

**COMMUNITY FUTURES HIGHWOOD**

**FINANCIAL STATEMENTS**

**For the year ended March 31, 2022**

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**COMMUNITY FUTURES HIGHWOOD**  
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For the year ended March 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Futures Highwood

### *Opinion*

We have audited the financial statements of Community Futures Highwood, which comprise the statement of financial position as at March 31, 2022, 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, 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.

### *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:

**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 23, 2022

*Avail LLP*

Chartered Professional Accountants



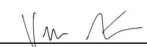
**COMMUNITY FUTURES HIGHWOOD**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2022**

	Investment funds						2022 Total	2021 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	PrairiesCan Conditionally Repayable Youth Fund	Rotary Fund	Regional Relief and Recovery Fund		
<b>ASSETS</b>								
<b>Current assets</b>								
Cash	\$ 457,919	\$ 832,419	\$ -	\$ -	\$ -	\$ 126,193	\$ 1,416,531	\$ 1,214,380
Investments (note 3)	-	936,548	246,127	-	-	-	1,182,675	1,157,006
Accounts receivable	22,016	-	-	-	-	-	22,016	814
GST receivable	2,407	-	-	-	-	-	2,407	1,215
Interfund receivable	-	-	-	78,351	207,993	111,104	397,448	269,629
Current portion of loans receivable	-	1,238,849	22,689	24,988	-	-	1,286,526	1,182,004
	482,342	3,007,816	268,816	103,339	207,993	237,297	4,307,603	3,825,048
<b>Loans receivable (note 4)</b>	-	1,678,990	54,822	-	-	3,627,855	5,361,667	5,568,192
<b>Capital assets (note 5)</b>	20,335	-	-	-	-	-	20,335	27,292
	\$ 502,677	\$ 4,686,806	\$ 323,638	\$ 103,339	\$ 207,993	\$ 3,865,152	\$ 9,689,605	\$ 9,420,532

**COMMUNITY FUTURES HIGHWOOD**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2022**

	Investment funds						2022 Total	2021 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	PrairiesCan Conditionally Repayable Youth Fund	Rotary Fund	Regional Relief and Recovery Fund		
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Current liabilities</b>								
Operating loan (note 6)	\$ -	\$ 1,415,779	\$ -	\$ -	\$ -	\$ -	\$ 1,415,779	\$ 1,450,933
Accounts payable and accrued liabilities	38,997	500	-	-	172,471	-	211,968	250,008
Government remittances payable	6,328	-	-	-	-	-	6,328	6,723
Deferred revenue (note 7)	106,030	-	-	-	-	-	106,030	176,330
Interfund payable	111,240	220,468	65,740	-	-	-	397,448	269,629
Current portion of syndicated loans payable	-	-	-	-	-	-	-	11,608
	262,595	1,636,747	65,740	-	172,471	-	2,137,553	2,165,231
<b>Syndicated loans payable</b>	-	-	-	-	-	-	-	107,005
<b>Conditionally repayable contribution (note 8)</b>	-	-	200,000	200,000	-	3,753,912	4,153,912	4,072,228
<b>Administrative funds loan (note 8)</b>	-	-	-	-	-	111,240	111,240	-
	262,595	1,636,747	265,740	200,000	172,471	3,865,152	6,402,705	6,344,464
<b>Fund balances</b>								
Share capital (note 9)	10	-	-	-	-	-	10	10
Invested in capital assets	20,335	-	-	-	-	-	20,335	27,292
Externally restricted	-	3,050,059	57,898	(96,661)	35,522	-	3,046,818	2,860,922
Unrestricted	219,737	-	-	-	-	-	219,737	187,844
	240,082	3,050,059	57,898	(96,661)	35,522	-	3,286,900	3,076,068
	\$ 502,677	\$ 4,686,806	\$ 323,638	\$ 103,339	\$ 207,993	\$ 3,865,152	\$ 9,689,605	\$ 9,420,532

