

COMMUNITY FUTURES WEST YELLOWHEAD
Financial Statements
Year Ended March 31, 2025

COMMUNITY FUTURES WEST YELLOWHEAD
Index to Financial Statements
Year Ended March 31, 2025

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3 - 4
Statement of Revenues and Expenditures	5 - 6
Statement of Changes in Net Assets	7
Breakdown of Net Assets	7
Statement of Cash Flows	8 - 9
Notes to Financial Statements	10 - 17
Jasper Revitalization Statement of Revenues and Expenses (<i>Schedule 1</i>)	18
RRRF Statement of Financial Position (<i>Schedule 2</i>)	19
RRRF Statement of Revenue and Expenditures (<i>Schedule 3</i>)	20
Statement of Program Revenues and Expenditures (<i>Schedule 4</i>)	21

Page

Independent Auditor's Report



To the Shareholders of Community Futures West Yellowhead:

Opinion

We have audited the financial statements of Community Futures West Yellowhead (the "Organization"), which comprise the statements of financial position as at March 31, 2025 and March 31, 2024, and the statements of operations, changes in net 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 Organization as at March 31, 2025 and March 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audits 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 audits 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.

[Other Matter]

The financial statements of the Community Futures West Yellowhead for the year ended March 31, 2024 were audited by Carlson Roberts Seely LLP of Drayton Valley, Alberta, Canada, prior to its merger with MNP LLP. Carlson Roberts Seely LLP expressed an unmodified opinion on those statements on June 20, 2024.

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 Organization'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 Organization or 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.

MNP LLP

5508 Jubilee Avenue, P.O. Box 6927, Drayton Valley AB, T7A 1S3

1.888.542.4468 T: 780.542.4468 F: 780.542.5275



MNP.ca

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 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Drayton Valley, Alberta

MNP LLP

Chartered Professional Accountants

June 19, 2025

COMMUNITY FUTURES WEST YELLOWHEAD
Statement of Financial Position
March 31, 2025

	General Fund 2025	Non-repayable 2025	Repayable 2025	Disabled 2025	RRRF Fund 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
ASSETS									
CURRENT									
Cash	\$ 412,098	\$ 1,253,908	\$ 520,956	\$ 21,107	\$ 63	\$ -	\$ -	\$ 2,208,132	\$ 1,842,200
CFLP investment (Cost \$163,481)	-	178,415	-	-	-	-	-	178,415	167,873
Accounts receivable (Note 3)	198	-	-	-	-	-	-	198	979
Inter-fund receivable (Note 2)	-	-	262,967	116,774	125,339	189,038	23,983	718,121	590,334
Prepaid expenses	1,025	-	-	-	-	-	-	1,025	-
Accrued interest receivable	-	9,974	45	193	1,386	\$5	1,787	13,470	12,995
Current portion of investment loans receivable (Note 16)	-	174,216	14,898	8,783	154,851	6,273	15,798	374,619	648,422
	413,321	1,616,513	798,866	146,857	281,439	195,416	41,568	3,493,980	3,262,803
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 4)	4,408	-	-	-	-	-	-	4,408	5,736
LOANS AND NOTES RECEIVABLE (Note 16)	-	798,064	15,887	80,000	128,885	-	\$1,203	1,104,039	1,006,415
	\$ 417,729	\$ 2,414,577	\$ 814,753	\$ 226,857	\$ 410,324	\$ 195,416	\$ 122,771	\$ 4,602,427	\$ 4,274,954

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
Statement of Financial Position
March 31, 2025

	General Fund 2025	Non-payable 2025	Repayable 2025	Disabled 2025	RRRF Fund 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
LIABILITIES AND NET ASSETS									
CURRENT									
Accounts payable and accrued liabilities	\$ 48,110	\$ -	\$ -	\$ -	\$ 104,443	\$ -	\$ -	\$ 152,553	\$ 36,451
Wages payable	16,826	-	-	-	-	-	-	16,826	4,646
Employee deductions payable	9,753	-	-	-	-	-	-	9,753	27
Deferred income (Note 7)	106,019	-	-	-	-	-	-	106,019	119,415
Inter-fund payable (Note 2)	199,123	518,999	-	-	-	-	-	718,122	590,333
	379,831	518,999	-	-	104,443	-	-	1,003,273	750,872
RRRF Loan (Note 8)	6,718	-	-	-	-	-	-	6,718	26,028
	386,549	518,999	-	-	104,443	-	-	1,009,991	776,900
	31,180	1,895,578	814,753	226,857	305,881	195,416	122,771	3,592,436	3,498,054
NET ASSETS (Notes 9, 11)	\$ 417,729	\$ 2,414,577	\$ 814,753	\$ 226,857	\$ 410,324	\$ 195,416	\$ 122,771	\$ 4,602,427	\$ 4,274,954

