Community Futures Parkland Inc.

Financial Statements

For The Year Ended March 31, 2026

Community Futures Parkland Inc.
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STATEMENT OF RESPONSIBILITY

To the Members of Community Futures Parkland Inc.:

Management is responsible for preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Corporation's external auditors.

Sensus Chartered Professional Accountants Ltd. as the Corporation's appointed external auditors, have audited the financial statements. The Auditor's Report is addressed to the Board of Directors and appears on the following page. The external auditor have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

_____

Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors:
Community Futures Parkland Inc.
Grandview, Manitoba

Qualified Opinion

We have audited the financial statements of Community Futures Parkland Inc., which comprise the statements of financial position as at March 31, 2026, the statements of operations and fund balances, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Community Futures Parkland Inc. 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 Qualified Opinion

The Corporation's loans receivable balance includes an allowance for doubtful loans and interest as of March 31, 2025. We were unable to obtain sufficient appropriate audit evidence regarding the reasonableness of the allowance for doubtful loans and interest as of March 31, 2025. Since the opening balances of loans receivable and the related allowance enter into the determination of the results of operations, we were unable to determine whether any adjustments might be necessary to the excess of revenue (deficiency) over expenses for the year ended March 31, 2026, the net assets as of April 1, 2025, and the comparative figures presented for the year ended March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly.

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 Community Futures Parkland Inc. 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 qualified opinion.

Other Matters

During our audit we were able to obtain reasonable assurance that the Corporation is in compliance with its agreement with Prairies Economic Development Canada (Prairies Can).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Community Futures Parkland Inc.'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 Community Futures Parkland Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Community Futures Parkland Inc.'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 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 Community Futures Parkland Inc.'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 Community Futures Parkland Inc.'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 Community Futures Parkland Inc. 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.

Russell, Manitoba
June 18, 2026

Chartered Professional Accountants Ltd.

Community Futures Parkland Inc.

Statement of Financial Position - Consolidated

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash (Note 3)	$ 1,187,935	$ 558,155
Accounts receivable (Note 16)	25,382	21,113
Current portion of loans receivable (Note 6)	307,650	330,515
Prepaid expenses	19,902	3,462
Inventory (Note 2)	138,480	3,282
	1,679,349	916,527
LONG-TERM INVESTMENTS (Note 8)	591,677	572,975
LOANS RECEIVABLE (Note 6)	3,611,001	2,320,281
CAPITAL ASSETS (Notes 2 and 7)	14,764	18,096
	4,217,442	2,911,352
	$ 5,896,791	$ 3,827,879
LIABILITIES		
CURRENT		
Accounts payable (Note 9)	$ 39,458	$ 27,896
REPAYABLE FUNDS (Notes 11, 12, 13 and 14)	3,114,009	1,078,215
	3,153,467	1,106,111
FUND BALANCES		
OPERATING FUND (Note 2)	119,418	118,686
INVESTMENT FUND (Notes 2 and 15)	1,897,214	1,792,853
UNSPENT PROJECT FUNDING FUND (Note 2)	54,875	54,528
PROJECT FUND (Note 2)	31,547	138,889
HOLDING FUND (Note 2)	640,270	616,812
	2,743,324	2,721,768
	$ 5,896,791	$ 3,827,879

Community Futures Parkland Inc.

Statement of Financial Position - Operating Fund

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	**$ 132,232**	$ 120,149
Accounts receivable (Note 16)	**946**	1,592
Prepaid expenses		3,462
Inventory (Note 2)	**2,980**	3,283
	136,158	128,486
CAPITAL ASSETS (Notes 2 and 7)	**14,764**	18,096
	$ 150,922	$ 146,582
LIABILITIES		
CURRENT		
Accounts payable (Note 9)	**$ 31,504**	$ 27,896
FUND BALANCES		
UNRESTRICTED FUND	**119,418**	118,686
	$ 150,922	$ 146,582

Community Futures Parkland Inc.

