

COMMUNITY FUTURES CENTRE WEST

Financial Statements

Year Ended March 31, 2024

COMMUNITY FUTURES CENTRE WEST

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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Centre West

Opinion

We have audited the financial statements of Community Futures Centre West (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.

Other Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on June 28, 2023. The basis for the qualified opinion was that the valuation of the loans under the Regional Relief and Recovery Fund ("RRRF") was not susceptible to satisfactory audit verification.

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.

(continues)



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

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:

- 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.

A handwritten signature in black ink that reads 'Carlson Roberts Seely LLP'.

Drayton Valley, Alberta
June 26, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

COMMUNITY FUTURES CENTRE WEST

Statement of Financial Position

March 31, 2024

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
ASSETS							
CURRENT							
Cash	\$ 103,751	\$ 612,337	\$ 151,438	\$ 409,999	\$ 40,442	\$ 1,317,967	\$ 1,107,174
CFLIP investment <i>(Cost \$2,614)</i>	-	593	2,178	-	-	2,771	2,628
Accounts receivable	12,439	-	-	-	-	12,439	35,172
Current portion of investment loans receivable <i>(Note 3)</i>	-	234,811	-	340,925	36,878	612,614	277,360
Prepaid expenses	14,392	-	-	-	-	14,392	11,675
Inter-fund receivable <i>(Note 2)</i>	226,262	-	13,729	-	-	239,991	-
	356,844	847,741	167,345	750,924	77,320	2,200,174	1,434,009
EQUIPMENT <i>(Net of accumulated amortization) (Note 5)</i>	11,619	-	-	-	-	11,619	15,295
INVESTMENT LOANS RECEIVABLE <i>(Note 3)</i>	-	1,112,641	-	417,735	97,439	1,627,815	7,878,251
	\$ 368,463	\$ 1,960,382	\$ 167,345	\$ 1,168,659	\$ 174,759	\$ 3,839,608	\$ 9,327,555

See notes to financial statements

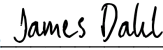

COMMUNITY FUTURES CENTRE WEST

Statement of Financial Position

March 31, 2024

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
LIABILITIES AND NET ASSETS							
CURRENT							
Accounts payable	\$ 21,863	\$ -	\$ -	\$ -	\$ -	\$ 21,863	\$ 28,809
CFLIP line of credit (Note 7)	-	644,000	-	-	-	644,000	656,000
Goods and services tax payable	2,355	-	-	-	-	2,355	984
Wages payable	19,240	-	-	-	-	19,240	20,785
Deferred income (Note 6)	201,900	-	-	-	-	201,900	220,041
Inter-fund payable (Note 2)	-	9,738	-	224,062	6,191	239,991	-
Payable to Community Futures Network of Alberta	-	-	-	-	-	-	1,884
Conditionally repayable contributions (Note 1)	-	-	-	2,417,410	158,333	2,575,743	6,735,604
	245,358	653,738	-	2,641,472	164,524	3,705,092	7,664,107
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 8)							
	9,138	-	-	-	-	9,138	12,954
	254,496	653,738	-	2,641,472	164,524	3,714,230	7,677,061
NET ASSETS							
Share capital (Note 9)	26	-	-	-	-	26	26
Net assets (Notes 10, 11)	113,941	1,306,644	167,345	(1,472,813)	10,235	125,352	1,650,468
	113,967	1,306,644	167,345	(1,472,813)	10,235	125,378	1,650,494
	\$ 368,463	\$ 1,960,382	\$ 167,345	\$ 1,168,659	\$ 174,759	\$ 3,839,608	\$ 9,327,555

