

COMMUNITY FUTURES GRANDE PRAIRIE & REGION

FINANCIAL STATEMENTS

For the year ended March 31, 2022

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
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Year ended March 31, 2022

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Futures Grande Prairie & Region

Opinion

We have audited the financial statements of Community Futures Grande Prairie & Region, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2022, 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.

Other Matter

The financial statements of the organization for the year ended March 31, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements in their report dated July 8, 2021.

Emphasis of Matter

We draw attention to note 7 of the financial statements which describes the amendments made to the prior year's figures. Our audit opinion is not qualified in respect of 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Lethbridge, Alberta
July 27, 2022

A handwritten signature in cursive script that reads "Avail LLP".

Chartered Professional Accountants

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	PrairiesCan Operating Fund	Loan investment funds			RRRF Investment/ Loan Fund	2022 Total	2021 Total (Restated)
		PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund			
ASSETS							
Current assets							
Cash	\$ 456,492	\$ 2,599,174	\$ -	\$ 47,489	\$ 121,300	\$ 3,224,455	\$ 4,193,988
Accounts receivable	29,424	13,990	1,561	-	-	44,975	241,405
Advances to other funds	-	1,397,682	-	-	-	168,226	1,615,486
Current portion of loans receivable	-	707,282	228,798	11,325	-	947,405	1,914,491
	485,916	4,718,128	230,359	58,814	289,526	5,782,743	7,965,370
Loans receivable (note 3)	-	2,197,061	1,246,094	133,270	6,096,489	9,672,914	7,517,356
Capital assets (note 4)	10,389	-	-	-	-	10,389	25,328
	\$ 496,305	\$ 6,915,189	\$ 1,476,453	\$ 192,084	\$ 6,386,015	\$15,466,046	\$15,508,054
LIABILITIES AND FUND BALANCES							
Current liabilities							
Bank indebtedness	\$ -	\$ -	\$ 1,202,136	\$ -	\$ -	\$ 1,202,136	\$ 1,299,339
Revolving loan (note 5)	-	4,060,000	-	-	-	4,060,000	4,200,000
Accounts payable and accrued liabilities	34,814	-	-	-	-	34,814	90,978
Government remittance payable	9,194	-	-	-	-	9,194	8,995
Deferred contributions (note 6)	296,625	-	-	-	-	296,625	265,629
Advances from other funds	4,412	-	1,334,459	227,037	-	1,565,908	1,615,486
	345,045	4,060,000	2,536,595	227,037	-	7,168,677	7,480,427
Administrative funds loan (note 8)	-	-	-	-	175,020	175,020	-
Due to Government of Canada (note 8)	-	-	700,000	200,000	6,217,789	7,117,789	6,773,818
	345,045	4,060,000	3,236,595	427,037	6,392,809	14,461,486	14,254,245
Fund balances							
Invested in capital assets	10,389	-	-	-	-	10,389	25,328
Externally restricted	-	2,855,189	(1,760,142)	(234,953)	(6,794)	853,300	920,145
Unrestricted	140,871	-	-	-	-	140,871	308,336
	151,260	2,855,189	(1,760,142)	(234,953)	(6,794)	1,004,560	1,253,809
	\$ 496,305	\$ 6,915,189	\$ 1,476,453	\$ 192,084	\$ 6,386,015	\$15,466,046	\$15,508,054

Approved on behalf of the Board:

Director Warren Toews

Director 

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
STATEMENT OF OPERATIONS
For the year ended March 31, 2022

