

COMMUNITY FUTURES CENTRAL ALBERTA

FINANCIAL STATEMENTS

For the year ended March 31, 2023

COMMUNITY FUTURES CENTRAL ALBERTA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Futures Central Alberta

Opinion

We have audited the financial statements of Community Futures Central Alberta, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances 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, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 the 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 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.

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.

INDEPENDENT AUDITOR'S REPORT, continued

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

Lethbridge, Alberta
June 21, 2023

Avail LLP

Chartered Professional Accountants

COMMUNITY FUTURES CENTRAL ALBERTA
STATEMENT OF FINANCIAL POSITION
As at March 31, 2023

	Loan investment funds							2022 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund	RRRF Investment/ Loan Fund	Capital Growth Initiative Fund	2023 Total	
Current assets								
Cash	\$ 123,943	\$ 1,252,097	\$ 79,830	\$ 141,259	\$ -	\$ -	\$ 1,597,129	\$ 1,668,351
Short-term investment (note 3)	-	434,253	102,148	-	-	-	932,139	919,376
Accounts receivable	64,449	9,792	2,183	100	353	-	76,877	48,017
Prepaid expenses and deposits	5,880	-	-	-	-	-	5,880	10,835
Advances to other funds	-	161,569	-	-	-	2,569	164,138	86,473
Current portion of loans receivable	-	296,491	32,375	-	-	-	328,866	395,193
	194,272	2,154,202	216,536	141,359	2,922	-	3,105,029	3,128,245
Loans receivable (note 4)	-	1,230,310	244,125	5,187,634	70,000	-	6,732,069	7,075,953
Capital assets (note 5)	433,814	-	-	-	-	-	433,814	430,329
	\$ 628,086	\$ 3,384,512	\$ 460,661	\$ 5,328,993	\$ 72,922	\$ -	\$ 10,270,912	\$ 10,634,527

COMMUNITY FUTURES CENTRAL ALBERTA
STATEMENT OF FINANCIAL POSITION
As at March 31, 2023

	Loan investment funds						2022 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund	RRRF Investment/ Loan Fund	Capital Growth Initiative Fund	
Current liabilities							
Accounts payable and accrued liabilities	\$ 58,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,701
Payroll remittances	17,604	-	-	-	-	-	17,604
Deferred contributions (note 6)	63,447	-	-	-	-	-	63,447
Advances from other funds	14,684	-	-	149,354	100	-	164,138
	154,436	-	-	149,354	100	-	303,890
Administrative funds loan (note 7)	-	-	-	-	132,720	-	132,720
Investment funds (note 7)	-	-	300,000	200,000	5,187,634	70,000	5,757,634
	154,436	-	300,000	349,354	5,320,454	70,000	6,194,244
Fund balances							
Share capital (note 8)	7	-	-	-	-	-	7
Invested in capital assets	433,814	-	-	-	-	-	433,814
Externally restricted	-	3,384,513	-	111,308	8,538	2,922	3,439,081
Internally restricted (note 9)	62,959	-	-	-	-	-	62,959
Unrestricted	(23,130)	-	-	-	-	-	(23,130)
	473,650	3,384,513	95,738	111,308	8,538	2,922	3,898,703
	\$ 628,086	\$ 3,384,513	\$ 395,738	\$ 460,662	\$ 5,328,992	\$ 72,922	\$ 10,270,913
							\$ 10,634,527

Approved on behalf of the board

Director Russell J Crook

Director [Signature]

COMMUNITY FUTURES CENTRAL ALBERTA
STATEMENT OF OPERATIONS
For the year ended March 31, 2023

