

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Financial Statements**

**Year Ended March 31, 2021**

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Index to Financial Statements**  
**Year Ended March 31, 2021**

---

	Page
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
RRRF Statement of Financial Position ( <i>Schedule 1</i> )	18
RRRF Statement of Revenue and Expenditures ( <i>Schedule 2</i> )	19
Statement of Program Revenues and Expenditures ( <i>Schedule 3</i> )	20

---

## INDEPENDENT AUDITOR'S REPORT

---

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, 2021, 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, 2021, 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:

(continues)

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 24, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Financial Position**  
**March 31, 2021**


	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
<b>ASSETS</b>								
<b>CURRENT</b>								
Cash	\$ 277,788	\$ 1,253,954	\$ 364,592	\$ 129,166	\$ -	\$ -	\$ 2,025,500	\$ 668,225
Marketable securities	-	151,932	-	-	-	-	151,932	345,809
Accounts receivable (Note 3)	2,366	-	-	-	-	-	2,366	2,938
Current portion of investment loans receivable (Note 16)	-	289,799	61,197	9,659	121,896	7,296	489,847	325,157
Accrued interest receivable (Note 4)	-	29,997	41,879	243	-	-	72,119	72,922
Interfund receivable (Note 2)	53,682	-	-	-	680,793	271,746	1,006,221	36,928
	333,836	1,725,682	467,668	139,068	802,689	279,042	3,747,985	1,451,979
<b>PROPERTY AND EQUIPMENT (Net of accumulated amortization) (Note 5)</b>	14,868	-	-	-	-	-	14,868	5,132
<b>LOANS AND NOTES RECEIVABLE (Note 16)</b>	-	864,363	235,554	2,724	2,419,797	17,704	3,540,142	1,325,156
	\$ 348,704	\$ 2,590,045	\$ 703,222	\$ 141,792	\$ 3,222,486	\$ 296,746	\$ 7,302,995	\$ 2,782,267


See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Financial Position**  
**March 31, 2021**

	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT</b>								
Accounts payable and accrued liabilities	\$ 33,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,300	\$ 22,458
Wages payable	6,133	-	-	-	-	-	6,133	4,971
Employee deductions payable	64	-	-	-	-	-	64	12,898
Deferred income (Note 7)	221,625	-	-	-	-	-	221,625	80,281
Interfund payable (Note 2)	-	967,566	34,651	4,004	-	-	1,006,221	36,928
<b>NET ASSETS (Notes 9, 10)</b>	<b>\$ 261,122</b>	<b>\$ 967,566</b>	<b>\$ 34,651</b>	<b>\$ 4,004</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,267,343</b>	<b>\$ 157,536</b>
	87,582	1,622,479	668,571	137,788	3,222,486	296,746	6,035,652	2,624,731
	<b>\$ 348,704</b>	<b>\$ 2,590,045</b>	<b>\$ 703,222</b>	<b>\$ 141,792</b>	<b>\$ 3,222,486</b>	<b>\$ 296,746</b>	<b>\$ 7,302,995</b>	<b>\$ 2,782,267</b>