ON BEHALF OF THE BOARD


 Director


 Director

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
Statement of Revenues and Expenditures
Year Ended March 31, 2025

	General Fund 2025	Non-repayable 2025	Repayable 2025	Disabled 2025	RRRF 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
REVENUES									
Revitalization grant	\$ 2,175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,175,000	\$ -
Federal contracts	314,274	-	-	-	-	-	-	314,274	322,822
Investment income	-	154,076	22,931	16,598	26,972	1,183	4,101	225,861	192,144
Other contracts (Schedule 4)	139,654	-	-	-	-	-	-	139,654	136,753
Revitalization grant admin revenue	94,442	-	-	-	-	-	-	94,442	-
Loan fees	9,908	-	-	-	-	-	-	9,908	13,715
Interest income	9,587	-	-	-	-	-	-	9,587	9,453
	2,742,865	154,076	22,931	16,598	26,972	1,183	4,101	2,968,726	674,867
EXPENSES									
Jasper revitalization grants disbursed	2,175,000	-	-	-	-	-	-	2,175,000	-
Salaries and benefits	362,945	-	-	-	-	-	-	362,945	310,259
Programs (Schedule 4)	77,037	-	-	-	-	-	-	77,037	52,173
Office rent	36,777	-	-	-	-	-	-	36,777	33,584
Professional, accounting and audit	25,286	-	-	-	-	-	-	25,286	21,448
Travel	16,396	-	-	-	-	-	-	16,396	15,910
RRRF operating expense	12,264	-	-	-	-	-	-	12,264	8,037
Publications	10,255	-	-	-	-	-	-	10,255	5,949
Insurance	7,887	-	-	-	-	-	-	7,887	7,547
Board member expenses	6,983	-	-	-	-	-	-	6,983	5,151
Portfolio recovery expense	-	2,286	927	2,397	-	1,013	-	6,623	8,223
Advertising and promotion	6,178	-	-	-	-	-	-	6,178	9,641
JRP operating expenses	5,669	-	-	-	-	-	-	5,669	-
Computers, equipment and improvements	4,049	-	-	-	-	-	-	4,049	863
Meetings and conventions	3,816	-	-	-	-	-	-	3,816	1,878
Utilities and janitorial	3,798	-	-	-	-	-	-	3,798	3,690
Bank charges and loan costs	3,421	-	-	-	-	-	-	3,421	3,294
Telephone	3,312	-	-	-	-	-	-	3,312	2,939

(continues)

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
Statement of Revenues and Expenditures (continued)
Year Ended March 31, 2025

	General Fund 2025	Non-repayable 2025	Repayable 2025	Disabled 2025	RRRF 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
Office supplies	3,061	-	-	-	-	-	-	3,061	2,807
Seminars and training	2,262	-	-	-	-	-	-	2,262	1,564
Amortization	1,328	-	-	-	-	-	-	1,328	2,116
Repairs and maintenance	254	-	-	-	-	-	-	254	581
Postage and delivery	24	-	-	-	-	-	-	24	213
Sub-contracts	-	-	-	-	-	-	-	-	817
Forgivable portion of RRRF & CGI loans	-	-	-	-	-	-	-	-	535,000
Provision (recovery) of investment losses	-	38,397	1,294	(287)	(94,037)	3,144	7,200	(44,289)	271,256
	2,768,002	40,683	2,221	2,110	(94,037)	4,157	7,200	2,730,336	1,502,942
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(25,137)	113,393	20,710	14,488	121,009	(2,974)	(3,099)	238,390	(628,075)
OTHER INCOME	-	5,471	-	-	-	-	-	5,471	2,519
Unrealized gain on marketable securities	-	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (25,137)	\$ 118,864	\$ 20,710	\$ 14,488	\$ 121,009	\$ (2,974)	\$ (3,099)	\$ 243,861	\$ (625,556)

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
Statement of Changes in Net Assets
Year Ended March 31, 2025

