

COMMUNITY FUTURES WILD ROSE

FINANCIAL STATEMENTS

For the year ended March 31, 2024

COMMUNITY FUTURES WILD ROSE
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For the year ended March 31, 2024

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Futures Wild Rose

Opinion

We have audited the financial statements of Community Futures Wild Rose, which comprise the statement of financial position as at March 31, 2024, and the statement of operations, changes in fund balances and statement of 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 its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 13 which describes amendments made to prior year's figures. Our audit opinion is not modified in respect to this matter.

Other matter

The financial statements of the organization for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements dated June 8, 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.

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:



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lethbridge, Alberta
June 20, 2024

A handwritten signature in black ink that reads "Avail LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

COMMUNITY FUTURES WILD ROSE
STATEMENT OF FINANCIAL POSITION
As at March 31, 2024

	Loan investment funds							2024	2023 (restated)
	PrairiesCan General Fund	PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	CBIP Investment Fund	Regional Relief and Recovery Fund	Capital Growth Initiative Fund		
ASSETS									
Current assets									
Cash	\$ 288,572	\$ 410,001	\$ 95,527	\$ 3,947	\$ 105,322	\$ 1,376,835	\$ 45,783	\$ 2,325,987	\$ 2,031,903
Accounts receivable	455	-	-	-	-	-	-	455	47,500
Interest receivable	-	13,303	1,232	279	-	4,750	314	19,878	9,492
GST receivable	4,006	62	-	-	-	-	-	4,068	7,911
Short-term investments (note 3)	174,984	-	-	-	-	-	-	174,984	60,000
Prepaid expenses	4,033	-	-	-	-	-	-	4,033	4,522
Current portion of loans receivable	-	383,486	54,952	22,604	2,667	351,617	14,211	829,537	369,505
	472,050	806,852	151,711	26,830	107,989	1,733,202	60,308	3,358,942	2,530,833
Loans receivable (note 4)	-	2,476,213	378,975	27,525	1,111	982,261	84,168	3,950,253	4,962,739
Investments (note 5)	247,412	3,284,018	428,247	244,713	-	-	-	4,204,390	4,093,556
Capital assets (note 6)	182,199	-	-	-	-	-	-	182,199	190,109
	\$ 901,661	\$ 6,567,083	\$ 958,933	\$ 299,068	\$ 109,100	\$ 2,715,463	\$ 144,476	\$11,695,784	\$11,777,237

COMMUNITY FUTURES WILD ROSE
STATEMENT OF FINANCIAL POSITION
As at March 31, 2024

	Loan investment funds							2024	2023 (restated)
	PrairiesCan General Fund	PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	CBIP Investment Fund	Regional Relief and Recovery Fund	Capital Growth Initiative Fund		
LIABILITIES AND FUND BALANCES									
Current liabilities									
Accounts payable and accrued liabilities	\$ 35,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,267	\$ 10,329
Deferred contributions (note 7)	129,993	-	-	-	-	-	-	129,993	156,220
	165,260	-	-	-	-	-	-	165,260	166,549
Syndicated loan (note 8)	-	96,358	-	-	-	-	-	96,358	101,590
Administrative funds loans (note 9)	-	-	-	-	-	78,800	10,511	89,311	101,800
Investment funds payable (note 10)	-	-	350,000	200,000	-	2,626,750	126,013	3,302,763	3,730,909
	165,260	96,358	350,000	200,000	-	2,705,550	136,524	3,653,692	4,100,848
Fund balances									
Share capital (note 11)	15	-	-	-	-	-	-	15	15
Contributed surplus (note 12)	-	1,182,202	-	-	-	-	-	1,182,202	1,182,202
Invested in capital assets	182,199	-	-	-	-	-	-	182,199	190,109
Externally restricted	-	5,288,523	608,933	99,068	109,100	9,913	7,952	6,123,489	5,795,800
Unrestricted	554,187	-	-	-	-	-	-	554,187	508,263
	736,401	6,470,725	608,933	99,068	109,100	9,913	7,952	8,042,092	7,676,389
	\$ 901,661	\$ 6,567,083	\$ 958,933	\$ 299,068	\$ 109,100	\$ 2,715,463	\$ 144,476	\$11,695,784	\$11,777,237

Approved on behalf of the board

Director 

Director 

COMMUNITY FUTURES WILD ROSE
STATEMENT OF OPERATIONS
For the year ended March 31, 2024

