

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Financial Statements**

**Year Ended March 31, 2024**

COMMUNITY FUTURES WEST YELLOWHEAD

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Year Ended March 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Community Futures West Yellowhead

### *Opinion*

We have audited the financial statements of Community Futures West Yellowhead (the "organization"), which comprise the statement of financial position as at March 31, 2024, 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 organization as at March 31, 2024, 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 organization 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 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.

### *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:

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Independent Auditor's Report to the Members of Community Futures West Yellowhead (*continued*)

- 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Drayton Valley, Alberta  
June 20, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Financial Position**  
**March 31, 2024**


	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF Fund 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
<b>ASSETS</b>									
<b>CURRENT</b>									
Cash	\$ 426,796	\$ 895,836	\$ 499,277	\$ 20,229	\$ 62	\$ -	\$ -	\$ 1,842,200	\$ 1,539,853
Marketable securities	-	167,873	-	-	-	-	-	167,873	159,128
Accounts receivable (Note 3)	979	-	-	-	-	-	-	979	10,814
Inter-fund receivable (Note 2)	-	-	274,432	93,880	18,257	137,090	66,675	590,334	262,563
Accrued interest receivable	-	7,763	63	213	3,589	377	990	12,995	21,697
Current portion of investment loans receivable (Note 1 f)	-	293,534	20,271	9,552	257,498	42,642	24,926	648,423	1,685,751
	427,775	1,365,006	794,043	123,874	279,406	180,109	92,591	3,262,804	3,679,806
<b>PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 4)</b>	5,736	-	-	-	-	-	-	5,736	7,852
<b>LOANS AND NOTES RECEIVABLE (Note 1 f)</b>	-	794,610	-	88,495	71,750	18,281	33,279	1,006,415	1,854,396
	\$ 433,511	\$ 2,159,616	\$ 794,043	\$ 212,369	\$ 351,156	\$ 198,390	\$ 125,870	\$ 4,274,955	\$ 5,542,054

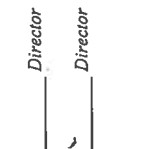
See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Financial Position**  
**March 31, 2024**

	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF Fund 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
<b>LIABILITIES AND NET ASSETS</b>									
<b>CURRENT</b>									
Accounts payable and accrued liabilities	\$ 19,646	\$ -	\$ -	\$ -	\$ 16,805	\$ -	\$ -	\$ 36,451	\$ 21,480
Wages payable	4,646	-	-	-	-	-	-	4,646	6,133
Employee deductions payable	27	-	-	-	-	-	-	27	-
Deferred income (Note 7)	119,415	-	-	-	-	-	-	119,415	46,589
Inter-fund payable (Note 2)	232,569	357,765	-	-	-	-	-	590,334	262,562
	376,303	357,765	-	-	16,805	-	-	750,873	336,764
RRRF Loan (Note 8)	26,028	-	-	-	-	-	-	26,028	53,887
	402,331	357,765	-	-	16,805	-	-	776,901	390,651
	31,180	1,801,851	794,043	212,369	334,351	198,390	125,870	3,498,054	5,151,403
<b>NET ASSETS (Notes 9, 11)</b>	\$ 433,511	\$ 2,159,616	\$ 794,043	\$ 212,369	\$ 351,156	\$ 198,390	\$ 125,870	\$ 4,274,955	\$ 5,542,054