	General Fund 2025	Non-repayable 2025	Repayable 2025	Disabled 2025	RRRF Fund 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
NET ASSETS - BEGINNING OF YEAR	\$ 31,180	\$ 1,801,851	\$ 794,043	\$ 212,369	\$ 334,351	\$ 198,390	\$ 125,870	\$ 3,498,054	\$ 5,151,403
Excess of revenues over expenses	(25,137)	118,864	20,710	14,488	121,009	(2,974)	(3,099)	243,861	(625,556)
Contributions during year	-	-	-	-	-	-	-	-	33,333
Repayments during year	-	-	-	-	(61,841)	-	-	(61,841)	(1,044,321)
Amounts repayable	-	-	-	-	(87,638)	-	-	(87,638)	(16,805)
Interest transfer (Note 10)	25,137	(25,137)	-	-	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 31,180	\$ 1,895,578	\$ 814,753	\$ 226,857	\$ 305,881	\$ 195,416	\$ 122,771	\$ 3,592,436	\$ 3,498,054

Breakdown of Net Assets
Year Ended March 31, 2025

	General Fund 2025	Non-repayable 2025	Repayable 2025	Disabled 2025	RRRF Fund 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
Original contributions	\$ -	\$ 1,107,119	\$ 450,000	\$ 200,000	\$ 1,449,975	\$ 200,000	\$ 133,333	\$ 3,540,425	\$ 3,689,904
Earned net assets	31,180	788,459	364,753	26,857	(348,283)	(4,384)	(10,562)	847,820	613,959
Forgivable portion	-	-	-	-	(795,809)	-	-	(795,809)	(805,809)
	\$ 31,180	\$ 1,895,578	\$ 814,753	\$ 226,857	\$ 305,881	\$ 195,416	\$ 122,771	\$ 3,592,436	\$ 3,498,054

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
Statement of Cash Flows
Year Ended March 31, 2025

	General Fund 2025	Non-separable 2025	Repayable 2025	Disabled 2025	RRRF 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
OPERATING ACTIVITIES									
Excess (deficiency) of revenues over expenses	\$ (25,137)	\$ 118,864	\$ 20,710	\$ 14,488	\$ 121,009	\$ (2,974)	\$ (3,099)	\$ 243,861	\$ (625,556)
Items not affecting cash:									
Amortization of property and equipment	1,328	-	-	-	-	-	-	1,328	2,116
Forgivable portion of RRRF & CGI loans	-	-	-	-	-	-	-	-	535,000
Provision (recovery) of investment losses	-	38,397	1,294	(287)	(105,768)	3,144	7,200	(54,020)	258,197
Unrealized (gain)/loss on CFMA investment	-	(5,471)	-	-	-	-	-	(5,471)	(2,519)
	(23,809)	151,790	22,004	14,201	17,241	170	4,101	185,698	167,238
Changes in non-cash working capital:									
Accounts receivable	782	-	-	-	-	-	-	782	9,835
Accounts payable and accrued liabilities	28,463	-	-	-	-	-	-	28,463	14,972
Deferred income	(13,396)	-	-	-	-	-	-	(13,396)	72,826
Prepaid expenses	(1,025)	-	-	-	-	-	-	(1,025)	-
Accrued interest receivable	-	(2,211)	18	19	2,203	292	(797)	(476)	8,701
Wages payable	12,180	-	-	-	-	-	-	12,180	(1,487)
Employee deductions payable	9,726	-	-	-	-	-	-	9,726	27
	36,730	(2,211)	18	19	2,203	292	(797)	36,254	104,874
Cash flow from operating activities	12,921	149,579	22,022	14,220	19,444	462	3,304	221,952	272,112

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See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD

Statement of Cash Flows (continued)