	Loan investment funds							2024	2023 (restated)
	PrairiesCan General Fund	PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	CBIP Investment Fund	Regional Relief and Recovery Fund	Capital Growth Initiative Fund		
Revenue									
Prairies Economic Development Canada (schedule 1)	\$ 294,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,963	\$ 294,963
Interest on loans	-	167,657	30,355	7,405	-	8,086	3,882	217,385	181,013
Interest from investment	19,793	121,731	15,885	9,077	-	-	-	166,486	88,357
Interest on bank deposit	13,391	56,512	-	-	-	64	-	69,967	71,704
Unrealized gain (loss) on investment	-	49,236	6,425	3,671	-	-	-	59,332	(37,161)
Loan fees	20,685	-	-	-	-	-	-	20,685	15,928
Other government grants	3,660	-	-	-	-	13,000	2,489	19,149	1,386
Corporate services revenue	16,500	-	-	-	-	-	-	16,500	200
Fees received on loans	-	1,650	-	-	-	-	-	1,650	(277)
Recovery of bad debts	-	-	-	-	-	-	-	-	2,666
Program income	-	-	-	-	-	-	-	-	1,200
	368,992	396,786	52,665	20,153	-	21,150	6,371	866,117	619,979
Expenses									
Salaries and benefits	286,092	-	-	-	-	-	-	286,092	273,932
Provision for doubtful loans	-	22,897	22,005	-	-	-	-	44,902	41,221
Office	33,541	62	-	-	-	-	-	33,603	44,924
Professional fees	20,735	-	-	-	-	-	-	20,735	10,550
Travel, meetings and conferences	16,228	-	-	-	-	-	-	16,228	17,639
Community development project	14,486	-	-	-	-	-	-	14,486	16,580
RRRF operating expenses	-	-	-	-	-	13,000	-	13,000	-
Utilities, phone and internet	11,156	-	-	-	-	-	-	11,156	10,752
Condo fees	11,013	-	-	-	-	-	-	11,013	11,380
Advertising and promotion	8,251	-	-	-	-	-	-	8,251	10,196
Repairs and maintenance	8,071	-	-	-	-	-	-	8,071	2,813
Amortization	7,910	-	-	-	-	-	-	7,910	8,430
Insurance	7,018	-	-	-	-	-	-	7,018	4,897
Training	6,336	-	-	-	-	-	-	6,336	6,426
Syndicate loan interest	-	5,824	-	-	-	-	-	5,824	7,816
Interest and bank charges	141	2,965	-	-	-	194	-	3,300	874
CGI operating expenses	-	-	-	-	-	-	2,489	2,489	-
	430,978	31,748	22,005	-	-	13,194	2,489	500,414	468,430
	(61,986)	365,038	30,660	20,153	-	7,956	3,882	365,703	151,549
Project revenue and expenses									
Project revenue	255,844	-	-	-	-	-	-	255,844	218,855
Project costs	(255,844)	-	-	-	-	-	-	(255,844)	(205,598)
	-	-	-	-	-	-	-	-	13,257
Excess (deficiency) of revenue over expenses	\$ (61,986)	\$ 365,038	\$ 30,660	\$ 20,153	\$ -	\$ 7,956	\$ 3,882	\$ 365,703	\$ 164,806

COMMUNITY FUTURES WILD ROSE
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended March 31, 2024

	Loan investment funds							2024	2023 (restated)
	PrairiesCan General Fund	PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	CBIP Investment Fund	Regional Relief and Recovery Fund	Capital Growth Initiative Fund		
Invested in capital assets									
Beginning of year	\$ 190,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,109	\$ 198,539
Amortization	(7,910)	-	-	-	-	-	-	(7,910)	(8,430)
End of year	182,199	-	-	-	-	-	-	182,199	190,109
Externally restricted									
Beginning of year, as previously stated	-	4,873,742	629,398	56,153	-	(98,044)	-	5,461,249	5,441,360
Prior period adjustment (note 13)	-	149,743	(51,125)	22,762	109,100	100,001	4,070	334,551	148,461
As restated	-	5,023,485	578,273	78,915	109,100	1,957	4,070	5,795,800	5,589,821
Excess of revenue over expenses	-	365,038	30,660	20,153	-	7,956	3,882	427,689	248,979
Interfund transfer	-	(100,000)	-	-	-	-	-	(100,000)	(43,000)
End of year	-	5,288,523	608,933	99,068	109,100	9,913	7,952	6,123,489	5,795,800
Unrestricted									
Beginning of year, as previously stated	743,664	-	-	-	-	-	-	743,664	649,468
Prior period adjustment (note 13)	(235,401)	-	-	-	-	-	-	(235,401)	(108,461)
As restated	508,263	-	-	-	-	-	-	508,263	541,007
Interfund transfer	100,000	-	-	-	-	-	-	100,000	43,000
Excess of revenue over expenses	(61,986)	-	-	-	-	-	-	(61,986)	(84,174)
Amortization	7,910	-	-	-	-	-	-	7,910	8,430
End of year	554,187	-	-	-	-	-	-	554,187	508,263
	\$ 736,386	\$ 5,288,523	\$ 608,933	\$ 99,068	\$ 109,100	\$ 9,913	\$ 7,952	\$ 6,859,875	\$ 6,494,172

