

COPY

COMMUNITY FUTURES BIG COUNTRY

Financial Statements

Year Ended March 31, 2022

COMMUNITY FUTURES BIG COUNTRY
TABLE OF CONTENTS
MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT	3-4
INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE	5-6
FINANCIAL STATEMENTS	
Statement of Financial Position	7
Statement of Operations	8
Statement of Changes in Fund Balances	9
Statement of Changes in Financial Position	10
Notes to Financial Statements	11 - 19

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Community Futures Big Country

Opinion

We have audited the financial statements of Community Futures Big Country (the organization), which comprise the statement of financial position at March 31, 2022, the statements of operations, changes in net assets and statement of changes in financial position 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 the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

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.

continues

Independent Auditor's Report To the Shareholders of Community Futures Big Country *(continued)*

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.

Vista Accounting
Professional Corporation

Calgary, Alberta
June 23, 2022

Vista Accounting Professional Corporation
Chartered Professional Accountant

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To the Members of Community Futures Big Country:

We have undertaken a reasonable assurance engagement of Community Futures Big Country's compliance during the period April 1, 2021, to March 31, 2022, with the requirements set out in the Contribution Agreement between Prairies Economic Development of Canada and Community Futures Big Country dated March 3, 2022.

Management's Responsibility

Management is responsible for Community Futures Big Country's compliance with the specified requirements. Management is also responsible for such internal control as management determines necessary to enable Community Futures Big Country's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Community Futures Big Country's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3531, Direct Engagements to Report on Compliance. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Rules of Professional Conduct of Alberta, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We do not provide a legal opinion on Community Futures Big Country's compliance with the specified requirements.

Restriction on Distribution and Use of Our Report

Our report is intended solely for Community Futures Big Country and Western Economic Diversification Canada and should not be distributed to or used by parties other than Community Futures Big Country or Prairies Economic Development of Canada.

Calgary, Alberta
June 20, 2022

Vista Accounting Professional Corporation
Vista Accounting Professional Corporation
Chartered Professional Accountant

**COMMUNITY FUTURES BIG COUNTRY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	LOAN INVESTMENT FUNDS						TOTAL	2022	2021
	PRAIRIESCAN OPERATING FUND	PRAIRIESCAN RRRF OPERATING FUND	PRAIRIESCAN NON-REPAYABLE INVESTMENT FUND	PRAIRIESCAN CONDITIONALLY REPAYABLE INVESTMENT FUND	PRAIRIESCAN CONDITIONALLY REPAYABLE EDP FUND	PRAIRIESCAN RRRF INVESTMENT FUND			
CURRENT ASSETS									
Cash (Note 3)	\$ 46,753	\$ -	\$ 266,132	\$ -	\$ 94,125	\$ 52,170	\$ 459,180	\$ 594,988	
Accounts receivable	223	-	1,819	-	-	-	2,042	905	
Interest receivable	-	-	1,776	-	-	-	1,776	1,261	
Goods and Services Tax receivable	1,444	-	147	-	-	-	1,591	1,907	
Interfund receivable	-	-	-	-	-	-	-	-	
Current portion of loans receivable (Note 4)	-	-	211,012	-	-	-	211,012	169,721	
Due from PrairiesCan operating fund	-	-	3,169	-	-	-	3,169	-	
Prepaid Expenses	3,158	-	-	-	-	-	3,158	2,104	
	51,578	-	484,055	-	94,125	52,170	681,928	770,886	
LONG TERM INVESTMENTS									
Loans receivable (Note 4)	-	-	470,171	-	-	766,500	1,236,671	1,314,382	
Community Futures Lending Investment Pool (Note 5)	-	-	2,057,532	575,746	-	-	2,633,278	2,352,766	
	-	-	2,527,703	575,746	-	766,500	3,869,949	3,667,148	
CAPITAL ASSETS (Note 6)	261,899	-	-	-	-	-	261,899	274,705	
TOTAL ASSETS	\$ 313,477	\$ -	\$ 3,011,758	\$ 575,746	\$ 94,125	\$ 818,670	\$ 4,813,776	\$ 4,712,739	
CURRENT LIABILITIES									
Accounts payable and accrued liabilities (Note 7)	\$ 21,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,857	\$ 8,279	
Deferred contribution (Note 8)	\$ 14,431	-	-	-	-	-	14,431	-	
Due to PrairiesCan non-repayable investment fund	\$ 3,169	-	-	-	-	-	3,169	-	
	39,457	-	-	-	-	-	39,457	58,279	
LONG TERM LIABILITIES									
Long-term debt (Note 9)	-	-	-	500,000	87,415	824,920	824,920	833,000	
Investment fund (Note 11)	-	-	-	500,000	87,415	-	824,920	587,415	
	-	-	-	1,000,000	174,830	824,920	1,849,840	1,420,415	
INVESTED IN CAPITAL ASSETS (Note 2)	261,897	-	-	-	-	-	261,897	274,705	
EXTERNALLY RESTRICTED (Note 2)	-	-	3,011,758	75,746	6,710	(6,250)	3,087,964	2,954,079	
UNRESTRICTED (Note 2)	12,123	-	-	-	-	-	12,123	5,261	
TOTAL LIABILITIES AND NET FUNDS	\$ 274,020	\$ -	\$ 3,011,758	\$ 75,746	\$ 6,710	\$ (6,250)	\$ 3,361,984	\$ 3,234,045	
	\$ 313,477	\$ -	\$ 3,011,758	\$ 575,746	\$ 94,125	\$ 818,670	\$ 4,813,776	\$ 4,712,739	

