

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
FINANCIAL STATEMENTS
MARCH 31, 2026

◆

INDEPENDENT AUDITOR'S REPORT

To the Members of
Parkland Valley Sport, Culture and Recreation District Inc.

Opinion

I have audited the accompanying financial statements of Parkland Valley Sport, Culture and Recreation District Inc., which comprise the statements of financial position as at March 31, 2026 and the statements of operations, changes in net assets and 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 my opinion, the financial statements present fairly, in all material respects, the financial position of Parkland Valley Sport, Culture and Recreation District Inc. as at March 31, 2026 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

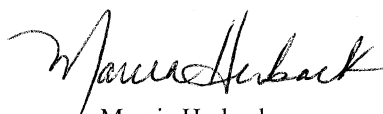
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

Regina, Saskatchewan
May 20, 2026


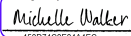

Marcia Herback
CPA, CA

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026
(with comparative figures for 2025)

	2026	2025
ASSETS		
Current assets		
Cash	\$ 106,741	\$ 94,430
Short-term investments (Note 3)	205,818	198,405
Accounts receivable	3,977	5,282
GST receivable	1,378	1,786
Prepaid expenses	<u>2,274</u>	<u>3,041</u>
	320,188	302,944
Capital assets (Note 4)	<u>1,674</u>	<u>1,877</u>
	<u>\$ 321,862</u>	<u>\$ 304,821</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 9,935	\$ 5,331
Grant returns payable (Note 5)	<u>5,153</u>	<u>1,357</u>
	<u>15,088</u>	<u>6,688</u>
NET ASSETS		
Internally restricted net assets (Note 6)	9,500	9,500
Unrestricted net assets	<u>297,274</u>	<u>288,633</u>
	<u>306,774</u>	<u>298,133</u>
	<u>\$ 321,862</u>	<u>\$ 304,821</u>

See accompanying notes

Approved on Behalf of the Board

 _____ Director
DocuSigned by: DB76499AF54048A
 _____ Director
Signed by: 458D74CBE84A4EC

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026
(with comparative figures for 2025)

	2026	2025
Revenue		
Grants (Schedule 1)	\$ 414,487	\$ 396,793
Self-Generated (Schedule 2)	<u>10,952</u>	<u>12,017</u>
	<u>425,439</u>	<u>408,810</u>
Expenditures		
Facilitation of Community Development (Schedule 3)	56,613	63,002
Coordination of District Network (Schedule 4)	78,227	77,157
District Organization Development (Schedule 5)	<u>281,958</u>	<u>256,634</u>
	<u>416,798</u>	<u>396,793</u>
Excess of revenue over expenditures	<u>\$ 8,641</u>	<u>\$ 12,017</u>

See accompanying notes

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026
 (with comparative figures for 2025)

	Internally Restricted Net Assets (Note 6)	Unrestricted Net Assets	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 9,500	\$ 288,633	\$ 298,133	\$ 286,116
Excess (deficiency) of revenue over expenditures	-	8,641	8,641	12,017
Transfers	-	-	-	-
Balance, end of year	<u>\$ 9,500</u>	<u>\$ 297,274</u>	<u>\$ 306,774</u>	<u>\$ 298,133</u>

See accompanying notes

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026
(with comparative figures for 2025)

	2026	2025
Operating activities		
Excess of revenue over expenditures	\$ 8,641	\$ 12,017
Items not involving an outlay (receipt) of cash:		
Amortization	<u>1,564</u>	<u>1,491</u>
	10,205	13,508
Net change in non-cash operating working capital balances		
Accounts receivable	1,305	(2,246)
GST receivable	408	(433)
Prepaid expenses	767	599
Accounts payable	4,603	(2,570)
Grant returns payable	<u>3,796</u>	<u>(37,033)</u>
Cash provided by (used in) operating activities	21,084	(28,175)
Investing activities		
Purchase of short-term investment	(7,413)	(98,405)
Purchase of capital assets	<u>(1,360)</u>	<u>-</u>
	(8,773)	(98,405)
Increase (decrease) in cash	12,311	(126,580)
Cash position, beginning of year	<u>94,430</u>	<u>221,010</u>
Cash position, end of year	<u>\$ 106,741</u>	<u>\$ 94,430</u>