COMMUNITY FUTURES WILD ROSE
STATEMENT OF CASH FLOWS
For the year ended March 31, 2024

	Loan investment funds							2024	2023 (restated)
	PrairiesCan General Fund	PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	CBIP Investment Fund	Regional Relief and Recovery Fund	Capital Growth Initiative Fund		
Cash flows from operating activities									
Excess (deficiency) of revenue over expenses	\$ (61,986)	\$ 365,038	\$ 30,660	\$ 20,153	\$ -	\$ 7,956	\$ 3,882	\$ 365,703	\$ 164,806
Items not involving cash									
Amortization	7,910	-	-	-	-	-	-	7,910	8,430
Provision for credit losses	-	22,897	22,004	-	-	-	-	44,901	41,221
Unrealized loss (gain) on investment	-	(49,236)	(6,425)	(3,671)	-	-	-	(59,332)	37,161
	(54,076)	338,699	46,239	16,482	-	7,956	3,882	359,182	251,618
Net change in non-cash working capital items									
Accounts receivable	47,045	-	-	-	-	-	-	47,045	(45,520)
Interest receivable	-	(6,962)	1,556	83	-	(4,750)	(314)	(10,387)	5,932
GST receivable	3,906	(62)	-	-	-	-	-	3,844	(3,411)
Prepaid expenses	489	-	-	-	-	-	-	489	12,027
Accounts payable and accrued liabilities	24,936	-	-	-	-	-	-	24,936	(5,551)
Deferred contributions	(26,227)	-	-	-	-	-	-	(26,227)	3,910
Interfund transfer	100,000	(100,000)	-	-	-	-	-	-	-
	96,073	231,675	47,795	16,565	-	3,206	3,568	398,882	219,005
Cash flows from lending activities									
Loan payments	-	469,478	57,097	23,530	2,667	1,052,501	8,121	1,613,394	859,253
Loan advances	-	(1,455,977)	(77,112)	-	-	-	(33,000)	(1,566,089)	(706,300)
	-	(986,499)	(20,015)	23,530	2,667	1,052,501	(24,879)	47,305	152,953
Cash flows from investing activities									
Purchase of investments	(19,793)	(121,731)	(15,885)	(9,077)	-	-	-	(166,486)	(1,588,357)
Cash flows from financing activities									
Proceeds from investment fund	-	-	-	-	-	-	32,104	32,104	100,000
Proceeds from administrative funds loan	-	-	-	-	-	-	3,000	3,000	10,000
Repayment of administration funds loan	-	-	-	-	-	(13,000)	(2,489)	(15,489)	-
Repayment of syndicated loan	-	(5,232)	-	-	-	-	-	(5,232)	(5,926)
	-	(5,232)	-	-	-	(13,000)	32,615	14,383	104,074
Increase (decrease) in cash	76,280	(881,787)	11,895	31,018	2,667	1,042,707	11,304	294,084	(1,112,325)
Cash, beginning of year	212,292	1,291,788	83,632	(27,071)	102,655	334,128	34,479	2,031,903	3,144,228
Cash, end of year	\$ 288,572	\$ 410,001	\$ 95,527	\$ 3,947	\$ 105,322	\$ 1,376,835	\$ 45,783	\$ 2,325,987	\$ 2,031,903

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

1. Nature of operations

Community Futures Wild Rose (the "organization") is a not-for-profit organization that was incorporated provincially under the Business Corporations Act of Alberta.

The organization operates to provide loans and financial services to small businesses that are otherwise unable to obtain financing. The organization also works to support the community's plans for the generation of additional private sector support in addition to community capacity building initiatives.

2. Significant accounting policies

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

(a) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the general fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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.

Investment income includes interest income as well as realized investment gains and losses.