ON BEHALF OF THE BOARD

Signed by:  Director
 Signed by:  Director
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COMMUNITY FUTURES CENTRE WEST
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
REVENUES							
Prairies Economic Development Canada	\$ 330,854	\$ -	\$ -	\$ -	\$ -	\$ 330,854	\$ 327,347
Project cost recoveries	222,929	-	-	-	-	222,929	218,176
Investment interest	-	119,286	-	9,258	10,235	138,779	149,301
Subsidies and grants	55,310	-	-	-	-	55,310	-
Loan fees and cost recoveries	22,484	-	-	-	-	22,484	16,322
Rental revenue	7,350	-	-	-	-	7,350	5,022
Sponsorships	1,300	-	-	-	-	1,300	-
CFLIP interest	-	58	45	-	-	103	82
Bank interest	-	-	-	-	-	-	6,500
Amortization of deferred capital contributions	3,817	-	-	-	-	3,817	5,427
	644,044	119,344	45	9,258	10,235	782,926	728,177
EXPENSES							
Provision for investment losses	-	101,139	-	1,482,071	-	1,583,210	60,659
Loan receivable forgiveness	-	-	-	1,446,276	-	1,446,276	146,250
Salaries and wages	408,690	-	-	-	-	408,690	372,182
Events	80,368	-	-	-	-	80,368	65,401
Sub-contracts	79,817	-	-	-	-	79,817	-
Interest on long term debt	-	46,177	-	-	-	46,177	35,176
Office	28,032	-	-	-	-	28,032	37,724
Rental	20,002	-	-	-	-	20,002	32,145
Professional fees	16,122	-	-	-	-	16,122	19,472
Travel	8,798	-	-	-	-	8,798	15,376
EDP project	7,744	-	-	-	-	7,744	-
Telephone	6,316	-	-	-	-	6,316	6,734
Advertising and promotion	5,809	-	-	-	-	5,809	5,384
Community partnership building	4,557	-	-	-	-	4,557	7,332
Interest and bank charges	4,462	-	-	-	-	4,462	4,809
Insurance	2,642	-	-	-	-	2,642	2,610
Board member expenses	608	-	-	-	-	608	1,288
Amortization	4,736	-	-	-	-	4,736	6,550

See notes to financial statements

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

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(34,659)	(27,972)	45	(2,919,089)	10,235	(2,971,440)	(90,915)
OTHER INCOME							
Loan payable forgiveness	-	-	-	1,446,276	-	1,446,276	146,250
Unrealized gain (loss) on marketable securities	-	48	-	-	-	48	(46)
	-	48	-	1,446,276	-	1,446,324	146,204
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (34,659)	\$ (27,924)	\$ 45	\$ (1,472,813)	\$ 10,235	\$ (1,525,116)	\$ 55,289

See notes to financial statements

COMMUNITY FUTURES CENTRE WEST

Statement of Changes in Net Assets

Year Ended March 31, 2024

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
NET ASSETS - BEGINNING OF YEAR	\$ 113,941	\$ 1,369,227	\$ 167,300	\$ -	\$ -	\$ 1,650,468	\$ 1,595,176
Deficiency of revenues over expenses	(34,659)	(27,924)	45	(1,472,813)	10,235	(1,525,116)	55,289
Commons shares forfeited on Board member resignation	-	-	-	-	-	-	3
Interest transfer <i>(Note 12)</i>	34,659	(34,659)	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 113,941	\$ 1,306,644	\$ 167,345	\$ (1,472,813)	\$ 10,235	\$ 125,352	\$ 1,650,468

Breakdown of Net Assets

Year Ended March 31, 2024

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
Original contributions	\$ -	\$ 1,187,500	\$ 200,000	\$ -	\$ -	\$ 1,387,500	\$ 1,387,500
Earned net assets	113,941	119,144	(32,655)	(1,472,813)	10,235	(1,262,148)	262,968
	\$ 113,941	\$ 1,306,644	\$ 167,345	\$ (1,472,813)	\$ 10,235	\$ 125,352	\$ 1,650,468