See accompanying notes

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2026

1. Status and nature of activities

Parkland Valley Sport, Culture and Recreation District Inc. was incorporated on September 1, 2007 under the Non-Profit Corporations Act of Saskatchewan. The Organization provides recreational and cultural programs as well as coordinating, encouraging and facilitating sport development to east-central Saskatchewan. The Organization is not subject to income tax.

2. Summary of significant accounting policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. The assets are amortized on a straight-line basis of the following rates:

Furniture, fixtures and equipment	5 years
Office equipment	3 years

Revenue Recognition

The Organization follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Unrestricted contributions are recognized as revenue, when received. Other revenues, including memberships, program registrations, interest and expense recoveries, are recognized on an accrual basis if the amount can be reasonably estimated and collections is reasonably assured.

Donated materials and service

The Organization benefits from the donation of materials and services. These financial statements do not reflect the value of donations-in-kind received in the year.

Income Taxes

The organization is a non-profit organization within the meaning of the Income Tax Act, and as such is not subject to income taxes.

Financial instruments

Measurement of financial instruments

The Parkland Valley Sport, Culture and Recreation District Inc. initially measures its financial assets and financial liabilities at fair value. It 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 excess of revenue over expenditures.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2026

2. Summary of significant accounting policies cont'd

Management estimates

The preparation of the 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 at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Significant estimates have been made in the following financial statement areas:

- grant returns payable and recognized grant revenues - the ultimate approval of eligibility of expenditures relating to restricted grants lies with the granting body
- accounts receivable - the collectability of receivables is uncertain until collection is achieved
- capital assets - estimated service lives

3. Investments

	2026	2025
Cornerstone non-redeemable term deposit, 3.00%, matures June 2026	\$ 108,206	\$ 103,405
Cornerstone non-redeemable term deposit, 2.85%, matures December 2026	97,612	95,000
	\$ 205,818	\$ 198,405

4. Capital assets

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Furniture, fixtures and equipment	\$ 3,650	3,650	\$ -	\$ -
Computer equipment	11,144	9,470	1,674	1,877
	\$ 14,794	13,120	\$ 1,674	\$ 1,877

5. Grant returns payable

The Organization receives annual funding from Sask Lotteries Trust Fund for Sport, Culture and Recreation and Sask Parks and Recreation with the understanding that the funds are to be used for eligible purposes adhering to the policies and guidelines. In the event funds are not used in accordance with the policies and guidelines, they must be returned to the grantors. Grant returns payable consists of the following:

	2026	2025
SLTF - Annual Funding	\$ 5,153	\$ 1,357
	\$ 5,153	\$ 1,357

**PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2026**

6. Internally restricted net assets

Internally-restricted net assets consists of net assets restricted in use by the Board of Directors for the following purposes:

	<u>Future Capital Office Purchases</u>	<u>Professional Development of District Recreation Directors</u>	<u>Early Years Initiatives</u>	<u>Healthy Together</u>	<u>Total 2026</u>	<u>Total 2025</u>
Balance, beginning of year	\$ 4,500	\$ 5,000	\$ -	\$ -	\$ 9,500	\$ 15,229
Excess (deficiency) of revenue over expenses	-	-	-	-	-	(4,968)
Interfund transfer	-	-	-	-	-	(761)
Balance, end of year	<u>\$ 4,500</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,500</u>	<u>\$ 9,500</u>

7. Economic dependence

The Parkland Valley Sport, Culture and Recreation District Inc. currently receives significant revenue in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the organization is dependent upon the continuance of these grants to maintain operations at their current level.

8. Financial instruments

Parkland Valley Sport, Culture and Recreation District Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the Parkland Valley Sport, Culture and Recreation District Inc.'s exposure and concentrations at March 31, 2026:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization is exposed to credit risk with respect to cash, investments and accounts receivable. The Organization manages its credit risk by placing cash and investments with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2025.

