

Community Futures Wood Buffalo
Financial Statements
March 31, 2022

Management's Responsibility

To the Members of Community Futures Wood Buffalo:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Finance Committee are composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Finance Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

July 27, 2022

signed by "Pamela Ramrup"

Pamela Ramrup, Executive Director

To the Members of Community Futures Wood Buffalo:

Qualified Opinion

We have audited the financial statements of Community Futures Wood Buffalo (the "Organization"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

During the year, the Organization issued loans as part of the Regional Relief and Recovery Fund ("RRRF") program. Due to the associated terms and conditions, the valuation of the RRRF loans is not susceptible to satisfactory audit verification. Accordingly, verification of the RRRF loans was limited to their existence based on the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to loan impairment provision and excess (deficiency) of revenues over expenses for the years ended March 31, 2022 and 2021, and loans receivable and repayable RRRF loans as at March 31, 2022 and 2021 and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Performance Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Performance Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the valuation of the RRRF loans. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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.

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.

Fort McMurray, Alberta

July 27, 2022

MNP **LLP**
Chartered Professional Accountants

Community Futures Wood Buffalo
Statement of Financial Position

As at March 31, 2022

	<i>General Fund</i>	<i>PrairiesCan Non- repayable Investment Fund</i>	<i>PrairiesCan Conditionally Repayable Investment Fund</i>	<i>PrairiesCan Conditionally Repayable EDP Fund</i>	<i>Loan Investment Fund - WBRLPP</i>	<i>RRRF Loan Fund</i>	<i>Capital Fund</i>	<i>2022</i>	<i>2021</i>
Assets									
Current									
Cash and cash equivalents (Note 3)	22,104	217,081	-	68,823	434,530	75,867	-	818,405	1,007,631
Marketable securities	-	592,264	-	-	-	-	-	592,264	573,067
Accounts receivable	10,147	425	-	183	26,282	-	-	37,037	425,609
Goods and services tax receivable	5,949	-	-	-	-	-	-	5,949	11,295
Prepaid expenses	2,849	-	-	-	-	-	-	2,849	1,816
Inter-fund receivable (payable)	(264,684)	(107,672)	315,416	203,441	(100,461)	(46,040)	-	-	-
	(223,635)	702,098	315,416	272,447	360,351	29,827	-	1,456,504	2,019,418
Capital assets (Note 4)	-	-	-	-	-	-	14,753	14,753	22,279
Loans receivable (Note 5)	-	161,768	-	60,424	1,046,073	4,165,000	-	5,433,265	4,762,749
	(223,635)	863,866	315,416	332,871	1,406,424	4,194,827	14,753	6,904,522	6,804,446
Liabilities									
Current									
Accounts payable and accruals	29,782	-	-	-	-	-	-	29,782	60,818
Deferred revenue (Note 6)	-	-	-	-	37,663	-	-	37,663	31,083
	29,782	-	-	-	37,663	-	-	67,445	91,901
Investment funds repayable (Note 7)	-	-	300,000	200,000	-	-	-	500,000	500,000
	29,782	-	300,000	200,000	37,663	-	-	567,445	591,901
Repayable RRRF loans (Note 8)	-	-	-	-	-	4,165,000	-	4,165,000	3,648,778
	29,782	-	300,000	200,000	37,663	4,165,000	-	4,732,445	4,240,679

The accompanying notes are an integral part of these financial statements

Community Futures Wood Buffalo
Statement of Financial Position

As at March 31, 2022

	<i>General Fund</i>	<i>PrairiesCan Non- repayable Investment Fund</i>	<i>PrairiesCan Conditionally Repayable Investment Fund</i>	<i>PrairiesCan Conditionally Repayable EDP Fund</i>	<i>Loan Investment Fund - WBRLPP</i>	<i>RRRF Loan Fund</i>	<i>Capital Fund</i>	<i>2021</i>	<i>2020</i>
Net Assets									
General Fund	(253,417)	-	-	-	-	-	-	(253,417)	(54,306)
Loan Investment Funds (Note 10)	-	863,866	15,416	132,871	1,368,761	29,827	-	2,410,741	2,595,794
Capital Fund	-	-	-	-	-	-	14,753	14,753	22,279
	(253,417)	863,866	15,416	132,871	1,368,761	29,827	14,753	2,172,077	2,563,767
	(223,635)	863,866	315,416	332,871	1,406,424	4,194,827	14,753	6,904,522	6,804,446