	Loan investment funds					RRRF Investment/ Loan Fund	2022 Total	2021 Total (Restated)
	PrairiesCan Operating Fund	PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund				
Revenue								
Special projects (note 9)	\$ 616,669	\$ -	\$ -	\$ -	\$ -	\$ 616,669	\$ 748,199	
Prairies Economic Development Canada Contribution (schedule 1)	308,493	-	-	-	-	308,493	561,993	
Interest on loans	-	215,309	75,839	2,297	-	293,445	130,945	
Other government contributions	-	-	-	-	23,160	23,160	-	
Courses and seminars	20,925	-	-	-	-	20,925	14,000	
Administrative and application fees	20,249	-	-	-	-	20,249	14,899	
Rental	18,918	-	-	-	-	18,918	61,299	
Investment income	2,179	1,988	1,988	1,988	-	8,143	6,611	
Donation	-	-	-	-	-	-	5,800	
Wage subsidy	-	-	-	-	-	-	58,176	
Income (loss) from equity investment	-	(18,235)	-	-	-	(18,235)	90,834	
	987,433	199,062	77,827	4,285	23,160	1,291,767	1,692,756	
Expenses								
Community economic development (note 10)	512,776	-	-	-	-	512,776	436,517	
Salaries and benefits	368,497	-	-	-	23,160	391,657	351,351	
Loan losses (recovery) and bad debts	-	308,335	(67,779)	-	-	240,556	25,265	
Rent	123,809	-	-	-	-	123,809	166,166	
Revolving loan interest	-	34,286	34,286	34,286	-	102,858	102,573	
Advertising and promotion	39,280	-	-	-	-	39,280	11,652	
Professional fees	35,632	-	-	-	-	35,632	43,757	
Office	21,900	-	-	-	-	21,900	34,057	
Travel and conferences	13,550	-	-	-	-	13,550	17,690	
Telephone	9,500	-	-	-	-	9,500	11,327	
Amortization	7,960	-	-	-	-	7,960	13,827	
Loss on disposal of capital assets	6,979	-	-	-	-	6,979	-	
Repairs and maintenance	6,817	-	-	-	-	6,817	2,222	
Equipment rental	5,977	-	-	-	-	5,977	6,410	
Insurance	5,681	-	-	-	-	5,681	2,876	
Consulting fees	5,229	-	-	-	-	5,229	1,345	
Bad debts	3,865	-	-	-	-	3,865	-	
Interest and bank charges	2,385	-	-	-	-	2,385	2,614	
Collection fees	-	793	793	793	-	2,379	4,027	
Bank charges	-	742	742	742	-	2,226	2,641	
	1,169,837	344,156	(31,958)	35,821	23,160	1,541,016	1,236,317	
Excess (deficiency) of revenue over expenses	\$ (182,404)	\$ (145,094)	\$ 109,785	\$ (31,536)	\$ -	\$ (249,249)	\$ 456,439	

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended March 31, 2022

	PrairiesCan Operating Fund	Loan investment funds			RRRF Investment/ Loan Fund	2022 Total	2021 Total (Restated)
		PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund			
Invested in capital assets							
Beginning of year	\$ 11,178	\$ -	\$ -	\$ -	\$ -	\$ 11,178	\$ 20,289
Prior period adjustments (note 7)	14,150	-	-	-	-	14,150	-
As restated	25,328	-	-	-	-	25,328	20,289
Purchase of capital assets	-	-	-	-	-	-	18,866
Amortization	(7,960)	-	-	-	-	(7,960)	(13,827)
Loss on disposal of capital assets	(6,979)	-	-	-	-	(6,979)	-
End of year	10,389	-	-	-	-	10,389	25,328
Externally restricted							
Beginning of year	-	3,000,283	(1,169,927)	(3,417)	(1,330,519)	496,420	1,734,675
Prior period adjustments (note 7)	-	-	(700,000)	(200,000)	1,323,725	423,725	(900,000)
As restated	-	3,000,283	(1,869,927)	(203,417)	(6,794)	920,145	834,675
Excess of revenue over expenses	-	(145,094)	109,785	(31,536)	-	(66,845)	85,470
End of year	-	2,855,189	(1,760,142)	(234,953)	(6,794)	853,300	920,145
Unrestricted							
Beginning of year	308,337	-	-	-	-	308,336	(57,594)
Excess (deficiency) of revenue over expenses	(182,404)	-	-	-	-	(182,404)	370,969
Purchase of capital assets	-	-	-	-	-	-	(18,866)
Amortization	7,960	-	-	-	-	7,960	13,827
Loss on disposal of capital assets	6,979	-	-	-	-	6,979	-
End of year	140,872	-	-	-	-	140,871	308,336
	\$ 151,261	\$ 2,855,189	\$ (1,760,142)	\$ (234,953)	\$ (6,794)	\$ 1,004,560	\$ 1,253,809

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
STATEMENT OF CASH FLOWS
For the year ended March 31, 2022

