COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Financial Statements

Year Ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Futures Development Corporation of Peace Liard

Report on the Financial Statements

Opinion

We have audited the financial statements of Community Futures Development Corporation of Peace Liard (the "Corporation"), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 the financial statements in accordance with ASNPO, 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 Corporation'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 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

Eclipse LLP

Dawson Creek, BC
June 17, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Financial Position

Year Ended March 31, 2026

	2026 Restricted Loan Funds *(Note 12)*	**2026** General Operating Fund	**2026** Total	2025 Total
ASSETS				
CURRENT				
Cash - externally restricted *(Note 2)*	$ 2,960,016	$ -	**$ 2,960,016**	$ 3,764,970
- unrestricted	-	228,804	**228,804**	377,592
Receivables *(Note 4)*	5,869	16,606	**22,475**	12,746
Prepaid expenses	-	1,193	**1,193**	360
Loan advances *(Note 5)*	3,789,419	-	**3,789,419**	2,441,923
	6,755,304	246,603	**7,001,907**	6,597,591
DUE FROM GENERAL OPERATING FUND	169,869	-	**169,869**	36,362
DUE FROM RESTRICTED LOAN FUNDS	-	119,609	**119,609**	1,357
TANGIBLE CAPITAL ASSETS *(Note 6)*	-	15,007	**15,007**	15,263
	$ 6,925,173	$ 381,219	**$ 7,306,392**	$ 6,650,573
LIABILITIES AND NET ASSETS				
CURRENT				
Payables *(Note 7)*	$ 2,348	$ 28,116	**$ 30,464**	$ 40,753
Deferred revenue	-	11,341	**11,341**	140,367
Lease liability due within one year *(Note 8)*	-	489	**489**	4,969
Repayable fund contributions *(Note 9)*	1,418,758	-	**1,418,758**	1,509,607
	1,421,106	39,946	**1,461,052**	1,695,696
LONG-TERM LEASE LIABILITY *(Note 8)*	-	-	**-**	991
DUE TO RESTRICTED LOAN FUNDS	-	169,869	**169,869**	36,362
DUE TO GENERAL OPERATING FUND	119,609	-	**119,609**	1,357
	1,540,715	209,815	**1,750,530**	1,734,406
NET ASSETS				
Investment in capital assets	-	15,007	**15,007**	15,263
Externally restricted *(Note 10)*	5,384,458	-	**5,384,458**	4,740,360
Unrestricted	-	156,397	**156,397**	160,544
	5,384,458	171,404	**5,555,862**	4,916,167
	$ 6,925,173	$ 381,219	**$ 7,306,392**	$ 6,650,573

Approved by

___________________________ Director

___________________________ Director

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Operations

Year Ended March 31, 2026

	2026			2025
	Restricted Loan Funds *(Note 13)*	**General Operating Fund**	**Total**	Total
REVENUE				
Contributions - PacifiCan	$ -	$ 330,955	**$ 330,955**	$ 330,955
Fee for service	-	22,000	**22,000**	27,064
Interest - loans	313,163	-	**313,163**	368,769
- bank	86,459	9,970	**96,429**	127,735
Loan processing fees	-	62,794	**62,794**	7,551
Other	7,619	35,479	**43,098**	103,102
Projects *(Note 15)*	-	262,156	**262,156**	228,776
	407,241	723,354	**1,130,595**	1,193,952
EXPENSES				
Accounting and legal	1,382	23,798	**25,180**	25,221
Administration fees	2,049	-	**2,049**	1,396
Advertising and promotion	-	73,716	**73,716**	15,163
Amortization	-	10,246	**10,246**	8,836
Bad debts	-	-	**-**	16,363
Collection fees	1,158	-	**1,158**	1,091
Contract fees	-	201,293	**201,293**	186,859
Insurance	1,049	6,646	**7,695**	8,877
Interest and bank charges	1,088	2,474	**3,562**	4,915
Interest on long-term debt	-	308	**308**	773
Meetings	-	2,036	**2,036**	1,677
Office	-	18,528	**18,528**	9,738
Participation interest	63,272	-	**63,272**	67,408
Projects (*Note 16)*	-	275,813	**275,813**	267,263
Rent	-	28,597	**28,597**	18,017
Repairs and maintenance	-	2,592	**2,592**	12,299
Subscriptions and memberships	-	14,500	**14,500**	7,884
Telephone and postage	-	10,824	**10,824**	9,422
Training	-	4,687	**4,687**	14,340
Travel and conferences	-	28,304	**28,304**	12,306
Wages and benefits	-	166,540	**166,540**	161,212
	69,998	870,902	**940,900**	851,060
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ 337,243	$ (147,548)	**$ 189,695**	$ 342,892

