PROSPER CANADA

Financial Statements

Year ended March 31, 2026

PROSPER CANADA

Index to Financial Statements

March 31, 2026

PAGE

Adams + Miles

Adams + Miles, Chartered Professional Accountants
Toronto: 2550 Victoria Park Avenue, Suite 501; M2J 5A9
Mississauga: 5975 Whittle Road, Suite 240; L4Z 3N1
Office: 416 502-2201

INDEPENDENT AUDITOR'S REPORT

To the Members of
Prosper Canada

Opinion
We have audited the financial statements of Prosper Canada (the "Organization"), 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 Organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 17, 2025.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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:

INDEPENDENT AUDITOR'S REPORT - cont'd

- 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.

Adams & Miles LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
July 23, 2026

PROSPER CANADA

Statement of Financial Position

March 31, 2026

	2026	2025
Assets		
Current		
Cash	$ 5,099,413	$ 3,584,665
Short-term investments (Note 3)	1,628,387	2,767,421
HST rebate and other receivables	163,901	99,593
Prepaid expenses and deposits	30,227	41,068
	6,921,928	6,492,747
Investments (Note 3)	2,509,510	-
Capital assets (Note 4)	14,093	8,589
	$ 9,445,531	$ 6,501,336
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 397,948	$ 753,528
Deferred revenue (Note 5)	4,884,067	3,307,381
	5,282,015	4,060,909
Net Assets (Note 2)		
Unrestricted	63,516	340,427
Internally restricted		
Capacity Building Fund	1,000,000	900,000
Operating Reserve Fund	1,600,000	1,200,000
Internal Restricted Fund (Note 7)	1,500,000	-
	4,163,516	2,440,427
	$ 9,445,531	$ 6,501,336

Approved on behalf of the Board:

CRicciO ____________________ Chair Audit Committee

PROSPER CANADA

Statement of Operations

Year Ended March 31, 2026

	2026	2025
Revenue		
Government and other agency grants	$ 11,515,270	$ 2,025,021
Donations	1,944,842	336,025
Corporate grants	1,089,490	2,366,352
Sponsorships	953,979	855,712
Foundation grants	792,748	1,118,834
Other income	175	60,652
	16,296,504	6,762,596
Expenses		
Program fees	9,125,135	2,267,939
Salaries and benefits	3,686,456	2,883,988
Purchased services	786,387	491,521
Promotion and publicity	354,636	173,194
Office and other	343,063	303,918
Travel and meetings	207,058	67,856
Information systems	192,599	196,966
Training and development	88,638	82,519
Amortization	16,507	8,548
	14,800,479	6,476,449
Excess of revenue over expenses before other revenue	1,496,025	286,147
Other revenue		
Interest income	227,064	267,722
Excess of revenue over expenses	$ 1,723,089	$ 553,869

PROSPER CANADA

Statement of Changes in Net Assets

Year ended March 31, 2026

	Unrestricted	Capacity Building Fund	Operating Reserve Fund	Internal Restricted Fund	Total 2026	Total 2025
Balance, beginning of year	$ 340,427	$ 900,000	$ 1,200,000	$ -	$ 2,440,427	$ 1,886,558
Excess of revenue over expenditures	1,723,089	-	-	-	1,723,089	553,869
Transfer of funds (Note 7)	(2,000,000)	100,000	400,000	1,500,000	-	-
Balance, end of year	$ 63,516	$ 1,000,000	$ 1,600,000	$ 1,500,000	$ 4,163,516	$ 2,440,427

PROSPER CANADA

Statement of Cash Flows

Year ended March 31, 2026

	2026	2025
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures	$ 1,723,089	$ 553,869
Amortization	16,507	8,548
	1,739,596	562,417
Changes in		
HST rebate and other receivables	(64,308)	(15,940)
Prepaid expenses and deposits	10,841	(11,560)
Accounts payable and accrued liabilities	(355,580)	(541,218)
Deferred revenue	1,576,686	(1,457,256)
	2,907,235	(1,463,557)
Investing activities		
Change in investments (net)	(1,370,476)	1,773,712
Purchase of capital assets	(22,011)	(9,458)
	(1,392,487)	1,764,254
Change in cash position	1,514,748	300,697
Cash, beginning of year	3,584,665	3,283,968
Cash, end of year	$ 5,099,413	$ 3,584,665

1. Nature of operations

Prosper Canada (the "Organization") is a not-for-profit organization federally incorporated without share capital under the Canada Not-for-profit Corporations Act, and is registered with the Canada Revenue Agency as a charity, within the meaning of the Income Tax Act.