(b) Impaired loans and allowances for loan impairment

Loans receivable are classified as impaired when, in the opinion of management, there is reasonable doubt as to the timely collection of principal and interest. The carrying amount of a loan receivable classified as impaired is reduced to its estimated fair value.

The allowance for loan impairment is maintained at a level considered adequate to absorb the credit losses existing in the organization's portfolio. It reflects management's best estimate of losses existing in the loan portfolio at the statement of financial position date. The allowance is increased by an annual provision for credit losses, which is charged against income and reduced by write-offs, net of recoveries.

(c) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	4%
Building improvements	4%
Furniture and fixtures	20%
Computer equipment	55%
Computer software	100%

One-half the normal rate of amortization is recorded in the year of acquisition.

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

2. Significant accounting policies, continued

(d) Cash and cash equivalents

The organization includes cash on hand and amounts held by financial institutions in operating accounts in the determination of cash and cash equivalents.

(e) Investments

Investments are recorded at fair value. Changes in fair value are recognized in the statement of operations.

(f) Fund accounting

The organization follows the restricted fund method of accounting for contributions and uses the following funds:

The General Fund is used to account for all revenues and expenses related to program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The PrairiesCan Non-repayable Investment Fund is used to account for non-repayable investment funds the organization received from Prairies Economic Development Canada to be used for loans, loan guarantees, and equity investments in new businesses or expansion of an existing business.

The PrairiesCan Conditionally Repayable Investment Fund is used to account for repayable investment funds the organization received from Prairies Economic Development Canada to be used for loans, loan guarantees, and equity investments in new businesses or expansion of an existing business.

The PrairiesCan Conditionally Repayable EDP Investment Fund is used to account for repayable investment funds the organization received from Prairies Economic Development Canada to be used for loans, loan guarantees, and equity investments in businesses owned by persons with disabilities.

The CBIP Investment Fund is used to account for a collaborative initiative between the municipality, the organization, and its businesses to provide access to capital and interest incentives to support entrepreneurs in enhancing their business.

The Regional Relief and Recovery Fund is used to account for repayable investment funds the organization received from the Government of Canada to provide loans for small and medium-sized enterprises to enable their recovery from economic disruptions caused by the COVID-19 pandemic.

The Capital Growth Initiative Loan Fund is used to account for repayable investment funds the organization received from the Community Futures Network of Alberta to provide loans for small and medium-sized enterprises owned by women entrepreneurs to increase access to capital.

(g) Equity in capital assets

The organization has chosen to continue to treat equity in capital assets as a separate component of fund balances.

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

2. Significant accounting policies, continued

(h) Financial instruments

The organization initially measures all of its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

(i) Income taxes

The organization is operated exclusively for not-for-profit purposes and accordingly will be exempted from income taxes as long as it complies with the requirements of section 149(1)(l) of the Income Tax Act.

(j) Measurement uncertainty

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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Loans receivable and foreclosed assets are reported after management's evaluation as to their collectibility and estimated net realizable value.

Other significant areas with measurement uncertainty are accounts receivable and allowance for doubtful accounts, amortization of capital assets, and deferred revenue. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements of future periods could be material.

3. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates that bear interest at 2.07% to 4.22% and have maturity dates between June 17, 2024 to November 18, 2024.

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

4. Loans receivable

Outstanding loans to entrepreneurs are interest bearing at fixed rates between 0% - 10% with monthly blended principal and interest repayments amortized for terms of between 12 and 120 months. Regional Relief and Recovery Fund loans bear interest at a fix rate of 4% with monthly blended principal and interest repayments amortized for a 3 year term and is due no later than December 31, 2026. Capital Growth Initiative loans are interest free for 6 months and then bears interest at a rate of prime plus 2% with monthly blended principal and interest repayments amortized for a term of 5 years. Security is taken on these loans as appropriate and includes personal guarantees, general security agreements covering personal and business assets, assignment of insurance, and mortgages on land and buildings.