Approved on behalf of the board

Director 

Director   *Kerri Ann Colby*

**COMMUNITY FUTURES HIGHWOOD**  
**STATEMENT OF OPERATIONS**  
**For the year ended March 31, 2022**

	Loan investment funds						2022 Total	2021 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	PrairiesCan Conditionally Repayable Youth Fund	Rotary Fund	Regional Relief and Recovery Fund		
<b>Revenue</b>								
PrairiesCan contribution (schedule 1)	\$ 294,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,963	\$ 294,963
PrairiesCan RRRF operational funding	-	-	-	-	-	-	-	150,063
Project revenues	244,276	-	-	-	-	-	244,276	258,896
Loan interest	-	183,451	8,525	192	791	-	192,959	137,789
Bank and investment interest	3,654	44,329	5,118	-	-	-	53,101	37,269
Rental	49,978	-	-	-	-	-	49,978	38,417
Loan administration fees	24,160	3,000	-	-	-	-	27,160	21,372
Unrealized (loss) gain on investments	-	(20,197)	2,750	-	-	-	(17,447)	74,294
	617,031	210,583	16,393	192	791	-	844,990	1,013,063
<b>Expenses</b>								
Salaries and related benefits	234,958	-	-	-	-	-	234,958	305,654
Project expenses	213,418	-	-	-	-	-	213,418	238,777
Professional fees	49,484	-	-	-	-	-	49,484	57,298
Interest on operating loan	-	36,188	-	-	-	-	36,188	34,595
Rent	25,000	-	-	-	-	-	25,000	25,306
Repairs and maintenance	23,076	-	-	-	-	-	23,076	15,947
Office	12,152	-	-	-	-	-	12,152	8,866
Professional development	6,958	-	-	-	-	-	6,958	7,423
Telephone	4,300	-	-	-	-	-	4,300	6,029
Interest and bank charges	2,150	1,212	-	-	-	-	3,362	3,309
Insurance	2,683	-	-	-	-	-	2,683	2,200
Equipment lease/maintenance	2,428	-	-	-	-	-	2,428	3,035
Travel	1,446	-	-	-	-	-	1,446	-
Advertising and promotion	1,023	-	-	-	-	-	1,023	6,542
Meetings and conventions	466	-	-	-	-	-	466	230
Community economic development	-	-	-	-	-	-	-	66,500
Non-refundable GST	6,176	-	-	-	-	-	6,176	6,619
Loan write offs (recoveries)	-	8,363	24,620	-	-	-	32,983	2,612
Change in loan loss provisions	-	14,749	(43,069)	-	-	-	(28,320)	(122,861)
Amortization	6,957	-	-	-	-	-	6,957	8,009
	592,675	60,512	(18,449)	-	-	-	634,738	676,090
<b>Excess (deficiency) before other</b>	24,356	150,071	34,842	192	791	-	210,252	336,973
<b>Other income</b>								
(Gain) on disposal of capital assets	(580)	-	-	-	-	-	(580)	-
<b>Excess of revenue over expenses</b>	\$ 24,936	\$ 150,071	\$ 34,842	\$ 192	\$ 791	\$ -	\$ 210,832	\$ 336,973