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Changes in Net Assets

Year Ended March 31, 2026

	2026				2025
	Restricted Loan Funds *(Note 13)*	**General Operating Fund**			
		Unrestricted	**Invested in Equipment**	**Total**	Total
NET ASSETS, beginning of year	$ 4,740,360	$ 160,544	$ 15,263	**$ 4,916,167**	$ 4,573,275
Excess (deficiency) of revenue over expenses	337,243	(147,548)	-	**189,695**	342,892
CFBC top-up (*Note 14*)	450,000	-	-	**450,000**	-
Interfund transfers					
Interest transfers	(143,145)	143,145	-	**-**	-
Capital asset purchases		(9,990)	9,990	**-**	-
Amortization		10,246	(10,246)	**-**	-
NET ASSETS, end of year	$ 5,384,458	$ 156,397	$ 15,007	**$ 5,555,862**	$ 4,916,167

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Cash Flow

Year Ended March 31, 2026

		2026							2025
		Restricted Loan Funds							
	General Operating	**General Loan**	**Disability Loan**	**Youth Loan**	**Community Business Loan**	**Investment Loan**	**RRRF Loan**	**Total**	Total
OPERATING ACTIVITIES									
(Deficiency) excess of revenue over expenses	$(147,548)	$ 209,087	$ 11,693	$ 2,792	$ 79,504	$ 12,216	$ 21,951	**$ 189,695**	$ 342,892
Non-cash items									
Amortization	10,246	-	-	-	-	-	-	**10,246**	8,836
Changes in non-cash working capital *(Note 11)*	(154,429)	6,222	-	-	1,807	-	(25)	**(146,425)**	62,249
Cash flow (used by)/from operating activities	(291,731)	215,309	11,693	2,792	81,311	12,216	21,926	**53,516**	413,977
FINANCING ACTIVITIES									
CFBC loan top-up *(Note 14)*	-	450,000	-	-	-	-	-	**450,000**	-
Change in due to/from	15,255	27,921	18	(118,836)	(21,643)	120,285	(23,000)	**-**	(35,000)
Loans advanced	-	(2,529,430)	-	(7,050)	(48,819)	(51,300)	-	**(2,636,599)**	(385,087)
Loans recovered	-	976,125	22,060	34,198	97,790	78,098	77,376	**1,285,647**	1,843,620
Loans repaid	-	-	-	-	-	-	(90,849)	**(90,849)**	(228,503)
Payment of long term debt	(5,467)	-	-	-	-	-	-	**(5,467)**	(5,007)
Interfund transfers	143,145	(143,145)	-	-	-	-	-	**-**	-
Cash flow from/(used by) financing activities	152,933	(1,218,529)	22,078	(91,688)	27,328	147,083	(36,473)	**(997,268)**	1,190,023
INVESTING ACTIVITIES									
Acquisition of tangible capital assets	(9,990)	-	-	-	-	-	-	**(9,990)**	(2,664)
Cash flow used by investing activities	(9,990)	-	-	-	-	-	-	**(9,990)**	(2,664)
(DECREASE) INCREASE IN CASH	(148,788)	(1,003,220)	33,771	(88,896)	108,639	159,299	(14,547)	**(953,742)**	1,601,336
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	377,592	1,705,077	168,822	88,973	1,494,348	164,480	143,270	**4,142,562**	2,541,226
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 228,804	$ 701,857	$ 202,593	$ 77	$ 1,602,987	$ 323,779	$ 128,723	**$ 3,188,820**	$ 4,142,562
CASH AND CASH EQUIVALENTS CONSISTS OF:									
Unrestricted cash	$ 228,804	$ -	$ -	$ -	$ -	$ -		**$ 228,804**	$ 377,592
Externally restricted cash	-	701,857	202,593	77	1,602,987	323,779	128,723	**2,960,016**	3,764,970
	$ 228,804	$ 701,857	$ 202,593	$ 77	$ 1,602,987	$ 323,779	$ 128,723	**$ 3,188,820**	$ 4,142,562

