Community Futures
Lesser Slave Lake Region

Financial Statements

March 31, 2026

Community Futures Lesser Slave Lake Region

CONTENTS

DOYLE & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Steven M. Kim, CPA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

11210 – 107 Avenue N.W.
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

INDEPENDENT AUDITORS' REPORT

To the Members of
Community Futures Lesser Slave Lake Region

Opinion

We have audited the financial statements of the Community Futures Lesser Slave Lake Region (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the results of its operations, changes in its net financial assets and cash flows for the years 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 Community Futures Lesser Slave Lake Region as at March 31, 2026, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations and accounting principles set out in Note 1.

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.

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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends 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 Responsibility 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 judgement 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be though to bear on our independence, and where applicable, related safeguards.

Doyle & Company

June 5, 2026
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

Community Futures Lesser Slave Lake Region

Statement of Financial Position

As at March 31, 2026

		Investment Fund					
	WD Operating Fund $	**WD Non-repayable Investment Fund** $	**WD Conditionally Repayable Investment Fund** $	**WD Conditionally Repayable EDP Fund** $	**RRRF & CGI Investment/ Loan Fund** $	**Total 2026** $	**Total 2025** $
Current assets							
Cash	**373,722**	**-**	**-**	**-**	**-**	**373,722**	406,884
Restricted cash (Note 2)	**-**	**367,189**	**3,298**	**73,661**	**243,065**	**687,213**	518,755
Investments (Note 3)	**15,338**	**2,582,540**	**107,100**	**-**	**-**	**2,704,978**	2,638,215
Accounts receivable (Note 4)	**12,341**	**-**	**-**	**-**	**-**	**12,341**	10,639
Prepaid expenses	**2,907**	**-**	**-**	**-**	**-**	**2,907**	14,333
Interfund receivable	**-**	**-**	**121,560**	**-**	**5,310**	**126,870**	108,470
	404,308	**2,949,729**	**231,958**	**73,661**	**248,375**	**3,908,031**	3,697,296
Loans receivable (Note 5)	**-**	**900,100**	**103,867**	**-**	**136,201**	**1,140,168**	1,419,989
Capital assets (Note 6)	**79,078**	**-**	**-**	**-**	**-**	**79,078**	69,407
	483,386	**3,849,829**	**335,825**	**73,661**	**384,576**	**5,127,277**	5,186,692
Current liabilities							
Accounts payable (Note 7)	**23,430**	**-**	**-**	**-**	**-**	**23,430**	9,223
Deferred contributions	**176,399**	**-**	**-**	**-**	**-**	**176,399**	170,497
Interfund payable	**61,049**	**65,821**	**-**	**-**	**-**	**126,870**	108,470
	260,878	**65,821**	**-**	**-**	**-**	**326,699**	288,190
Repayable grants (Note 8)	**-**	**-**	**335,825**	**73,661**	**-**	**409,486**	400,259
RRRF & CGI Loan (Note 9)	**51,960**	**-**	**-**	**-**	**301,916**	**353,876**	491,904
	312,838	**65,821**	**335,825**	**73,661**	**301,916**	**1,090,061**	1,180,353
Net assets							
Unrestricted	**91,470**	**-**	**-**	**-**	**-**	**91,470**	153,990
Externally restricted (Note 10)	**-**	**3,784,008**	**-**	**-**	**82,660**	**3,866,668**	3,782,942
Invested in capital assets	**79,078**	**-**	**-**	**-**	**-**	**79,078**	69,407
	170,548	**3,784,008**	**-**	**-**	**82,660**	**4,037,216**	4,006,339
	483,386	**3,849,829**	**335,825**	**73,661**	**384,576**	**5,127,277**	5,186,692

Approved by the Board:

_______________________ Director

_______________________ Director

The accompanying notes form part of these financial statements.

Community Futures Lesser Slave Lake Region

Statement of Changes in Net Asset

For the year ended March 31, 2026

	Unrestricted $	Externally Restricted $	Invested in Capital Assets $	2026 Total $	2025 Total $
Balance, beginning of year	**153,990**	**3,782,942**	**69,407**	**4,006,339**	3,829,118
Excess (deficiency) of revenue over expenses	**(103,550)**	**167,953**	**(24,299)**	**40,104**	200,506
Additions to capital assets	**(33,970)**	**-**	**33,970**	**-**	-
Inter-fund transfers	**75,000**	**(84,227)**	**-**	**(9,227)**	(23,285)
Balance, end of year	**91,470**	**3,866,668**	**79,078**	**4,037,216**	4,006,339

The accompanying notes form part of these financial statements.