The Organization was founded as an innovative response to high levels of unemployment and welfare dependency in Canada and has evolved into an innovator and producer/manager of effective Canadian self-sufficiency policies and programs, including its Financial Empowerment Champions and Systems Change programs.

2. Summary of significant accounting policies

These financial statements are the representation of management and are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook.

Revenue recognition
The Organization follows the deferral method of accounting for contributions. Restricted contributions, including grants, donations, and sponsorships, 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.

Other income is recognized as services are rendered. Interest income from investments is recognized when earned.

Contributed services
Contributions of services are recognized both as contributions and expenses in the statement of revenues and expenses when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

The Organization benefits from services in the form of volunteer time to fulfill its mission. Since these invaluable services are not purchased by the Organization and a reasonable estimate of their value cannot be made, they are not recorded in the financial statements.

2. Summary of significant accounting policies - cont'd

Allocated expenses
Program expenditures include both direct project costs and costs that have been allocated to projects. The Organization allocates these expenses, including core operating costs, by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year.

Expenses are allocated on the following basis:

Salaries and benefits - based on management's estimate of time spent by staff on each project.

Other supplies and services - based on management's estimate of the usage of such resources by the project.

Financial instruments
The Organization's financial instruments include cash, investments, receivables, and accounts payable.

The Organization initially measures its financial assets and financial liabilities at fair value, and, subsequently, at amortized cost. Changes in fair value are recognized in the statement of operations.

Capital assets
Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of the assets to operations over their estimated useful lives. Maintenance and repairs are charged to operations as incurred. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included in other income.

Amortization is charged to operations at the following annual rates:

Computer equipment and software	2 years straight-line
Furniture and fixtures	20% declining balance

Net assets
Prosper Canada's net assets are presented as follows:

- Unrestricted net assets reflect the cumulative net excess of revenues over expenses in excess of any funds internally restricted as described below.

2. Summary of significant accounting policies - cont'd

Net assets - cont'd

- Internally restricted: As approved by the Board of Directors, three reserve funds have been designated and set aside to address specific future requirements:

  The Capacity Building Fund provides funding for strategic organizational capacity-building priorities to ensure ongoing capacity to advance Prosper Canada's mission and respond to opportunities to improve or expand its impact.

  The Operating Reserve Fund provides an internal source of funds to address unanticipated budget shortfalls and support the stability of the Organization's operations, with a target balance of 25%–35% of annual core operating costs.

  The Internal Restricted Fund was established effective February 19, 2026 to support cash flow requirements and strategic priorities not otherwise funded through secured funding sources or the Capacity Building Reserve Fund.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the period. Significant items subject to such estimates include the estimated useful life of capital assets as well as the allocation of expenses to projects. Actual results could differ from these estimates.

3. Investments

	2026	2025
Guaranteed Investment Certificates - short-term	$ 1,628,387	$ 2,767,421
Guaranteed Investment Certificates - long-term	2,509,510	-
	$ 4,137,897	$ 2,767,421

The Guaranteed Investment Certificates ("GICs") earn interest between 3.01% to 3.21% (2025 - 3.35% to 5.00%) per annum, with staggered maturity dates from June 23, 2026 to February 7, 2028 (2025 - June 19, 2025 to February 3, 2026).

4. Capital assets

	2026			2025
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	$ 31,469	$ 20,464	$ 11,005	$ 4,729
Furniture and fixtures	40,144	37,056	3,088	3,860
	$ 71,613	$ 57,520	$ 14,093	$ 8,589

5. Deferred revenue

The Organization records restricted contributions as deferred revenue until they are expended for the purpose of the related grant, sponsorship, or donation. The change in the amount of deferred revenue for fiscal 2026 is summarized as follows:

	Balance, beginning of year	Received in the year	Recognized in the year	Balance, end of year
Ontario Securities Commission (i) (Schedule 2)	$ -	$ 1,800,000	$ (611,521)	$ 1,188,479
ESDC (ii) (Schedule 1)	82,650	11,065,376	(10,812,805)	335,221
ISED (iii) (Schedule 3)	-	90,944	(90,944)	-
Other (iv)	3,224,731	4,357,725	(4,222,089)	3,360,367
	$ 3,307,381	$ 17,314,045	$ (15,737,359)	$ 4,884,067

(i) Funded by the Ontario Securities Commission (OSC), Prosper Canada runs the Financial Information, Literacy, and Capability Project, which is a three-year initiative to sustainably scale the provision of tailored financial information, education, and coaching to Ontarians with low and moderate incomes. The project aims to empower participants to build their financial capability and stability, grow their savings, and become informed investors. Consistent with its Reconciliation commitment, Prosper Canada also collaborates with Indigenous partners and communities to develop and tailor financial wellness supports that meet their unique needs.