See accompanying notes to financial statements

PURPOSE OF ORGANIZATION

The Community Futures Development Corporation of Peace Liard is a federally funded, not-for-profit organization which was established to provide loans, loan guarantees and equity investments in small businesses. The Community Futures Development Corporation of Peace Liard's mandate also provides business consulting and training for small and medium-sized enterprises. The Corporation is incorporated under the Canada Corporations Act as a Not for Profit Corporation.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO); accordingly these financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Comparative figures
Some of the comparative figures have been restated and reclassified to conform with the current year's presentation.

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit and short term deposits with maturity dates of less than 90 days net of cheques issued and outstanding at the reporting date.

Prepaid expenses

Prepaid expenses consist of prepaid operating expenses which will be expensed in the periods expected to benefit from them.

Tangible capital assets

Tangible capital assets are stated at cost, or if donated, at estimated fair market value at the time of donation. Amortization is recorded using the straight-line basis at the following annual rates:

Computers	33%
Office equipment	20%
Website	20%
Software	20%

Expenditures for maintenance and repairs are charged to operating expenses as incurred. Significant expenditures for improvements are capitalized.

Gains or losses realized on the disposal of major tangible capital assets are reflected in the respective fund in the year of disposition.

The carrying amount of an item of tangible capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the assets carrying amount is not recoverable and exceeds its fair value.

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

Community Futures Development Corporation of Peace Liard follows fund accounting.

The General Operating Fund accounts for the corporation's program delivery and administrative activities. The fund reports unrestricted resources and restricted operating grants.

The Restricted Loan Funds report the assets, liabilities, revenues and expenses related to the activities of the respective funds as follows:

The General Loan Fund was established to provide loans, loan guarantees or equity participation to small business. The assistance must be used for the purpose of local investment in the community including development and diversification of the local economy, creating and maintaining employment, or to help entrepreneurs to create new local business.

The Western Youth Entrepreneur Investment Fund was established to help develop job opportunities by providing funding assistance, in the form of loans, loan guarantees or equity participation, to entrepreneurs in Western Canada.

The Community Business Fund may provide loans, business consulting and training to businesses in rural communities outside of the Capital Regional District and Greater Vancouver Regional District in British Columbia.

The Disabled Entrepreneur Investment Fund's purpose is to assist the disabled in overcoming barriers to self-employment and entrepreneurship. Assistance can be provided by way of loans, loan guarantees or equity participation to disabled entrepreneurs in Western Canada.

The Investment Fund assists small business through loans, loan guarantees, equity participation and other means. The purpose of the assistance is to develop and diversify the economy by assisting entrepreneurs to create new businesses or to stabilize or expand existing businesses.

The Regional Relief and Recovery Fund (RRRF) was established to provide loan supports to Canadian Small and Medium-Sized Enterprises thay may require additional support to cope with and recover from the COVID-19 pandemic.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenues earned from the loan funds are recognized as revenue of the respective Loan Fund on an accrual basis.

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Community Futures initially measures its financial assets and financial liabilities at fair value. Community Futures subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, receivables and loan advances.

Financial liabilities measured at amortized cost include payables, deferred revenue, and repayable fund contributions.

Use of estimates

The preparation of these financial statements is in conformity with Canadian accounting standards for Not-for-Profit Organizations which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the current period. Significant estimates include those used when accounting for receivables, loans receivable, useful life of tangible capital assets, payables, and deferred revenue. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

2. CASH - EXTERNALLY RESTRICTED

Externally restricted cash consists of funds available for loans, loan guarantees, equity investments, and business counselling and training. These funds are subject to the various restrictions mandated by their fund contributors.

