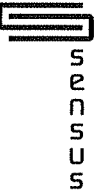


COMMUNITY FUTURES PARKLAND INC.

FINANCIAL STATEMENTS

For the year ended March 31, 2019



Community Futures Parkland Inc.

Financial Statements

For The Year Ended March 31, 2019

Community Futures Parkland Inc.
Table of Contents
 For The Year Ended March 31, 2019

	Page
STATEMENT OF RESPONSIBILITY	3
INDEPENDENT AUDITOR'S REPORT , dated June 25, 2019	4 - 5
FINANCIAL STATEMENTS	
Statement of Financial Position - Consolidated	6
Statement of Financial Position - Operating Fund	7
Statement of Financial Position - Investment Fund	8
Statement of Financial Position - Project Fund	9
Statement of Financial Position - Holding Fund	10
Statement of Financial Position - Immigration Refugees and Citizenship Canada	11
Statement of Operations and Unrestricted Fund - Operating	12
Statement of Operations and Externally Restricted Fund - Investment	13
Statement of Operations and Unspent Funding - Project	14
Statement of Operations and Externally Restricted Fund - Holding	15
Statement of Operations and Externally Restricted Fund - Neighbourhoods Alive	16
Statement of Operations and Externally Restricted Fund - Financial Literacy for Seniors	17
Statement of Operations and Externally Restricted Fund - Immigration Refugees and Citizenship Canada	18
Statement of Cash Flow	19
Notes to the Financial Statements	20 - 27

STATEMENT OF RESPONSIBILITY

The accompanying financial statements are the responsibility of the management of Community Futures Parkland Inc. and have been prepared in compliance with legislation, and in accordance with Canadian accounting standards for not-for-profit organizations.

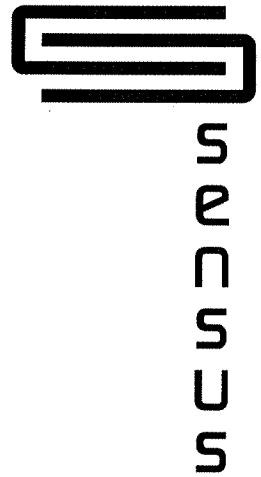
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board of Directors of the organization met the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

Sensus Chartered Professional Accountants Ltd., as the organization'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. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the organization in accordance with Canadian accounting standards for not-for-profit organizations.



Director



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Community Futures Parkland Inc., which are comprised of the statement of financial position as at March 31, 2019 and the statement of operations and fund balances, and statement of cash flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Futures Parkland Inc. as at March 31, 2019, 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 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 provided 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 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 Roblin District Community Foundation 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.

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 25, 2019



 Chartered Professional Accountants Ltd.

Community Futures Parkland Inc.

Statement of Financial Position - Consolidated

As at March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 645,755	\$ 650,203
Accounts receivable (Note 10)	68,802	71,557
Current portion of loans receivable (Note 5)	120,000	150,000
Inventory (Note 2)	1,481	2,802
	<u>836,038</u>	<u>874,562</u>
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	144,291	144,291
LONG-TERM INVESTMENTS (Note 2)	361,106	354,504
LOANS RECEIVABLE (Note 5)	1,151,325	1,000,901
CAPITAL ASSETS (Notes 2 and 6)	26,595	25,362
	<u>1,683,317</u>	<u>1,525,058</u>
	<u>\$ 2,519,355</u>	<u>\$ 2,399,620</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	22,080	18,567
Deferred revenue (Notes 2 and 16)	26,003	
Unspent project funding (Note 2)	56,311	57,229
	<u>104,394</u>	<u>75,796</u>
REPAYABLE FUNDS (Note 8)	807,364	807,364
	<u>911,758</u>	<u>883,160</u>
FUND BALANCES		
OPERATING FUND (Note 2)	126,476	104,053
HOLDINGS FUND (Note 2)	363,963	362,832
INVESTMENT FUND (Notes 2 and 9)	1,100,209	1,030,621
PROJECT FUND (Note 2)	22	1,548
IMMIGRATION REFUGEES AND CITIZENSHIP CANADA (Note 2)	16,927	17,406
	<u>1,607,597</u>	<u>1,516,460</u>
	<u>\$ 2,519,355</u>	<u>\$ 2,399,620</u>

Community Futures Parkland Inc.
Statement of Financial Position - Operating Fund
As at March 31, 2019