Year Ended March 31, 2025

	General Fund 2025	Non-repayable 2025	Repayable 2025	Disabled 2025	RRRF 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
INVESTING ACTIVITIES									
Repayment of loans and notes receivable	-	147,466	21,713	9,552	149,480	61,506	14,004	403,721	1,532,695
Addition to loans and notes receivable	-	(70,000)	(44,020)	-	-	(10,000)	(60,000)	(184,020)	(466,835)
Recoveries on loans and notes receivable	-	-	10,500	-	-	-	-	10,500	26,254
Change in marketable securities	-	(5,070)	-	-	-	-	-	(5,070)	(6,227)
Cash flow from (used by) investing activities	-	72,396	(11,807)	9,552	149,480	51,506	(45,996)	225,131	1,085,887
FINANCING ACTIVITIES									
Interest transfer	25,137	(25,137)	-	-	-	-	-	-	-
Fund contribution	-	-	-	-	-	-	-	-	33,333
Fund repayment	-	-	-	-	(61,841)	-	-	(61,841)	(1,061,126)
Advances from (to) related parties	(33,445)	161,234	11,464	(22,894)	(107,082)	(51,968)	42,692	1	-
Forgiveness of RRRF loan	(19,311)	-	-	-	-	-	-	(19,311)	(27,859)
Cash flow from (used by) financing activities	(27,619)	136,097	11,464	(22,894)	(168,923)	(51,968)	42,692	(81,151)	(1,055,652)
INCREASE (DECREASE) IN CASH FLOW	(14,698)	358,072	21,679	878	1	-	-	365,932	302,347
Cash - beginning of year	426,796	\$95,836	499,277	20,229	62	-	-	1,842,200	1,539,853
CASH - END OF YEAR	\$ 412,098	\$ 1,253,908	\$ 520,956	\$ 21,107	\$ 63	\$ -	\$ -	\$ 2,208,132	\$ 1,842,200

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD

Notes to Financial Statements

Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

Community Futures West Yellowhead (the "organization") is a not-for-profit organization incorporated provincially under the Corporations Act of Alberta. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

With the financial support of the Government of Canada, it provides loans and financial services to small businesses otherwise unable to obtain financing, delivers government services and programs related to employment and economic development, provides training and business advisory services, and contributes leadership and expertise in economic development to local communities.

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

Community Futures West Yellowhead follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's equity in capital assets, operating costs, operating grants and general revenues. Project funding is reported as revenue and the related project costs are included in various categories of expense. Cash balances in excess of those required to fund loans approved are retained in the general fund for efficient investment in short term securities. Net transfers of cash appear as inter-fund transfers and the accumulated balance is reflected as inter-fund receivables and payables.

Included in the General Fund is the Jasper Revitalization Project (JRP). This project consists of funding received to provide grants to businesses impacted by the Jasper wildfires and cover the admin costs associated with administering these grants. Schedule 1 of the Financial Statements details the Statement of Revenues and Expenditures relating to this project.

The Loan Investment Funds report restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans, loan guarantees or equity participation. Loans from the Loan Investment Fund for the Disabled are limited to businesses owned and operated by disabled entrepreneurs. The organization is restricted in the types of loans that can be made according to its agreement with the Government of Canada.

The Regional Relief and Recovery Fund (RRRF) reports restricted resources that are used to provide financial support directly to small-and-medium sized enterprises to address COVID-19 impacts on rural and remote communities. The organization is restricted in the loan applications that can be approved for the RRRF according to its agreement with the Government of Canada.

The Town of Edson Fund reports restricted resources that are used to provide assistance to small businesses or non-profits located within the Town of Edson to be used for the purposes of implementing additional COVID-19 measures. The organization is restricted in the loan applications that can be approved according to its agreement with the Town of Edson.

The Alberta Women's Economic Recovery - Capital Growth Initiative (CGI) Fund reports restricted resources that are used to provide financial support directly to women entrepreneurs operating small-and-medium sized enterprises. The organization is restricted in the loan applications that can be approved according to its agreement with the Community Futures Network of Alberta.

Recognition of Contributions

Federal contracts and grants are included in revenue in the year in which they are received or become receivable, with the exception that amounts received to fund specific expenditures are included in revenue in the year the funds are expended.

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COMMUNITY FUTURES WEST YELLOWHEAD

Notes to Financial Statements

Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition of Other Revenues

Revenue from all other sources is included in revenue in the year in which it is received or becomes receivable.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Investment Loans and Accrued Interest Receivable

Investment loans receivable are classified as held to maturity financial instruments and are recorded at the lower of principal plus accrued interest and estimated realizable value.

Interest income from loans is recorded on the accrual basis for all loans not classified as impaired. Loans are classified as impaired when there is reasonable doubt as to the timely collection of some portion of principal or interest. This assessment is made by management and the Board of Directors.

When a loan is classified as impaired, recognition of interest income in accordance with the original loan agreement ceases. Any subsequent payments received on an impaired loan are applied to reduce the recorded investment in the loan.

Allowance for Doubtful Loans

The organization maintains an allowance for doubtful loans that reduces the carrying value of loans to their estimated realizable amount. The allowance is increased by a provision for investment losses which is charged to income and reduced by write-offs, net of recoveries.