Approved on behalf of the Board

signed by "Jason Vargo"

Director

signed by "Bill MacLennan"

Director

Community Futures Wood Buffalo Statement of Operations

For the year ended March 31, 2022

	<i>General Fund</i>	<i>PrairiesCan Non- repayable Investment Fund</i>	<i>PrairiesCan Conditionally Repayable Investment Fund</i>	<i>PrairiesCan Conditionally Repayable EDP Fund</i>	<i>Loan Investment Fund - WBRLPP</i>	<i>RRRF Loan Fund</i>	<i>Capital Fund</i>	<i>2022</i>	<i>2021</i>
Revenue									
Business support program grants	8,780	-	-	-	-	-	-	8,780	779,583
PrairiesCan contribution (Note 8), (Note 11)	319,963	-	-	-	-	115,020	-	434,983	490,540
Interest income	4,117	13,695	-	11,292	83,739	-	-	112,843	195,323
Other income	79,447	8,251	-	-	7,492	-	-	95,190	71,895
RMWB - Community Impact Grant	64,546	-	-	-	-	-	-	64,546	45,315
Gain on capital asset disposal	-	-	-	-	-	-	286	286	-
Total Revenue	476,853	21,946	-	11,292	91,231	115,020	286	716,628	1,582,656
Expenses									
Advertising	8,723	-	-	-	-	-	-	8,723	16,098
Amortization	-	-	-	-	-	-	4,951	4,951	6,861
Computer	-	-	-	-	-	-	-	-	5,116
Bank charges and interest	3,944	490	-	-	-	272	-	4,706	5,442
Insurance	2,822	-	-	-	-	-	-	2,822	2,669
Loan impairment provision (Note 5)	-	-	-	-	28,428	-	-	28,428	73,065
Meals	5,192	-	-	-	-	-	-	5,192	5,101
Office	24,459	-	-	-	-	-	-	24,459	28,204
Professional fees	460,463	456	-	-	3,906	65,102	-	529,927	811,347
Rent	38,680	-	-	-	-	-	-	38,680	23,612
Repairs and maintenance	1,860	-	-	-	-	-	-	1,860	5,141
Salaries and benefits	301,722	-	-	-	106,171	19,717	-	427,610	507,692
Training and education	3,817	-	-	-	-	-	-	3,817	2,448
Telephone	13,053	-	-	-	-	-	-	13,053	9,123
Travel	14,090	-	-	-	-	-	-	14,090	5,599
	878,825	946	-	-	138,505	85,091	4,951	1,108,318	1,507,518
Excess (deficiency) of revenue over expenses	(401,972)	21,000	-	11,292	(47,274)	29,929	(4,665)	(391,690)	75,138

The accompanying notes are an integral part of these financial statements

Community Futures Wood Buffalo
Statement of Changes in Net Assets

For the year ended March 31, 2022

	<i>General Fund</i>	<i>PrairiesCan Conditionally Repayable Investment Fund</i>	<i>PrairiesCan Non- repayable Investment Fund</i>	<i>PrairiesCan Conditionally Repayable EDP Fund</i>	<i>Loan Investment Fund - WBRLPP</i>	<i>RRRF Loan Fund</i>	<i>Capital Fund</i>	2022	2021
Net assets, beginning of year	(54,306)	842,866	15,416	121,579	1,616,035	(102)	22,279	2,563,767	2,488,629
Excess (deficiency) of revenue over expenses	(401,972)	21,000	-	11,292	(47,274)	29,929	(4,665)	(391,690)	75,138
Disposal of capital assets	2,861	-	-	-	-	-	(2,861)	-	-
Transfers (Note 10)	200,000	-	-	-	(200,000)	-	-	-	-
Net assets (deficit), end of year	(253,417)	863,866	15,416	132,871	1,368,761	29,827	14,753	2,172,077	2,563,767