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 146,710	\$ 84,735
Accounts receivable (Note 10)	967	2,150
Due from project fund		403
Due from holdings		10,005
Inventory (Note 2)	1,481	2,802
	<u>149,158</u>	<u>100,095</u>
CAPITAL ASSETS (Notes 2 and 6)	<u>20,365</u>	<u>20,513</u>
	<u>\$ 169,523</u>	<u>\$ 120,608</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 17,044	\$ 16,026
Deferred revenue (Notes 2 and 16)	26,003	
Due to other funds		496
Due to holding fund		33
	<u>43,047</u>	<u>16,555</u>
FUND BALANCES		
UNRESTRICTED FUND	<u>126,476</u>	<u>104,053</u>
	<u>\$ 169,523</u>	<u>\$ 120,608</u>

Community Futures Parkland Inc.
Statement of Financial Position - Investment Fund
As at March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 426,042	\$ 481,143
Accounts receivable (Note 10)	65,915	61,518
Current portion of loans receivable (Note 5)	120,000	150,000
Due from operating		132
	<u>611,957</u>	<u>692,793</u>
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	144,291	144,291
LOANS RECEIVABLE (Note 5)	<u>1,151,325</u>	<u>1,000,901</u>
	<u>1,295,616</u>	<u>1,145,192</u>
	<u>\$ 1,907,573</u>	<u>\$ 1,837,985</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$	\$
REPAYABLE FUNDS (Note 8)	<u>807,364</u>	<u>807,364</u>
	<u>807,364</u>	<u>807,364</u>
FUND BALANCES		
EXTERNALLY RESTRICTED FUND	<u>1,100,209</u>	<u>1,030,621</u>
	<u>\$ 1,907,573</u>	<u>\$ 1,837,985</u>

Community Futures Parkland Inc.
Statement of Financial Position - Project Fund
As at March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash (Note 13)	\$ 56,292	\$ 58,476
Accounts receivable (Note 10)	41	304
Due from operating		233
Due from new cic fund		
	<u>56,333</u>	<u>59,013</u>
CAPITAL ASSETS (Notes 2 and 6)		<u>167</u>
	<u>\$ 56,333</u>	<u>\$ 59,180</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$	\$
Unspent project funding (Notes 2 and 16)	56,311	57,229
Due to operating fund		403
	<u>\$ 56,311</u>	<u>\$ 57,632</u>
FUND BALANCES		
UNRESTRICTED FUND	<u>22</u>	<u>1,548</u>
	<u>\$ 56,333</u>	<u>\$ 59,180</u>

Community Futures Parkland Inc.
Statement of Financial Position - Holding Fund
As at March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 1,065	\$ 16,525
Accounts receivable (Note 10)	1,792	1,775
Due from operating		99
	<u>2,857</u>	<u>18,399</u>
LONG-TERM INVESTMENTS (Note 2)	361,106	354,504
CAPITAL ASSETS (Notes 2 and 6)		
	<u>361,106</u>	<u>354,504</u>
	<u>\$ 363,963</u>	<u>\$ 372,903</u>
LIABILITIES		
CURRENT		
Due to operating	\$	<u>\$ 10,071</u>
FUND BALANCES		
EXTERNALLY RESTRICTED FUND	<u>363,963</u>	<u>362,832</u>
	<u>\$ 363,963</u>	<u>\$ 372,903</u>

Community Futures Parkland Inc.

Statement of Financial Position - Immigration Refugees and Citizenship Canada

As at March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 15,646	\$ 9,324
Accounts receivable (Note 10)	87	5,810
Due from operating		131
	<u>15,733</u>	<u>15,265</u>
CAPITAL ASSETS (Notes 2 and 6)	<u>6,230</u>	<u>4,682</u>
	<u>\$ 21,963</u>	<u>\$ 19,947</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 7)	\$ 5,036	\$ 2,541
FUND BALANCES		
EXTERNALLY RESTRICTED FUND	<u>16,927</u>	<u>17,406</u>
	<u>\$ 21,963</u>	<u>\$ 19,947</u>

Community Futures Parkland Inc.