The Allowance for Doubtful Loans is calculated by management based on specific doubtful loans plus 3% (3% - 2024) of the rest of the portfolio and 4% of the rest of the RRRF portfolio.

Property and equipment

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Equipment is amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Office equipment and furniture	20%	declining balance method
Computer equipment	55%	declining balance method
S.E.A. Equipment	20%	declining balance method
Leasehold improvements	20%	declining balance method

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use. Amortization expense is reported in the General Fund.

Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Current estimates include allowance for doubtful accounts, allocation of expenses between funds, and depreciation of capital assets. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments Policy

Held for trading

The organization has classified the following financial assets and liabilities as held for trading: cash and short term investments. These instruments are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Held for trading financial instruments are subsequently measured at their fair value. Gains and losses arising from changes in fair value are recognized immediately in net income.

Loans and receivables

The organization has classified the following financial assets as loans and receivables: trade accounts receivable and long term loans receivable. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate method, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and less any reduction for impairment or uncollectibility. Gains or losses arising from changes in fair value are recognized in net income from derecognition or impairment.

Other financial liabilities

The organization has classified the following financial liabilities as other financial liabilities: accounts payable and accruals. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carry value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. Gains and losses arising from the changes in fair value are recognized in net income upon derecognition or impairment.

2. INTER-FUND RECEIVABLE/PAYABLE

The inter-fund balances are of an operating nature and will be paid/repaid in the next fiscal year.

3. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of:

	2025	2024
GST receivable	\$ 198	\$ 979

COMMUNITY FUTURES WEST YELLOWHEAD

Notes to Financial Statements

Year Ended March 31, 2025

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Office equipment and furniture	\$ 102,456	\$ 98,897	\$ 3,559	\$ 4,449
Computer equipment	145,713	145,637	76	321
Leasehold improvements	33,919	33,146	773	966
S.E.A. Equipment	15,437	15,437	-	-
	<u>\$ 297,525</u>	<u>\$ 293,117</u>	<u>\$ 4,408</u>	<u>\$ 5,736</u>

When taking the fixed asset inventory, the S.E.A. equipment was included in the various other categories. Original investment reflects amounts invested since inception.

5. RRRF & CGI INVESTMENT LOANS RECEIVABLE

The breakdown of transactions related to the RRRF investment loans receivable is as follows:

	2025	2024
Balance, beginning of year	\$ 329,248	\$ 2,248,699
Advances during the year	-	-
Repayments during the year	(149,480)	(979,724)
Allowance for doubtful loans during the year	103,768	(404,727)
Forgiven portion during the year	-	(535,000)
Balance, end of year	<u>\$ 283,536</u>	<u>\$ 329,248</u>

The breakdown of transactions related to the CGI investment loans receivable is as follows:

Balance, beginning of year	\$ 58,205	\$ 55,979
Advances during the year	60,000	23,333
Repayments during the year	(14,004)	(22,125)
Allowance for doubtful loans during the year	(7,200)	1,018
Forgiven portion during the year	-	-
	<u>\$ 97,001</u>	<u>\$ 58,205</u>

6. CALLABLE CFNA LOAN

The organization has a credit facility of \$750,000 from Community Futures Network of Alberta that bears interest at RBC prime rate. As security for the repayment, the Society provided a general security agreement and a promissory note for the total amount of the loan. Funds available as at March 31, 2025 were \$750,000.

COMMUNITY FUTURES WEST YELLOWHEAD

Notes to Financial Statements

Year Ended March 31, 2025

7. DEFERRED REVENUE

Deferred revenues represent the amount of the restricted contributions that are related to disbursements of future periods. These funds are disbursed in accordance with the signed grant agreements.

	2025	2024
Balance, beginning of the year	\$ 119,415	\$ 46,589
PLUS: Amounts received related to the following year	208,041	192,757
LESS: Amounts recognized as revenue in the year	(221,437)	(119,931)
	\$ 106,019	\$ 119,415

Deferred revenue consists of:

Panwest ROP 2.0	\$ 68,320	\$ 57,614
Lemonade Day	13,846	4,844
Capital Growth Initiative admin funds	13,000	13,000
Jasper Revitalization Project	10,853	-
Municipal projects contributions	-	20,000
Digital Service Squad	-	17,714
Young Entrepreneurs Training Initiative	-	3,877
Women's Summit	-	2,366
	\$ 106,019	\$ 119,415

8. LONG TERM DEBT

	2025	2024
Community Futures Alberta	\$ 6,718	\$ 26,028

Community Futures Alberta loan non-interest bearing with no fixed terms of repayment. The term for this loan ends December 31, 2026. At the time the funds from this loan are "used for operating costs related to RRRF loan aftercare and assisting SMEs in their communities in response to COVID-19" the corresponding portion of this loan will be forgiven.