	Loan investment funds					RRRF Investment/ Loan Fund	2022 Total	2021 Total (Restated)
	PrairiesCan Operating Fund	PrairiesCan Non- Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment Fund	PrairiesCan Conditionally Repayable Investment EDP Fund				
Cash flows from operating activities								
Excess (deficiency) of revenue over expenses	\$ (182,404)	\$ (145,094)	\$ 109,785	\$ (31,536)	\$ -	\$ (249,249)	\$ 456,439	
Items not involving cash								
Amortization	7,960	-	-	-	-	7,960	13,827	
Forgivable portion of investment funds	-	-	-	-	90,625	90,625	-	
Loan losses (recovery) and bad debts	-	308,335	(67,779)	-	-	240,556	25,265	
Loss on disposal of capital assets	6,979	-	-	-	-	6,979	-	
Provision for credit losses	-	22,565	6,249	-	-	28,814	217,224	
Donated asset	-	-	-	-	-	-	(5,800)	
	(167,465)	185,806	48,255	(31,536)	90,625	125,685	706,955	
Net change in non-cash working capital items								
Accounts receivable	(17,981)	213,246	1,132	29	-	196,426	(119,371)	
Accounts payable and accrued liabilities	(54,438)	(1,723)	-	-	-	(56,161)	11,686	
Government remittance payable	199	-	-	-	-	199	8,995	
Deferred contributions	30,996	-	-	-	-	30,996	(9,646)	
Advances to/from other funds	(13)	224,598	(83,448)	33,883	(175,020)	-	-	
	(208,702)	621,927	(34,061)	2,376	(84,395)	297,145	598,619	
Cash flows from lending activities								
Loan repayments	-	1,015,712	464,288	136,091	412,833	2,028,924	1,555,626	
Loan advances	-	(930,425)	(333,024)	(133,942)	(2,180,000)	(3,577,391)	(5,937,894)	
Proceeds from investment funds	-	-	-	-	343,971	343,971	5,873,818	
Repayments to investment funds	-	-	-	-	-	-	-	
Proceeds from administrative funds loan	-	-	-	-	198,180	198,180	-	
Administrative funds loan spent	-	-	-	-	(23,160)	(23,160)	-	
	-	85,287	131,264	2,149	(1,248,176)	(1,029,476)	1,491,550	
Cash flows from investing activities								
Purchase of capital assets	-	-	-	-	-	-	(13,066)	
Cash flows from financing activities								
Repayments of revolving loan	-	(140,000)	-	-	-	(140,000)	-	
Increase (decrease) in cash	(208,702)	567,214	97,203	4,525	(1,332,571)	(872,331)	2,077,103	
Cash, beginning of year	665,194	2,031,960	(1,299,339)	42,964	1,453,871	2,894,650	817,546	
Cash (bank indebtedness), end of year	\$ 456,492	\$ 2,599,174	\$(1,202,136)	\$ 47,489	\$ 121,300	\$ 2,022,319	\$ 2,894,649	
Cash consists of:								
Cash	\$ 456,492	\$ 2,599,174	\$ -	\$ 47,489	\$ 121,300	\$ 3,224,455	\$ 4,193,988	
Bank indebtedness	-	-	(1,202,136)	-	-	(1,202,136)	(1,299,339)	
	\$ 456,492	\$ 2,599,174	\$(1,202,136)	\$ 47,489	\$ 121,300	\$ 2,022,319	\$ 2,894,649	

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

1. Nature of operations

Community Futures Grande Prairie & Region is a community based not-for-profit organization that is incorporated under the Companies Act of Alberta.

The organization has a mandate to increase economic and social well-being throughout the region by assisting, supporting and investing in small businesses. The main focus is to maximize job creation and maintenance by providing small business consulting services and management of an Investment Fund as well as supporting small businesses dealing with the impacts of COVID-19 through the RRRF Fund.

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) Cash and cash equivalents

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

(b) Fund accounting

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

The Operating 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 Entrepreneurs with Disabilities 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 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.

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

2. Significant accounting policies, continued

(c) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the operating 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 operating 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 and unrealized investment gains and losses. Unrealized gains and losses on financial assets are included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets depending on the nature of any external restrictions imposed on the investment income.