The accompanying notes are an integral part of these financial statements

Community Futures Wood Buffalo
Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(391,690)	75,138
Amortization	4,951	6,861
Loan impairment provision	28,428	73,065
Unrealized gain on marketable securities	(7,905)	(36,798)
	(366,216)	118,266
Changes in working capital accounts		
Accounts receivable	388,572	(383,760)
Goods and services tax receivable	5,346	(5,657)
Prepaid expenses	(1,033)	126
Accounts payable and accruals	(31,036)	8,987
Deferred revenue	6,580	(13,438)
	2,213	(275,476)
Financing		
Advances of repayable RRRF loans	516,222	3,648,776
Investing		
Purchase of capital assets	-	(7,844)
Proceeds on disposal of capital assets	2,575	-
Net advances of loans receivable (Note 12)	(698,944)	(2,858,054)
Net purchase of marketable securities	(11,292)	(12,833)
	(707,661)	(2,878,731)
Increase (decrease) in cash resources	(189,226)	494,569
Cash resources, beginning of year	1,007,631	513,062
Cash resources, end of year	818,405	1,007,631

The accompanying notes are an integral part of these financial statements

Community Futures Wood Buffalo

Notes to the Financial Statements

For the year ended March 31, 2022

1. Incorporation and nature of the organization

Community Futures Wood Buffalo (the "Organization") was incorporated under the authority of the Business Corporations Act of Alberta as a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

The Organization provides a wide range of small business services and business management tools including access to loans and other financial services that small businesses may otherwise be unable to obtain from other financial institutions. The Organization also runs specialized business programs and actively works with community and business leaders to foster rural economic growth.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Fund accounting

The Organization follows the restricted fund method of accounting for contributions, and maintains three funds: the General Fund, the Loan Investment Fund and the Capital Fund.

The General Fund reports the Organization's accounts for the operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

The Loan Investment Fund reports the Organization's restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans and loan guarantees and includes the following:

The PrairiesCan Conditionally Repayable EDP Fund reports the Organization's resources provided to businesses owned and operated by disabled persons. The PrairiesCan Non-repayable Investment Fund reports the Organization's resources provided to businesses through its non-repayable funding. The PrairiesCan Conditionally Repayable Investment Fund reports the Organization's resources provided to businesses through its repayable funding. The Loan Investment Fund - Wood Buffalo Recovery Loan Partnership Program ("WBRLPP"), reports the Organization's resources provided to businesses primarily through its funding provided by Regional Municipality of Wood Buffalo ("RMWB"). The PrairiesCan RRRF Fund reports the Organization's resources provided to businesses as part of the Regional Relief and Recovery Fund program.

The Capital Fund reports all contributions and expenditures relating to capital assets.

The Organization is restricted in the types of loans that can be made according to its agreements with Prairies Economic Development Canada ("PrairiesCan"), Community Futures Network of Alberta ("CFNA"), and RMWB.

Revenue recognition

The Organization uses the restricted fund method of accounting for contributions. Restricted contributions related to specific fund are recognized as revenue of the appropriate fund in the year in year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which no corresponding restricted fund is presented are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue of the General Fund when earned.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. During the year, \$nil (2021 - \$nil) contributions of materials and services were recognized.