9. GENERAL FUND NET ASSETS

Included in the general fund net assets is \$4,408 (2024 - \$5,736) that is invested in capital assets.

10. INTEREST TRANSFERS

Prairies Economic Development Canada has pre-approved the corporation for an interest transfer of up to 75% of net growth to a maximum of \$100,000. Interest transfers are not allowed when the corporation has an operating surplus or when the transfer will create an operating surplus. This allows the corporation to transfer funds from a restricted investment fund to the general fund.

The corporation transferred \$25,137 from its investment funds to operating funds (2024 - \$8,479), which pre-approval was obtained for this year.

COMMUNITY FUTURES WEST YELLOWHEAD

Notes to Financial Statements

Year Ended March 31, 2025

11. EXTERNALLY RESTRICTED NET ASSETS

Loan funds contributed by the government are classified as non-repayable, repayable, disabled, RRRF, Town of Edson and CGI according to the nature of the restrictions placed on their use and the term of the program for which they were advanced. Externally imposed restrictions on loan investment fund balances are as follows:

	2025	2024
Non-repayable	\$ 1,895,578	\$ 1,801,851
Repayable	814,753	794,043
Disabled	226,857	212,369
RRRF	305,881	334,351
Town of Edson	195,416	198,390
CGI	122,771	125,870
	<u>\$ 3,561,256</u>	<u>\$ 3,466,874</u>

Under the terms and conditions of the contribution agreement with Prairies Economic Development Canada (PrairiesCan), the Regional Relief and Recovery Fund (RRRF) is fully repayable upon the repayment of loans from small-and-medium sized enterprises, or when RRRF loan funds remain undisbursed and are requested to be returned by PrairiesCan.

Under the terms and conditions of the grant agreement with the Town of Edson, on March 31, 2027, any portion of the grant that has not been advanced to a borrower by virtue of a loan, or that has been collected through payments made on loans but has not been re-loaned to other borrowers, shall be repaid to the Town.

Under the terms and conditions of the project agreement with Community Futures Network of Alberta (CFNA), the Alberta Women's Economic Recovery - Capital Growth Initiative (CGI) is fully repayable upon the completion of the program or upon the organizations decision to no longer participate.

Repayable and disabled funds, as of the balance sheet date, are repayable on demand under certain conditions. Under the terms and conditions of the contribution agreement with Prairies Economic Development Canada, loan investment funds include Conditionally Repayable Loan Funds in the amount of \$650,000 that are repayable if any of the following conditions occur:

- The Conditionally Repayable Investment fund is not administered according to the terms and conditions specified in the Agreement; or
- Based on review 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
- 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
- The Agreement is terminated in accordance with the provisions of the Agreement; or
- An event of default occurs as described in the Agreement; or
- The Minister does not approve terms and conditions to extend the project beyond March 31, 2026.
- If this agreement is not renewed beyond the March 31, 2026 ending date, the outstanding loans receivable would be liquidated in an orderly fashion. Minimal staff would be kept on to oversee this process and operational costs would have to be covered by the interest earned by the loans as PrairiesCan would no longer fund operational costs. No new loans receivable would be granted and no other projects would be initiated.

COMMUNITY FUTURES WEST YELLOWHEAD

Notes to Financial Statements
Year Ended March 31, 2025

12. LEASE COMMITMENTS

Building Rent

The organization has a long term lease with respect to its premises expiring April 30, 2026. The lease provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

	2026	2027
\$	32,404	2,700
\$	35,104	

13. COMMITMENTS

As of March 31, 2025, loans of \$nil (2024 - \$70,000) were approved by the Board of Directors, of which \$nil (2024 - \$70,000) has been advanced subsequent to year end.
Subsequent to March 31, 2025, loans of \$nil (2024 - \$10,000) were approved under Town of Edson fund, of which \$nil (2024 - \$10,000) has been advanced subsequent to year end.

14. ECONOMIC DEPENDENCE

The organization receives a significant portion of its operating revenues from the Federal and Provincial governments and is economically dependent upon them.

15. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customers credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages its exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Changes in risk

There have been no changes organization's risk exposures from the prior year.

COMMUNITY FUTURES WEST YELLOWHEAD
Notes to Financial Statements
Year Ended March 31, 2025

16. INVESTMENT IN LOANS RECEIVABLE

	Non-repayable 2025	Repayable 2025	Disabled 2025	RRRF Fund 2025	Town of Edson Fund 2025	CGI 2025	Total 2025	Total 2024
Loans Receivable	\$ 1,044,331	\$ 43,206	\$ 91,529	\$ 414,164	\$ 11,302	\$ 106,001	\$ 1,710,533	\$ 2,170,231
Less: allowance for loan impairment	(72,051)	(12,421)	(2,746)	(130,628)	(5,029)	(9,000)	(231,875)	(515,394)
Less: current portion	(174,216)	(14,898)	(8,783)	(154,651)	(6,273)	(15,798)	(374,619)	(648,422)
	\$ 798,064	\$ 15,887	\$ 80,000	\$ 128,885	\$ -	\$ 81,203	\$ 1,104,039	\$ 1,006,415

An allowance for impairment on investment loans is made based on expected loan default rates, potential loss ratios and review of loans portfolio, as determined by management as follows:

ALLOWANCE FOR LOAN IMPAIRMENT

Balance, beginning of year	\$ (33,654)	\$ (627)	\$ (3,033)	\$ (474,396)	\$ (1,884)	\$ (1,800)	\$ (515,394)	\$ (270,576)
Provision for loan losses	(38,397)	(11,794)	287	27,641	(3,145)	(7,200)	(32,608)	(419,314)
Amounts written off to the allowance	-	-	-	249,732	-	-	249,732	47,186
Amounts recovered from the allowance	-	-	-	66,395	-	-	66,395	127,310
Balance at end of year	\$ (72,051)	\$ (12,421)	\$ (2,746)	\$ (130,628)	\$ (5,029)	\$ (9,000)	\$ (231,875)	\$ (515,394)
Total recorded investment on impaired loans	\$ 614,953	\$ 17,185	\$ -	\$ 284,393	\$ 5,350	\$ 38,801	\$ 960,682	\$ 439,531

In accordance with the Corporation's objectives, the Corporation has provided loans to small businesses. Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 0.0% to 9.2% per annum 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 property.

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
Jasper Revitalization Statement of Revenues and Expenses (Schedule I)
Year Ended March 31, 2025

	2025	2024
REVENUES		
Revitalization grant	\$ 2,175,000	-
Revitalization grant admin revenue	94,442	-
	<u>2,269,442</u>	<u>-</u>
EXPENSES		
Jasper revitalization grants disbursed	2,175,000	-
Salaries and benefits	60,033	-
Publications	6,732	-
Programs	5,669	-
Advertising and promotion	5,445	-
Professional, accounting and audit	4,320	-
Computers, equipment and improvements	4,049	-
Travel	3,754	-
Office rent	3,075	-
Seminars and training	1,325	-
Telephone	40	-
	<u>2,269,442</u>	<u>-</u>
	\$ -	\$ -

INCOME FROM OPERATIONS

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
RRRF Statement of Financial Position (Schedule 2)
Year Ended March 31, 2025

	RRRF Operating 2025	RRRF Fund 2025	2025	2024
ASSETS				
CURRENT				
Cash	\$ -	\$ 63	\$ 63	\$ 62
Interfund receivable	6,718	125,339	132,057	44,285
Accrued interest receivable	-	1,386	1,386	3,589
Current portion of loans receivable	-	154,651	154,651	257,498
	<u>\$ 6,718</u>	<u>\$ 281,439</u>	<u>\$ 288,157</u>	<u>\$ 305,434</u>
PROPERTY AND EQUIPMENT				
	\$ 2,245	\$ -	\$ 2,245	\$ 2,903
INVESTMENT LOANS RECEIVABLE				
	-	128,885	128,885	71,750
TOTAL ASSETS	<u>\$ 8,963</u>	<u>\$ 410,324</u>	<u>\$ 419,287</u>	<u>\$ 380,087</u>
LIABILITIES				
CURRENT				
Accounts payable	\$ -	\$ 104,443	\$ 104,443	\$ 16,805
	<u>\$ -</u>	<u>\$ 104,443</u>	<u>\$ 104,443</u>	<u>\$ 16,805</u>
LONG TERM DEBT				
	\$ 6,718	\$ -	\$ 6,718	\$ 26,028
TOTAL LIABILITIES	<u>\$ 6,718</u>	<u>\$ 104,443</u>	<u>\$ 111,161</u>	<u>\$ 42,833</u>
NET ASSETS				
Net Assets - beginning of the year	\$ -	\$ 334,351	\$ 334,351	\$ 2,330,219
Equity in capital assets	2,245	-	2,245	2,903
Excess of revenues over expenses	-	121,009	121,009	(934,742)
Contributions during the year	-	-	-	-
Repayments during the year	-	(149,479)	(149,479)	(1,061,126)
TOTAL NET ASSETS	<u>2,245</u>	<u>305,881</u>	<u>308,126</u>	<u>337,254</u>
TOTAL NET ASSETS AND LIABILITIES	<u>\$ 8,963</u>	<u>\$ 410,324</u>	<u>\$ 419,287</u>	<u>\$ 380,087</u>