Community Futures Lesser Slave Lake Region

Statement of Operations

For the year ended March 31, 2026

	WD Operating Fund	RRRF Operating Fund $	Investment Fund (Schedule 1) $	Total 2026 $	Total 2025 $
Revenue					
Contributions	**309,963**	**-**	**-**	**309,963**	309,963
Loan interest	**-**	**-**	**86,995**	**86,995**	94,938
Investment income	**8,860**	**1,349**	**82,220**	**92,429**	208,719
Fees and other income	**487,665**	**-**	**1,408**	**489,073**	596,119
	806,488	**1,349**	**170,623**	**978,460**	1,209,739
Expenses					
Amortization	**24,299**	**-**	**-**	**24,299**	18,712
Bad debt (recovery)	**-**	**-**	**(4,580)**	**(4,580)**	(767)
Insurance	**2,838**	**-**	**-**	**2,838**	3,046
Interest and bank charges	**979**	**320**	**2,420**	**3,719**	4,341
Office	**49,259**	**-**	**-**	**49,259**	62,352
Project expenses	**46,709**	**-**	**-**	**46,709**	15,509
Program expenses	**392,537**	**-**	**-**	**392,537**	488,400
Professional fees	**48,902**	**-**	**4,830**	**53,732**	72,170
Publications and advertising	**4,026**	**-**	**-**	**4,026**	25,583
Rent	**10,534**	**-**	**-**	**10,534**	9,000
Telephone and utilities	**8,488**	**-**	**-**	**8,488**	9,125
Travel and meetings					
Board	**1,123**	**-**	**-**	**1,123**	4,870
Staff	**26,763**	**-**	**-**	**26,763**	9,632
Wages and employee benefits	**318,909**	**-**	**-**	**318,909**	287,260
	935,366	**320**	**2,670**	**938,356**	1,009,233
Excess (deficiency) of revenue over expenses	**(128,878)**	**1,029**	**167,953**	**40,104**	200,506

Community Futures Lesser Slave Lake Region

Statement of Cash Flows

For the year ended March 31, 2026

	2026 $	2025 $
Operating Activities		
Cash received from grants	**309,963**	309,963
Cash received from interest and other income	**639,168**	915,412
Cash paid to suppliers and employees	**(870,024)**	(972,328)
	79,107	253,047
Financing Activities		
Increase (decrease) in deferred contributions	**5,902**	(91,153)
Increase in repayable contributions	**9,227**	23,285
Decrease Regional Relief and Recovery Fund (RRRF) loan	**(138,028)**	(1,605,098)
	(122,899)	(1,672,966)
Investing Activities		
Increase in investments	**(66,763)**	(154,994)
Additions in capital assets	**(33,970)**	(61,336)
Decrease (increase) in loans receivable	**279,821**	630,168
	179,088	413,838
Increase in Cash	**135,296**	(1,006,081)
Cash, beginning of year	**925,639**	1,931,720
Cash, end of year	**1,060,935**	925,639
Cash is comprised of:		
Cash	**373,722**	406,884
Restricted cash	**687,213**	518,755
	1,060,935	925,639

The accompanying notes form part of these financial statements.

Purpose of the Organization

The Community Futures Lesser Slave Lake Region (the "Organization) is a community based non-profit corporation which supports the region's plans for community economic development and the generation of additional private sector employment. The corporation is incorporated under the Alberta Companies Act. These financial statements present the combined assets, liabilities and operations of all programs sponsored by the Community Futures Lesser Slave Lake Region. The corporation is exempt from income taxes under the Income Tax Act.

1. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

a) Cash and Cash Equivalents

Cash and cash equivalents consists of bank accounts and temporary investments with maturities of three months or less.

b) Amortization

It is the corporation's policy to provide for amortization of capital assets using the declining balance method at the following rates:

Office equipment	20%
Computer equipment	30%

c) Investments

Investments are recorded at fair market value.

d) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

e) Fund Accounting

The operating fund accounts for the Organization's program delivery and administrative activities.

