

Community Futures Wood Buffalo

Financial Statements

March 31, 2024

Community Futures Wood Buffalo

Financial Statements

March 31, 2024

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Management Responsibility Statement

The management of Community Futures Wood Buffalo is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian generally accepted accounting principles. The financial statements are considered by management to present fairly the financial position and results of operations.

The Organization, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Crowe MacKay LLP, Chartered Professional Accountants, the auditors. Their report outlines the scope of their examination and their opinion on the financial statements.



Executive Director
June 18, 2024



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Independent Auditors' Report

To the Members of Community Futures Wood Buffalo

Qualified Opinion

We have audited the financial statements of Community Futures Wood Buffalo, which comprise the statement of financial position as at March 31, 2024, 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, 2024, 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

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, 2024 and 2023, and loans receivable and repayable RRRF loans as at March 31, 2024 and 2023 and net assets as at April 1 and March 31 for both the 2024 and 2023 years. The audit opinion on the financial statements for the year ended March 31, 2023 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 Auditors' 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 Matter

The financial statements of the Organization for the year ended March 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on June 16 2023.

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.

Independent Auditors' Report (continued)

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Edmonton, Canada
June 18, 2024

Crowe MacKay LLP

Chartered Professional Accountants

Community Futures Wood Buffalo

Statement of Operations

For the year ended March 31,

2024 2023

	General Fund	Investment Fund	PrairiesCan Conditionally Repayable Fund	PrairiesCan Conditionally Repayable EDP Fund	Loan Investment Fund - WBRLPP	RRRF Loan Fund	Capital growth Fund	Capital Fund	Total
Revenue									
Business support program grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,650
PrairiesCan contribution (Note 12)	319,963	-	-	-	-	-	-	-	319,963
Interest income	3,347	-	26,366	4,444	93,151	7,929	4,491	-	139,727
Other income	11,302	-	6,621	-	525	-	2,125	-	20,572
RMMB - Community Impact Grant	105,160	-	-	-	-	-	-	-	105,160
	439,772	-	32,986	4,444	93,676	7,929	6,616	-	685,423
Expenses									
Advertising and promotion	5,060	-	-	-	-	-	-	-	5,060
Amortization	1,801	-	-	-	-	-	-	7,169	7,169
Bank charges and interest	4,499	-	837	-	701	1,727	44	-	5,110
Insurance	-	-	-	-	-	-	-	-	4,499
Loan impairment provision (Note 5)	-	-	-	-	-	-	-	-	45,507
Meals	6,768	-	-	-	-	-	-	-	6,768
Office	32,973	-	-	-	-	-	-	-	32,973
Professional fees	111,702	-	-	-	16,488	-	-	-	128,190
Rent	38,194	-	-	-	-	-	-	-	38,194
Repairs and maintenance	15,881	-	-	-	-	-	-	-	15,881
Salaries and benefits	293,999	-	-	-	94,528	-	-	-	388,527
Training and education	7,505	-	-	-	30,367	-	-	-	37,872
Telephone	3,357	-	-	-	-	-	-	-	3,357
Travel	11,525	-	-	-	-	-	-	-	11,525
	533,362	-	837	-	142,084	1,727	44	7,169	685,225
Excess (deficiency) of revenue over expenses	(93,591)	-	32,149	4,444	(48,409)	6,201	6,572	(7,169)	(99,802)
									(102,800)

Community Futures Wood Buffalo

Statement of Changes in Net Assets

For the year ended March 31,

2024 2023

	General Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	PrairiesCan Non- repayable Investment Fund	Loan Investment Fund - WBRLPP	RRRF Loan Fund	Capital growth Fund	Capital Fund	Total	Total
Fund Balance, beginning of year	(295,421)	15,416	152,599	842,912	1,358,858	(3,724)	(20,530)	19,167	2,068,277	2,172,077
Excess (deficiency) of revenue over expenses	(93,591)	-	4,444	32,149	(48,409)	6,201	6,572	(7,169)	(99,802)	(102,800)
Transfer between funds (note 10)	200,000	-	-	-	(200,000)	-	-	-	-	-
Purchase of capital asset	(1,025)	-	-	-	-	-	-	1,025	-	-
Fund Balance, end of year	\$ (190,037)	\$ 15,416	\$ 157,043	\$ 875,061	\$ 1,110,449	\$ 2,477	\$ (13,958)	\$ 13,023	\$ 1,969,475	\$ 2,069,277