	Recorded loan	Allowance	Carrying value	Current portion	Long-term portion
PrairiesCan Non- Repayable Investment Fund	\$ 2,957,596	\$ (97,897)	\$ 2,859,699	\$ 383,486	\$ 2,476,213
PrairiesCan Conditionally Repayable Investment Fund	433,927	-	433,927	54,952	378,975
PrairiesCan Conditionally Repayable EDP Fund	75,129	(25,000)	50,129	22,604	27,525
CBIP Investment Fund	3,778	-	3,778	2,667	1,111
Regional Relief and Recovery Fund	1,333,878	-	1,333,878	351,617	982,261
Capital Growth Initiative Fund	98,379	-	98,379	14,211	84,168
	<u>\$ 4,902,687</u>	<u>\$ (122,897)</u>	<u>\$ 4,779,790</u>	<u>\$ 829,537</u>	<u>\$ 3,950,253</u>

Included in the above are eighteen loans (2023 - eleven) issued for \$150,000 or more, with initial loan advances totaling \$3,066,000 (2023 - \$1,996,000) . As at year end, these loans combined for a total balance outstanding of \$1,530,269 (2023 - \$1,039,981).

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

4. Loans receivable, continued

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

	Beginning balance	Provisions	Write-offs	Reversals	Ending balance
PrairiesCan Conditionally Repayable Investment Fund	\$ 2,735	\$ -	\$ (2,735)	\$ -	\$ -
PrairiesCan Non- Repayable Investment Fund	75,000	37,897	-	(15,000)	97,897
PrairiesCan Conditionally Repayable EDP Fund	25,000	22,005	(22,005)	-	25,000
	<u>\$ 102,735</u>	<u>\$ 59,902</u>	<u>\$ (24,740)</u>	<u>\$ (15,000)</u>	<u>\$ 122,897</u>

Included in the loan impairment provision are provisions, write-offs, and reversals of \$20,162.

5. Investments

	2024	2023
PrairiesCan CFLIP Investment Fund (cost: \$3,811,441; 2023: \$3,664,749)	\$ 3,954,803	\$ 3,748,777
Chinook Credit Union equity shares	3,547	3,547
CIBC Guaranteed Investment Certificates	176,528	302,851
CIBC Principal Protected Notes (cost \$65,000, 2023: \$40,000)	69,512	38,380
	<u>\$ 4,204,390</u>	<u>\$ 4,093,555</u>

The organization has invested excess cash in the Community Futures Lending & Investment Pool (CFLIP). CFLIP funds are managed in investments which are considered by management to be highly liquid and low risk.

Guaranteed Investment Certificates bear interest at 4.33% to 5.12% with maturity dates between June 17, 2025 and November 18, 2026.

CIBC Principal Protected notes mature between June 25, 2029 to July 2, 2030.

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

6. Capital assets

	Cost	Accumulated amortization	2024 Net	2023 Net
Buildings	\$ 276,450	\$ 146,515	\$ 129,935	\$ 135,349
Building improvements	108,460	57,284	51,176	53,308
Furniture and fixtures	119,938	118,945	993	1,241
Computer equipment	12,335	12,240	95	212
Computer software	19,121	19,121	-	-
	<u>\$ 536,304</u>	<u>\$ 354,105</u>	<u>\$ 182,199</u>	<u>\$ 190,110</u>

7. Deferred contributions

	Opening	Received	Spent	Closing
Workforce Strategy Project Plan	\$ 145,765	\$ -	\$ 101,923	\$ 43,842
Digital Economy Program	10,455	78,267	80,553	8,169
Building Capacity for Entrepreneurs	-	78,849	40,867	37,982
Skills in Action Project	-	57,500	32,500	25,000
Prepaid rental revenue	-	15,000	-	15,000
	<u>\$ 156,220</u>	<u>\$ 229,616</u>	<u>\$ 255,843</u>	<u>\$ 129,993</u>

8. Syndicated loan

The loan represents the syndicated portion of a loan receivable that is payable to Community Futures Big Country. The loan is amortized over 180 months with blended monthly repayments of \$1,105 and bears interest at 7%. The loan is due August 15, 2034.

9. Administrative funds loan

The Government of Canada (via Community Futures Network of Alberta) provided a loan totaling \$91,800 to be used for administrative costs relating to the Regional Relief and Recovery Fund loan aftercare and assisting small and medium-sized enterprises in their communities in response to COVID-19. The loan is interest-free and is repayable on December 31, 2025 net of any portion spent on eligible costs. In the current year, \$13,000 (2023 - \$0) was spent on eligible costs and recognized directly into revenue.

Community Futures Network of Alberta provided a loan totaling \$10,000 in the prior year with an additional \$3,000 in current year to be used for administrative costs relating to the Capital Growth Initiative Fund loan aftercare and assisting for small and medium-sized enterprises owned by women entrepreneurs to increase access to capital. The loan is interest-free and is repayable on March 31, 2025 net of any portion spent on eligible costs. In the current year, \$2,489 (2023 - \$0) was spent on eligible costs and recognized directly into revenue.