	Loan investment funds							2023	2022
	PrairiesCan Operating Fund (schedule 1)	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund	RRRF Investment/ Loan Fund	Capital Growth Initiative Fund	2023	2022	
							Total	Total	
Revenue									
Prairies Economic Development Canada									
Contribution (schedule 1)	\$ 347,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,493	\$ 308,493	
Other grant funding	434,378	-	-	-	-	-	434,378	212,762	
Interest on loans	-	103,606	-	18,714	-	2,922	125,242	138,044	
Investment income	5,900	57,057	12,336	5,370	6,508	-	87,171	24,692	
Administrative and application fees	41,594	-	-	-	-	-	41,594	31,965	
Rental	15,350	-	-	-	-	-	15,350	14,400	
Training - Entrepreneurs with Disabilities	9,006	-	-	-	-	-	9,006	25,681	
Courses and seminars	8,644	-	-	-	-	-	8,644	3,018	
Unrealized gain (loss) on investments	-	(7,592)	(6,918)	(1,786)	-	-	(16,296)	10,274	
	862,365	153,071	5,418	22,298	6,508	2,922	1,052,582	769,329	
Expenses									
Salaries and benefits	467,048	-	-	-	-	-	467,048	267,804	
Special projects	169,529	-	-	-	-	-	169,529	171,426	
Advertising and promotion	42,683	-	-	-	-	-	42,683	5,590	
Office and communication	36,957	-	-	-	-	-	36,957	30,664	
Professional fees	33,436	-	-	-	-	-	33,436	24,554	
Building operations	19,687	-	-	-	-	-	19,687	17,960	
Amortization	18,126	-	-	-	-	-	18,126	14,241	
Loan losses (recovery) and bad debts	-	24,921	-	(8,582)	-	-	16,339	(77,483)	
Travel	15,737	-	-	-	-	-	15,737	2,270	
Repairs and maintenance	14,658	-	-	-	-	-	14,658	11,216	
Training - Entrepreneurs with Disabilities	9,006	-	-	-	-	-	9,006	25,367	
Staff and board development	8,647	-	-	-	-	-	8,647	6,725	
Insurance, licences and dues	8,354	-	-	-	-	-	8,354	7,009	
Non-refundable GST	6,763	-	-	-	-	-	6,763	7,108	
Equipment rental	4,467	-	-	-	-	-	4,467	4,927	
Directors meetings	1,885	-	-	-	-	-	1,885	2,908	
Bank charges	970	140	-	-	-	-	1,110	1,415	
Loss on disposal of capital assets	184	-	-	-	-	-	184	-	
	858,137	25,061	-	(8,582)	-	-	874,616	523,701	
Excess of revenue over expenses	\$ 4,228	\$ 128,010	\$ 5,418	\$ 30,880	\$ 6,508	\$ 2,922	\$ 177,966	\$ 245,628	

COMMUNITY FUTURES CENTRAL ALBERTA
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended March 31, 2023

	Loan investment funds							2022 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund	RRRF Investment/ Loan Fund	Capital Growth Initiative Fund	2023 Total	
Invested in capital assets								
Beginning of year	\$ 430,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,329	\$ 353,412
Purchase of capital assets	21,795	-	-	-	-	-	21,795	91,158
Disposal of capital assets	(184)	-	-	-	-	-	(184)	-
Amortization	(18,126)	-	-	-	-	-	(18,126)	(14,241)
End of year	433,814	-	-	-	-	-	433,814	430,329
Externally restricted								
Beginning of year	-	3,266,303	90,320	80,428	2,030	-	3,439,081	3,190,147
Excess of revenue over expenses	-	128,010	5,418	30,880	6,508	2,922	173,738	248,934
Transfer to operating	-	(9,800)	-	-	-	-	(9,800)	-
End of year	-	3,384,513	95,738	111,308	8,538	2,922	3,603,019	3,439,081
Internally restricted								
Beginning of year	36,177	-	-	-	-	-	36,177	78,507
Internally restricted funds used for capital assets	-	-	-	-	-	-	-	(58,435)
Transfer from operating	26,782	-	-	-	-	-	26,782	16,105
End of year	62,959	-	-	-	-	-	62,959	36,177
Unrestricted								
Beginning of year	(6,891)	-	-	-	-	-	(6,891)	31,001
Excess (deficiency) of revenue over expenses	4,228	-	-	-	-	-	4,228	(3,305)
Purchase of capital assets	(21,795)	-	-	-	-	-	(21,795)	(91,158)
Disposal of capital assets	184	-	-	-	-	-	184	-
Amortization	18,126	-	-	-	-	-	18,126	14,241
Internally restricted funds used for capital assets	-	-	-	-	-	-	-	58,435
Transfer to internally restricted	(26,782)	-	-	-	-	-	(26,782)	(16,105)
Transfer from externally restricted	9,800	-	-	-	-	-	9,800	-
End of year	(23,130)	-	-	-	-	-	(23,130)	(6,891)
Share capital								
Beginning of year	7	-	-	-	-	-	7	7
End of year	7	-	-	-	-	-	7	7
	\$ 473,650	\$ 3,384,513	\$ 95,738	\$ 111,308	\$ 8,538	\$ 2,922	\$ 4,076,669	\$ 3,898,703