Community Futures Wood Buffalo

Statement of Financial Position

	March 31,					2024	2023		
	General Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Non- repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	Loan Investment Fund - WBRLPP	RRRF Loan Fund	Capital growth Fund	Capital Fund	Total
ASSETS									
Current Assets									
Cash and cash equivalents (note 2)	\$ 39,066	\$ -	\$ 473,645	\$ 113,449	\$ 227,919	\$ 56,014	\$ 20,800	\$ -	\$ 930,894
Marketable securities (note 3)	-	-	633,196	-	-	-	-	-	633,196
Accounts receivable	8,601	-	67	768	3,955	-	205	-	13,596
Prepaid expenses	6,136	-	-	-	-	-	-	-	6,136
Inter-fund receivable	-	315,416	-	175,403	-	111,509	6,325	-	608,653
	53,803	315,416	1,106,908	289,620	231,874	167,523	27,331	-	2,192,475
Property and equipment (note 4)	-	-	-	-	-	-	-	13,023	13,023
Loans receivable (note 5)	-	-	39,685	67,424	1,060,473	1,964,954	92,044	-	3,224,579
	53,803	315,416	1,146,593	357,043	1,292,347	2,132,477	119,375	13,023	5,430,077
LIABILITIES									
Current liabilities									
Accounts payable and accruals (note 6)	39,885	-	-	-	-	-	-	-	39,885
Deferred revenue (note 9)	48,731	-	-	-	-	-	-	-	48,731
Inter-fund payable	155,224	-	271,531	-	181,898	-	-	-	608,653
Investment funds repayable (note 7)	-	300,000	-	200,000	-	-	-	-	500,000
	243,840	300,000	271,531	200,000	181,898	-	-	-	1,197,269
Repayable loans (note 8)	-	-	-	-	-	2,130,000	133,333	-	2,263,333
	243,840	300,000	271,531	200,000	181,898	2,130,000	133,333	-	3,460,602
FUND BALANCES									
General Fund	(190,037)	15,416	-	-	-	-	-	-	(190,037)
Loan Investment Fund (note 10)	-	-	875,061	157,043	1,110,449	2,477	(13,958)	-	2,146,489
Capital Fund	-	-	-	-	-	-	-	13,023	13,023
	(190,037)	15,416	875,061	157,043	1,110,449	2,477	(13,958)	13,023	1,969,475
	\$ 53,803	\$ 315,416	\$ 1,146,593	\$ 357,043	\$ 1,292,347	\$ 2,132,477	\$ 119,375	\$ 13,023	\$ 5,430,077
									\$ 7,101,942

Approved on behalf of the Board:

Director

Director

Patricia Sawatzky-Beckwith

Community Futures Wood Buffalo

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash provided by (used for)		
Operating activities		
Deficiency of revenues over expenditures	\$ (99,802)	\$ (102,800)
Items not affecting cash		
Amortization	7,169	6,265
Loan impairment provision	-	45,507
Unrealized gain (loss) on marketable securities	6,621	11,783
	(86,012)	(39,245)
Change in non-cash working capital items		
Accounts receivable	23,839	6,079
Prepaid expenses	(2,481)	(806)
Accounts payable and accrued liabilities	(3,918)	14,018
Deferred revenue	(20,636)	31,704
Goods and services tax receivable	-	(527)
	(89,208)	11,223
Financing activities		
Proceed from repayable loans	33,333	100,000
Repayments of repayable loans	(1,945,000)	(20,000)
	(1,911,667)	80,000
Investing activities		
Purchase of capital assets	(1,025)	(10,679)
Purchase of marketable securities	(39,607)	(19,728)
Advances of loans receivable	(526,226)	(832,000)
Repayment of loans receivable	2,519,339	932,067
	1,952,481	69,660
Increase (decrease) in cash	(48,394)	160,883
Cash, beginning of year	979,288	818,405
Cash, end of year	\$ 930,894	\$ 979,288

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

Nature of operations

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.

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

Restricted contributions and other revenues are recognized in the fund corresponding to the purpose for which they were contributed or earned. Restricted contributions and other revenues contributed to the general fund are deferred and recognized in the year in which the related expenses are incurred.