3. OPERATING LINE OF CREDIT

Under the terms of Community Futures' credit agreement, the Corporation has an operating line of credit available to a maximum of $50,000, bearing interest at the bank's prime interest rate. The line of credit is secured by a general security agreement. As at year end, the Corporation has no amount outstanding under this facility (2025 - $NIL).

4. RECEIVABLES

	Restricted Loan Fund	General Operating Fund	**2026 Total**	2025 Total
Trade	$ 5,860	$ 13,748	**$ 19,608**	$ 10,399
Goods and services tax	9	2,858	**2,867**	2,347
	$ 5,869	$ 16,606	**$ 22,475**	$ 12,746

5. LOAN ADVANCES

Loan advances are made from the Corporation's Loan Funds in accordance with the criteria set out by the respective contributors. All loans, except the RRRF Investment Loans, are secured by a general security agreement. In addition certain loans have specific equipment, and real estate mortgages in place. Management has reviewed the loan advances on an individual basis to estimate the reserve for uncollectible loans; one hundred percent of the loans determined to be uncollectible are included in the reserve. Given that the uncollectible amounts are based on estimates it is reasonably possible that the disclosed amounts could change by a material amount in the next term.

2026

	Conditionally repayable loan investment fund						
	Investment Loan Fund	**Disability Loan Fund**	**Western Youth Entrepreneur Investment Loan Fund**	**Community Business Loan Fund**	**RRRF Investment/ Loan Fund**	**General Loan Fund**	**Total**
Loan balance	$ 42,626	$ 57,660	$ 7,050	$ 516,140	$ 78,574	$ 3,084,650	**$ 3,786,700**
Accrued interest, fees and charges	-	-	-	-	25.00	2,694	**2,719**
	42,626	57,660	7,050	516,140	78,599	3,087,344	**3,789,419**
Less: allowance	-	-	-	-	-	-	**-**
	42,626	57,660	7,050	516,140	78,599	3,087,344	**3,789,419**

2025

	Conditionally repayable loan investment fund						
	Investment Loan Fund	Disability Loan Fund	Western Youth Entrepreneur Investment Loan Fund	Community Business Loan Fund	RRRF Investment/ Loan Fund	General Loan Fund	Total
Loan balance	$ 69,424	$ 79,720	$ 34,198	$ 588,474	$ 155,950	$ 1,668,714	$ 2,596,480
Accrued interest, fees and charges	-	-	-	1,807	-	4,367	6,174
	69,424	79,720	34,198	590,281	155,950	1,673,081	2,602,654
Less: allowance	-	-	-	(23,363)	-	(137,368)	(160,731)
	$ -	$ 79,720	$ 34,198	$ 566,918	$ 155,950	$ 1,535,713	$ 2,441,923

a) Conditionally repayable loan investment fund:

Loans issued out of the Corporation's conditionally repayable loan investment fund consist of the following:

Investment loan fund consists of one loan with an outstanding balance of $42,626, repayable over four years at an interest rate of CIBC prime plus 3%.

Disability loan fund consists of one loan with an outstanding balance of $57,660, repayable over five years at an interest rate of CIBC prime plus 5%.

Youth loan investment fund consists of two loans of $3,525 each, repayable over one year at an interest rate of 0% for the first year and CIBC prime plus 2% thereafter.

b) Community business loan investment fund:

Loans issued out of the Corporation's community business loan investment fund consists of eight loans ranging from $2,005 to $118,080 with terms of 5 to 12 years and interest rates varying from CIBC prime plus 2-5% to a fixed rate of 8.45%.

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5. LOAN ADVANCES *(continued)*

c) RRRF investment/loan fund:

Loans issued out of the Corporation's RRRF investment/loan fund consist of six RRRF loans ranging from $10,539 to $14,292 plus one expansion loan amounting to $7,183. After the repayment deadline to receive partial forgiveness has passed, the existing RRRF loans have been converted into 3-year installment loans maturing on December 31, 2026 with a 5% interest rate per annum starting January 19, 2024.

d) General loan fund:

Loans issued out of the Corporation's general loan fund consist of 37 loans ranging from $434 to $784,904 with terms of one to fifteen years and interest rates varying from 0% and CIBC prime plus 2-5% to a fixed rate of 6.95-10%. The fund also includes four syndicated loans with other Community Futures organizations as detailed below.