COMMUNITY FUTURES CENTRE WEST

Statement of Cash Flows

Year Ended March 31, 2024

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
OPERATING ACTIVITIES							
Excess (deficiency) of revenues over expenses	\$ (34,659)	\$ (27,924)	\$ 45	\$ (1,472,813)	\$ 10,235	\$ (1,525,116)	\$ 55,289
Items not affecting cash:							
Amortization of equipment	4,736	-	-	-	-	4,736	6,550
Amortization of deferred capital contributions	(3,817)	-	-	-	-	(3,817)	(5,427)
Write-down of marketable securities	-	(48)	-	-	-	(48)	46
CFLIP interest reinvested	-	(58)	(45)	-	-	(103)	(82)
Provision for investment losses	-	104,744	-	1,482,071	-	1,586,815	60,659
Loan receivable forgiveness	-	-	-	1,446,276	-	1,446,276	146,250
Loan payable forgiveness	-	-	-	(1,446,276)	-	(1,446,276)	(146,250)
	(33,740)	76,714	-	9,258	10,235	62,467	117,035
Changes in non-cash working capital:							
Accounts receivable	22,734	-	-	-	-	22,734	6,417
Accounts payable	(6,948)	-	-	-	-	(6,948)	6,984
Deferred income	148,562	-	-	(156,703)	(10,000)	(18,141)	(166,258)
Prepaid expenses	(2,717)	-	-	-	-	(2,717)	158
Goods and services tax payable	1,371	-	-	-	-	1,371	-
Wages payable	(1,545)	-	-	-	-	(1,545)	-
Payable to Community Futures Network of Alberta	-	-	-	-	-	-	1,884
Inter-fund payable (receivable)	(183,490)	16,427	17	156,686	10,360	-	-
	(22,033)	16,427	17	(17)	360	(5,246)	(150,815)
Cash flow from (used by) operating activities	(55,773)	93,141	17	9,241	10,595	57,221	(33,780)
INVESTING ACTIVITIES							
Purchase of equipment	(1,060)	-	-	-	-	(1,060)	-
Repayment of loans and notes receivable	-	512,449	-	2,925,480	22,132	3,460,061	1,168,963
Addition to loans and notes receivable	-	(544,634)	-	-	(33,333)	(577,967)	(776,768)
Proceeds from disposal of term deposits	-	-	-	-	-	-	84,353
CFLIP investment	-	25	(18)	-	-	7	-
Cash flow from (used by) investing activities	(1,060)	(32,160)	(18)	2,925,480	(11,201)	2,881,041	476,548

(continues)

See notes to financial statements

COMMUNITY FUTURES CENTRE WEST**Statement of Cash Flows (continued)****Year Ended March 31, 2024**

	General Fund 2024	Restricted Repayable 2024	Restricted EDP 2024	Restricted RRRF 2024	Restricted CGI 2024	Total 2024	Total 2023
FINANCING ACTIVITIES							
Issuance of share capital	-	-	-	-	-	-	3
Repayment of CFLIP line of credit	-	(12,000)	-	-	-	(12,000)	(12,000)
Contributions during year	-	-	-	-	33,333	33,333	150,000
Repayments during year	-	-	-	(2,748,802)	-	(2,748,802)	(391,358)
Interest transfer	34,659	(34,659)	-	-	-	-	-
Cash flow from (used by) financing activities	34,659	(46,659)	-	(2,748,802)	33,333	(2,727,469)	(253,355)
INCREASE (DECREASE) IN CASH FLOW	(22,174)	14,322	(1)	185,919	32,727	210,793	189,413
Cash - beginning of year	125,925	598,015	151,439	224,080	7,715	1,107,174	917,761
CASH - END OF YEAR	\$ 103,751	\$ 612,337	\$ 151,438	\$ 409,999	\$ 40,442	\$ 1,317,967	\$ 1,107,174

See notes to financial statements

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESPurpose of the Organization

Community Futures Centre West (the "Organization") is designed to assist rural communities develop their local economies by using innovative approaches to business and community development. The Organization provides access to resources and financial assistance.

Community Futures Centre West provides core services such as: Fostering Strategic Community Planning and Socio-Economic Development, Building Community Networks by partnering and developing, and partnering with Community Economic Development projects with business, economic, social and environmental organizations. The Organization assists with the growth and development of community infrastructure resulting in increased community capacity. Community Futures Centre West also provides business services by way of counselling and training, with financial assistance in the way of business loans to small and medium sized entrepreneurs and to entrepreneurs with disabilities.

The Organization is a not-for-profit organization incorporated provincially under the Not-for-profit 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.

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Fund accounting

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

The General Fund accounts for the corporation's equity in capital assets, operating costs, operating grants and innovative programs. This fund reports unrestricted resources and restricted operating grants. Included in the General Fund is the RRRF Operating Fund.

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 ("EDP") 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 associated funding of the RRRF loans issued by the Organization is recognized as a conditionally repayable liability. This liability consists of an interest free loan from Prairies Economic Development Canada ("PrairiesCan") and the Community Futures Network of Alberta ("CFNA"). Loan losses reduce the amount to be repaid.