Statement of Operations and Unrestricted Fund - Operating For The Year Ended March 31, 2019

	2019	2018
REVENUE		
Operational funding	\$ 312,031	\$ 312,031
Administration	12,990	11,982
Rentals	7,875	8,400
Elevate funding	6,500	3,500
Entrepreneurs with Disabilities Program funding	4,039	
Other	3,641	891
Indigenous Business Development Services funding	3,400	
Interest	2,083	2,085
Project funding - Self-employment	1,500	7,250
	354,059	346,139
EXPENSES		
Advertising and promotion	4,008	8,327
Amortization	4,728	8,664
Bank charges	1,024	972
Board travel/appreciation/clothing allowance	7,228	10,890
Conference and seminar	769	6,598
Employee related costs	499	500
Grants	3,183	9,700
Insurance	2,797	2,860
Janitor	1,960	720
Legal, accounting, audit	6,962	8,652
Office equipment and leases	6,467	6,131
Office supplies	2,954	6,023
Postage	195	469
Project support	5,454	3,040
Property taxes	2,064	1,870
Repairs and maintenance	2,400	384
Salaries and wages	248,718	228,857
Sponsorship	3,368	
Staff development	2,649	7,583
Staff travel/clothing allowance	15,068	20,174
Strategic planning/training	313	
Subscriptions/memberships/library	944	952
Telephone and fax	4,412	4,814
Utilities	3,048	2,876
Volunteer recognition	424	922
	331,636	341,978
EXCESS OF REVENUE OVER EXPENSES FOR YEAR	22,423	4,161
UNRESTRICTED FUND, BEGINNING OF YEAR	104,053	99,892
UNRESTRICTED FUND, END OF YEAR	\$ 126,476	\$ 104,053

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund- Investment For The Year Ended March 31, 2019

	2019	2018
REVENUE		
Interest	\$ 94,895	\$ 106,614
Recovery of bad debt	13,978	25,732
Loan documentation	5,127	2,537
Miscellaneous		91
	<u>114,000</u>	<u>134,974</u>
EXPENSES		
Insurance	750	853
Legal fees		2,288
Loan security fees	3,101	1,439
Subscriptions	214	94
	<u>4,065</u>	<u>4,674</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE:	109,935	130,300
Allowance for doubtful loans	<u>(40,347)</u>	<u>(3,582)</u>
EXCESS OF REVENUE OVER EXPENSES	69,588	126,718
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	<u>1,030,621</u>	<u>903,903</u>
EXTERNALLY RESTRICTED FUND, END OF YEAR	<u><u>\$ 1,100,209</u></u>	<u><u>\$ 1,030,621</u></u>

Community Futures Parkland Inc.

Statement of Operations and Unspent Funding - Project For The Year Ended March 31, 2019

	2019	2018
REVENUE		
Project funding	\$ 7,682	\$ 4,728
Interest	221	269
Career and Job Fair		27,068
Transfer from Financial Literacy for Seniors		3,369
	<u>7,903</u>	<u>35,434</u>
EXPENSES		
Career and Job Fair	1,139	9,996
Project funding	7,682	5,228
	<u>8,821</u>	<u>15,224</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(918)	20,210
UNSPENT FUNDING, BEGINNING OF YEAR	<u>57,229</u>	<u>37,019</u>
UNSPENT FUNDING, END OF YEAR	<u><u>\$ 56,311</u></u>	<u><u>\$ 57,229</u></u>

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Holding For The Year Ended March 31, 2019

	2019	2018
REVENUE		
Interest	\$ 10,140	\$ 10,574
EXPENSES		
Amortization		209
Entrepreneurship enhancement grant	3,875	3,000
Community Development Project grant	4,875	19,125
Volunteer recognition	259	1,506
	<u>9,009</u>	<u>23,840</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	1,131	(13,266)
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	<u>362,832</u>	376,098
EXTERNALLY RESTRICTED FUND, END OF YEAR	<u>\$ 363,963</u>	<u>\$ 362,832</u>

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Neighbourhoods Alive For The Year Ended March 31, 2019

	2019	2018
REVENUE		
Funding	\$ 1,380	\$ 3,750
EXPENSES		
Administration		
Event costs	1,860	327
Miscellaneous	469	
Office rent		1,400
Office supplies	177	426
Salaries and benefits		262
Telephone and internet		65
Travel		122
	<u>2,506</u>	<u>2,602</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,126)	1,148
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	<u>1,148</u>	
EXTERNALLY RESTRICTED FUND, END OF YEAR	<u><u>\$ 22</u></u>	<u><u>\$ 1,148</u></u>

Community Futures Parkland Inc.