Statement of Financial Position - Investment Fund

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash (Note 3)	$ 962,413	$ 218,881
Accounts receivable (Note 16)	2,613	1,391
Current portion of loans receivable (Note 6)	307,650	330,515
Inventory (Note 2 and 23)	135,500	
	1,408,176	550,787
LOANS RECEIVABLE (Note 6)	3,611,001	2,320,281
	$ 5,019,177	$ 2,871,068
LIABILITIES		
CURRENT		
Accounts payable (Note 9)	$ 7,954	$
REPAYABLE FUNDS (Note 11)	807,364	807,364
REPAYABLE FUNDS - RRRF (Note 12)	206,645	270,851
REPAYABLE FUNDS - CFIF (Note 13)	500,000	
REPAYABLE FUNDS - PARTICIPATION AGREEMENT (Note 14)	1,600,000	
	3,121,963	1,078,215
FUND BALANCES		
EXTERNALLY RESTRICTED FUND (Note 15)	1,897,214	1,792,853
	$ 5,019,177	$ 2,871,068

Community Futures Parkland Inc.

Statement of Financial Position - Project Fund

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash (Note 18)	$ 62,580	$ 192,490
Accounts receivable (Note 16)	3,940	927
Prepaid expenses	19,902	
	$ 86,422	$ 193,417
FUND BALANCES		
EXTERNALLY RESTRICTED UNSPENT PROJECT FUNDING FUND	54,875	54,528
EXTERNALLY RESTRICTED FUND	31,547	138,889
	86,422	193,417
	$ 86,422	$ 193,417

Community Futures Parkland Inc.

Statement of Financial Position - Holding Fund

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	$ 30,710	$ 26,633
Accounts receivable (Note 16)	17,883	17,204
	48,593	43,837
LONG-TERM INVESTMENTS (Note 8)	591,677	572,975
	$ 640,270	$ 616,812
FUND BALANCES		
EXTERNALLY RESTRICTED FUND	$ 640,270	$ 616,812

Community Futures Parkland Inc.

Statement of Operations - Consolidated

For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Operational funding	$ 312,031	$ 312,031
Interest	272,810	210,345
Miscellaneous	54,795	23,710
Program funding	52,920	205,573
Travel Manitoba	25,000	10,000
Administration	16,820	15,000
Recovery of bad debt	15,192	113,541
Loan documentation	10,674	267
Hire for Talent	7,500	22,750
Rentals	4,980	4,980
Other	3,970	6,550
	776,692	924,747
EXPENSES		
Administration	15,870	15,000
Advertising and promotion	6,306	14,331
Amortization	6,778	6,357
Bank charges and interest	33,729	1,771
Board travel/appreciation/clothing allowance	2,220	6,607
Building inspection		1,518
Community project grant	10,000	
Conference and seminar	7,733	10,145
Employee related costs	791	
Entrepreneurship grant	10,000	
Facilitator, coaching and speaker	67,940	24,966
Food	369	10,000
Hire for talent - paid to employers	2,500	7,750
Insurance	3,516	3,517
Janitor	1,820	1,950
Job fair	4,607	
Legal, accounting, audit	18,390	12,092
Loan security fees	2,584	3,449
Loss on disposal of asset	157	137
Miscellaneous	24,813	7
Office equipment and leases	5,925	5,236
Office supplies	16,115	7,850
Other	8,041	6,470
Postage	185	172
PPSA Registration		140
Subtotal (carried forward)	$ 250,389	$ 139,465

Community Futures Parkland Inc.
Statement of Operations - Consolidated (continued)
For The Year Ended March 31, 2026

	2026	2025
Subtotal (carry forward)	$ 250,389	$ 139,465
Property taxes	2,069	1,801
Rental and utilities	3,976	5,128
Repairs and maintenance	11	3,408
Salaries and wages	271,439	290,726
Sponsorship	1,982	1,845
Staff development	94	2,936
Staff travel/accommodation/clothing allowance/hotels	9,419	8,743
Subscriptions/memberships/library	615	1,147
Support service packages	40,816	25,114
Telephone and fax	8,286	5,862
Utilities	3,498	2,633
Videographer	29,701	1,525
	622,295	490,333
EXCESS OF REVENUE OVER EXPENSES BEFORE ALLOWANCES:	154,397	434,414
Allowance for impairment of inventory	(44,500)	
Allowance for doubtful loans	(88,341)	(49,578)
	(132,841)	(49,578)
EXCESS OF REVENUE OVER EXPENSES	$ 21,556	$ 384,836

Community Futures Parkland Inc.