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, 2024**

	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
<b>REVENUES</b>									
Federal contracts	\$ 322,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,822	\$ 333,975
Investment income	-	133,251	31,547	17,538	5,103	2,313	2,391	192,143	140,473
Other contracts (Schedule 3)	136,733	-	-	-	-	-	-	136,733	167,190
Loan fees	13,715	-	-	-	-	-	-	13,715	15,882
Interest income	9,453	-	-	-	-	-	-	9,453	4,664
	482,723	133,251	31,547	17,538	5,103	2,313	2,391	674,866	662,184
<b>EXPENSES</b>									
Salaries and benefits	310,259	-	-	-	-	-	-	310,259	336,140
Programs (Schedule 3)	52,173	-	-	-	-	-	-	52,173	97,754
Office rent	33,584	-	-	-	-	-	-	33,584	32,257
Professional, accounting and audit	21,448	-	-	-	-	-	-	21,448	19,707
Travel	15,910	-	-	-	-	-	-	15,910	15,867
Advertising and promotion	9,641	-	-	-	-	-	-	9,641	9,572
Portfolio recovery expense	-	451	2,832	4,940	-	-	-	8,223	16,325
RRRF operating expense	8,037	-	-	-	-	-	-	8,037	7,212
Insurance	7,547	-	-	-	-	-	-	7,547	7,153
Board member expenses	5,151	-	-	-	-	-	-	5,151	8,224
Books and publications	3,949	-	-	-	-	-	-	3,949	5,985
Utilities and janitorial	3,690	-	-	-	-	-	-	3,690	3,805
Seminars and training	1,564	-	-	-	-	-	-	1,564	627
Bank charges and loan costs	3,293	-	-	-	-	-	-	3,293	2,996
Telephone	2,939	-	-	-	-	-	-	2,939	1,820
Office supplies	2,807	-	-	-	-	-	-	2,807	3,320
Meetings and conventions	1,878	-	-	-	-	-	-	1,878	1,812
Computers, equipment and improvements	865	-	-	-	-	-	-	865	-
Sub-contracts	817	-	-	-	-	-	-	817	-
Repairs and maintenance	581	-	-	-	-	-	-	581	220
Postage and delivery	213	-	-	-	-	-	-	213	176

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**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Revenues and Expenditures (continued)**  
**Year Ended March 31, 2024**

	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
Forgivable portion of RRRF & CGI loans	-	-	-	-	535,000	-	-	535,000	143,500
Provision (recovery) of investment losses	-	15,526	(116,016)	(21,853)	404,845	(9,496)	(1,750)	271,256	92,003
Amortization	2,116	-	-	-	-	-	-	2,116	2,712
	488,462	15,977	(113,184)	(16,913)	939,845	(9,496)	(1,750)	1,302,941	809,187
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	(5,739)	117,274	144,731	34,451	(934,742)	11,809	4,141	(628,075)	(147,003)
<b>OTHER INCOME</b>	-	-	-	-	-	-	-	2,519	(2,782)
Unrealized gain (loss) on marketable securities	-	2,519	-	-	-	-	-	2,519	(2,782)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ (5,739)	\$ 119,793	\$ 144,731	\$ 34,451	\$ (934,742)	\$ 11,809	\$ 4,141	\$ (625,556)	\$ (149,785)

See notes to financial statements



**COMMUNITY FUTURES WEST YELLOWHEAD**

Statement of Changes in Net Assets

Year Ended March 31, 2024

	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF Fund 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 28,440	\$ 1,690,537	\$ 649,312	\$ 177,918	\$ 2,330,219	\$ 186,581	\$ 88,396	\$ 5,151,403	\$ 5,552,362
Deficiency of revenues over expenses	(5,739)	119,793	144,731	34,451	(934,742)	11,809	4,141	(625,556)	(149,785)
Contributions during year	-	-	-	-	-	-	33,333	33,333	100,000
Repayments during year	-	-	-	-	(1,044,321)	-	-	(1,044,321)	(351,174)
Amounts repayable	-	-	-	-	(16,805)	-	-	(16,805)	-
Interest transfer (Note 10)	8,479	(8,479)	-	-	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 31,180	\$ 1,801,851	\$ 794,043	\$ 212,369	\$ 334,351	\$ 198,390	\$ 125,870	\$ 3,498,054	\$ 5,151,403

