	$2,531
Amortization	(2,364)	(2,159)
Net book value	$167	$372

6. Accrued liabilities

Accrued liabilities are professional fees for services rendered relating to the year-end accounting engagement.

7. Deferred revenue

Deferred revenue consists of the following, with the balance unspent being deferred into fiscal 2027. Funds deferred in fiscal 2025 were used in the current fiscal year:

	2026	**2025**
Shared Social Enterprise Program	-	$23,160
The Gender Diversity Inclusion Program	-	24,483
The Lawson Foundation	98,780	-
The Ascend Program	-	15,000
Shared Services Program	65,850	5,975
Rural Growth Initiative	15,993	-
Powering Change Program	-	18,833
The Anti-Racism Project	-	-
The Law Foundation of PEI	$45,000	$3,946
	$225,623	$91,397

8. Economic dependence

Community Sector Network of PEI receives most of its funding from the government and related funding agents. Because the Corporation’s main source of income is derived from government funding, its ability to continue viable operations is dependent upon maintaining these funding sources.

9. Government funding

The Corporation received $547,511 in Government funding (2025 - $351,465). This funding is used towards wages and benefits, and expenses relating to various programs.

10. Board responsibilities

The Board is responsible for overall governance, management oversight, establishing strategic direction and monitoring results. The Board consists of members with diverse experience and expertise. The Executive Director is involved in day-to-day operations and relies on the board to give direction and leadership to deliver the Corporation’s objectives.