**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, 2021**

	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
<b>REVENUES</b>								
Federal contracts	\$ 412,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,137	\$ 294,963
Other contracts	132,345	-	-	-	-	-	132,345	79,031
Interest Income	1,571	-	-	-	-	-	1,571	2,462
Loan fees	24,887	-	-	-	-	-	24,887	33,494
Investment interest	-	83,077	30,213	6,227	-	-	119,517	155,677
	570,940	83,077	30,213	6,227	-	-	690,457	565,627
<b>EXPENDITURES</b>								
Salaries and benefits	340,838	-	-	-	-	-	340,838	239,226
Programs	169,765	-	-	-	-	-	169,765	139,047
Provision (recovery) of investment losses	-	27,120	42,828	70,319	-	-	140,267	113,492
Professional, accounting and audit	27,489	-	-	-	-	3,254	30,743	15,732
Office rent	30,362	-	-	-	-	-	30,362	30,861
Portfolio recovery expense	-	2,962	5,112	13,394	-	-	21,468	24,310
Advertising and promotion	13,178	-	-	-	-	-	13,178	5,482
Office supplies	12,677	-	-	-	-	-	12,677	3,302
Travel	8,907	-	-	-	-	-	8,907	6,876
GST not recovered	7,233	-	-	-	-	-	7,233	5,602
Insurance	5,938	-	-	-	-	-	5,938	5,459
Seminars and training	5,869	-	-	-	-	-	5,869	1,269
Books and publications	5,327	-	-	-	-	-	5,327	1,800
Utilities and janitorial	3,705	-	-	-	-	-	3,705	3,327
Bank charges and loan costs	3,323	-	-	-	-	-	3,323	2,475
Telephone	2,515	-	-	-	-	-	2,515	2,127
Repairs and maintenance	1,692	-	-	-	-	-	1,692	1,216
Board member expenses	1,338	-	-	-	-	-	1,338	8,839
Meetings and conventions	1,075	-	-	-	-	-	1,075	2,763
Postage and delivery	783	-	-	-	-	-	783	544
Computers, equipment and improvements	-	-	-	-	-	-	-	279
Amortization	7,413	-	-	-	-	-	7,413	1,890
	649,427	30,082	47,940	83,713	-	3,254	814,416	615,918

See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Revenues and Expenditures (continued)**  
**Year Ended March 31, 2021**

	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	(78,487)	52,995	(17,727)	(77,486)	-	(3,254)	(123,959)	(50,291)
<b>OTHER INCOME</b>								
Unrealized gain (loss) on marketable securities	-	12,403	-	-	-	-	12,403	(11,936)
Gain (loss) on disposal of property and equipment	(9)	-	-	-	-	-	(9)	-
		12,403	-	-	-	-	12,394	(11,936)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (78,496)</b>	<b>\$ 65,398</b>	<b>\$ (17,727)</b>	<b>\$ (77,486)</b>	<b>\$ -</b>	<b>\$ (3,254)</b>	<b>\$ (111,565)</b>	<b>\$ (62,227)</b>

See notes to financial statements



**COMMUNITY FUTURES WEST YELLOWHEAD**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2021**

	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 102,034	\$ 1,621,125	\$ 686,298	\$ 215,274	\$ -	\$ -	\$ 2,624,731	\$ 2,686,958
Deficiency of revenues over expenditures	(78,496)	65,398	(17,727)	(77,486)	-	(3,254)	(111,565)	(62,227)
Contributions during the year	-	-	-	-	3,222,486	300,000	3,522,486	-
Interest transfer	64,044	(64,044)	-	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 87,582	\$ 1,622,479	\$ 668,571	\$ 137,788	\$ 3,222,486	\$ 296,746	\$ 6,035,652	\$ 2,624,731

**Breakdown of Net Assets  
Year Ended March 31, 2021**

	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
Original contributions	\$ -	\$ 1,107,119	\$ 450,000	\$ 200,000	\$ 3,222,486	\$ 300,000	\$ 5,279,605	\$ 1,757,119
Earned net assets	87,582	515,360	218,571	(62,212)	-	(3,254)	756,047	867,612
	\$ 87,582	\$ 1,622,479	\$ 668,571	\$ 137,788	\$ 3,222,486	\$ 296,746	\$ 6,035,652	\$ 2,624,731

See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Cash Flows**  
**Year Ended March 31, 2021**