2. **Significant accounting policies** *(Continued from previous page)*

Cash and cash equivalents

Cash and cash equivalents include balances with banks, cash on hand and highly liquid marketable securities with maturities less than three months. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Loans receivable

Loans are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the loans' principal amount plus unamortized loan administration fees less any allowance for anticipated losses. Interest revenue is recorded on the accrual basis using the effective interest method. Loan administration fees are amortized over the term of the loan using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

Capital assets

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

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	30 %
Computer software	straight-line	5 years
Furniture and fixtures	declining balance	20 %
Leasehold improvements	straight-line	term of lease

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

2. **Significant accounting policies** *(Continued from previous page)*

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures investments or debt instruments with a quoted marked value or derivatives originated in a related party transaction ("related party financial instruments") at fair value:

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses. The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

Community Futures Wood Buffalo

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable and loans receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the statement of operations in the periods in which they become known.

3. Cash and cash equivalents

	2021	2020
Unrestricted cash	22,105	56,644
Restricted cash	796,300	950,987
	818,405	1,007,631

Included in cash is \$299,000 (2021 - \$nil) held in trust by the Organization's lawyer relating to loans which were approved at March 31, 2022 but not disbursed to the recipients.

4. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	114,366	112,621	1,745	3,562
Computer software	5,474	5,291	183	183
Furniture and fixtures	65,925	62,418	3,507	4,384
Leasehold improvements	76,645	67,327	9,318	14,150
	262,410	247,657	14,753	22,279

Community Futures Wood Buffalo
Notes to the Financial Statements
For the year ended March 31, 2022

5. Loans receivable

	2022	2021
PrairiesCan Conditionally Repayable EDP Fund	60,424	86,011
Loan Investment Fund - WBRLPP	1,046,073	1,235,848
PrairiesCan Non-repayable Investment Fund	161,768	275,890
RRRF Loan Fund	4,165,000	3,165,000
	5,433,265	4,762,749

Loans, other than RRRF loans, are interest bearing at fixed rates varying from 4% to 9.99% with monthly principal and interest repayments generally amortized for terms between 12 and 84 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 land and building. This security is usually subordinated to those of a primary lender.

RRRF loans are non-interest bearing and no principal payments are due until December 31, 2023. If the outstanding balance is repaid on or before December 31, 2023 the following percentage of each loan will be forgiven:

- 25% on the first \$40,000
- 50% on amounts above \$40,000 and up to \$60,000

If the loan is not repaid by December 31, 2023, the balance is converted to a two-year term loan with interest rates up to 5% and with payments beginning on January 1, 2024 and ending on December 31, 2025.

	<i>Loans receivable</i>	<i>Less: allowance for doubtful accounts</i>	2021	2020
PrairiesCan Conditionally Repayable EDP Fund	60,424	-	60,424	86,011
Loan Investment Fund - WBRLPP	1,164,654	(118,581)	1,046,073	1,235,848
PrairiesCan Non-repayable Investment Fund	161,768	-	161,768	275,890
RRRF Loan Fund	4,165,000	-	4,165,000	3,165,000
	5,551,846	(118,581)	5,433,265	4,762,749

During the year, there were the following changes in the allowance for doubtful accounts:

	<i>Beginning balance</i>	<i>Provisions</i>	<i>Write-offs</i>	<i>Reversals</i>	2022
Loan Investment Fund - WBRLPP	128,581	-	(10,000)	-	118,581
RRRF Loan Fund	-	-	-	-	-
	128,581	-	(10,000)	-	118,581

Included in the loan impairment provision are provisions, write-offs and reversals of \$10,000 (2021 - \$467,453).