**Breakdown of Net Assets**

Year Ended March 31, 2024

	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF Fund 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
Original contributions	\$ -	\$ 1,107,119	\$ 450,000	\$ 200,000	\$ 1,599,452	\$ 200,000	\$ 133,333	\$ 3,689,904	\$ 4,817,698
Earned net assets	31,180	694,732	344,043	12,369	(469,292)	(1,610)	2,537	613,959	604,514
Forgivable portion	-	-	-	-	(795,809)	-	(10,000)	(805,809)	(270,809)
	\$ 31,180	\$ 1,801,851	\$ 794,043	\$ 212,369	\$ 334,351	\$ 198,390	\$ 125,870	\$ 3,498,054	\$ 5,151,403

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Cash Flows**  
**Year Ended March 31, 2024**

	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
<b>OPERATING ACTIVITIES</b>									
Excess (deficiency) of revenues over expenses	\$ (5,739)	\$ 119,793	\$ 144,731	\$ 34,451	\$ (934,742)	\$ 11,809	\$ 4,141	\$ (625,556)	\$ (149,785)
Items not affecting cash:									
Amortization of property and equipment	2,116	-	-	-	-	-	-	2,116	2,712
Forgivable portion of RRRF and CGI loans	-	-	-	-	535,000	-	-	535,000	143,500
Provision (recovery) of investment losses	-	1,348	(115,511)	(21,853)	404,727	(9,496)	(1,018)	258,197	39,036
Unrealized (gain)/loss on CFNA fund	-	(2,519)	-	-	-	-	-	(2,519)	2,782
	(3,623)	118,622	29,220	12,598	4,985	2,313	3,123	167,238	38,245
Changes in non-cash working capital:									
Accounts receivable	9,835	-	-	-	-	-	-	9,835	14,907
Accounts payable and accrued liabilities	(1,833)	-	-	-	16,805	-	-	14,972	7,771
Deferred income	72,826	-	-	-	-	-	-	72,826	(28,208)
Accrued interest receivable	-	7,576	5,224	19	(3,589)	(323)	(206)	8,701	(1,733)
Wages payable	(1,487)	-	-	-	-	-	-	(1,487)	-
Employee deductions payable	27	-	-	-	-	-	-	27	(12)
	79,368	7,576	5,224	19	13,216	(323)	(206)	104,874	(7,275)
Cash flow from operating activities	75,745	126,198	34,444	12,617	18,201	1,990	2,917	272,112	30,970
<b>INVESTING ACTIVITIES</b>									
Repayment of loans and notes receivable	-	308,763	164,616	8,881	979,724	48,586	22,125	1,532,695	674,302
Addition to loans and notes receivable	-	(443,502)	-	-	-	-	(23,333)	(466,835)	(494,960)
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See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Statement of Cash Flows (continued)**

**Year Ended March 31, 2024**

	General Fund 2024	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
Recoveries on loans and notes receivable	-	-	4,667	21,587	-	-	-	26,254	104,449
Change in marketable securities	-	(6,227)	-	-	-	-	-	(6,227)	(4,961)
Cash flow from (used by) investing activities	-	(140,966)	169,283	30,468	979,724	48,586	(1,208)	1,085,887	278,830
<b>FINANCING ACTIVITIES</b>									
Interest transfer	8,479	(8,479)	-	-	-	-	-	-	-
Fund contribution	-	-	-	-	-	-	33,333	33,333	100,000
Fund repayment	-	-	-	-	(1,061,126)	-	-	(1,061,126)	(351,174)
Advances from (to) related parties	18,080	347,630	(181,814)	(42,082)	(56,196)	(50,576)	(35,042)	-	-
Forgiveness of RRRF loan	(27,859)	-	-	-	-	-	-	(27,859)	(38,993)
Cash flow from (used by) financing activities	(1,300)	339,151	(181,814)	(42,082)	(1,117,322)	(50,576)	(1,709)	(1,055,652)	(290,167)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	74,445	324,383	21,913	1,003	(119,397)	-	-	302,347	19,633
Cash - beginning of year	352,351	571,453	477,364	19,226	119,459	-	-	1,539,853	1,520,220
<b>CASH - END OF YEAR</b>	\$ 426,796	\$ 895,836	\$ 499,277	\$ 20,229	\$ 62	\$ -	\$ -	\$ 1,842,200	\$ 1,539,853

See notes to financial statements

# COMMUNITY FUTURES WEST YELLOWHEAD

## Notes to Financial Statements

Year Ended March 31, 2024

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### 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..