Approved by: _____ Director
 Director

The accompanying notes form an integral part of these financial statements.
 Vista Professional Corporation Chartered Professional Accountant

COMMUNITY FUTURES BIG COUNTRY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	LOAN INVESTMENT FUNDS					TOTAL	2022	2021
	PRARIESCAN OPERATING FUND	PRARIESCAN RRRF OPERATING FUND	PRARIESCAN NON-REPAYABLE INVESTMENT FUND	PRARIESCAN CONDITIONALLY REPAYABLE INVESTMENT FUND	PRARIESCAN CONDITIONALLY REPAYABLE EDP FUND			
REVENUE								
PrairieCan	\$ 275,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,119	\$ 378,675
Investment Income - C/LLP	-	-	62,362	18,150	-	-	80,512	190,028
Interest Income	414	-	41,935	-	-	-	42,349	60,864
Other revenue	9,621	-	64	-	-	-	9,685	10,966
TOTAL REVENUE	285,154	-	104,361	18,150	-	-	407,665	640,533
Expenses								
Wages and benefits	163,886	-	-	-	-	-	163,886	145,087
Professional fees	31,533	-	-	-	-	-	31,533	45,668
Entrepreneur workshops	16,268	-	-	-	-	-	16,268	10,000
Information technology	13,411	-	-	-	-	-	13,411	8,536
Amortization	12,808	-	-	-	-	-	12,808	13,329
Telephone and utilities	11,612	-	-	-	-	-	11,612	11,795
Office	7,088	-	-	-	-	-	7,088	7,134
Repairs and maintenance	5,608	-	-	-	-	-	5,608	8,068
Property taxes	5,221	-	-	-	-	-	5,221	5,004
Insurance	5,204	-	-	-	-	-	5,204	4,819
Advertising	5,145	-	-	-	-	-	5,145	82,508
Conferences	4,316	-	-	-	-	-	4,316	4,916
Janitorial	4,216	-	-	-	-	-	4,216	3,682
Meetings	1,076	-	-	-	-	-	1,076	1,565
Travel and bank charges	507	-	505	-	-	-	1,012	756
Travel and accommodation	28	-	-	-	-	-	28	-
Bad debts	-	-	(14,960)	-	-	-	(14,960)	(4,458)
RRRF forgiveness	-	-	-	-	-	6,250	6,250	-
Other programs	-	-	-	-	-	-	-	132
Interest on long-term debt	-	-	-	-	-	-	-	36
RRRF repayment	-	-	-	-	-	-	-	-
TOTAL ADMINISTRATIVE EXPENDITURES	287,927	-	(14,455)	-	-	6,250	279,722	24,580
EXCESS OF REVENUE OVER EXPENDITURES	\$ (2,773)	\$ -	\$ 118,816	\$ 18,150	\$ -	\$ (6,250)	\$ 127,943	\$ 267,376