	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled Fund 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
<b>OPERATING ACTIVITIES</b>								
Excess (deficiency) of revenues over expenditures	\$ (78,496)	\$ 65,398	\$ (17,727)	\$ (77,486)	\$ -	\$ (3,254)	\$ (111,565)	\$ (62,227)
Items not affecting cash:								
Amortization of property and equipment	7,413	-	-	-	-	-	7,413	1,890
Loss on disposal of property and equipment	9	-	-	-	-	-	9	-
Unrealized (gain)/loss on CFNA fund	-	(12,403)	-	-	-	-	(12,403)	11,936
Provision (recovery) of investment losses	-	27,120	42,828	70,319	-	-	140,267	113,492
	(71,074)	80,115	25,101	(7,167)	-	(3,254)	23,721	65,091
<b>Changes in non-cash working capital:</b>								
Accounts receivable	572	-	-	-	-	-	572	3,027
Accounts payable and accrued liabilities	10,841	-	-	-	-	-	10,841	2,062
Deferred income	141,344	-	-	-	-	-	141,344	11,873
Prepaid expenses	-	-	-	-	-	-	-	5,000
Accrued interest and loan fees receivable	-	(2,510)	(10,077)	(13,265)	-	-	(25,852)	(28,886)
Wages payable	1,162	-	-	-	-	-	1,162	4,971
Employee deductions payable	(12,834)	-	-	-	-	-	(12,834)	5,781
Interfund balances	(16,754)	749,415	221,815	(1,937)	(680,793)	(271,746)	-	-
	124,331	746,905	211,738	(15,202)	(680,793)	(271,746)	115,233	3,828
Cash flow from (used by) operating activities	53,257	827,020	236,839	(22,369)	(680,793)	(275,000)	138,954	68,919
<b>INVESTING ACTIVITIES</b>								
Purchase of property and equipment	(17,157)	-	-	-	-	-	(15,562)	(379)
Repayment of loans and notes receivable	-	296,879	194,939	8,351	46,412	-	546,581	637,845
Addition to loans and notes receivable	-	(201,338)	(283,000)	-	(2,588,105)	(25,000)	(3,097,443)	(995,092)
Recoveries on loans and notes receivable	-	9,268	39,638	8,668	-	-	57,574	44,186
Change in marketable securities	-	206,280	-	-	-	-	206,280	(10,304)
Cash flow from (used by) investing activities	(17,157)	311,089	(48,423)	17,019	(2,541,693)	(25,000)	(2,302,570)	(323,744)
<b>FINANCING ACTIVITIES</b>								
Interest transfer	64,044	(64,044)	-	-	-	-	-	-

(continues)

See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**  
**Statement of Cash Flows (continued)**  
**Year Ended March 31, 2021**

	General Fund 2021	Non-repayable 2021	Repayable 2021	Disabled 2021	RRRF 2021	Town of Edson Fund 2021	Total 2021	Total 2020
Fund contributions in the year	-	-	-	-	3,222,486	300,000	3,522,486	-
Cash flow from (used by) financing activities	64,044	(64,044)	-	-	3,222,486	300,000	3,522,486	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	100,144	1,074,065	188,416	(5,350)	-	-	1,357,275	(254,825)
Cash - beginning of year	177,644	179,889	176,176	134,516	-	-	668,225	923,050
<b>CASH - END OF YEAR</b>	<b>\$ 277,788</b>	<b>\$ 1,253,954</b>	<b>\$ 364,592</b>	<b>\$ 129,166</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,025,500</b>	<b>\$ 668,225</b>

See notes to financial statements



# COMMUNITY FUTURES WEST YELLOWHEAD

## Notes to Financial Statements

Year Ended March 31, 2021

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Purpose of the Organization

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.

#### 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.

*(continues)*

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

---

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% - 2020) of the rest of the 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.

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

Amortization expense is reported in the General Fund.