**COMMUNITY FUTURES HIGHWOOD**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
For the year ended March 31, 2022

	Loan investment funds						2022 Total	2021 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	PrairiesCan Conditionally Repayable Youth Fund	Rotary Fund	Regional Relief and Recovery Fund		
<b>Invested in capital assets</b>								
<b>Beginning of year</b>	\$ 27,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,292	\$ 23,662
Amortization of capital assets	(6,957)	-	-	-	-	-	(6,957)	(8,009)
Purchase of capital assets	-	-	-	-	-	-	-	11,639
Gain on disposal of capital assets	580	-	-	-	-	-	580	-
<b>End of year</b>	20,915	-	-	-	-	-	20,915	27,292
<b>Externally restricted</b>								
<b>Beginning of year</b>	-	2,899,988	23,056	(96,853)	34,731	-	2,860,922	2,529,499
Excess (deficiency) of revenue over expense	-	150,071	34,842	192	791	-	185,896	331,423
<b>End of year</b>	-	3,050,059	57,898	(96,661)	35,522	-	3,046,818	2,860,922
<b>Unrestricted</b>								
<b>Beginning of year</b>	187,844	-	-	-	-	-	187,844	185,924
Excess (deficiency) of revenue over expense	24,936	-	-	-	-	-	24,936	5,550
Amortization of capital assets	6,957	-	-	-	-	-	6,957	8,009
Purchase of capital assets	-	-	-	-	-	-	-	(11,639)
Proceeds on sale of capital assets	580	-	-	-	-	-	580	-
Gain on disposal of capital assets	(580)	-	-	-	-	-	(580)	-
<b>End of year</b>	219,737	-	-	-	-	-	219,737	187,844
	\$ 240,652	\$ 3,050,059	\$ 57,898	\$ (96,661)	\$ 35,522	\$ -	\$ 3,287,470	\$ 3,076,058



**COMMUNITY FUTURES HIGHWOOD**  
**STATEMENT OF CASH FLOWS**  
For the year ended March 31, 2022

	Loan investment funds						2022 Total	2021 Total
	PrairiesCan Operating Fund	PrairiesCan Non-Repayable Investment Fund	PrairiesCan Conditionally Repayable EDP Fund	PrairiesCan Conditionally Repayable Youth Fund	Rotary Fund	Regional Relief and Recovery Fund		
<b>Cash flows from operating activities</b>								
Excess (deficiency) of revenue over expenses	\$ 24,936	\$ 150,071	\$ 34,842	\$ 192	\$ 791	\$ -	\$ 210,832	\$ 336,973
Items not involving cash								
Amortization	6,957	-	-	-	-	-	6,957	8,009
Unrealized loss (gain) on investments	-	20,197	(2,750)	-	-	-	17,447	(74,294)
Bad debts (recovered)	-	23,112	(18,449)	-	-	-	4,663	(120,249)
Gain on disposal of capital assets	(580)	-	-	-	-	-	(580)	-
	31,313	193,380	13,643	192	791	-	239,319	150,439
Net change in non-cash working capital items								
Accounts receivable	(21,202)	-	-	-	-	-	(21,202)	6,503
Advances to other funds	108,534	21,391	(2,106)	24,820	(52,187)	(100,452)	-	-
Prepaid expenses	-	-	-	-	-	-	-	10,033
Accounts payable and accrued liabilities	(38,543)	500	-	-	-	-	(38,043)	62,947
Government remittances payable	(395)	-	-	-	-	-	(395)	6,723
GST payable	(1,191)	-	-	-	-	-	(1,191)	(1,215)
Deferred revenue	(70,300)	-	-	-	-	-	(70,300)	96,278
	8,216	215,271	11,537	25,012	(51,396)	(100,452)	108,188	331,708
<b>Cash flows from lending activities</b>								
Loan payments	-	934,546	63,479	180	52,186	143,719	1,194,110	656,448
Loan advances	-	(778,014)	(69,898)	(25,192)	(790)	(255,000)	(1,128,894)	(4,513,779)
Proceeds from administrative funds loan	-	-	-	-	-	111,240	111,240	-
	-	156,532	(6,419)	(25,012)	51,396	(41)	176,456	(3,857,331)
<b>Cash flows from investing activities</b>								
Operating line advances	-	-	-	-	-	-	-	898,000
Operating line repayments	-	(35,154)	-	-	-	-	(35,154)	(48,974)
Purchase of capital assets	-	-	-	-	-	-	-	(11,639)
Proceeds on sale of capital assets	580	-	-	-	-	-	580	-
Purchase of investments	-	(37,997)	(5,118)	-	-	-	(43,115)	(25,911)
	580	(73,151)	(5,118)	-	-	-	(77,689)	811,476
<b>Cash flows from financing activities</b>								
Repayment of syndicated loan debt	-	(118,613)	-	-	-	-	(118,613)	(9,397)
Proceeds from investment funds	-	-	-	-	-	180,272	180,272	3,672,228
Repayment of investment funds	-	-	-	-	-	(66,463)	(66,463)	-
	-	(118,613)	-	-	-	113,809	(4,804)	3,662,831
<b>Increase (decrease) in cash</b>	8,796	180,039	-	-	-	13,316	202,151	948,684
<b>Cash, beginning of year</b>	449,123	652,380	-	-	-	112,877	1,214,380	265,696
<b>Cash, end of year</b>	\$ 457,919	\$ 832,419	\$ -	\$ -	\$ -	\$ 126,193	\$ 1,416,531	\$ 1,214,380