The accompanying notes form an integral part of these financial statements.
 Visa Professional Corporation Chartered Professional Accountant

COMMUNITY FUTURES BIG COUNTRY
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2022

	LOAN INVESTMENT FUNDS								TOTAL	
	PRAIRIESCAN CAPITAL ASSET FUND	PRAIRIESCAN OPERATING FUND	PRAIRIESCAN RRRF OPERATING FUND	PRAIRIESCAN NON-REPAYABLE INVESTMENT FUND	PRAIRIESCAN CONDITIONALLY REPAYABLE INVESTMENT FUND	PRAIRIESCAN CONDITIONALLY REPAYABLE EDP FUND	PRAIRIESCAN RRRF INVESTMENT FUND	2022	2021	
FUND BALANCES										
Beginning of year	\$ 274,705	\$ 5,261	\$ -	\$ 2,889,773	\$ 57,596	\$ 6,710	\$ -	\$ 3,234,045	\$ 2,966,669	
Prior period adjustment (Note 10)	-	(3,169)	-	3,169	-	-	-	-	-	
Adjusted beginning fund balance	\$ 274,705	\$ 2,092	\$ -	\$ 2,892,942	\$ 57,596	\$ 6,710	\$ -	\$ 3,234,045	\$ 2,966,669	
EXCESS OF REVENUE OVER EXPENSES	(12,808)	10,031	-	118,816	18,150	-	(6,250)	127,939	267,376	
FUND BALANCES, end of year	\$ 261,897	\$ 12,123	\$ -	\$ 3,011,758	\$ 75,746	\$ 6,710	\$ (6,250)	\$ 3,361,984	\$ 3,234,045	

The accompanying notes form an integral part of these financial statements.
 Vista Professional Corporation Chartered Professional Accountant

COMMUNITY FUTURES BIG COUNTRY
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2022

	LOAN INVESTMENT FUNDS					TOTAL	
	PRAIRIESCAN RRRF OPERATING FUND	PRAIRIESCAN NON-REPAYABLE INVESTMENT FUND	PRAIRIESCAN CONDITIONALLY REPAYABLE INVESTMENT FUND	PRAIRIESCAN CONDITIONALLY REPAYABLE EDP FUND	PRAIRIESCAN RRRF INVESTMENT FUND	2022	2021
CASH PROVIDED BY OPERATING ACTIVITIES							
Excess of revenue over expenses	\$ (2,773)	\$ 118,816	\$ 18,150	\$ -	\$ (6,250)	\$ 127,943	\$ 267,380
Items not requiring an outlay of cash:							
Amortization	12,808	-	-	-	(6,250)	12,808	13,329
Changes in non-cash working capital	10,035	118,816	18,150	-	-	140,751	280,709
Accounts receivable	(233)	(914)	-	-	-	(1,147)	(237)
Prepaid expenses	(1,054)	-	-	-	-	(1,054)	(5,582)
Interest receivable	-	(515)	-	-	-	(515)	1,756
Accounts payable and accrued liabilities	(11,838)	(24,580)	-	-	-	(36,418)	33,532
Deferred revenue	14,431	-	-	-	-	14,431	(24,129)
GST receivable	315	-	-	-	-	316	(57)
	1,621	(1,428)	-	-	-	(24,387)	5,283
FINANCING ACTIVITIES							
Increase (decrease) of long-term debt	-	-	-	-	23,500	23,500	827,828
	-	-	-	-	23,500	23,500	827,828
INVESTING ACTIVITIES							
Additions to capital assets	-	-	-	-	-	-	(6,532)
Decrease (increase) in Community Futures Lending Investment Pool	-	(262,362)	(18,150)	-	-	(280,512)	(440,028)
Decrease (increase) in loans receivable	-	12,920	-	-	-	4,848	(497,285)
	-	(249,442)	(18,150)	-	-	(275,672)	(938,846)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 11,656	\$ (24,580)	\$ (132,054)	\$ -	\$ 9,170	\$ (135,808)	\$ 174,974
CASH, beginning of year	35,097	24,580	398,186	-	43,000	594,988	415,014
CASH, end of year	\$ 46,753	\$ -	\$ 266,132	\$ -	\$ 52,170	\$ 459,180	\$ 589,988
CASH AND CASH EQUIVALENTS CONSISTS OF:							
Cash	46,753	-	266,132	-	52,170	459,180	594,988
Internally restricted cash	46,753	-	266,132	-	52,170	459,180	594,988