*(continues)*

# COMMUNITY FUTURES WEST YELLOWHEAD

## Notes to Financial Statements

Year Ended March 31, 2021

---

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

#### 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.

#### 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.

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

3. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of:

	2021	2020
GST receivable	\$ 2,366	\$ 2,938

4. ACCRUED INTEREST AND LOAN FEES RECEIVABLE

	Non-repayable	Repayable	Disabled	2021	2020
Interest and loan fees in arrears	\$ 29,997	\$ 41,879	\$ 243	\$ 72,119	\$ 72,922

As of March 31, 2021, no interest or loans fees were in arrears for the RRRF and Edson loan funds.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Office equipment and furniture	\$ 102,456	\$ 93,396	\$ 9,060	\$ 2,001
Computer equipment	145,713	141,911	3,802	624
Leasehold improvements	33,919	31,913	2,006	2,507
S.E.A. Equipment	15,437	15,437	-	-
	\$ 297,525	\$ 282,657	\$ 14,868	\$ 5,132

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.

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 at March 31, 2021 were \$750,000.



**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

**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>2021</u>	<u>2020</u>
CF Panwest Rural Opportunities Fund - #choosewestyellowhead project	\$ 115,447	\$ -
CF Panwest Rural Opportunities Fund - economic diversification project	46,453	41,564
Town of Edson partnership	35,000	-
Project Gazelle	14,993	-
Smartstart Hinton	6,732	5,000
Lemonade Day 2021	3,000	1,300
Co-sharing space project	-	546
Jasper revitalization project	-	5,000
Government of Alberta OHS grant	-	2,291
Minister of Western Economic Diversification	-	24,580
	<u>\$ 221,625</u>	<u>\$ 80,281</u>

**8. LEASE COMMITMENTS**

Building Rent

The organization has a long term lease with respect to its premises expiring April 30, 2022. The lease provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2022	<u>\$ 31,944</u>
------	------------------

**9. GENERAL FUND NET ASSETS**

Included in the general fund net assets is \$14,868 (2020 - \$5,132) that is invested in capital assets.

**COMMUNITY FUTURES WEST YELLOWHEAD**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

**10. EXTERNALLY RESTRICTED NET ASSETS**

Loan funds contributed by the government are classified as non-repayable, repayable and disabled 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>2021</u>	<u>2020</u>
Non-repayable	\$ 1,622,479	\$ 1,621,125
Repayable	668,571	686,298
Disabled	137,788	215,274
RRRF	3,222,486	-
Town of Edson	296,746	-
	<u>\$ 5,948,070</u>	<u>\$ 2,522,697</u>

Under the terms and conditions of the contribution agreement with the Department of Western Economic Diversification (WD), 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 WD.

Under the terms and conditions of the grant agreement with the Town of Edson, on March 31, 2023, 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.

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 the Department of Western Economic Diversification, 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 provision a satisfactory level of benefits in terms of employment creation, the development of community-owned or controlled
- 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 as described in Section 12 of the Agreement; or
- e) An event of default occurs as described in Section 7 of the Agreement; or
- f) The Minister does not approve terms and conditions to extend the project beyond March 31, 2021.

**11. COMMITMENTS**

As of March 31, 2021, loans of \$150,000 were approved by the Board of Directors, of which \$150,000 has been advanced.

As of March 31, 2021, loans of \$200,000 were approved under RRRF, of which \$200,000 has been advanced.

Subsequent to March 31, 2021 loans of \$34,617 were approved under RRRF, which \$34,617 have been advanced.

**12. ECONOMIC DEPENDENCE**

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

## COMMUNITY FUTURES WEST YELLOWHEAD

### Notes to Financial Statements

Year Ended March 31, 2021

---

#### 13. COMPARATIVE FIGURES

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

#### 14. EXCEPTIONAL ITEM

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at March 31, 2021, the organization is aware of changes in its operations as a result of the COVID-19 crisis.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

#### 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, 2021.

##### *(a) 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 risk, the organization has adopted credit policies and all loans are approved by the Board of Directors. The organization also provides for doubtful accounts based on estimated realizable value of the investment loans receivable. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

##### *(b) 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 loan clients and other related sources, short-term debt and accounts payable.