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**COMMUNITY FUTURES HIGHWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2022

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**1. Nature of operations**

Community Futures Highwood is a community based not-for-profit organization that was incorporated under the Alberta Companies Act. The Government of Canada through the Department of Prairies Economic Development Canada, provides financial assistance to the organization pursuant to a Contribution Agreement effective April 12, 2021. The purpose of the organization is to support community economic development, diversify the economy, support the creation and expansion of small and medium sized enterprises, maintain and create new employment and maintain the Minister's capacity to deliver business services to rural communities in Western Canada.

**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 PrairiesCan 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 PrairiesCan operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental revenue is recognized as revenue of the PrairiesCan operating fund in the year received once the agreement has been made to rent the space.

Investment income includes interest income as well as realized investment gains and losses which are recognized as revenue in the respective fund when earned.

(b) Loans receivable and allowance 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 writeoffs, net of recoveries.

(c) Capital assets

Capital assets are recorded at cost. Purchases of capital assets in excess of \$500 are capitalized. The organization provides for amortization in the PrairiesCan operating fund using the following methods and rates designed to amortize the cost of the property and equipment over its estimated useful life.

Furniture and office equipment	20% - 30%	straight-line
Leasehold improvements	20%	straight-line



**2. Significant accounting policies, continued**

(d) Equity in capital assets  
The organization has chosen to continue to treat fund balances invested in capital assets as a separate component of fund balances.

(e) 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.

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

**PrairiesCan Operating fund:**

The PrairiesCan Operating fund is charged with providing administration services to other funds within the control of the organization. The operating fund accounts for the organization's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

**PrairiesCan Non-repayable investment fund:**

The PrairiesCan Non-repayable investment fund is charged with providing loan financing to qualifying businesses.

**PrairiesCan Conditionally repayable EDP (Entrepreneurs with Disabilities Program) fund:**

The PrairiesCan Conditionally repayable EDP fund is charged with providing loan financing to qualifying individuals who have a physical or mental impairment to start or expand business ventures.

**PrairiesCan Conditionally repayable youth fund:**

The PrairiesCan Conditionally repayable youth fund is charged with providing loan financing to businesses owned and operated by entrepreneurs between the ages of 18 and 29 at the time of application.

**Rotary fund:**

The Rotary fund is charged with providing loan financing to businesses in High River that meet the specific financing criteria.

**Regional Relief and Recovery Fund:**

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 HIGHWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2022

**2. Significant accounting policies, continued**

(g) 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.

Significant areas requiring the use of management's estimates are the allowance for loan impairment, accounts receivable and the related allowance for doubtful accounts, amortization of tangible capital assets, and deferred revenue. These amounts reflect management's best estimates based on the conditions and information available at the time of the preparation of the financial statements. Significant changes in these conditions could result in different estimates.