Administration and application fees are recognized when charged and collection is reasonably assured.

Rental, courses and seminars, training and other revenue are recognized as revenue when received or receivable, once service is provided.

(d) 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.

(e) Capital assets

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

Leasehold improvements	5 year straight-line
Furniture and fixtures	20% declining balance
Computer equipment	30% declining balance
Computer software	100% declining balance

One-half of the normal rates are applied in the year of acquisition. No amortization is calculated in the year of disposal.

(f) Investment in capital assets

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

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

2. Significant accounting policies, continued

(g) Financial instruments

The organization initially measures all of its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

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.

(h) 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.

(i) 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. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements of future periods could be material.

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

3. Loans receivable

Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 0% to 9.5% with monthly blended principal and interest repayments amortized for terms of between 36 and 120 months. Regional Relief and Recovery Fund loans do not bear interest and do not require payment until January 1, 2023. 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	\$3,228,517	\$ (324,174)	\$2,904,343	\$ 707,282	\$2,197,061
PrairiesCan Conditionally Repayable Investment Fund	1,575,210	(100,318)	1,474,892	228,798	1,246,094
PrairiesCan Conditionally Repayable EDP Fund	144,595	-	144,595	11,325	133,270
Regional Relief and Recovery Fund	6,096,489	-	6,096,489	-	6,096,489
	<u>\$1,044,811</u>	<u>\$ (424,492)</u>	<u>\$10,620,319</u>	<u>\$ 947,405</u>	<u>\$9,672,914</u>

Included in the PrairiesCan Non-repayable and Repayable Investment Funds are five loans issued for \$150,000 or more. As at year end, these loans combined for a total balance outstanding of \$917,646 (2021 - \$717,742).

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

	Beginning balance	Provisions	Write-offs	Recoveries	Ending balance
PrairiesCan Non-repayable Investment Fund	\$ 298,843	\$ 308,818	\$ (305,569)	\$ 22,082	\$ 324,174
PrairiesCan Conditionally Repayable Investment Fund	161,849	(61,531)	-	-	100,318
PrairiesCan Conditionally Repayable EDP Fund	49,998	-	(49,998)	-	-
	<u>\$ 510,690</u>	<u>\$ 247,287</u>	<u>\$ (355,567)</u>	<u>\$ 22,082</u>	<u>\$ 424,492</u>

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

4. Capital assets

	Cost	Accumulated amortization	2022 Net	2021 Net (Restated)
Furniture and fixtures	\$ 16,115	\$ 12,875	\$ 3,240	\$ 4,156
Computer equipment	21,822	14,673	7,149	14,319
Computer software	7,790	7,790	-	-
Leasehold improvements	-	-	-	6,853
	<u>\$ 45,727</u>	<u>\$ 35,338</u>	<u>\$ 10,389</u>	<u>\$ 25,328</u>

5. Revolving loan

This loan payable to Community Futures Network of Alberta has a stated interest rate of the RBC prime rate and is secured by a promissory note and a general security agreement covering all assets of the organization. The maximum loan amount available is \$4,200,000. The loan is payable on demand and matures in November 2023. Interest payments are made monthly. During the year, principal payments of \$20,000 per month were made from September 2021 to March 2022.

6. Deferred contributions

	Opening	Received	Spent	Closing
Alberta Innovates	\$ 215,629	\$ 259,500	\$ (215,629)	\$ 259,500
Other grant	50,000	49,500	(62,375)	37,125
	<u>\$ 265,629</u>	<u>\$ 309,000</u>	<u>\$ (278,004)</u>	<u>\$ 296,625</u>

7. Prior period adjustments

The prior year figures have been restated to capitalize an asset that had previously been expensed, to remove the forgivable portion of RRRF loans from expenses, and to show the Government of Canada advances as a liability.

The results of these adjustments are as follows:

- an increase in RRRF loans receivable and RRRF fund balance as at March 31, 2021 of \$1,323,725;
- an increase in capital assets and operating fund balance as at March 31, 2021 of \$14,150;
- an increase in Due to Government of Canada and decrease in fund balances as at March 31, 2021 of \$900,000 (\$700,000 Conditionally Repayable Fund, \$200,000 EDP Fund);
- a decrease in forgivable portion of loans expense for the year ended March 31, 2021 of \$1,323,725;
- an increase in donation revenue for the year ended March 31, 2021 of \$5,800;
- an increase in amortization expense of \$4,716 and decrease in other operating expenses of \$13,066 for the year ended March 31, 2021

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

8. Due to Government of Canada

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 \$900,000 to improve access to capital for qualifying business.