COMMUNITY FUTURES CENTRAL ALBERTA
STATEMENT OF CASH FLOWS
For the year ended March 31, 2023

	Loan investment funds							2022 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	RRRF Investment/ Loan Fund	Capital Growth Initiative Fund	2023 Total	
Cash flows from operating activities								
Excess of revenue over expenses	\$ 4,228	\$ 128,010	\$ 5,418	\$ 30,880	\$ 6,508	\$ 2,922	\$ 177,966	\$ 245,628
Items not involving cash								
Amortization	18,126	-	-	-	-	-	18,126	14,241
Loss on disposal of capital assets	184	-	-	-	-	-	184	-
Provision for credit losses (recoveries)	-	24,921	-	(8,582)	-	-	16,339	(96,497)
Unrealized gain (loss) on investments	-	7,592	6,918	1,786	-	-	16,296	(10,274)
Forgivable portion of investment funds	-	-	-	-	(134,000)	(7,500)	(141,500)	(20,000)
	22,538	160,523	12,336	24,084	(127,492)	(4,578)	87,411	133,098
Net change in non-cash working capital items								
Accounts receivable	(38,912)	10,159	-	(234)	(99)	(353)	(29,439)	35,878
Prepaid expenses and deposits	4,955	-	-	-	-	-	4,955	37,914
Accounts payable and accrued liabilities	12,072	-	-	-	-	-	12,072	29,209
Deferred contributions	(180,559)	(75,096)	-	-	-	-	(180,559)	244,007
Advances to/from other funds	(950)	(9,800)	-	78,515	100	(2,569)	-	-
Interest transfer	9,800	-	-	-	-	-	-	-
	(171,056)	85,786	12,336	102,365	(127,491)	(7,500)	(105,560)	480,106
Cash flows from lending activities								
Loan repayments	-	463,179	-	60,917	481,759	30,000	1,035,855	909,337
Loan advances	-	(401,356)	-	(145,000)	-	(100,000)	(646,356)	(1,857,350)
Loan recoveries	-	-	-	4,950	-	-	4,950	-
Proceeds from investment funds	-	-	-	-	-	100,000	100,000	554,192
Repayments to investment funds	-	-	-	-	(347,759)	(22,500)	(370,259)	(183,617)
Proceeds from administrative funds loan	-	-	-	-	-	-	-	171,720
Repayments to administrative fund loan	-	-	-	-	(39,000)	-	(39,000)	-
	-	61,823	-	(79,133)	95,000	7,500	85,190	(405,718)
Cash flows from investing activities								
Purchase of capital assets	(21,795)	-	-	-	-	-	(21,795)	(91,158)
Contributions to investment pool	-	(13,537)	(12,336)	(3,184)	-	-	(29,057)	(19,117)
	(21,795)	(13,537)	(12,336)	(3,184)	-	-	(50,852)	(110,275)
Increase (decrease) in cash	(192,851)	134,072	-	20,048	(32,491)	-	(71,222)	(35,887)
Cash, beginning of year	316,794	1,118,025	-	59,782	173,750	-	1,668,351	1,704,238
Cash, end of year	\$ 123,943	\$ 1,252,097	\$ -	\$ 79,830	\$ 141,259	\$ -	\$ 1,597,129	\$ 1,668,351