The accompanying notes form an integral part of these financial statements.
 Vista Professional Corporation Chartered Professional Accountant

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

1. PURPOSE OF THE ORGANIZATION

Community Futures Big Country (the "organization") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta.

The organization operates as a community based not-for-profit organization that provides community economic development and strategic planning, business advisory services, access to financial assistance as an alternative lender, and delivery of economic programs as required in Drumheller, Alberta and surrounding area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Basis of Accounting

Community Futures Big Country follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities, as well as the purchase of capital assets. This fund reports unrestricted resources and restricted operating funds.

The Restricted Investment Fund reports the assets, liabilities, revenues and expenditures related to the loan portfolio. This fund reports restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans, loan guarantees or equity participation. Loans from the Disabled Loan Investment Fund are limited to qualifying individuals who have a physical or mental impairment to start or expand business ventures. The corporation is restricted in the types of loans that can be made according to its agreement with the federal government.

Loans Receivable

The loan portfolio and accrued interest receivable on the loans are stated net of provisions for impaired loans and unearned interest.

Interest income is recorded on an accrual basis unless the loan is classified as an impaired loan. Loans are considered to be impaired when, in management's opinion, there is a reasonable doubt as to the ultimate collectibility of some portion of the principal or 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 writeoffs, net of recoveries.

(continues)

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Land	N/A	non-amortizable
Furniture and fixtures	20%	declining balance method
Office equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Audio visual equipment	30%	declining balance method

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Community Futures Big Country follows the restricted fund method of accounting for contributions.

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 gains and losses.

Income taxes

Community Futures Big Country is operated exclusively for not-for-profit purposes and accordingly will be exempt from income taxes as long as it complies with the requirements under paragraph 149(1)(l) of the Income Tax Act.

Government Assistance

Funding to finance operating expenses is provided by Prairies Economic Development Canada (PrairiesCan). The funding is recorded as revenue when earned in the Statement of Operations.

Funding to finance capital expenditures is provided by PrairiesCan. This funding is applied against the cost of the capital assets purchased, reducing their cost for accounting purposes.

Non-repayable funding received to finance investment loans has been recorded as contributed surplus on the Statement of Financial Position.

(continues)

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

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

Restricted Investment Fund

Loan Investment Funds restricted to loans and equity investment to entrepreneurs. The Community Futures Big Country Investment Fund assets are restricted by agreements with Her Majesty the Queen in respect of Canada, to provide loan funding for businesses that have otherwise exhausted the normal financing possibilities available to them.

Invested in Capital Assets

This balance represents the corporation's net investment in capital assets after deducting any applicable loans related to these assets. It is the original cost of the assets, less accumulated amortization and any deferred contributions related to the assets as well as any outstanding loans.

Transfer of funds to capital assets

This account represents the cash investment required to purchase new capital assets, and the expenditure recognized regarding amortization of capital assets.

Contributed Services

Volunteers contributed time to assist the organization in carrying out its operations because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all of its financial assets and financial liabilities at amortized cost except for investments in securities traded in an active market, which are measured at fair value.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

3. CASH

The corporation holds cash which is restricted to specific program expenditures and types of investments as follows:

	General	Investment Fund	2022	2021
Unrestricted cash	\$ 46,753	\$ -	\$ 46,753	\$ 35,097
Restricted cash	-	412,427	412,427	559,891
Cash	\$ 46,753	\$ 412,427	\$ 459,180	\$ 594,988

Restricted cash in the investment fund represents funds externally restricted for specific lending programs.