5. Deferred revenue - cont'd

(ii) Funded by the Government of Canada through the Social Development Partnerships Program - Children and Families of Employment and Social Development Canada (ESDC), Prosper Canada oversees the Resilient Futures project, which is a four-year, $60-million, national project aimed at expanding free financial help services for people with low incomes to every region of Canada.

(iii) With support from the Government of Canada, Innovation Science and Economic Development (ISED) Canada's Consumer Protection Initiative, effective April 1, 2025, Prosper Canada began a two-year program exploring financial challenges of low-income consumers from consumers themselves and frontline financial help providers who have a unique window on the barriers that prevent low-income consumers from building financial wellbeing. Insights from this work are incorporated into policy submissions, briefings with policy makers and regulators, and included hosting a roundtable on debt help in March 2026.

(iv) Prosper Canada receives multi-year support from various funders for its other programs, including the Financial Wellness in First Nations Communities project, Capacity Building and Community of Practice project, Financial Empowerment Foundations Course, Expanding Local Financial Empowerment Services Through Building Community Infrastructure and Capacity project, Expanding Financial Education and Protection for Financially Vulnerable Canadians project, Prosperity Gateways project, Embedded Financial Coaching and Client Data Outcomes Platform, Benefits Wayfinder project, Solutions Lab - Financial Help project, Centre for Financial Well-being, and for government policy change work.

6. Lease obligation

The organization is committed under a lease for premises until January 31, 2029. Annual rents are approximately as follows:

2027	$ 202,300
2028	204,600
2029	172,100
	$ 579,000

7. Interfund transfers

Effective February 19, 2026, the Board of Directors approved the establishment of an Internal Restricted Fund to support cash flow requirements and strategic priorities not otherwise funded through secured funding sources or the Capacity Building Reserve Fund. The Board authorized a transfer of $1,500,000 from unrestricted net assets to the fund. As this restriction was established by the Board, it may be amended or removed at the Board's discretion through a formal resolution. The transfer represents a reallocation within net assets and does not affect the Organization's total net assets.

Additionally, effective March 31, 2026, the Board of Directors approved the transfer of $500,000 from unrestricted net assets, consisting of $400,000 to the Operating Reserve Fund and $100,000 to the Capacity Building Fund.

8. Financial instruments

It is management's assessment that the Organization is not exposed to significant credit, liquidity, or market risks arising from its financial instruments, consistent with the prior year.

9. Comparative amounts

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.

PROSPER CANADA

Schedule 1 - Employment and Social Development Canada (ESDC) Revenue and Expenses

Year Ended March 31, 2026

	2026	2025
Revenue		
Employment and Social Development Canada grant	$ 10,812,805	$ 1,347,724
Expenses		
Program fees	8,485,180	695,681
Salaries and benefits	1,483,319	477,471
Purchased services	361,053	105,391
Promotion and publicity	180,291	44,360
Office and other	124,051	4,163
Travel and meetings	99,509	-
Information systems	73,595	19,458
Training and development	5,807	1,200
	10,812,805	1,347,724
Excess of revenue over expenses	$ -	$ -

PROSPER CANADA

Schedule 2 - Ontario Securities Commission (OSC) Revenue and Expenses

Year Ended March 31, 2026

		2026
Revenue		
Ontario Securities Commission grant	$	611,521
Expenses		
Salaries and benefits		353,936
Shared costs		216,172
Purchased services		21,069
Program fees		18,846
Travel and meetings		1,134
Training and development		364
		611,521
Excess of revenue over expenses	$	-

PROSPER CANADA

Schedule 3 - Innovation, Science and Economic Development (ISED) Revenue and Expenses

Year Ended March 31, 2026

		2026
Revenue		
Innovation, Science and Economic Development grant	$	90,944
Expenses		
Salaries and benefits		120,000
Program fees		28,168
Travel and meetings		18,378
Promotion and publicity		4,605
Office and other		234
		171,385
Deficiency of revenue over expenses	$	(80,441)