##### *(c) 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.

##### *(d) Changes in risk*

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

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

1. The first part of the course is devoted to a study of the history of philosophy from the ancient Greeks to the modern period.

2. The second part of the course is devoted to a study of the philosophy of the modern period, from the Renaissance to the present.

3. The third part of the course is devoted to a study of the philosophy of the future, from the present to the end of the world.

4. The fourth part of the course is devoted to a study of the philosophy of the past, from the beginning of time to the present.

5. The fifth part of the course is devoted to a study of the philosophy of the present, from the present to the future.

6. The sixth part of the course is devoted to a study of the philosophy of the future, from the future to the end of the world.

7. The seventh part of the course is devoted to a study of the philosophy of the past, from the beginning of time to the present.

8. The eighth part of the course is devoted to a study of the philosophy of the present, from the present to the future.

9. The ninth part of the course is devoted to a study of the philosophy of the future, from the future to the end of the world.

10. The tenth part of the course is devoted to a study of the philosophy of the past, from the beginning of time to the present.

11. The eleventh part of the course is devoted to a study of the philosophy of the present, from the present to the future.

12. The twelfth part of the course is devoted to a study of the philosophy of the future, from the future to the end of the world.

13. The thirteenth part of the course is devoted to a study of the philosophy of the past, from the beginning of time to the present.

14. The fourteenth part of the course is devoted to a study of the philosophy of the present, from the present to the future.

15. The fifteenth part of the course is devoted to a study of the philosophy of the future, from the future to the end of the world.

16. The sixteenth part of the course is devoted to a study of the philosophy of the past, from the beginning of time to the present.

17. The seventeenth part of the course is devoted to a study of the philosophy of the present, from the present to the future.

18. The eighteenth part of the course is devoted to a study of the philosophy of the future, from the future to the end of the world.

19. The nineteenth part of the course is devoted to a study of the philosophy of the past, from the beginning of time to the present.

20. The twentieth part of the course is devoted to a study of the philosophy of the present, from the present to the future.

**COMMUNITY FUTURES WEST YELLOWHEAD**  
Notes to Financial Statements

Year Ended March 31, 2021

**16. INVESTMENT IN LOANS RECEIVABLE**

	Non-repayable	Repayable	Disabled	RRRF	Town of Edson Fund	2021	2020
Loans Receivable	\$ 1,229,665	\$ 429,760	\$ 12,766	\$ 2,541,693	\$ 25,000	\$ 4,238,884	\$ 1,841,182
Less: allowance for loan impairment	(75,503)	(133,009)	(383)	-	-	(208,895)	(190,869)
Less: current portion	(289,799)	(61,197)	(9,659)	(121,896)	(7,296)	(489,847)	(325,157)
	\$ 864,363	\$ 235,554	\$ 2,724	\$ 2,419,797	\$ 17,704	\$ 3,540,142	\$ 1,325,156
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:							
<b>ALLOWANCE FOR LOAN PAYMENT</b>							
Balance, beginning of year	\$ (39,115)	\$ (50,554)	\$ (101,200)	\$ -	\$ -	\$ (190,869)	\$ (158,674)
Provision for loan losses	(36,388)	(82,455)	(52,332)	-	-	(171,175)	(141,963)
Amounts written off to the allowance	-	-	153,149	-	-	153,149	109,768
<b>Balance at end of year</b>	\$ (75,503)	\$ (133,009)	\$ (383)	\$ -	\$ -	\$ (208,895)	\$ (190,869)
<b>Total recorded investment on impaired loans</b>	\$ 46,250	\$ 162,801	\$ 12,766	\$ -	\$ -	\$ 221,817	\$ 200,627

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 8% 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, 2021**