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
RRRF Statement of Revenue and Expenditures (Schedule 3)
Year Ended March 31, 2025

	RRRF Operating	RRRF Fund	2025	2024
REVENUES				
Investment income	\$ -	\$ 26,972	\$ 26,972	\$ 5,103
RRRF Operating Funds	19,311	-	19,311	27,859
	<u>19,311</u>	<u>26,972</u>	<u>46,283</u>	<u>32,962</u>
EXPENDITURES				
Professional, accounting and audit	12,264	-	12,264	8,947
Salaries and benefits	6,388	-	6,388	17,970
Amortization	659	-	659	942
Forgivable portion of RRRF & CGI loans	-	-	-	535,000
Provision for loan losses	-	(94,037)	(94,037)	404,845
	<u>19,311</u>	<u>(94,037)</u>	<u>(74,726)</u>	<u>967,704</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ 121,009	\$ 121,009	\$ (934,742)

See notes to financial statements

COMMUNITY FUTURES WEST YELLOWHEAD
Statement of Program Revenues and Expenditures (Schedule 4)
Year Ended March 31, 2025

	2025	2024
REVENUES		
Municipal contributions	\$ 50,000	\$ 24,000
Digital Service Squad (DSS)	41,416	60,177
PanWest Rural Opportunities Fund (ROF) 2.0	38,598	24,152
EDP Revenue	6,195	5,340
Youth - YETI & Lemonade Day	3,445	9,969
Project Gazelle	-	1,500
Women's Conference/ Entrepreneur Event	-	134
Canada Summer Jobs Grant	-	4,546
SmartStart Hinton	-	3,495
Training	-	3,420
	<u>139,654</u>	<u>136,733</u>
GENERAL PROGRAM EXPENDITURES		
PanWest ROF 2.0 - Consultant	24,458	-
Leadership WY Learning Days	11,396	-
PanWest ROF 2.0 - Training	8,528	741
PanWest ROF 2.0 - Travel & Accommodations	4,896	3,188
BRE Program	4,144	1,948
EDP Expenses	4,000	5,016
Lemonade Day	3,475	4,777
Leadership WY Coordinator	3,382	-
PanWest ROF 2.0 - Travel & Accomod	3,250	16,758
Project Gazelle Expenses	2,300	1,064
DSS - Travel	2,167	3,097
PanWest ROF 2.0 - Accounting & Audit	2,063	1,464
Digital Service Squad Expenses	1,025	3,085
Women's Conference/ Entrepreneur Event	945	134
Junior Achievement & Youth YETI	546	3,579
DSS - Office Supplies	317	963
DSS - Advertising/Marketing	145	1,900
PanWest Capacity Dollars	-	1,561
PanWest ROF 2.0 - Training	-	2,000
SmartStart Hinton	-	898
	<u>77,037</u>	<u>52,173</u>
EXCESS OF PROGRAM REVENUES OVER PROGRAM GENERAL EXPENDITURES	<u>62,617</u>	<u>84,560</u>
WAGE EXPENDITURES		
DSS wages	39,788	51,133
BRE wages	23,056	25,566
Training wages	-	8,264
Canada Summer Jobs wages	-	4,546
SmartStart Hinton wages	-	2,009
Lemonade Day wages	-	1,589
Project Gazelle wages	-	400
	<u>62,844</u>	<u>93,507</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (227)</u>	<u>\$ (8,947)</u>

See notes to financial statements