Community Futures Wood Buffalo
Notes to the Financial Statements
For the year ended March 31, 2022

6. Deferred revenue

	2022	2021
Prairies Economic Development Canada		
Balance, beginning of year	-	26,663
Amount received during the year	319,963	293,298
Amounts recognized as revenue during the year	(319,963)	(319,961)
	-	-
RMWB - Community Impact Grant		
Balance, beginning of year	31,083	17,858
Amount received during the year	71,126	58,540
Amounts recognized as revenue during the year	(64,546)	(45,315)
	37,663	31,083
	37,663	31,083

7. Investment funds repayable

	2022	2021
Prairies Economic Development Canada Conditionally Repayable Contribution, non-interest bearing, unsecured, repayable upon 30 days notice in an event of default as defined in the contribution agreement.	300,000	300,000
Prairies Economic Development Canada Conditionally Repayable Contribution, non-interest bearing, unsecured, repayable upon 30 days notice in an event of default as defined in the contribution agreement.	200,000	200,000
	500,000	500,000

Prairies Economic Development Canada Conditionally Repayable Contributions are subject to certain conditions as stipulated in the contribution agreement. As at March 31, 2022, management believes the Organization is in compliance with all such conditions required in this agreement.

8. Repayable RRRF loans

Repayable RRRF loans owing to the Community Futures Network of Alberta ("CFNA") are non-interest bearing and are repayable as the RRRF loans receivable (Note 5) are collected. Any loan losses on the RRRF loans receivable reduce the amount to be repaid to CFNA.

9. Commitments

As at March 31, 2022, the Organization has \$299,000 (2021 - \$nil) of undisbursed loan funds that have been committed (Note 3).

The Organization has entered into rental and equipment lease agreements with estimated minimum annual payments as follows:

2023	44,951
2024	38,307
2025	31,417
2026	15,956
	130,631

Community Futures Wood Buffalo Notes to the Financial Statements

For the year ended March 31, 2022

10. Net assets - loan investment funds

Included in net assets - loan investment funds is a Prairies Economic Development Canada Non-Repayable Contribution in the amount of \$1,300,000 (2021 - \$1,300,000). The amount is non-interest bearing, unsecured and is non-repayable to the extent that the Organization is not in default of the Contribution Agreement. As at March 31, 2022, management believes the Organization is in compliance with the agreement.

Included in net assets - loan investment funds is a RMWB non-repayable contribution in the amount of \$2,000,000 (2021 - \$2,000,000). During the 2018 year, RMWB approved the Wood Buffalo Recovery Loan Partnership Program starting June 1, 2017 and ending May 31, 2022 and contributed \$2,000,000 to the Organization to be used for this purpose. At the sole discretion of RMWB, the program may be extended for an additional five year period. The amount is non-interest bearing, unsecured and is non-repayable to the extent that the Organization is not in default of the Contribution Agreement. As at March 31, 2022, management believes the Organization is in compliance with the agreement.

During the year, the Organization utilized \$400,000 (2021 - \$nil) of cash from the Loan Investment Fund - WBRLPP to deliver the Business Support Program in the General Fund.

Of this amount, \$200,000 represents an approved net asset transfer for the redistribution of grant funds previously received from the RMWB. The remaining balance of \$200,000 represents a reduction of the inter-fund payable in the Loan Investment Fund - WBRLPP.

11. Economic dependence

The Organization receives a substantial portion of its funding from Prairies Economic Development Canada. During the 2021 year, an agreement was signed covering the period of April 1, 2021 to March 31, 2026 that will provide annual funding of \$319,963 to the Organization.

12. Supplemental cash flow information

Cash flows related to loans receivable and marketable securities have been presented on a net basis as it is impracticable for management to determine the gross cash receipts and repayments.

13. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Financial instruments that subject the Organization to concentrations of credit risk consist primarily of accounts receivable and loans receivable. The balance of accounts receivable and loans receivable are widely distributed among the Organization's customer base. The Organization performs regular credit assessments of its customers and provides allowances for potentially uncollectable accounts.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate cash flow risk on its marketable securities and loans receivable that bear interest at fixed rates.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. The Organization's exposure to liquidity risk is dependent on the collection of loans receivable to meet commitments and sustain operations.

Community Futures Wood Buffalo

Notes to the Financial Statements

For the year ended March 31, 2022

14. Significant event

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Organization has continued to provide services in accordance with provincial and federal restrictions and regulations.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.