Syndicated loans:

From time to time, Community Futures Development Corporation of Peace Liard will enter into syndicated loans as the lead lender with other Community Futures Corporations across British Columbia. Community Futures Development Corporation of Peace Liard collects loan payments on behalf of the partner Community Futures and distributes payments proportionally. An individual Community Futures Corporation is only entitled for the portion of principal initially contributed to the syndicated loan plus interest. Community Futures Development Corporation of Peace Liard is not liable to the other Community Futures for the full amount of the loan unless they are found to be negligent.

	2026	2025
Community Futures Development Corporation of Peace Liard	**$ 1,099,247**	$ 382,758
Other Community Futures	**1,154,404**	470,174
Total syndicated loans	**$ 2,253,651**	$ 852,932

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Office furniture, fixtures, and equipment	$ 85,697	$ 81,118	**$ 4,579**	$ 5,321
Computers	86,311	75,883	**10,428**	9,942
Website	10,295	10,295	**-**	-
Software	8,166	8,166	**-**	-
	$ 190,469	$ 175,462	**$ 15,007**	$ 15,263

7. PAYABLES

	Restricted Loan Fund	General Operating Fund	**2026**	2025
Trade	$ 2,348	$ 20,112	**$ 22,460**	$ 32,412
Wages	-	8,004	**8,004**	8,341
	$ 2,348	$ 28,116	**$ 30,464**	$ 40,753

8. CAPITAL LEASE

	2026			2025
	Total	Current	Long Term	Total
Lenovo Thinksystem ST250 Server	**$ 489**	$ 489	$ -	$ 5,960

The RCAP lease is payable in monthly instalments of $440 including interest at 9.88% per annum. The final instalment is due on April 2026 at which time Community Futures will purchase the equipment for $10 plus applicable taxes.

Principal instalments due within the next five years, assuming no change in terms or interest rates, are as follows:

2027	489

9. REPAYABLE FUND CONTRIBUTIONS

The Community Futures Development Corporation of Peace Liard has entered into agreements with the Pacific Economic Development Canada (PacifiCan) and the Minister of Community and Rural Development. The repayable funding received from PacifiCan is reported in the Western Youth Entrepreneur Investment Fund, Disabled Entrepreneur Investment Fund and the Investment Fund. On April 1, 2005 the cash and principle loan amounts were due for repayment to the Pacific Economic Development Canada as per the contract. Based on the amended contribution agreement dated December 2, 2025, PacifiCan has extended the project completion date to March 21, 2028. The repayable funding received from the Minister of Community and Rural Development is reported in the Community Business Fund. Matching funds were also transferred from the General Loan Fund as part of the agreement. No specific date is set for the termination of the agreement and subsequent repayment of contributions. However, upon mutual agreement, or ninety days written notice by either party, the Minister of Community and Rural Development agreement can be terminated and all cash and loan principle amounts will become due as per the agreement. These amounts are not interest bearing, and have not been recalled by either funder as of March 31, 2026.

10. EXTERNALLY RESTRICTED NET ASSETS

Externally restricted net assets are subject to the restrictions mandated by the respective contributors as described in Note 2 and Note 9.

11. CHANGES IN NON-CASH WORKING CAPITAL

	2026								2025
	General Operating	**General Loan Fund**	**Disability Loan Fund**	**Western Youth Entrepreneur Youth Loan Fund**	**Community Business Loan Fund**	**Investment Loan Fund**	**RRRF Investment/ Loan Fund**	**Total**	Total
Receivables - (increase)/decrease	$ (13,279)	$ 3,550	$ -	$ -	$ -	$ -	$ -	**$ (9,729)**	$ 82,407
Accrued interest receivable - decrease/(increase)	-	1,673	-	-	1,807	-	(25)	**3,455**	22,851
Prepaids - (increase)/decrease	(836)	-	-	-	-	-	-	**(836)**	4,310
Payables - (decrease)/increase	(11,288)	999	-	-	-	-	-	**(10,289)**	(10,106)
Deferred revenue - (decrease)	(129,026)	-	-	-	-	-	-	**(129,026)**	(37,213)
	$ (154,429)	$ 6,222	$ -	$ -	$ 1,807	$ -	$ (25)	**$ (146,425)**	$ 62,249