4. LOANS RECEIVABLE

The Community Futures Big Country loan portfolio consists of 48 (2021 - 54) loans at interest rates ranging from 0.00% to 8.50% per annum (2021 - 0.00% to 8.50%). Repayment agreements most commonly require monthly or semi-monthly blended principal and interest payments and occasionally involve interest only periods. Security is taken on the loans as appropriate to the situation and may include personal guarantees, general security agreements covering business assets, mortgages on equipment, land and buildings, or assignment of accounts receivable. The loans are amortized over periods not exceeding twenty years, with the terms of renewal not exceeding five years.

The loan portfolio is composed of widely diversified business ventures located over a broad geographical area. An allowance for losses on investment loans is made based on review of the loans portfolio, as determined by management.

Net investment in the loan portfolio is summarized as follows:

	Loans receivable	Less: allowance for doubtful accounts	2022	2021
<u>Loans receivable</u>				
PrairiesCan non-repayable investment fund	\$ 725,457	\$ 44,274	\$ 681,183	\$ 694,103
PrairiesCan RRRF Investment fund	766,500	-	766,500	790,000
	<u>1,491,957</u>	<u>44,274</u>	<u>1,447,683</u>	<u>1,484,103</u>
	\$ 1,491,957	\$ 44,274	\$ 1,447,683	\$ 1,484,103

There are no loan receivable from the PrairiesCan conditionally repayable investment fund or the PrairiesCan conditionally repayable EDP fund at March 31, 2022.

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

5. COMMUNITY FUTURES LENDING INVESTMENT POOL

The funds invested in the Community Futures Lending Investment Pool are managed on behalf of the organization by Community Futures Network of Alberta. The organization has access to the funds at any time if they are required for loan purposes.

	2022	2021
<i>Investment</i>		
Opening balance	\$ 2,352,766	\$ 1,912,738
Net deposit (withdrawal)	200,000	250,000
Reinvested income	53,820	49,968
Unrealised gain (loss)	26,692	140,060
Ending balance	<u>\$ 2,633,278</u>	<u>\$ 2,352,766</u>

The rate of return was 3.17% (2020 - 9.05%).

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Buildings	\$ 391,782	\$ 176,429	\$ 215,353	\$ 224,325
Land	38,000	-	38,000	38,000
Furniture and fixtures	56,208	51,927	4,281	5,351
Computer equipment	90,115	87,294	2,821	5,129
Office equipment	63,131	61,687	1,444	1,805
Audio visual equipment	19,941	19,941	-	95
	<u>\$ 659,177</u>	<u>\$ 397,278</u>	<u>\$ 261,899</u>	<u>\$ 274,705</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are made up of the following balances:

	2022	2021
<u>Section heading</u>		
Accrued Professional Fees	\$ 13,655	\$ 13,659
Accounts Payable	4,539	17,043
Accrued Employee Vacation Payable	3,623	2,957
Building Key Deposits	40	40
RRRF repayment	-	24,580
	<u>\$ 21,857</u>	<u>\$ 58,279</u>

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

8. DEFERRED CONTRIBUTION

Deferred contribution relate to funds received in the year from PrairiesCan which were not spent and have been deferred to the March 31, 2023 fiscal period.

9. LONG TERM DEBT

Long term debt has been borrowed from Community Futures Alberta in relation to the Regional Relief and Recovery program which has the organization borrow money from Community Futures Alberta and lend those amounts out to secondary borrowers as a means of relief during the COVID pandemic. The loan is interest free and will not revolve and cannot be re-borrowed. No principal payments on the loan will be required until at least December 31, 2023. With principal repayments tied to the secondary borrowers repayments.

	<u>2022</u>	<u>2021</u>
	\$ 799,000	\$ 833,000

The loan was extended on December 31, 2022 for operating costs related to the Regional Relief and Recovery loan aftercare and assisting small and medium sized enterprises in the community. Costs related to the aftercare and assistance will be able to be used to reduce the balance of this loan. The loan is non-interest bearing, and non-revolving and is repayable on December 31, 2025.