The investment fund has been established to have money available to provide loans to new businesses in the Lesser Slave Lake and surrounding areas.

1. Significant Accounting Policies - continued

f) Financial Instruments

The Organization initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

The Organization risk exposures related to its financial instruments are outlined as follows:

Credit Risk

The Organization is exposed to credit risk on the accounts receivable and loans receivable from its customers. In order to reduce its credit risk, the company has adopted credit policies which include an analysis of the financial position of its customers and the regular review of their credit limits.

Market Risk

The Organization is exposed to risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of of interest rate risk and other price risk.

Interest Rate Risk

The Organization is exposed to risk that the fair value of financial instruments or future cashflows associated with the instrument will fluctuate due to changes in market interest rates.

(g) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and loan receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible and intangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the revenue and expenses in the years in which they become known. Actual results could differ from those estimates.

2. Restricted Cash

The cash held by the investment fund is restricted for the purpose of that fund, mainly the issuance of general, disabled and youth loans.

3. Investments

	2026 $	2025 $
C-Flip Investment Funds	**2,704,978**	2,638,215

The C-Flip (Community Futures Lending and Investment Pool) Investment are funds administered by The Recordkeeper Inc. and managed by Royal Trust. Of the invested funds 50% are available to be lent back to Community Development Corporations with the remaining funds invested in money market funds.

The C-Flip Investment was started in June, 2000 and is invested largely in bonds which, during the past year, averaged a rate of return of about 4%.

4. Accounts Receivable

	2026 $	2025 $
Trade	**4,450**	399
GST rebate	**7,891**	10,240
	12,341	10,639

5. Loans Receivable

	Loans Receivable $	Less: Allowance for doubtful accounts $	2026 $	2025 $
WD Non-repayable Investment Fund	**900,100**	**-**	**900,100**	1,003,047
WD Conditionally Repayable Investment Fund	**103,867**	**-**	**103,867**	114,068
RRRF Investment/Loan Fund	**50,906**	**-**	**50,906**	224,125
CGI Investment/Loan Fund	**85,295**	**-**	**85,295**	78,749
	1,140,168	**-**	**1,140,168**	1,419,989

Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 5.0 - 9.5% above prime with monthly blended principal and interest repayments amortized for terms between 12 and 120 months. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and building.

6. **Capital Assets**

	2026		
	Cost	**Accumulated Amortization**	**Net Book Value**
	$	$	$
Computer equipment	**72,479**	**64,948**	**7,531**
Computer software	**33,970**	**9,342**	**24,628**
Furniture and equipment	**202,634**	**155,715**	**46,919**
	309,083	**230,005**	**79,078**

	2025		
	Cost	**Accumulated Amortization**	**Net Book Value**
	$	$	$
Computer equipment	**72,479**	**61,720**	**10,759**
Furniture and equipment	**202,634**	**143,986**	**58,648**
	275,113	**205,706**	**69,407**

7. **Accounts Payable**

	2026	**2025**
	$	$
Trades payable and accrued liabilities	**23,430**	9,223

8. **Conditionally Repayable Loan Funds**

	Disabled	**Youth**	**Total 2026**	**Total 2025**
	$	$	$	$
Initial grant	**200,000**	**200,000**	**400,000**	400,000
1/2 interest earned to March 31, 2001	**17,948**	**1,850**	**19,798**	19,798
Surplus to March 31, 2026	**47,302**	**212,338**	**259,640**	250,413
Loan write-offs	**(191,589)**	**(78,363)**	**(269,952)**	(269,952)
	73,661	**335,825**	**409,486**	400,259

Under the terms and conditions of the contribution agreement with Western Economic Diversification, the Conditional Repayable Loan Funds are repayable if any of the following conditions occur:

i. The Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in the Agreement; or

ii. Based on reviews and evaluations of the operations and the Conditionally Repayable Investment Fund of the Organization, the Conditionally Repayable Investment Fund is not providing a satisfactory level of benefits in terms of employment creation, the development of Community-owned or controlled businesses, and strengthening of the western Canadian economy; or

8. Conditionally Repayable Loan Funds - Continued

iii. In the opinion of the Minister, the Conditionally Repayable Investment Fund is no longer necessary or relevant to the development of the western Canadian economy; or

iv. The Agreement is Terminated as described in Section 7; or

v. An event of default occurs, as described in Section 7 of the Agreement; or

vi. The Minister does not approve terms and conditions to extend the project beyond the completion date.