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.

#### Recognition of Other Revenues

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

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# COMMUNITY FUTURES WEST YELLOWHEAD

## Notes to Financial Statements

Year Ended March 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 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% - 2023) 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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**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

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 carrying 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:

	2024	2023
Trade accounts receivable	\$ -	\$ 8,555
GST receivable	978	1,502
Employee deductions receivable	-	757
	\$ 978	\$ 10,814

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

**4. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Office equipment and furniture	\$ 102,456	\$ 98,007	\$ 4,449	\$ 5,798
Computer equipment	145,713	145,392	321	770
Leasehold improvements	33,919	32,953	966	1,284
S.E.A. Equipment	15,437	15,437	-	-
	<u>\$ 297,525</u>	<u>\$ 291,789</u>	<u>\$ 5,736</u>	<u>\$ 7,852</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:

	2024	2023
Balance, beginning of year	\$ 2,248,699	\$ 2,766,345
Advances during the year	-	-
Repayments during the year	(979,724)	(314,595)
Allowance for doubtful loans during the year	(404,727)	(69,551)
Forgiven portion during the year	(535,000)	(133,500)
Balance, end of year	<u>\$ 329,248</u>	<u>\$ 2,248,699</u>

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

Balance, beginning of year	\$ 55,979	\$ -
Advances during the year	23,333	100,000
Repayments during the year	(22,125)	(30,471)
Allowance for doubtful loans during the year	1,018	(3,550)
Forgiven portion during the year	-	(10,000)
	<u>\$ 58,205</u>	<u>\$ 55,979</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, 2024 were \$750,000.



**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

**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.

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 46,589	\$ 74,797
PLUS: Amounts received related to the following year	192,757	131,714
LESS: Amounts recognized as revenue in the year	<u>(119,931)</u>	<u>(159,922)</u>
	<u>\$ 119,415</u>	<u>\$ 46,589</u>

Deferred revenue consists of:

Panwest ROF 2.0	\$ 57,614	\$ -
Municipal projects contributions	20,000	20,000
Digital Service Squad	17,714	14,989
Capital Growth Initiative admin funds	13,000	10,000
Lemonade Day 2024	4,844	-
Young Entrepreneurs Training Initiative	3,877	-
Women's Summit	2,366	-
Project Gazelle	-	1,500
Lemonade Day 2023	-	100
	<u>\$ 119,415</u>	<u>\$ 46,589</u>

**8. LONG TERM DEBT**

	<u>2024</u>	<u>2023</u>
Community Futures Alberta	\$ 26,028	\$ 53,887

Community Futures Alberta loan non-interest bearing with no fixed terms of repayment. The term for this loan ends December 31, 2025. 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 \$5,736 (2023 - \$7,852) 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 \$8,479 from its investment funds to operating funds (2023 - \$9,289), which pre-approval was obtained for this year.



**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

**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:

	<u>2024</u>	<u>2023</u>
Non-repayable	\$ 1,801,851	\$ 1,690,537
Repayable	794,043	649,312
Disabled	212,369	177,918
RRRF	334,351	2,330,219
Town of Edson	198,390	186,581
CGI	125,870	88,396
	<u>\$ 3,466,874</u>	<u>\$ 5,122,963</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, 2024, 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:

- a) The Conditionally Repayable Investment fund is not administered according to the terms and conditions specified in the Agreement; or
- b) 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
- c) 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
- d) The Agreement is terminated in accordance with the provisions of the Agreement; or
- e) An event of default occurs as described in the Agreement; or
- f) The Minister does not approve terms and conditions to extend the project beyond March 31, 2026.
- g) 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, 2024

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:

2025	\$	32,404
2026		32,404
2027		2,700
		<u>67,508</u>

13. COMMITMENTS

As of March 31, 2024, loans of \$70,000 (2023 - \$nil) were approved by the Board of Directors, of which \$70,000 (2023 - \$nil) has been advanced subsequent to year end.

