

COMMUNITY FUTURES LLOYDMINSTER AND REGION

DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDING MARCH 31, 2025

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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To Prairies Economic Development Canada:

We have undertaken a reasonable assurance engagement of Community Futures Lloydminster and Region Development Corporation's compliance during the period April 1, 2024 to March 31, 2025, with the requirements set out in the Contribution Agreement between Prairies Economic Development Canada and Community Futures Lloydminster and Region Development Corporation (the Corporation) dated March 3, 2022.

Management's Responsibility

Management is responsible for the Corporation's compliance with the specified requirements. Management is also responsible for such internal control as management determines necessary to enable the Corporation's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the Corporation's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3531, Direct Engagements to Report on Compliance. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Rules of Professional Conduct of Alberta, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, the Corporation complied with the specified requirements set out in the Contribution Agreement during the period April 1, 2024 to March 31, 2025, in all significant respects.

We do not provide a legal opinion on the Corporation's compliance with the specified requirements.

Restriction on Distribution and Use of Our Report

Our report is intended solely for the Corporation and Prairies Economic Development Canada and should not be distributed to or used by parties other than the Corporation or Prairies Economic Development Canada.

St. Paul, Alberta
June 18, 2025


Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Lloydminster
and Region Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Futures Lloydminster and Region Development Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and a schedule of operating expenses.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2025, and its operations, changes in fund balances, 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 Corporation 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 those 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 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 the audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation 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.

St. Paul, Alberta
June 18, 2025


Chartered Professional Accountants



COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

	Operating Funds		Loan Investment Funds				2025	2024
	General	RRRF	ASSETS					
			Non-Repayable	Repayable	Disabled	RRRF		
Current assets								
Cash in bank	\$ 528,116	\$ --	\$ 363,647	\$ 96,073	\$ 191,125	\$ 100,982	\$ 1,279,943	\$ 1,373,658
Accounts receivable (note 3)	3,936	--	--	--	--	--	3,936	4,658
Short term investments (note 4)	--	--	24,067	37,656	--	--	61,723	184,178
Due from investment funds (note 18)	40,201	--	--	--	--	--	40,201	28,008
Prepaid expenses	10,334	4,941	--	--	--	--	15,275	13,856
Current portion of investment loans	5,328	--	99,176	134,584	1,190	--	240,278	229,188
Current portion of loans receivable	25,656	--	--	--	--	3,500	29,156	17,403
Long term investments (note 5)	613,571	4,941	486,890	268,313	192,315	104,482	1,670,512	1,850,949
Capital assets (note 6)	7,302	--	12,173	--	--	--	19,475	18,604
Investment loans receivable (notes 7 - 9)	11,253	2,717	--	--	--	--	13,970	19,473
Loans receivable -- (note 7, note 13)	638	--	661,003	442,110	11,642	--	1,115,393	936,310
	101,514	--	--	--	--	973,153	1,074,667	1,218,570
	\$ 734,278	\$ 7,658	\$ 1,160,066	\$ 710,423	\$ 203,957	\$ 1,077,635	\$ 3,894,017	\$ 4,043,906

LIABILITIES AND FUND BALANCES

Current liabilities								
Payables and accrued liabilities (note 10)	\$ 45,560	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 45,560	\$ 43,858
Due to general fund (note 18)	--	--	200	165	--	39,836	40,201	28,008
Due to (from) investment funds (note 18)	--	--	(170,814)	(9,186)	180,000	--	--	--
Deferred revenue (note 11)	2,350	--	--	--	--	9,139	11,489	60,127
Loans repayable	--	--	--	--	--	9,229	9,229	17,884
Loans repayable (note 13)	47,910	--	(170,614)	(9,021)	180,000	58,204	106,479	149,877
Deferred capital contributions (note 14)	127,083	--	--	--	--	973,153	1,100,236	1,250,321
	<u>5,619</u>	--	--	--	--	--	<u>5,619</u>	<u>7,720</u>
	180,612	--	(170,614)	(9,021)	180,000	1,031,357	1,212,334	1,407,918
Fund balances								
Invested in capital assets	5,634	2,717	--	--	--	--	8,351	11,753
Externally restricted (note 12)	--	--	1,330,680	719,444	23,957	46,278	2,120,359	2,094,703
Unrestricted	548,032	4,941	--	--	--	--	552,973	529,532
	<u>553,666</u>	<u>7,658</u>	<u>1,330,680</u>	<u>719,444</u>	<u>23,957</u>	<u>46,278</u>	<u>2,681,683</u>	<u>2,635,988</u>
	<u>\$ 734,278</u>	<u>\$ 7,658</u>	<u>\$ 1,160,066</u>	<u>\$ 710,423</u>	<u>\$ 203,957</u>	<u>\$ 1,077,635</u>	<u>\$ 3,894,017</u>	<u>\$ 4,043,906</u>