Statement of Operations and Unrestricted Fund - Operating

For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Operational funding	$ 312,031	$ 312,031
Administration	16,820	15,000
Hire for Talent	7,500	22,750
Rentals	4,980	4,980
Interest	2,463	2,064
Other	1,500	5,593
	345,294	362,418
EXPENSES		
Advertising and promotion	3,356	10,264
Amortization	6,778	6,357
Bank charges	1,662	1,320
Board travel/appreciation/clothing allowance	2,220	6,607
Community projects grant	10,000	
Conference and seminar	7,733	10,145
Employee related costs	791	
Entrepreneurship grant	10,000	
Hire for talent - paid to employers	2,500	7,750
Insurance	3,516	3,517
Janitor	1,820	1,950
Legal, accounting, audit	10,921	7,884
Loss on disposal of assets	157	137
Office equipment and leases	5,925	5,236
Office supplies	3,776	3,240
Other	7,423	5,580
Postage	185	171
Property taxes	2,069	1,801
Repairs and maintenance	11	3,408
Salaries and wages	264,175	265,266
Sponsorship	1,982	1,845
Staff development	94	2,936
Staff travel/clothing allowance	9,419	8,744
Subscriptions/memberships/library	615	1,147
Telephone and fax	7,336	5,861
Utilities	3,498	2,633
	367,962	363,799
DEFICIENCY OF REVENUE OVER EXPENSES	(22,668)	(1,381)
Transfer from investment fund (Note 22)	23,400	23,400
UNRESTRICTED FUND, BEGINNING OF YEAR	118,686	96,667
UNRESTRICTED FUND, END OF YEAR	$ 119,418	$ 118,686

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund- Investment

For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Interest	$ 246,492	$ 185,448
Miscellaneous	54,795	23,710
Recovery of bad debt	15,192	113,541
Loan documentation	10,724	267
	327,203	322,966
EXPENSES		
Bank charges	110	199
Building inspection		1,518
Interest expenses	31,625	
Legal fees	7,469	4,207
Loan security fees	2,584	3,449
Miscellaneous	24,813	7
Office		53
PPSA Registration		141
	66,601	9,574
EXCESS OF REVENUE OVER EXPENSES BEFORE ALLOWANCES:	260,602	313,392
Allowance for impairment of inventory	(44,500)	
Allowance for doubtful loans	(88,341)	(49,578)
	(132,841)	(49,578)
EXCESS OF REVENUE OVER EXPENSES	127,761	263,814
Transfer to operating fund (Note 22)	(23,400)	(23,400)
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	1,792,853	1,552,439
EXTERNALLY RESTRICTED FUND, END OF YEAR	$ 1,897,214	$ 1,792,853

Community Futures Parkland Inc.

Statement of Operations and Unspent Funding - Project

For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Interest	$ 347	$ 313
EXCESS OF REVENUE OVER EXPENSES	347	313
EXTERNALLY RESTRICTED UNSPENT PROJECT FUNDING FUND, BEGINNING OF YEAR	54,528	54,215
EXTERNALLY RESTRICTED UNSPENT PROJECT FUNDING FUND, END OF YEAR	$ 54,875	$ 54,528

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Holding

For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Interest	**$ 23,458**	$ 22,519
EXCESS OF REVENUE OVER EXPENSES	**23,458**	22,519
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	**616,812**	594,293
EXTERNALLY RESTRICTED FUND, END OF YEAR	**$ 640,270**	$ 616,812