Subsequent to March 31, 2024, loans of \$10,000 (2023 - \$nil) were approved under Town of Edson fund, of which \$10,000 (2023 - \$nil) 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, 2024.

*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 customer's 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 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, 2024

**16. INVESTMENT IN LOANS RECEIVABLE**

	Non-repayable 2024	Repayable 2024	Disabled 2024	RRRF Fund 2024	Town of Edson Fund 2024	CGI 2024	Total 2024	Total 2023
Loans Receivable	\$ 1,121,798	\$ 20,898	\$ 101,080	\$ 803,644	\$ 62,807	\$ 60,005	\$ 2,170,232	\$ 3,810,724
Less: allowance for loan impairment	(33,654)	(627)	(3,033)	(474,396)	(1,884)	(1,800)	(515,394)	(270,576)
Less: current portion	(293,534)	(20,271)	(9,552)	(257,498)	(42,642)	(24,926)	(648,423)	(1,685,752)
	\$ 794,610	\$ -	\$ 88,495	\$ 71,750	\$ 18,281	\$ 33,279	\$ 1,006,415	\$ 1,854,396

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	\$ (70,820)	\$ (111,976)	\$ (3,299)	\$ (69,551)	\$ (11,380)	\$ (3,550)	\$ (270,576)	\$ (127,091)
Provision for loan losses	(10,684)	(101)	-	(404,845)	(1,884)	(1,800)	(419,314)	(196,452)
Amounts written off to the allowance	46,682	504	-	-	-	-	47,186	52,967
Amounts recovered from the allowance	1,168	110,946	266	-	11,380	3,550	127,310	-
Balance at end of year	\$ (33,654)	\$ (627)	\$ (3,033)	\$ (474,396)	\$ (1,884)	\$ (1,800)	\$ (515,394)	\$ (270,576)

**Total recorded investment on impaired loans**

	\$ -	\$ -	\$ -	\$ 439,531	\$ -	\$ -	\$ -	\$ 442,604
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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.

**COMMUNITY FUTURES WEST YELLOWHEAD**

**RRRF Statement of Financial Position**

**(Schedule 1)**

**Year Ended March 31, 2024**

	RRRF Operating 2024	RRRF Fund 2024	2024	2023
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ -	\$ 62	\$ 62	\$ 119,459
Interfund receivable	26,028	18,257	44,285	15,948
Accrued interest receivable	-	3,589	3,589	-
Current portion of loans receivable	-	257,498	257,498	1,390,950
	<u>\$ 26,028</u>	<u>\$ 279,406</u>	<u>\$ 305,434</u>	<u>\$ 1,526,357</u>
<b>PROPERTY AND EQUIPMENT</b>	\$ 2,903	\$ -	\$ 2,903	\$ 3,846
<b>INVESTMENT LOANS RECEIVABLE</b>	-	71,750	71,750	857,749
<b>TOTAL ASSETS</b>	<u>\$ 28,931</u>	<u>\$ 351,156</u>	<u>\$ 380,087</u>	<u>\$ 2,387,952</u>
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable	\$ -	\$ 16,805	\$ 16,805	\$ -
	<u>\$ -</u>	<u>\$ 16,805</u>	<u>\$ 16,805</u>	<u>\$ -</u>
<b>LONG TERM DEBT</b>	\$ 26,028	\$ -	\$ 26,028	\$ 53,887
<b>TOTAL LIABILITIES</b>	<u>\$ 26,028</u>	<u>\$ 16,805</u>	<u>\$ 59,638</u>	<u>\$ 53,887</u>
<b>NET ASSETS</b>				
Net Assets - beginning of the year	\$ -	\$ 2,330,219	\$ 2,330,219	\$ 2,884,444
Equity in capital assets	2,903	-	2,903	3,846
Excess of revenues over expenses	-	(934,742)	(934,742)	(203,051)
Contributions during the year	-	-	-	-
Repayments during the year	-	(1,061,126)	(1,061,126)	(351,174)
<b>TOTAL NET ASSETS</b>	<u>2,903</u>	<u>334,351</u>	<u>337,254</u>	<u>2,334,065</u>
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<u>\$ 28,931</u>	<u>\$ 351,156</u>	<u>\$ 380,087</u>	<u>\$ 2,387,952</u>