Unrestricted contributions, consisting mainly of interest income are recognized as revenue in the general fund in the period in which they are earned.

Revenue from the sale of services is recognized upon provision of the services to the customer.

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

1. Significant accounting policies (continued)

(b) 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:

(i) The PrairiesCan Conditionally Repayable EDP Fund reports the Organization's resources provided to businesses owned and operated by disabled persons.

(ii) The PrairiesCan Non-repayable Investment Fund reports the Organization's resources provided to businesses through its non-repayable funding.

(iii) The PrairiesCan Conditionally Repayable Investment Fund reports the Organization's resources provided to businesses through its repayable funding.

(iv) 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").

(v) 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.

(i) The Capital Growth Fund reports the Organization's activities and resources provided by Community Futures Network of Alberta ("CFNA") as part of Alberta Women's Economic Recovery Capital Growth Initiative destined to benefit women entrepreneurs residing and operating SMEs in the province of Alberta.

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.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits.

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

1. **Significant accounting policies (continued)**

(d) Property and equipment

Property and equipment are recorded at cost. The Organization provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the assets over their estimated useful lives, as set out below.

Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or their estimated useful lives.

When property and equipment are sold or retired, the related cost and accumulated amortization are removed from the accounts and any gain or loss is charged against earnings in the period.

One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

Computer equipment	30% Declining balance
Office equipment	20% Declining balance
Computer software	5 years Straight-line

(e) Impairment of long-lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

1. **Significant accounting policies (continued)**

(g) **Financial instruments**

Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets or liabilities originated or exchanged in related party transactions except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If the instrument does, the cost is determined using the instrument's undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the consideration transferred or received by the Organization in the transaction.

Transactions, with parties whose sole relationship with the Organization is in the capacity of management, are accounted for as arm's length transactions.

Subsequent measurement

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs. Changes in fair value are recognized in net income in the period in which they occur.

Financial assets measured at amortized cost include cash, accounts receivable, and loans receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, investment funds repayable and repayable loans.

The Organization subsequently measures marketable securities at fair value, without adjustment for transaction costs and with changes in fair value recognized in operations in the period in which they occur:

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction cost for financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument and recognized in income over the life of the instrument using the straight-line method.

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

1. Significant accounting policies (continued)

Impairment

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

All significant financial assets, financial liabilities and equity instruments of the Organization are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

2. Cash and cash equivalents

	2024	2023
Unrestricted cash	\$ 39,066	\$ 57,396
Restricted cash	891,828	921,892
	\$ 930,894	\$ 979,288

3. Marketable securities

Marketable securities consist investment funds held in trust and managed by Community Futures Network of Alberta. Interest earned is distributed to members based on their pro-rata share of the investment fund.

	2024 Market	2024 Cost	2023 Market	2023 Cost
	\$ 633,196	\$ 626,575	\$ 600,210	\$ 611,993

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

4. Property and equipment

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 76,645	\$ 70,636	\$ 6,009	\$ 7,511
Computer equipment	125,670	121,189	4,481	8,307
Office equipment	66,325	63,792	2,533	3,166
Computer software	5,474	5,474	-	183
	\$ 274,114	\$ 261,091	\$ 13,023	\$ 19,167

5. Loans receivable

Loans, other than RRRF loans and Capital Growth loans, are interest bearing at fixed rates varying from 4% to 12% 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 were non-interest bearing and had no principal payments due until March 28, 2024. If the outstanding balance was repaid on or before March 28, 2024 the following percentage of each loan was forgiven:

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

The remaining balance reflects loans not repaid by March 28, 2024, these balance were converted to a two-year term loan with interest rates up to 5% and with the total accrued loan balance requiring repayment by December 31, 2026.

Capital Growth loans are interest bearing at variable rates of 4.5% for a five year term. If the outstanding balance is repaid on or before the five year term, 25% of the loan amount is forgiven.