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Job Fair Fund

For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Program funding	$ 5,000	$
EXPENSES		
Career kits	1,454	
Door prize	3,000	
Food	369	
Job board	153	
	4,976	
EXCESS OF REVENUE OVER EXPENSES	24	
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR		
EXTERNALLY RESTRICTED FUND, END OF YEAR	$ 24	$

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Rural Opportunities Fund Project
For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Program funding	$ 30,000	$ 180,000
Other	470	644
	30,470	180,644
EXPENSES		
Admin support services	15,870	15,000
Advertising and promotion	1,938	4,067
Bank charge	27	
Facilitator, coaching and speaker	67,940	24,966
Office	12,339	4,557
Support service packages	40,816	25,114
	138,930	73,704
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(108,460)	106,940
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	130,071	23,131
EXTERNALLY RESTRICTED FUND, END OF YEAR	$ 21,611	$ 130,071

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Parkland Ukrainian Family Fund
For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Program funding	$ 17,920	$ 25,573
Other	2,000	313
	19,920	25,886
EXPENSES		
Bank charges	305	252
Food		10,000
Rental and utilities	3,976	5,128
Salaries and benefits	7,264	25,461
Supplies	618	890
Telephone and internet	950	
	13,113	41,731
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	6,807	(15,845)
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	343	16,188
EXTERNALLY RESTRICTED FUND, END OF YEAR	$ 7,150	$ 343

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Tourism Project

For The Year Ended March 31, 2026

	2026	2025
REVENUE		
Travel Manitoba	**$ 25,000**	$ 10,000
EXPENSES		
Advertising	**1,012**	
Videographer fees	**29,701**	1,525
	30,713	1,525
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**(5,713)**	8,475
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	**8,475**	
EXTERNALLY RESTRICTED FUND, END OF YEAR	**$ 2,762**	$ 8,475

Community Futures Parkland Inc.

Statement of Cash Flows

For The Year Ended March 31, 2026

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and grants	**$ 499,612**	$ 706,254
Cash paid to suppliers and employees	**(888,275)**	(542,681)
Interest received	**272,810**	210,345
	(115,853)	373,918
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in other long-term investments	**(18,702)**	(84,375)
Change in loans receivable	**(1,267,855)**	(708,355)
Acquisition of capital assets	**(3,604)**	(6,865)
Change in repayable funds	**2,035,794**	(97,381)
	745,633	(896,976)
CHANGE IN CASH	**629,780**	(523,058)
CASH, BEGINNING OF YEAR	**558,155**	1,081,213
CASH, END OF YEAR	**$ 1,187,935**	$ 558,155

1. DESCRIPTION OF ORGANIZATION

Community Futures Parkland Inc. (the "Corporation"), located in Grandview, Manitoba, is a community based organization that provides loans and financial services to small businesses in the Parkland Region of Manitoba that are otherwise unable to obtain financing. The program which is being funded by the Federal Government Community Futures Program, was formed to foster the economic development of the region. As well, the Corporation provides assistance to a self employment assistance program and various other projects in the Parkland region. The Corporation was incorporated under the Manitoba Companies Act as a non-profit organization on November 1, 1994. It is exempt from income taxes under the *Income Tax Act paragraph 149(1)(d)* as a non-profit organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following are considered to be the more significant policies:

Revenue recognition

The organization follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the unrestricted fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund. Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest and all other revenues are recorded as income when earned.

Inventory

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Capital assets

Capital assets are originally recorded at cost. Amortization is provided on a straight-line basis at rates intended to amortize the assets over their estimated useful lives:

Building	-	10 - 20 years
Leasehold improvements	-	10 years
Furniture and equipment	-	10 years
Computers	-	4 years

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include those used when accounting for amortization of capital assets and allowance for doubtful accounts. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Fund accounting

The accounts of the Community Futures Parkland Inc. are maintained in accordance with the principles of fund accounting. For financial purposes, accounts with similar characteristics have been combined into the following:

Unrestricted fund

The unrestricted fund consist of the operating fund and accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting (continued)

Externally restricted funds

The externally restricted fund consists of funds to be used for the purpose of local employment through loans, loan guarantees, and equity investment. The externally restricted fund consists of the project fund, the investment fund, the holding fund, and the unspent project funding fund. The project fund includes the Rural Opportunities fund, the Parkland Ukrainian Family fund, the Job Fair fund and the Tourism fund.