Approved on Behalf of The Board:

 Chairman  Treasurer

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

	Operating Funds		Loan Investment Funds		RRRF	2025	2024
Revenue	General	RRRF	Non-Repayable	Repayable	Disabled		
Federal contracts	\$ 294,963	\$ 40,412	\$ --	\$ --	\$ --	\$ 335,375	\$ 320,412
Loan interest	7,630	--	54,035	37,050	687	119,099	100,761
Bank interest	23,895	--	15,756	8,437	6,937	59,277	67,457
Special projects & other revenue	74,464	--	--	--	--	74,464	37,082
CGI operating funds	9,226	--	--	--	--	9,226	3,774
Amortization of deferred capital contributions (note 14)	2,101	--	--	--	--	2,101	2,924
CFLIP investment income	--	--	684	1,070	--	1,754	2,154
CFLIP unrealized gain	--	--	738	1,155	--	1,893	872
	<u>412,279</u>	<u>40,412</u>	<u>71,213</u>	<u>47,712</u>	<u>7,624</u>	<u>603,189</u>	<u>535,436</u>
Expenses							
Operating expenses (schedule)	391,303	41,349	--	--	--	432,652	379,588
Provision for (recovery of) loan losses	--	--	122,333	3,682	(1,173)	124,842	(4,319)
	<u>391,303</u>	<u>41,349</u>	<u>122,333</u>	<u>3,682</u>	<u>(1,173)</u>	<u>557,494</u>	<u>375,269</u>
Excess of revenue over expenses	\$ 20,976	\$ (937)	\$ (51,120)	\$ 44,030	\$ 8,797	\$ 45,695	\$ 160,167

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2025

	Operating Funds		Loan Investment Funds			RRRF	2025	2024
	General	RRRF	Non-Repayable	Repayable	Disabled			
Equity in capital assets, beginning of year	\$ 7,871	\$ 3,882	\$ --	\$ --	\$ --	\$ --	\$ 11,753	\$ 13,822
Purchase of capital assets	--	--	--	--	--	--	--	2,304
Amortization	(4,338)	(1,165)	--	--	--	--	(5,503)	(6,954)
Gain on disposal of capital assets	--	--	--	--	--	--	--	157
Proceeds on sale of capital assets	--	--	--	--	--	--	--	(500)
Amortization of deferred capital contributions	2,101	--	--	--	--	--	2,101	2,924
Equity in capital assets, end of year	<u>5,634</u>	<u>2,717</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,351</u>	<u>11,753</u>
Externally restricted funds, beginning of year	--	--	1,381,800	675,414	15,160	22,329	2,094,703	1,934,290
Interfund transfer (note 18)	--	--	--	--	--	--	--	10,565
Excess of revenue over expenses	--	--	(51,120)	44,030	8,797	23,949	25,656	149,848
Externally restricted funds, end of year	<u>--</u>	<u>--</u>	<u>1,330,680</u>	<u>719,444</u>	<u>23,957</u>	<u>46,278</u>	<u>2,120,359</u>	<u>2,094,703</u>
Unrestricted funds, beginning of year	524,819	4,713	--	--	--	--	529,532	527,709
Excess of revenue over expenses	20,976	(937)	--	--	--	--	20,039	10,319
Purchase of capital assets	--	--	--	--	--	--	--	(2,304)
Amortization	4,338	1,165	--	--	--	--	5,503	6,954
Gain on disposal of capital assets	--	--	--	--	--	--	--	(157)
Proceeds on sale of capital assets	--	--	--	--	--	--	--	500
Amortization of deferred capital contributions	(2,101)	--	--	--	--	--	(2,101)	(2,924)
Interfund transfer (note 18)	--	--	--	--	--	--	--	(10,565)
Unrestricted funds, end of year	<u>548,032</u>	<u>4,941</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>552,973</u>	<u>529,532</u>
	<u>\$ 553,666</u>	<u>\$ 7,658</u>	<u>\$ 1,330,680</u>	<u>\$ 719,444</u>	<u>\$ 23,957</u>	<u>\$ 46,278</u>	<u>\$ 2,681,683</u>	<u>\$ 2,635,988</u>