9. Regional Relief and Recovery Fund (RRRF) and Capital Growth Initiative (CGI) Loan

The Regional Relief and Recovery Fund (RRRF) loan is an interest-free loan from the Community Futures Association (CFA) and repayment is not required until December 31, 2023. Any available portion of the RRRF loan that has not been loaned by the Organization by December 31, 2023 is due to CFA on that date. Repayment of the Organization's RRRF investment fund loans are repayable to CFA as they are received. This loan may only be used to make loans or provide loan supports to Canadian Small and Medium-Sized Enterprises.

Repayments received prior to December 31, 2023 are eligible for forgiveness at a rate of 25% of the first $40,000 and 50% of amounts above $40,000 and up to $60,000. The repayable balance will be reduced by any amounts loaned by the Organization that are determined to be uncollectible, in accordance with the RRRF loan agreement terms. The full amount of the RRRF loan is due on expiry of the RRRF loan agreement on December 31, 2025.

The Capital Growth Initiative (CGI) loan is low-interest loans designed specifically for women entrepreneurs. The loans have interest rate of prime + 2% for a 5-year term and 6 months of interest-only payments at the start of the loan. If 75% of the loan is repaid within the 5-year loan term, the remaining balance is forgiven.

The RRRF & CGI loan proceeds received, net of amount forgiven, to March 31, 2026, is as follows:

	2026 $	**2025** $
Total net loan proceeds	**353,876**	491,904

10. Externally Restricted Fund Balances

	2026 $	2025 $
WD Non-repayable Investment Fund - contributions	**1,550,000**	1,550,000
WD Non-repayable Investment Fund - earned	**2,234,008**	2,169,841
RRRF & CGI Investment/Loan Fund - earned	**82,660**	63,101
	3,866,668	3,782,942

Loan investment funds are restricted to loans to businesses.

11. Economic Dependence

The Organization receives almost all of its operating revenues from the federal government and is economically dependent upon it.

12. Lease Commitments

(a) The lease term with Allarie Enterprises Ltd. is for five years commencing July, 2019. The lease is for the rental of space required to operate the corporation.

The corporation is committed to annual future minimum lease payments under the lease as follows:

	$
2027	**24,061**
2028	**24,783**
2029	**25,527**
	74,371

13. COMPARATIVE FIGURES

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

Community Futures Lesser Slave Lake Region

Schedule 1

Statement of Operations - Investment Fund

March 31, 2026

	WD Non-Repayable Investment Fund $	WD Conditionally Repayable Investment Fund $	WD Conditionally Repayable EDP Fund $	RRRF & CGI Investment/ Loan Fund $	Total 2026 $	Total 2025 $
Revenue						
Loan interest	**70,840**	**5,307**	**141**	**10,707**	**86,995**	94,938
Investment income	**72,779**	**2,691**	**1,688**	**5,062**	**82,220**	185,756
Other revenue	**1,108**	**-**	**-**	**300**	**1,408**	3,170
	144,727	**7,998**	**1,829**	**16,069**	**170,623**	283,864
Expenses						
Bad debts (recovery)	**-**	**-**	**-**	**(4,580)**	**(4,580)**	(2,917)
Interest and bank charges	**730**	**300**	**300**	**1,090**	**2,420**	2,781
Professional fees (recovery)	**4,830**	**-**	**-**	**-**	**4,830**	66
	5,560	**300**	**300**	**(3,490)**	**2,670**	(70)
Excess of revenue over expenses before transfers	**139,167**	**7,698**	**1,529**	**19,559**	**167,953**	283,934
Transfers surplus to repayable grants	**-**	**(7,698)**	**(1,529)**	**-**	**(9,227)**	(23,285)
Excess of revenue over expenses	**139,167**	**-**	**-**	**19,559**	**158,726**	260,649