Upon notice of the Minister of Prairies Economic Development Canada (the "Minister"), the organization must repay the lesser of the uncommitted cash balance with each of these funds and the amount of the repayable contributions within each fund. As of March 31, 2022, no such notice has been given by the Minister.

In the current year the Government of Canada provided contributions totaling \$277,624 (2021 - \$5,818,865) for the Regional Relief and Recovery Fund. The contributions are repayable net of any loan forgiveness, losses and loan collection fees.

In the current year, the Government of Canada provided a loan totalling \$198,180 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. During the year, \$23,160 of the loan was spent on eligible costs.

9. Special projects

	2022	2021
Alberta Innovates	\$ 215,629	\$ 462,134
Shell Livewire	112,000	67,468
Regional Innovation Network	82,500	60,000
Municipal funds	60,000	-
Taste of the Peace	56,270	-
Entrepreneurship Supports	50,000	-
Digital Marketing Training Series	26,810	47,840
City of Grande Prairie Community Group	12,375	-
Other Special Projects	1,085	6,208
Advisory Services Voucher Program	-	63,494
Business Incubator Program	-	41,055
	\$ 616,669	\$ 748,199

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

10. Community economic development

	2022	2021
Third party contracts	\$ 156,625	\$ 91,272
Regional Innovation Network - Administration	82,500	60,000
Sponsorships	78,175	14,650
Taste of the Peace	56,533	-
Shell Livewire	38,165	12,055
Early stage startup	12,991	35,964
SMARTstart Program	11,123	-
Growth and scale up	10,773	-
Workplan delivery	10,500	-
Industry development challenges	10,493	45,000
Regional accelerator	10,027	-
Client development and training	10,000	-
Advertising and promotions	5,680	15,729
Facilitator/speaker costs	5,250	-
Digital Marketing Training Series	5,142	74,448
Special/Community Projects	4,631	4,585
Contractor	3,675	5,200
Other	493	3,006
Gap analysis	-	14,361
Rent	-	10,000
Advisory Services Voucher Program	-	50,247
	\$ 512,776	\$ 436,517

11. Economic dependence

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

12. 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 fulfill 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 risk as the short-term investments and loan investments bear interest at fixed interest rates.

COMMUNITY FUTURES GRANDE PRAIRIE & REGION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

13. Commitments

The organization has entered into a five year lease for its current premises from October 1, 2021 to September 30, 2026. The estimated amounts that the organization has committed to paying are as follows:

2023	\$	53,940
2024		55,289
2025		56,637
2026		59,334
		<hr/>
		\$ 225,200

14. COVID-19

Events have occurred as a result of the COVID-19 pandemic that have caused economic uncertainty. The duration and impact of the pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Some of the key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses.

The organization's loans increased due to receiving additional operating funding for the increased costs associated with acting as an agent to disburse the Regional Relief and Recovery Fund. The organization is following government guidelines and has developed policies to ensure the safety of employees is maintained. Management is not aware of any material impairments that will further impact the financial assets or liabilities of the organization due to the pandemic. The situation is continually changing and the future impact on the organization is not readily determinable at this time.

15. 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 GRANDE PRAIRIE & REGION
SCHEDULE TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

Schedule of PrairiesCan revenue and expenses

Schedule 1

	2022	2021
Prairies Economic Development Canada - contributions	\$ 308,493	\$ 308,493
Expenses		
Salaries and benefits	368,497	182,201
Rent	123,809	151,166
Advertising and promotion	39,280	6,552
Professional fees	35,632	43,757
Office	21,900	386
Telephone	9,500	6,327
Repairs and maintenance	6,817	171
Equipment rental	5,977	6,410
Insurance	5,681	2,876
Consulting fees	5,229	1,345
Bad debts	3,865	-
Interest and bank charges	2,386	2,615
	628,573	403,806
Excess (deficiency) of revenues over expenses	\$ (320,080)	\$ (95,313)