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. The associated funding of the CGI loans issued by the Organization is recognized as a conditionally repayable liability. This liability consists of an interest free loan from the Community Futures Network of Alberta ("CFNA"). Loan losses reduce the amount to be repaid.

(continues)

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024**

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

Contributed services

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Cash

Cash includes balances with banks and short-term investments with original maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Term Deposits

Term deposits comprise investments in Guaranteed Investment Certificates ("GICs") with original maturities in excess of three months or are expected to be immediately reinvested upon maturity.

Investment Loans and Accrued Interest Receivable

Investment loans receivable are classified as held to maturity financial instruments and are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the loan's principal amount plus unamortized loan administration fees, less any allowance for anticipated losses, plus accrued interest.

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.

A specific allowance is established on an individual loan basis, to reduce the carrying book values to estimated realizable values. Estimated realizable values are determined by discounting the expected future cash flows at the effective interest rate inherent in the loans. When the amounts and timing of future cash flows cannot be reliably established, estimated realizable values are determined by reference to market prices for the loans of their underlying security.

(continues)

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024**

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

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	30%	declining balance method
Computer software	30%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	10 years	straight-line method

Amortization is recorded at half of the above rates in the year of acquisition.

Contributed capital assets are recorded at fair value at the date of contribution, if fair value can be reasonably determined.

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 CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Financial Instruments PolicyHeld for trading

The Organization has classified the following financial assets and liabilities as held for trading: cash and CFLIP investment. 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. These balances are non-interest bearing and due on demand.

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024****3. INVESTMENT LOANS RECEIVABLE**

	Restricted General	Restricted RRRF	Restricted CGI	2024	2023
Loans receivable including interest and fees	\$ 1,356,954	\$ 1,605,231	\$ 134,317	\$ 3,096,502	\$ 8,214,673
Less: allowance for loan impairment	(9,502)	(846,571)	-	(856,073)	(59,062)
Less: current portion	(234,811)	(340,925)	(36,878)	(612,614)	(277,360)
	<u>1,112,641</u>	<u>417,735</u>	<u>97,439</u>	<u>1,627,815</u>	<u>7,878,251</u>

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	(59,062)	-	-	(59,062)	(117,691)
Provision for loan losses	(104,744)	(1,482,071)	-	(1,586,815)	(63,272)
Amounts written off to the allowance	154,304	635,500	-	789,804	121,901
Balance, end of year	<u>(9,502)</u>	<u>(846,571)</u>	<u>-</u>	<u>(856,073)</u>	<u>(59,062)</u>
Total recorded investment on impaired loans	<u>\$ 106,294</u>	<u>\$ 1,485,677</u>	<u>\$ -</u>	<u>\$ 1,591,971</u>	<u>\$ 356,168</u>

Actual write-offs, net of recoveries, are deducted from the allowance for loan losses. The provision for loan losses in the statement of operations is charged with an amount sufficient to keep the balance in the allowance for loan losses adequate to absorb anticipated credit related losses.

In accordance with the Organization's objectives, the Organization has provided loans to small businesses. Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 0.0% to 11.5% 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.

The Organization had no individual loans outstanding in excess of \$150,000 as at March 31, 2024.

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024****4. INVESTMENT LOANS RECEIVABLE (CONTINUED)**

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 6,612,488	\$ 7,123,213
Advances during the year	-	-
Repayments during the year	(2,924,631)	(370,725)
Forgiven portion during the year	(1,447,126)	(140,000)
Write off of loans	(635,500)	-
Allowance for doubtful loans during the year	(846,571)	-
Balance, end of year	<u>\$ 758,660</u>	<u>\$ 6,612,488</u>

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 123,116	\$ -
Advances during the year	33,333	150,000
Repayments during the year	(22,132)	(20,634)
Forgiven portion during the year	-	(6,250)
	<u>\$ 134,317</u>	<u>\$ 123,116</u>

5. EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 36,965	\$ 26,451	\$ 10,514	\$ 13,734
Computer software	7,790	7,408	382	545
Equipment	2,933	2,210	723	904
Leasehold improvements	2,043	2,043	-	112
	<u>\$ 49,731</u>	<u>\$ 38,112</u>	<u>\$ 11,619</u>	<u>\$ 15,295</u>