The externally restricted fund also consists of grants from the community futures program to be used for the purpose of local employment through loans, loan guarantees, and equity investments.

Unspent project funding fund is the portion of project funding received that relates to future projects or programs.

Financial instruments

Community Futures Parkland Inc. initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, loans receivable and long-term investments.

Financial liabilities measured at amortized cost include accounts payable and repayable funds.

3. LINE OF CREDIT

The Corporation has an authorized line of credit with Sunrise Credit Union Ltd. The investment fund bank account has an authorized limit of $570,000 with interest at the prime A rate which was 4.45% as of (2025 - 4.95%) the year end date. The line of credit is secured by long-term investments.

4. PROVISIONS FOR DOUBTFUL LOANS

The Board of Directors and management have agreed upon and created an account for potential doubtful accounts. Loans that are determined to be uncollectible will be offset against the Allowance for Doubtful Loans.

5. NON-PERFORMING LOANS

There are non-performing loans that have been reviewed by the Board of Directors and management. It is the opinion of management and the Board of Directors that the allowance for doubtful loans at present is sufficient to cover any potential net default, after the realization on the security.

6. LOANS RECEIVABLE

Loans have been made to Parkland residents to create new small businesses or to expand, stabilize, and protect existing businesses resulting in the generation and maintenance of permanent employment in the Parkland Region. All loans issued by the Corporation have been for the purpose represented by the Board of Directors in its Corporate Mandate.

Furthermore, Regional Relief and Recovery Fund (RRRF) loans have been made to Parkland residents to provide financing to support rural communities and small and medium sized enterprises to enable their recovery from economic disruptions associated with the COVID-19 outbreak. The maximum assistance will be $60,000. The loan is 0% interest and no principal payments until January 18, 2024. On the first $40,000 of the loan, provided that 75% of the loan principal is repaid on or before January 18, 2024, the remaining balance of the loan, to the maximum of $10,000 shall be forgiven and need not be repaid. On the portion of the loan between $40,000 and $60,000, provided that 50% of the loan is repaid on or before the initial term date (January 18, 2024), the remaining 50% balance of the loan to a maximum of $10,000 shall be forgiven. If the client is unable to repay the loan by the initial term date, the loan will be converted to a loan with interest rates up to 5%, effective January 19, 2024. The full balance must be repaid no later than December 31, 2026.

	2026	2025
Regional Relief and Recovery Fund (RRRF) loans receivable	$ **206,645**	$ 247,430
Loans receivable and accrued interest	**3,915,800**	2,534,011
Less: allowance for doubtful loans and interest	**(203,794)**	(130,645)
	3,918,651	2,650,796
Less: current portion	**(307,650)**	(330,515)
	$ **3,611,001**	$ 2,320,281

7. CAPITAL ASSETS

	Balance, Beginning of Year	Additions	Disposal	Balance, End of Year
Land	$ 2,000			$ 2,000
Building	45,796			45,796
Furniture and equipment	38,681	1,990		40,671
Computers	40,330	1,614	7,234	34,710
Leasehold improvements	41,137			41,137
	167,944	3,604	7,234	164,314
ACCUMULATED AMORTIZATION				
Building	45,796			45,796
Furniture and equipment	35,945	602		36,547
Computers	26,970	6,176	7,076	26,070
Leasehold improvements	41,137			41,137
	149,848	6,778	7,076	149,550
NET BOOK VALUE	$ 18,096			$ 14,764

8. LONG-TERM INVESTMENTS

Long-term investments represent term deposits that have an initial term longer than one year. The term deposits have maturity dates ranging from July 2026 to July 2030. Interest on these term deposits ranges from 3.60% to 4.40% (2025 - 3.55% to 4.40%). These long-term investments have been recorded at lower of cost or market value.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Investment fund		
Accrued interest	$ 7,954	$
Operating fund		
Accrued salaries, vacation and trade	$ 31,504	$ 27,896
TOTAL ACCOUNTS PAYABLE	$ 39,458	$ 27,896

10. FINANCIAL INSTRUMENTS

The Community Futures Parkland Inc. is exposed to various risks through its financial instruments.