12. RESTRICTED LOAN FUNDS - STATEMENT OF FINANCIAL POSITION

	2026							2025
	General Loan Fund	**Disability Loan Fund**	**Youth Loan Fund**	**Community Business Loan Fund**	**Investment Loan Fund**	**RRRF Loan Fund**	**Total**	Total
ASSETS								
Cash, externally restricted *(Note 2)*	$ 701,857	$ 202,593	$ 77	$ 1,602,987	$ 323,779	$ 128,723	**$ 2,960,016**	$ 3,764,970
Accounts receivable - other	5,869	-	-	-	-	-	**5,869**	9,419
Loan advances *(Note 5)*	3,087,344	57,660	7,050	516,140	42,626	78,599	**3,789,419**	2,441,923
Due from related fund	-	406	117,479	28,910	-	23,074	**169,869**	36,362
Due from related fund *(Note 9)*	661,000	-	-	-	-	-	**661,000**	661,000
	$ 4,456,070	$ 260,659	$ 124,606	$ 2,148,037	$ 366,405	$ 230,396	**$ 7,586,173**	$ 6,913,674
LIABILITIES								
Accounts payable	2,348	-	-	-	-	-	**2,348**	1,350
Due to related fund	11	-	-	-	119,598	-	**119,609**	1,357
Repayable fund contribution *(Note 9)*	-	200,000	200,000	1,361,000	200,000	118,758	**2,079,758**	2,170,607
	2,359	200,000	200,000	1,361,000	319,598	118,758	**2,201,715**	2,173,314
NET ASSETS								
Externally restricted *(Note 10)*	4,453,711	60,659	(75,394)	787,037	46,807	111,638	**5,384,458**	4,740,360
	$ 4,456,070	$ 260,659	$ 124,606	$ 2,148,037	$ 366,405	$ 230,396	**$ 7,586,173**	$ 6,913,674

13. RESTRICTED LOAN FUNDS - STATEMENT OF OPERATIONS

	2026							2025
	General Loan Fund	**Disability Loan Fund**	**Youth Loan Fund**	**Community Business Loan Fund**	**Investment Loan Fund**	**RRRF Loan Fund**	**Total**	Total
REVENUE								
Bank interest	$ 26,218	$ 4,855	$ 2,364	$ 40,600	$ 4,311	$ 8,111	**$ 86,459**	$ 118,687
Loan interest	252,784	6,838	449	38,904	7,911	6,277	**313,163**	368,769
Bad debts recovered	-	-	-	-	-	7,619	**7,619**	2,097
	279,002	11,693	2,813	79,504	12,222	22,007	**407,241**	489,553
EXPENSES								
Accounting and legal	1,382	-	-	-	-	-	**1,382**	1,617
Admin fees	2,049	-	-	-	-	-	**2,049**	1,396
Bad debts	-	-	-	-	-	-	**-**	15,815
Bank charges	1,005	-	21	-	6	56	**1,088**	514
Collection fees	1,158	-	-	-	-	-	**1,158**	1,091
Insurance	1,049	-	-	-	-	-	**1,049**	-
Participation interest	63,272	-	-	-	-	-	**63,272**	67,408
	69,915	-	21	-	6	56	**69,998**	87,841
EXCESS OF REVENUE OVER EXPENSES	209,087	11,693	2,792	79,504	12,216	21,951	**337,243**	401,712
NET ASSETS, beginning of year	3,937,769	48,966	(78,186)	707,533	34,591	89,687	**4,740,360**	4,438,648
CFBC top-up *(Note 14)*	450,000	-	-	-	-	-	**450,000**	-
Interest transfers	(143,145)	-	-	-	-	-	**(143,145)**	(100,000)
NET ASSETS, end of year	$ 4,453,711	$ 60,659	$ (75,394)	$ 787,037	$ 46,807	$ 111,638	**$ 5,384,458**	$ 4,740,360

14. CFBC TOP-UP

During the year, the Corporation received a $450,000 non-repayable loan fund top-up from Community Futures British Columbia (CFBC) that is permanently restricted to support its lending activities pursuant to the amended contribution agreement with PacifiCan dated December 2, 2025. This contribution has been recognized as a direct increase in the net assets of the General Loan Fund, which represents the Corporation's non-repayable loan fund.