Statement of Operations and Externally Restricted Fund - Financial Literacy For Seniors For The Year Ended March 31, 2019

	2019	2018
REVENUE		
Project funding	\$	\$
EXPENSES		
Advertising		
Amortization	167	167
Hospitality		
Rental		
Transfer to Project account	233	3,370
	<u>400</u>	<u>3,537</u>
DEFICIENCY OF REVENUE OVER EXPENSES	(400)	(3,537)
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	400	3,937
EXTERNALLY RESTRICTED FUND, END OF YEAR	\$	\$ 400

Community Futures Parkland Inc.
Statement of Operations and Externally Restricted Fund -
Immigration Refugees and Citizenship Canada
For The Year Ended March 31, 2019

	2019	2018
REVENUE		
Program funding	\$ 102,098	\$ 103,768
Other	469	
Interest		182
	<u>102,567</u>	<u>103,950</u>
EXPENSES		
Administration	13,040	12,032
Amortization	960	357
Bank charges and interest	159	249
Events costs		
Miscellaneous	875	1,893
Office supplies		1,384
Professional fees		
Publicity/promotion		727
Rental	8,400	4,200
Salaries and benefits	74,905	70,657
Telephone and internet	903	757
Training	550	168
Travel and meals	3,254	2,180
	<u>103,046</u>	<u>94,604</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(479)	9,346
EXTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	<u>17,406</u>	<u>8,060</u>
EXTERNALLY RESTRICTED FUND, END OF YEAR	<u><u>\$ 16,927</u></u>	<u><u>\$ 17,406</u></u>

Community Futures Parkland Inc.

Statement of Cash Flow

As at March 31, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 511,472	\$ 459,021
Cash paid to suppliers and employees	(487,960)	(479,680)
Interest received	107,338	119,542
Interest paid	(1,183)	(1,221)
	<u>129,667</u>	<u>97,662</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in other long-term investments	(6,602)	665
Change in loans receivable	(120,424)	16,633
Acquisition of capital assets	(7,088)	(10,351)
	<u>(134,114)</u>	<u>6,947</u>
CHANGE IN CASH	(4,447)	104,609
CASH, BEGINNING OF YEAR	650,203	545,594
CASH, END OF YEAR	\$ <u>645,755</u>	\$ <u>650,203</u>

Community Futures Parkland Inc.

Notes to the Financial Statements

For The Year Ended March 31, 2019

1. ENTITY DEFINITION

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 section 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.

Deferred revenue

Deferred revenue is the portion of the operating grant from Western Economic Diversification received which relates to future periods.

Long-term investments

Long-term investments represent term deposits with maturity dates ranging from June 2019 to January 2022. Interest on these term deposits are ranging from 2.6% to 3% (2018 - 2.6% to 3%). These long-term investments have been recorded at lower of cost or market value.

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

Community Futures Parkland Inc.

Notes to the Financial Statements

For The Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unspent project funding

This is the portion of the project funding received that relates to future projects or programs and will be recognized into revenue when the related projects or programs occur.

Community Futures Investment Fund

The Corporation (the "Member") has entered into a cash pooling agreement with Community Futures Investment Fund (the "CFIF") and has transferred to the CFIF \$150,000 that is possessed and beneficially owned by the Member. Such monies will be administered under the control and supervision of the persons authorized to do so in accordance with the terms of the agreement. The monies shall comprise all monies advanced from time-to-time by the Member to the CFIF, together with interest thereon, less any fees, expenses and other charges of the CFIF in accordance with the terms of the agreement. There was a write off of an investment of which \$5,709 was Community Futures Parkland Inc.'s share. Therefore, the investment fund remains at \$144,291.

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. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Nature of fund balances

Unrestricted fund

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

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 holding fund, the Neighbourhoods Alive fund, the Financial Literacy for Seniors fund and the Immigration Refugees and Citizenship Canada 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. The regular investment fund is also part of the externally restricted fund.

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 trade accounts payable and accrued liabilities.

Community Futures Parkland Inc.

Notes to the Financial Statements
For The Year Ended March 31, 2019

3. 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.

4. 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.

5. LOANS RECEIVABLE

These loans have been made to 29 (2018 – 30) 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.

	2019	2018
Loans receivable and accrued interest	\$ 1,433,158	\$ 1,323,595
Less: allowance for doubtful loans and interest	161,833	172,694
	<u>1,271,325</u>	1,150,901
Less: current portion	(120,000)	(150,000)
	<u>\$ 1,151,325</u>	<u>\$ 1,000,901</u>

6. 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	106,438	2,508	61,336	47,610
Computers	182,045	4,580	150,177	36,448
Leasehold improvements	41,137			41,137
	<u>377,416</u>	<u>\$ 7,088</u>	<u>211,513</u>	<u>172,991</u>

ACCUMULATED AMORTIZATION

Building	45,796			45,796
Furniture and equipment	97,851	1,174	61,336	37,689
Computers	177,002	3,159	150,177	29,984
Leasehold improvements	31,405	1,522		32,927
	<u>352,054</u>	<u>5,855</u>	<u>211,513</u>	<u>146,396</u>
NET BOOK VALUE	<u>\$ 25,362</u>			<u>\$ 26,595</u>

Community Futures Parkland Inc.