Credit risk

The Corporation provides credit to its clients who borrow money in the normal course of its operations. It carries out, on a continuing basis, credit checks on these clients and occasionally has bad debts.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments. Cash flow from operations provide a substantial portion of the Corporation's cash requirements. The Corporation's exposure to liquidity risk has remained the same as in the prior year.

The Corporation manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Trade accounts payable and accrued liabilities are generally paid within 30 days.

Interest rate risk

The Corporation is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Corporation to a fair value risk. The Corporation is exposed to this type of risk as a result of the long-term investments held with Sunrise Credit Union. However, the risk associated with long-term investments is reduced as current fixed interest rates approximate market rates.

11. REPAYABLE FUNDS

The Corporation recognizes that:

Upon notice by the Minister, the Corporation agrees to immediately repay the lesser of:

i. The uncommitted cash balance of the Conditionally Repayable Investment Fund, and
ii. The amount of the Conditionally Repayable Contribution paid by WD to the Corporation.

Upon notice by the Minister, the Corporation agrees to immediately give possession to the Minister all documents evidencing investments made by the Corporation with the Conditionally Repayable Investment Fund and take immediate steps to assign all of its interest in all debts owing to it to the Minister.

Upon notice by the Minister, the Corporation agrees to liquidate all debts owing to it via sales to a third party satisfactory to the Minister, or via other means satisfactory to the Minister, and to remit the proceeds of liquidation to the Minister.

	General Fund	Entrepreneurs w/ Disabilities Fund	2026 Total	2025 Total
Amount advanced	$ 607,364	$ 200,000	$ 807,364	$ 807,364

12. REPAYABLE FUNDS - REGIONAL RELIEF AND RECOVERY FUND (RRRF)

The Corporation is in receipt of monies from the Government of Canada's Regional Relief and Recovery Fund through the Community Futures Investment Fund Inc. (CFIF) to provide financing to support rural communities and small and medium sized enterprises to enable their recovery from economic disruptions associated with the COVID-19 pandemic. Additional loan advances received during the year was $0 (2025 - $0) for a total of $2,296,150 received and loaned out.

Furthermore, the Corporation received the final RRRF loan in the amount of $70,200 to be used for operating costs related to RRRF loan aftercare and assisting SME's in the communities in response to COVID-19. No principal payments is required from disbursement until December 31, 2026. Repayable balance shall be the principal amount advanced less any portion of the loan used for operating costs related to RRRF loan aftercare and assisting SME's in response to COVID-19. The entire outstanding loan amount is payable on December 31, 2026. Remaining balance as of financial statement date is $0 (2025 - $23,400).

Term and repayment:

i. From disbursement until December 31, 2023 which was extended until January 18, 2024, no principal payments of the loan will be required.
ii. All loan proceeds received that have not been loaned to business entities by June 30, 2021 are to be returned to the CFIF.
iii. CFIF will not be requiring repayment of its loans prior to January 18, 2024.
iv. Repayable balance will be reduced by any loan write-offs or allowance for doubtful loan receivable determined by the management of the Corporation on or before January 19, 2024 and reasonable costs, charges and expenses incurred by the Corporation in connection with enforcing payment of any monies or in performance of any other obligation owing under any Secondary Loan.
v. Outstanding loan amount due was extended and must be repaid in full by December 31, 2026
vi. Unpaid loan after January 18, 2024 shall bear interest at the rate of up to 5% per annum until December 31, 2026.