	<u>25,920</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>\$ 824,920</u>	<u>\$ 833,000</u>

Amounts payable within one year

10. PRIOR PERIOD ADJUSTMENT

For the prior period ending March 31, 2021 PrariesCan determined that the funding provided was not fully spent. This has resulted in a surplus of \$3,169 which is now owed from the operating fund to the investment fund at year end and recorded in the due to PrairiesCan non repayable investment fund and due from PrairiesCan operating fund accounts.

	<u>Prior year closing</u>	<u>Adjustment</u>	<u>Adjusted prior year balance</u>
PrairiesCan Operating Fund balance	\$ 5,261	\$ (3,169)	\$ 2,092
PrairiesCan Non-Repayable Investment Fund balance	-	3,169	3,169
Due to PrairiesCan Non-Repayable Investment Fund	-	(3,169)	(3,169)
Due from PrairiesCan Operating fund	-	3,169	3,169
	<u>\$ 5,261</u>	<u>\$ -</u>	<u>\$ 5,261</u>

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

11. CONDITIONALLY REPAYABLE CONTRIBUTIONS DISCLOSURE

Conditionally repayable contributions made by Prairies Economic Development Canada (PrairiesCan) are non-interest bearing, unsecured, and repayable upon 60 days notice in the event of default, as defined in the contribution agreement. PrairiesCan Conditionally Repayable Contributions are subject to certain conditions as stipulated in the contribution agreement. The corporation has received repayable contributions from Her Majesty the Queen, Minister responsible for the Prairies Economic Development Canada totaling \$700,000 (2021 - \$700,00), \$200,000 was reserved for loans made to the Disabled Entrepreneur Investment Fund with \$87,415 remaining to be loaned out. The remaining \$500,000 is available to improve access to capital for qualifying business and has been included in the restricted fund.

Upon notice of the Minister responsible for the Prairies Economic Development Canada (the "Minister"), the organization must repay the lesser of the uncommitted cash balance within 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.

	<u>2022</u>	<u>2021</u>
<u>Conditionally repayable contributions</u>		
PrairiesCan conditionally repayable investment fund	\$ 500,000	\$ 500,000
PrairiesCan conditionally repayable EDP fund	<u>87,415</u>	<u>87,415</u>
	<u>\$ 587,415</u>	<u>\$ 587,415</u>

12. ECONOMIC DEPENDENCE

The organization receives approximately 67% (2021 - 59%) of its revenue from the Federal government. Should the Federal government substantially change its dealings with the society, management is of the opinion that continued viable operations would be doubtful.

13. COMMITMENTS

The organization has entered into agreements with Her Majesty the Queen with respect to Canada and Alberta to provide various programs as follows:

The Community Futures Program amendment is the core funding provided by PrairiesCan, and is intended to offset the costs of operations. The amended contribution agreement dated March 3, 2022, provides a maximum of \$1,447,750 delivered over the course of five years commencing April 1, 2021.

The agreement expires on March 31, 2026. Any surplus realized from this funding is repayable at the government's discretion. As of March 31, 2022 there was a surplus realized from a prior agreement. There was RRRF funding which was deemed to be repayable in the amount of \$24,580 and was repaid in the 2022 fiscal year. Additionally there was \$3,169 determined as surplus from the March 31, 2021 year end. This amount has been adjusted for and discussed further in Note 10.

COMMUNITY FUTURES BIG COUNTRY

Notes to Financial Statements

Year Ended March 31, 2022

14. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2022.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

15. COMPARATIVE FIGURES

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

COMMUNITY FUTURES BIG COUNTRY
Notes to Financial Statements
Year Ended March 31, 2022

16. ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

	Beginning balance	Provisions	Write-offs	Reversals	2022	2021
Loans receivable						
PrairieCan non-repayable investment fund	\$ 49,851	\$ 19,694	\$ (25,271)	\$ -	\$ 44,274	\$ 49,851
PrairieCan conditionally repayable investment fund	-	-	-	-	-	-
PrairieCan conditionally repayable EDP fund	-	-	-	-	-	-
PrairieCan RRRF investment fund	-	-	-	-	-	-
Loans receivable total	\$ 49,851	\$ 19,694	\$ (25,271)	\$ -	\$ 44,274	\$ 49,851

Included in the loan impairment provision are provisions, write-offs and reversals of \$5,577 (2021 - \$21,852).