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

5. Loans receivable (continued)

	2024	2023
PrairieCan Conditionally Repayable EDP Fund	\$ 67,424	\$ 80,104
Loan Investment Fund - WBRLPP	1,177,533	1,046,817
Allowance for doubtful accounts	(117,060)	(117,060)
	1,060,473	929,757
PrairieCan Non-repayable Investment Fund	39,685	79,217
Allowance for doubtful accounts	-	(22,698)
	39,685	56,519
RRRF Loan Fund	1,964,953	4,145,000
Allowance for doubtful accounts	-	-
Capital Growth fund	114,544	98,813
Allowance for doubtful accounts	(22,500)	(22,500)
	92,044	76,313
	\$ 3,224,579	\$ 5,287,693

	Beginning balance	Provisions	Recovery	Write off	2024
Loan Investment Fund - WBRLPP	\$ 117,060	\$ -	\$ -	\$ -	\$ 117,060
PrairieCan Non-repayable Investment Fund	22,698	-	-	(22,698)	-
RRRF Loan Fund	-	20,000	(20,000)	-	-
Capital Growth Initiative	22,500	-	-	-	22,500
	\$ 162,258	\$ 20,000	\$ (20,000)	\$ (22,698)	\$ 139,560

Included in the loan impairment provision are provisions, write-offs and reversals of \$Nil (2023 - \$43,677).

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

6. Accounts payable and accrued liabilities

	2024	2023
Accounts payable	\$ 32,139	\$ 36,356
Government remittances	7,746	7,447
	\$ 39,885	\$ 43,803

7. Investment funds repayable

	2024	2023
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
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
	\$ 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, 2024, management believes the Organization is in compliance with all such conditions required in this agreement.

8. Repayable loans

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

9. Deferred revenue

	Balance, beginning of year	Received	Recognized	Balance, end of year
RMWB - Community Impact Grant	\$ 69,367	\$ 84,524	\$ (105,160)	\$ 48,731
Prairies Economic Development Canada	-	319,963	(319,963)	-
	\$ 69,367	\$ 404,487	\$ (425,123)	\$ 48,731

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

10. Fund balances - 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 (2023 - \$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, 2024, 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 (2023 - \$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 program was extended to December 31, 2023. 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, 2024, management believes the Organization has been in compliance with the agreement.

During the year \$200,000 has been transferred as a net asset transfer from the Loan Investment Fund - WBRLPP to deliver the Business Support Program in the General Fund.

11. Commitments

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

Estimated principal repayments are as follows:

2025	\$ 48,000
2026	48,000
2027	48,000
2028	48,000
2029	32,000

\$ 224,000

12. Economic dependence

The Organization receives the majority of its revenue through a funding agreement from Prairies Economic Development Canada. The Organization's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

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.

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

13. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization's exposure to liquidity risk relates to accounts payable and accrued liabilities, investment funds repayable, and repayable loans and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. 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 loan receivable to meet commitments and sustain operations. The Organization reduces its exposure to liquidity risk by ensuring that it meets the loan conditions and repays interest and principal as they become due.

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization's exposure to liquidity risk relates to accounts payable and accrued liabilities and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due.

There has not been any changes to the Organization's exposure to liquidity risk from the prior year.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's exposure to credit risk relates to loans receivable and arises from the possibility that a debtor does not fulfil its obligations. The Organization obtains collateral and other security to support the loans receivable subject to credit risk and records allowances for potentially uncollectible amounts.

There has not been any changes to the Organization's exposure to credit risk from the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The Organization is exposed to market risk as follows:

Community Futures Wood Buffalo

Notes to the Financial Statements

March 31, 2024

13. Financial instruments (continued)

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's interest-bearing financial instruments include fixed rate loans receivable and variable rate marketable securities. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The cash flows resulting from variable rate financial instruments fluctuate as interest rates applicable to the instruments change. The Organization does not employ derivative financial instruments to hedge its exposure to interest rate risk.

Increased economic uncertainty and changing inflation rates due to a range of economic factors has resulted in a change in interest rate risk from the prior year. Uncertain economic conditions including events may result in a change in interest rates both nationally and internationally. The Organization cannot predict changes in interest rates.

(ii) Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk, whether those changes are caused by factors specific to the individual financial instrument or issuer, or factors affecting all similar financial instruments or issuers. The Organization's marketable securities expose the entity to price risks as these instruments are subject to price changes in an open market for a variety of reasons including investor sentiment and expectations, changes in market rates of interest, general economic indicators and restrictions of credit markets

There has not been any changes to the Organization's exposure to price risk from the prior year.

14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.