15. PROJECT REVENUES

	2026	2025
Dawson Creek Community Awards	**$ -**	$ 22,750
Export Navigator	**31,223**	33,910
Northern CF Marketing Initiative	**-**	46,801
Regional Business Coach	**58,816**	84,264
Rural Communities Immigration Pilot	**83,659**	-
Rural Economic Development and Infrastructure Program	**88,458**	11,542
Taking Care of Business	**-**	29,509
	$ 262,156	$ 228,776

16. PROJECT EXPENSES

	2026	2025
Community Economic Development	**$ 2,028**	$ 26,911
Dawson Creek Community Awards	**-**	30,544
Export Navigator	**31,828**	33,823
Northern CF Marketing Initiative	**-**	47,134
Regional Business Coach	**69,553**	88,039
Rural Communities Immigration Pilot	**83,659**	-
Rural Economic Development and Infrastructure Program	**88,745**	11,255
Taking Care of Business	**-**	29,557
	$ 275,813	$ 267,263

17. ECONOMIC DEPENDENCE

The Corporation's primary source of funding is from Pacific Economic Development Canada. It is management's opinion that the loss of this funding could have an adverse effect on the Corporation's operations.

18. DISCLOSURE OF A CONTROLLED ENTITY

i) Peace Liard Ventures

Community Futures Development Corporation of Peace Liard controls Peace Liard Ventures. Peace Liard Ventures rents office space to other organizations.

Peace Liard Ventures has not been consolidated in Community Futures Development Corporation of Peace Liard's financial statements. A financial summary of Peace Liard Ventures as at March 31, 2026 and the year then ended is as follows:

	2026	2025
Financial position		
Total assets	**$ 246,631**	$ 260,622
Total liabilities	**153,782**	157,941
Total net assets	**$ 92,849**	$ 102,681
Results of operations		
Total revenue	**$ 32,083**	$ 21,987
Total expenses	**41,916**	57,579
Excess of revenue over expenses	**$ (9,833)**	$ (35,592)
Cash flows		
Operating activities	**$ 436**	$ (27,889)
Financing and investing activities	**(16,352)**	30,184
(Decrease)/increase in cash	**$ (15,916)**	$ 2,295

The net assets and results from operations for Peace Liard Ventures are not consolidated in these financial statements. Separate financial statements for Peace Liard Ventures are available upon request.

During the year Community Futures Development Corporation of Peace Liard paid rent of $28,597 (2025 - $18,017) to Peace Liard Ventures.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risks and concentrations

Community Futures is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the enterprise's risk exposure at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that Community Futures will not be able to meet its obligations associated with financial liabilities. Community Futures monitors its cash flows from operations by preparing and monitoring cash flows against budget and anticipated future requirements based on their needs. The available operating line of credit provides flexibility in the short term to meet operational needs. The Society's borrowing arrangements are concentrated with the Community Futures Development Association of BC.

Credit risk

Credit risk is the possibility that other parties may default on their financial obligations. At year end the maximum exposure of Community Futures to credit risk is the carrying value of cash, accounts receivable and loans receivable. The Corporation's cash is deposited with federally regulated credit worthy financial institutions and receivables are generally due within 30 to 60 days. The Corporation actively monitors and tracks it's loans receivables as well as ensuring that sufficient collateral is used as security to ensure that the loan receivables can be extinguished in the event of a default.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Community Futures has very limited exposures to this type of risk.

Interest rate risk

Community Futures' interest bearing assets and liabilities include cash and loans receivable.

Community Futures' cash is generally of a demand nature which minimizes the impact of fluctuations in market interest rates. These assets are held with the Toronto-Dominion Bank.

Loans receivable have a return based on a variable interest rate. As such, in the event of increased interest rates, there is a risk that borrowers could have difficulty meeting obligations.