Notes to the Financial Statements
For The Year Ended March 31, 2019

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Operating fund		
Accrued salaries and vacation	\$ 16,639	\$ 15,548
Trade	405	478
	17,044	16,026
 Immigration Refugees and Citizenship Canada fund		
Accrued salaries and vacation	5,036	2,541
 TOTAL ACCOUNTS PAYABLE	\$ 22,080	\$ 18,567

8. 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.

	Fund	Youth Fund	Disabled Fund	Total
Amount advanced	\$ 407,364	\$ 200,000	\$ 200,000	\$ 807,364

Community Futures Parkland Inc.

Notes to the Financial Statements
For The Year Ended March 31, 2019

9. INVESTMENT FUND

The Corporation entered into an agreement with the federal government from November 1, 1992 to October 31, 1995 whereby the Corporation was eligible to receive grants up to \$749,446 for the period ended October 31, 1999 for the purpose of financing new small businesses and to expand, stabilize and protect existing businesses resulting in the generation and maintenance of permanent employment in the Parkland Region.

The original contract amount was for a maximum of \$1,555,000 but was closed at \$749,446.

During the year ended March 31, 2019, no new funds were received for the Investment Fund from this source.

	2019	2018
Contributed surplus	\$ 749,446	\$ 749,446
Operating income/deficit, beginning of year	281,175	154,457
Excess of revenue over expenses for year	<u>69,588</u>	<u>126,718</u>
Investment surplus, end of year	<u>\$ 1,100,209</u>	<u>\$ 1,030,621</u>

Community Futures Parkland Inc.

Notes to the Financial Statements
For The Year Ended March 31, 2019

10. ACCOUNTS RECEIVABLE

	2019	2018
Operating fund		
GST	\$ 967	\$ 1,950
Trade		200
	<u>967</u>	<u>2,150</u>
Investment fund		
Accrued interest	65,684	60,008
Charges/fees/NSF	220	1,457
GST	11	53
	<u>65,915</u>	<u>61,518</u>
Project fund		
GST	41	304
Holding fund		
Accrued interest	1,788	1,775
GST	4	
	<u>1,792</u>	<u>1,775</u>
Immigration Refugees and Citizenship Canada		
GST	87	245
Trade		5,565
	<u>87</u>	<u>5,810</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 68,802</u>	<u>\$ 71,557</u>

Community Futures Parkland Inc.

Notes to the Financial Statements
For The Year Ended March 31, 2019

11. FINANCIAL INSTRUMENTS

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

Credit risk

The organization 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.

The organization 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 repaid within 30 days.

Interest rate risk

The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the organization to a fair value risk while the floating rate instruments subject it to a cash flow risk. The organization is exposed to this type of risk as a result of the long-term investments. However, the risk associated with long-term investments is reduced to a minimum since these assets are invested in government securities.

12. ECONOMIC DEPENDENCE

Parkland Community Futures Development Corporation receives at least 88% (2018 - 90%) of its operating revenue from the Department of Western Economic Diversification, a sub-division of the federal government and is economically dependent on it.

13. PROJECT FUND - CASH

	2019	2018
Self Employment	\$ 9,000	\$ 9,000
Neighbourhood Alive	(4)	1,130
Quick Projects	2,881	2,866
Seed	44,415	45,480
	<u>\$ 56,292</u>	<u>\$ 58,476</u>

Community Futures Parkland Inc.

Notes to the Financial Statements

For The Year Ended March 31, 2019

14. MEASUREMENT UNCERTAINTY

The allowance for loans receivable is subject to measurement uncertainty. The recognized amount is based on management's best information and judgment. Amounts could change by more than a material amount due to economic circumstances of the individual client and the underlying economic situation of the industry and community in which they are located.

15. WD FUNDING

The organization received WD Funding for the fiscal year of \$312,031 (2018 - \$312,031). Cash expenditures for the year totaled \$331,636 (2018 - \$341,978). Therefore, all of the funding for the year was spent.

16. DEFERRED REVENUE

This is the portion of the operating grant from Western Economic Diversification for year 2019/2020 that was received during the year.

	2019	2018
Opening balance	\$	\$
Add: Amounts deferred	26,003	
Less: Amounts recognized		
Ending balance	\$ 26,003	\$