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024****6. 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	\$ 220,041	\$ 386,299
PLUS: Amounts received related to the following year	569,390	312,163
LESS: Amounts recognized as revenue in the year	<u>(587,531)</u>	<u>(478,421)</u>
	<u>\$ 201,900</u>	<u>\$ 220,041</u>

Deferred revenue consists of:

RRRF Administrative	\$ 120,816	\$ 156,703
Digital Service Squad	37,616	28,758
Prairies Economic Development Canada	24,580	24,580
Rural Opportunities Fund SMARTstart	13,636	-
Rural Opportunities Fund RAYEC	5,252	-
CGI Administrative	-	10,000
	<u>\$ 201,900</u>	<u>\$ 220,041</u>

7. CFLIP LINE OF CREDIT

The Organization maintains a demand operating loan payable to Community Futures Network of Alberta through its Community Futures Lending & Investment Pool ("CFLIP") to a maximum of \$1,000,000 (2023 - \$1,000,000) bearing interest at RBC's prime rate with interest only repayments required on a monthly basis. The balance is due on demand and no later than April 26, 2026. Security pledged consists of a demand promissory note for amounts drawn and a general security agreement over all assets and undertakings of the Organization. The balance on the CFLIP line of credit at March 31, 2024 was \$644,000 (2023 - \$656,000) with remaining funds available of \$356,000. Prime rate at March 31, 2024 was 7.20% (2023 - 6.70%).

8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 12,954	\$ 18,382
LESS: amortization of deferred capital contributions related to capital assets	(3,816)	(5,428)
PLUS: amount received during the year	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 9,138</u>	<u>\$ 12,954</u>

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024****9. SHARE CAPITAL**

Issued

	<u>2024</u>	<u>2023</u>
10 Class A voting shares	\$ 14	\$ 14
12 Class B non-voting shares	12	12
	<u>\$ 26</u>	<u>\$ 26</u>

During the year ended March 31, 2015, the Organization amended its share structure such that all previously issued common shares were re-designated as Class B non-voting shares. In addition, an unlimited number of Class A voting shares were created, and one Class A voting share was then issued for \$nil consideration to each of the 8 directors to retain so long as they remained as a director of the Organization. Upon resignation from the Board of Directors, and with approval from the Board, the outgoing director's share may be directly transferred to an incoming board member, otherwise, it is forfeit and returned to treasury. Incoming Board members acquire one new Class A voting share either by transfer, or purchase for consideration of \$1.00. Consistent with the maximum number of Board members, a maximum of 15 Class A voting shares may be issued and outstanding at any given time.

During the year, the Organization issued one (2023 - three) new Class A shares for cash consideration of \$1.00 each. As a result, the five (2023 - three) existing Class A shares of outgoing directors were forfeit and transferred to unrestricted net assets.

10. GENERAL FUND NET ASSETS

Included in the general fund net assets is \$11,619 (2023 - \$15,295) that is invested in capital assets.

COMMUNITY FUTURES CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024****11. EXTERNALLY RESTRICTED ASSETS**

Loan funds contributed by the government are classified as repayable, non-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>2024</u>	<u>2023</u>
General	\$ 1,306,644	\$ 1,369,227
Disabled	167,345	167,300
RRRF	(1,472,813)	-
CGI	10,235	-
	<u>\$ 11,411</u>	<u>\$ 1,536,527</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. These funds are reported as Conditionally Repayable Contributions on the Statement of Financial Position.

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 CGI program or the decision by the Organization to no longer participate in the program. These funds are reported as Conditionally Repayable Contributions on the Statement of Financial Position.

Under the terms and conditions of the contribution agreement with Prairies Economic Development Canada, loan investment funds include Conditionally Repayable Funds in the amount of \$1,387,500 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 CENTRE WEST**Notes to Financial Statements****Year Ended March 31, 2024**

12. INTEREST TRANSFERS

PrairiesCan has pre-approved the Organization 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 Organization transferred \$34,659 from its investment funds to operating funds (2023 - \$Nil).

13. ECONOMIC DEPENDENCE

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

14. 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.