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	Operating Funds		Loan Investment Funds			2025	2024
	General	RRRF	Non-Repayable	Repayable	Disabled	RRRF	
Operating Activities							
Federal contracts	\$ 294,963	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 297,963
Investment income	7,563	--	43,060	35,065	689	18,970	99,649
Bank interest income	23,806	--	14,403	6,987	6,837	1,927	66,065
Special projects and other income	78,333	--	--	--	--	--	59,779
WES project income	--	--	--	--	--	--	110,835
Salaries and benefits	(243,204)	(24,353)	--	--	--	--	(225,260)
Materials and services	(157,925)	(1,097)	--	--	--	--	(135,957)
	<u>3,536</u>	<u>(25,450)</u>	<u>57,463</u>	<u>42,052</u>	<u>7,526</u>	<u>20,897</u>	<u>273,074</u>
Investing Activities							
Purchase of capital assets	--	--	--	--	--	--	(2,304)
Proceeds on sale of capital assets	--	--	--	--	--	--	500
Cash in (purchase) of term deposit	126,102	--	--	--	--	--	(126,102)
	<u>126,102</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(127,906)</u>
Financing Activities							
Investment loan advances	--	--	(240,121)	(276,275)	(100)	--	(292,290)
Investment loan repayments	--	--	100,408	102,856	6,310	143,835	1,551,354
Operations loan repayments	59,736	--	--	--	--	--	24,873
Operations loan advances	(70,000)	--	--	--	--	--	(38,833)
Advances from (repayments to) CFNA	--	--	--	--	--	(152,490)	(1,070,310)
Interfund transfer (note 18)	--	25,450	--	--	--	(25,450)	--
	<u>(10,264)</u>	<u>25,450</u>	<u>(139,713)</u>	<u>(173,419)</u>	<u>6,210</u>	<u>(34,105)</u>	<u>174,794</u>
Net increase (decrease) in cash	119,374	--	(82,250)	(131,367)	13,736	(13,208)	319,962
Cash, beginning of year	408,742	--	445,897	227,440	177,389	114,190	1,053,696
Cash, end of year	<u>\$ 528,116</u>	<u>\$ --</u>	<u>\$ 363,647</u>	<u>\$ 96,073</u>	<u>\$ 191,125</u>	<u>\$ 100,982</u>	<u>\$ 1,373,658</u>

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2025

Operating expenses	Operating Fund		<u>2025</u>	<u>2024</u>
	<u>General</u>	<u>RRRF</u>		
Salaries and benefits	\$ 249,070	\$ 24,353	\$ 273,423	\$ 226,386
Office rent and utilities	38,331	1,800	40,131	40,131
Contract services	13,882	2,913	16,795	7,103
Professional fees	15,523	717	16,240	15,175
Information technology	6,423	8,320	14,743	14,818
Special projects	10,979	474	11,453	15,459
Board member expenses	8,305	--	8,305	6,132
Telephone and internet	6,805	--	6,805	6,194
Maintenance and repairs	6,179	--	6,179	3,973
Office supplies	5,768	205	5,973	6,910
Marketing and promotion	5,744	--	5,744	8,573
Amortization expense	4,338	1,165	5,503	6,954
Staff development	5,123	--	5,123	2,799
Staff travel	3,844	381	4,225	7,367
Insurance	3,569	--	3,569	3,438
Equipment rental	3,310	205	3,515	3,377
Memberships	2,549	--	2,549	3,033
Bank charges	806	816	1,622	991
Meeting expenses	755	--	755	932
Loss (gain) on disposal of assets	--	--	--	(157)
	<u>\$ 391,303</u>	<u>\$ 41,349</u>	<u>\$ 432,652</u>	<u>\$ 379,588</u>