See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**

**RRRF Statement of Revenue and Expenditures**

**(Schedule 2)**

**Year Ended March 31, 2024**

	RRRF Operating 2024	RRRF Fund 2024	2024	2023
<b>REVENUES</b>				
RRRF Operating Funds	\$ 27,859	\$ -	\$ 27,859	\$ 39,012
Investment income	-	5,103	5,103	-
	<u>27,859</u>	<u>5,103</u>	<u>32,962</u>	<u>39,012</u>
<b>EXPENDITURES</b>				
Forgivable portion of RRRF loans	-	535,000	535,000	133,500
Provision for loan losses	-	404,845	404,845	69,551
Salaries and benefits	17,970	-	17,970	31,801
Professional, accounting and audit	8,947	-	8,947	7,211
Amortization	942	-	942	1,443
	<u>27,859</u>	<u>939,845</u>	<u>967,704</u>	<u>243,506</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (934,742)</b>	<b>\$ (934,742)</b>	<b>\$ (204,494)</b>

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Statement of Program Revenues and Expenditures**

**(Schedule 3)**

**Year Ended March 31, 2024**

	2024	2023
<b>REVENUES</b>		
Digital Service Squad (DSS)	\$ 60,177	\$ 40,843
PanWest Rural Opportunities Fund (ROF) 2.0	24,152	-
Business Retention and Expansion (BRE) Program	24,000	40,062
Youth - YETI & Lemonade Day	9,969	10,954
EDP Revenue	5,340	1,647
Canada Summer Jobs Grant	4,546	-
SmartStart Hinton	3,495	7,351
Training	3,420	90
Project Gazelle	1,500	10,711
Women's Conference/ Entrepreneur Event	134	-
Town of Hinton Grant Income	-	5,532
PanWest Capacity Dollars	-	50,000
	<u>136,733</u>	<u>167,190</u>
<b>GENERAL PROGRAM EXPENDITURES</b>		
PanWest ROF 2.0 - Consultant	16,758	-
EDP Expenses	5,016	1,616
Lemonade Day	4,777	-
Junior Achievement & Youth YETI	3,579	11,182
PanWest ROF 2.0 - Travel & Accommodations	3,188	-
DSS - Travel	3,097	-
Digital Service Squad Expenses	3,085	5,466
PanWest ROF 2.0 - Training	2,000	-
BRE Program	1,948	37,515
DSS - Advertising/Marketing	1,900	196
PanWest Capacity Dollars	1,561	27,930
Project Gazelle Expenses	1,064	4,795
PanWest ROF 2.0 - Accounting & Audit	1,464	-
DSS - Office Supplies	963	-
SmartStart Hinton	898	3,997
PanWest ROF 2.0 - Marketing & Promo	741	-
Women's Conference/ Entrepreneur Event	134	-
Town of Hinton Grant Expenses	-	5,057
	<u>52,173</u>	<u>97,754</u>
<b>EXCESS OF PROGRAM REVENUES OVER PROGRAM GENERAL EXPENDITURES</b>	<u>84,560</u>	<u>69,436</u>
<b>WAGE EXPENDITURES</b>		
DSS wages	51,133	34,861
BRE wages	25,566	2,547
Training wages	8,264	-
Canada Summer Jobs wages	4,546	-
SmartStart Hinton wages	2,009	3,361
Lemonade Day wages	1,589	-
Project Gazelle wages	400	5,916
PanWest Capacity wages	-	24,032
	<u>93,507</u>	<u>70,717</u>

*(continues)*

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Program Revenues and Expenditures (continued)**      **(Schedule 3)**  
**Year Ended March 31, 2024**

	2024	2023
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>\$ (8,947)</b>	<b>\$ (1,281)</b>