(a) Credit risk

The Organization is exposed to credit risk on investment loans receivable from its applicants. In order to reduce its credit risk, the Organization has adopted credit and approval policies that include the regular review of client accounts and credit worthiness. The Organization also provides for doubtful accounts based on estimated realizable value of the investment loans receivable.

The Organization is also exposed to credit risk due to the fact that it maintains 100% of its cash and deposits with a single federally regulated Canadian financial institution. In the event of any unforeseen circumstances the funds are insured to a maximum of \$100,000 through Canadian Deposit Insurance Corporation.

(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 customers and other related sources, and accounts payable.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts for cash flows from operations, anticipating investing and financing activities and seeking out funding for specific projects.

(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 CFLIP borrowings that are subject to floating rates.

(d) Changes in Risk

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

15. COMPARATIVE FIGURES

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

COMMUNITY FUTURES CENTRE WEST
RRRF Statement of Revenue and Expenditures **(Schedule 1)**
Year Ended March 31, 2024

	RRRF Operating 2024	Restricted RRRF 2024	Total 2024	Total 2023
REVENUES				
Loan payable forgiveness	\$ -	\$ 1,446,276	\$ 1,446,276	\$ 140,000
Prairies Economic Development Canada	35,891	-	35,891	32,384
Investment interest	-	9,258	9,258	-
Amortization of deferred capital contributions	3,561	-	3,561	5,062
	<u>39,452</u>	<u>1,455,534</u>	<u>1,494,986</u>	<u>177,446</u>
EXPENDITURES				
Provision for investment losses	-	1,482,071	1,482,071	-
Loan forgiveness	-	1,446,276	1,446,276	140,000
Salaries and wages	28,931	-	28,931	20,486
Professional fees	4,699	-	4,699	2,500
Office	2,261	-	2,261	7,934
Rental	-	-	-	1,464
Amortization	3,561	-	3,561	5,062
	<u>39,452</u>	<u>2,928,347</u>	<u>2,967,799</u>	<u>177,446</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM RRRF OPERATIONS	\$ -	\$ (1,472,813)	\$ (1,472,813)	\$ -

COMMUNITY FUTURES CENTRE WEST**RRRF Statement of Financial Position****(Schedule 2)****Year Ended March 31, 2024**

	RRRF Operating 2024	Restricted RRRF 2024	Total 2024	Total 2023
ASSETS				
CURRENT				
Cash	\$ -	\$ 409,999	\$ 409,999	\$ 224,080
Inter-fund receivable	125,316	(224,062)	(98,746)	(64,877)
Current portion of investment loans receivable	-	340,925	340,925	-
	<u>\$ 125,316</u>	<u>\$ 526,862</u>	<u>\$ 652,178</u>	<u>\$ 159,203</u>
PROPERTY AND EQUIPMENT	\$ 8,541	\$ -	\$ 8,541	\$ 12,102
INVESTMENT LOANS RECEIVABLE	-	417,735	417,735	6,612,488
TOTAL ASSETS	<u>\$ 133,857</u>	<u>\$ 944,597</u>	<u>\$ 1,078,454</u>	<u>\$ 6,783,793</u>
LIABILITIES				
Accounts payable	\$ 4,500	\$ -	\$ 4,500	\$ 2,500
Deferred income	120,816	-	120,816	156,703
Conditionally repayable contributions	-	2,417,410	2,417,410	6,612,488
Deferred contributions related to capital assets	8,541	-	8,541	12,102
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 133,857</u>	<u>\$ 2,417,410</u>	<u>\$ 2,551,267</u>	<u>\$ 6,783,793</u>
NET ASSETS				
Net assets - beginning of year	\$ -	\$ -	\$ -	\$ -
Equity in capital assets	-	-	-	-
Excess of revenues over expenses	-	(1,472,813)	(1,472,813)	-
Repayments during the year	-	-	-	-
Contributions during the year	-	-	-	-
TOTAL NET ASSETS	<u>-</u>	<u>(1,472,813)</u>	<u>(1,472,813)</u>	<u>-</u>
TOTAL NET ASSETS AND LIABILITIES	<u>\$ 133,857</u>	<u>\$ 944,597</u>	<u>\$ 1,078,454</u>	<u>\$ 6,783,793</u>

See notes to financial statements