	RRRF Operating 2021	RRRF Fund 2021	2021
<b>CURRENT ASSETS</b>			
Cash	\$ 6,094	\$ -	\$ 6,094
Interfund receivable	-	680,793	680,793
Current portion of loans receivable	-	121,896	121,896
	<u>\$ 6,094</u>	<u>\$ 802,689</u>	<u>\$ 808,783</u>
LOANS RECEIVABLE	\$ -	\$ 2,419,797	\$ 2,419,797
PROPERTY AND EQUIPMENT	14,493	-	14,493
<b>TOTAL ASSETS</b>	<u>\$ 20,587</u>	<u>\$ 3,222,486</u>	<u>\$ 3,243,073</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 6,094	\$ -	\$ 6,094
<b>NET ASSETS</b>			
Net Assets - beginning of the year	\$ -	\$ -	\$ -
Equity in capital assets	14,493	-	14,493
Contributions in the year	-	3,222,486	3,222,486
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<u>\$ 20,587</u>	<u>\$ 3,222,486</u>	<u>\$ 3,243,073</u>

See notes to financial statements

**COMMUNITY FUTURES WEST YELLOWHEAD**

**RRRF Statement of Revenue and Expenditures**

*(Schedule 2)*

**Year Ended March 31, 2021**

	RRRF Operating 2021	RRRF Fund 2021	2021
<b>REVENUES</b>	<b>\$ 117,174</b>	<b>\$ -</b>	<b>\$ 117,174</b>
<b>EXPENDITURES</b>			
Salaries and benefits	59,346	-	59,346
Programs	19,320	-	19,320
Professional, accounting and audit	6,454	-	6,454
Office supplies	5,510	-	5,510
Travel	5,443	-	5,443
Advertising and promotions	2,921	-	2,921
Repairs and maintenance	1,692	-	1,692
Seminars and training	1,366	-	1,366
Postage and delivery	629	-	629
	<b>102,681</b>	<b>-</b>	<b>102,681</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>14,493</b>	<b>-</b>	<b>14,493</b>
Acquisition of capital assets	(14,493)	-	(14,493)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to financial statements



**COMMUNITY FUTURES WEST YELLOWHEAD**

**Statement of Program Revenues and Expenditures**

*(Schedule 3)*

**Year Ended March 31, 2021**

	2021	2020
<b>REVENUES</b>		
PanWest Project Revenue	\$ 52,127	\$ -
Project Gazelle	31,422	-
AB Gov - Economic Development Grant	20,000	-
EDP Revenue	7,952	10,475
SmartStart Edson	5,299	-
Yellowhead Food Initiative	5,000	1,399
Jasper Revitalization	5,000	-
Smartstart Hinton	4,855	1,247
Training	540	-
OHS Revenue	150	13,716
Youth	-	4,677
Rural speakers project	-	21,751
Alberta Open Farm Days	-	12,900
Co-sharing	-	4,246
Energy Projects	-	2,425
Grande Cache Project	-	6,195
	<u>132,345</u>	<u>79,031</u>
<b>EXPENDITURES</b>		
Project Gazelle Expenses	38,651	326
Business Visitation Project	19,211	10,163
Covid Projects	16,568	-
OHS Expenses	15,517	21,667
EDP Expenses	14,323	15,270
Yellowhead Food Initiative	13,127	6,728
Open Farm Days Expense	10,587	16,496
Jasper Revitalization	8,725	-
PanWest Facilitator Fees & Coaching	8,323	-
PanWest Staffing Costs (subs)	6,025	-
PanWest Marketing & Promotions	5,028	-
SmartStart Edson	4,754	275
SmartStart Hinton	4,344	10,323
Junior Achievement & Youth	2,475	17,848
PanWest Travel, Meals & Accom.	2,107	-
Energy Projects	-	2,428
Grande Cache Project	-	13,290
Co-Sharing Expenses	-	4,157
Rural Speakers Project	-	20,431
Women's Conference	-	(355)
	<u>169,765</u>	<u>139,047</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>\$ (37,420)</u>	<u>\$ (60,016)</u>

See notes to financial statements

...

...

...

...

...