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

10. Investment funds payable

Prairies Economic Development Canada contributions are required to be maintained in particular funds. These contributions are available solely for the mandate of each fund.

In prior years, Prairies Economic Development Canada provided contributions totaling \$550,000 to improve access to capital for qualifying business.

A revised agreement was entered into, commencing April 1, 2006, with regards to these funds, which no longer required repayment of the funds, unless conditions relating to the agreement are violated. As of March 31, 2024, this agreement is still in place and has been extended indefinitely.

In prior years, the Government of Canada (via Community Futures Network of Alberta) provided contributions for the Regional Relief and Recovery Fund. The contributions are repayable net of any loan forgiveness, losses and loan collection fees. During the year repayments of \$0 (2023 - \$0) were made.

In the prior year, the Community Futures Network of Alberta (CFNA) provided contributions for the Capital Growth Initiative (CGI) Fund. Effective March 2024, the organization can lend and collect CGI funds without remitting loan repayments to CFNA for the remaining life of the CGI program.

11. Share capital

Issued	2024	2023
15 Class A common voting	\$ 15	\$ 15

12. Contributed surplus

Since the commencement of operations, government assistance in the amount of \$1,182,202 has been received to finance loans. The funding agreement in effect through the 2026 fiscal year requires the corporation to maintain its not-for-profit status and meet the goals set out in note 1. The corporation is in compliance with the agreement requirements as at March 31, 2024. Contributed surplus represents the government contribution that is not repayable.

COMMUNITY FUTURES WILD ROSE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

13. Prior period adjustment

The prior year numbers have been adjusted to reflect the deferral of the unspent portion of the Capital Growth Initiative administration funds loan and the forgivable portions of the Regional Relief and Recovery Fund and Capital Growth Initiative Fund investment fund payable. In addition, certain revenue and expense amounts have been reallocated to the proper fund. The effect of these adjustments are as follows:

- a) Increase to externally restricted Loan Investments Fund balances of \$148,461 as of April 1, 2022.
- b) Decrease to General Fund balance of \$108,461 as of April 1, 2022.
- c) Increase to administrative funds loans of \$10,000 as of March 31, 2023.
- d) Decrease to the investment funds payable of \$106,090 as of March 31, 2023.
- e) Increase to Non-Repayable Investment Fund of \$149,743 as of March 31, 2023.
- f) Decrease to Repayable Investment Fund of \$51,125 as of March 31, 2023.
- g) Increase to EDP Investment Fund of \$22,762 as of March 31, 2023.
- h) Increase to CBIP Investment Fund of \$109,100 as of March 31, 2023.
- i) Increase to Regional Relief and Recovery Investment Fund of \$100,001 as of March 31, 2023.
- j) Increase to Capital Growth Initiative Investment Fund of \$4,070 as of March 31, 2023.
- k) Decrease to General Fund balance of \$235,401 as of March 31, 2023.

14. Bank indebtedness

The organization has a \$50,000 operating credit facility available with Chinook Credit Union Ltd. at a rate of prime plus 1% of which \$0 was outstanding at year end. The bank overdraft is secured by the loans receivable.

15. Financial instruments

Credit risk

Credit risk arises from the potential that the entities to which the organization provides financing may experience difficulties and be unable to fulfil their obligations. The organization is exposed to financial risk that arises from the credit quality of the entities to which it provides services and loans.

Interest rate risk

The organization is exposed to interest rate price risk on its fixed rate borrowing, as the value will fluctuate as a result of changes in market rates.

16. Economic dependence

The organization is economically dependent on Prairies Economic Development Canada for its operating funding.

17. 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.

COMMUNITY FUTURES WILD ROSE
SCHEDULE TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

Schedule of PrairiesCan revenue and expenses	Schedule 1	
	2024	2023
Prairies Economic Development Canada - contributions	\$ 294,963	\$ 294,963
Expenses		
Salaries and benefits	286,092	273,932
Office	33,541	44,924
Professional fees	20,735	10,550
Community development project	14,486	-
Travel, meetings and conferences	12,308	-
Utilities, phone and internet	11,156	10,752
Condo fees	11,013	11,380
Advertising and promotion	8,251	10,196
Repairs and maintenance	8,071	2,813
Insurance	7,018	4,897
Training	6,336	6,426
Interest and bank charges	140	115
	419,147	375,985
Deficiency of revenue over expenses	\$ (124,184)	\$ (81,022)