Liquidity risk

Liquidity risk is the risk that the Organization may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Organization is exposed to liquidity risk with respect to its accounts payable but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2025.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk with respect to its cash and investments its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash and investments due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest risk exposure from 2025.

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026
 (with comparative figures for 2025)

	2026	2025
Grants		Schedule 1
Sask Lotteries Trust Fund - Annual Funding	\$ 304,797	\$ 296,693
Sask Lotteries Trust Fund - District Dreambroker	62,190	59,800
Sask Parks & Recreation - Framework in Action	47,500	36,300
Community Initiative Fund - Community Grant Program	-	4,000
	<u>\$ 414,487</u>	<u>\$ 396,793</u>
Self-Generated		Schedule 2
Interest income	\$ 6,552	\$ 7,125
Other income & reimbursements	-	493
Programs/Services/SK Games	225	279
Workshop Revenue	175	120
Sask Sport - Indigenous Sport Administration	4,000	4,000
	<u>\$ 10,952</u>	<u>\$ 12,017</u>

See accompanying notes

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026
(with comparative figures for 2025)

	2026	2025
Facilitation of Community Development		
Schedule 3		
Human Resource Development		
HIGH FIVE program development	150	916
Play Leadership development	168	41
Sask Games Team Management	11,231	11,469
Sport Development Workshops	377	403
Forever...inMotion Leadership Training	-	428
Volunteer management strategies workshops	7,156	8,259
	<u>19,082</u>	<u>21,516</u>
Elimination of Barriers		
Cultural awareness initiatives/Treaty 4	3,301	4,121
LEAP Early Years	-	2,114
Activity Lending Kits	3,678	2,986
Leisure Education	79	146
Individual & Community Volunteer Recognition	2,076	3,082
Summer Program	1,993	-
	<u>11,127</u>	<u>12,449</u>
Financial Resources		
SCR Funding supporting program	26,304	29,037
FN Relationship Building/ FN Rec Meeting	100	-
	<u>26,404</u>	<u>29,037</u>
Total Facilitation of Community Development	<u>\$ 56,613</u>	<u>\$ 63,002</u>
Coordination of District Network		
Schedule 4		
Communications		
Advertising and promotion	\$ 3,601	\$ 5,174
Community visitations	2,413	928
	<u>6,014</u>	<u>6,102</u>
Conduit/Global		
District and global meetings	9,281	7,515
District Dreambroker	62,932	60,686
	<u>72,213</u>	<u>68,201</u>
Partnerships		
Healthy Together (The Bridge)	-	2,854
	<u>-</u>	<u>2,854</u>
Total Coordination of District Network	<u>\$ 78,227</u>	<u>\$ 77,157</u>

See accompanying notes

PARKLAND VALLEY SPORT, CULTURE AND RECREATION DISTRICT INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026
(with comparative figures for 2025)

	2026	2025
District Organizational Development		
Governance		
Audit	\$ 4,666	\$ 7,595
Board and liability insurance	4,185	4,095
Board recruitment and recognition	1,096	1,200
Board conference and training	1,241	3,688
Board technology	300	300
Meetings and AGM	5,737	4,754
Memberships	350	300
	<u>17,575</u>	<u>21,932</u>
Strategic Planning		
Staff meetings	1,669	1,865
Staff training and travel	1,545	2,952
Strategic planning	1,317	7,003
	<u>4,531</u>	<u>11,820</u>
Staffing		
Wages and benefits	240,693	200,854
	<u>240,693</u>	<u>200,854</u>
Office Operations		
Amortization	1,564	1,491
Bookkeeping	3,137	2,363
Insurance	1,285	1,095
Office	9,183	11,634
Rent	2,315	3,062
Telephone	1,675	2,383
	<u>19,159</u>	<u>22,028</u>
Total District Organizational Development	\$ <u>281,958</u>	\$ <u>256,634</u>

See accompanying notes