(h) Financial instruments

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

**3. Investments**

	2022	2021
Community Futures Lending Investment Pool (cost: \$1,145,781 ; 2021 - \$1,102,666)	\$ 1,182,675	\$ 1,157,006

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.



**COMMUNITY FUTURES HIGHWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2022

**4. Loans receivable**

Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 4.45% to 8.45% with monthly blended principal and interest repayments for terms between 12 and 180 months. 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	\$ 2,947,269	\$ (29,430)	\$ 2,917,839	\$(1,238,849)	\$ 1,678,990
PrairiesCan Conditionally Repayable EDP Fund	129,164	(51,653)	77,511	(22,689)	54,822
PrairiesCan Conditionally Repayable Youth Fund	24,988	-	24,988	(24,988)	-
Regional Relief and Recovery Fund	3,627,855	-	3,627,855	-	3,627,855
	<u>\$ 6,729,276</u>	<u>\$ (81,083)</u>	<u>\$ 6,648,193</u>	<u>\$(1,286,526)</u>	<u>\$ 5,361,667</u>

The current portion includes \$1,090,000 (2021 - \$1,031,000) lines of credit with one year maturities. These lines of credit are typically refinanced at maturity.

Included in the above loans receivable are six loans of \$150,000 or more with initial loan advances totaling \$900,000 and March 31, 2022 remaining balances totaling \$621,864.

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

	Beginning balance	Provisions	Write-offs	Reversals	Ending balance
PrairiesCan Non- Repayable Investment Fund	\$ 14,682	\$ 29,431	\$ (14,682)	\$ -	\$ 29,431
PrairiesCan Conditionally Repayable EDP Fund	94,722	51,652	(94,722)	-	51,652
	<u>\$ 109,404</u>	<u>\$ 81,083</u>	<u>\$ (109,404)</u>	<u>\$ -</u>	<u>\$ 81,083</u>

Included in the loan write offs and loss provisions expenses are the above allowance for doubtful accounts, write-offs, and reversals resulting in a net recovery of \$28,320. Combined with write-offs of \$32,983 there was a net bad debt write off of \$4,663.

**COMMUNITY FUTURES HIGHWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2022

**5. Capital assets**

	Cost	Accumulated Amortization	2022 Net	2021 Net
Furniture and office equipment	\$ 52,475	\$ 40,501	\$ 11,974	\$ 16,817
Leasehold improvements	19,984	11,623	8,361	10,475
	<u>\$ 72,459</u>	<u>\$ 52,124</u>	<u>\$ 20,335</u>	<u>\$ 27,292</u>

**6. Operating loan**

The organization has negotiated an operating loan up to \$1,500,000 with the Alberta Community Futures Association's CFLIP Program for the operating fund that is secured by a borrowing resolution. The organization is currently making monthly payments of \$10,000 including interest at the prime rate.

**7. Deferred revenue**

	Opening	Received	Earned	Closing
Okotoks Entrepreneur Project	\$ 25,504	\$ -	\$ (18,517)	\$ 6,987
Succession Matching Program	150,826	16,350	(167,176)	-
Digital Service Squad	-	128,100	(29,057)	99,043
	<u>\$ 176,330</u>	<u>\$ 144,450</u>	<u>\$ (214,750)</u>	<u>\$ 106,030</u>

**8. Conditionally repayable contribution**

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 \$400,000 to improve access to capital for qualifying business. Upon notice of the Minister of Prairies Economic Development Canada, the organization must repay the lesser of the uncommitted cash balance in each of the funds and the amount of the repayable contributions in each fund. As of March 31, 2022 no such notice has been given by the Minister.

In the current year the Government of Canada (via Community Futures Network of Alberta) provided contributions totaling \$180,272 (2021 - \$3,707,818) 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 \$66,463 (2021 - \$35,590) were made and \$32,125 of loans were forgiven.

In the current year, the Government of Canada (via Community Futures Network of Alberta) provided a loan totalling \$111,240 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.



**COMMUNITY FUTURES HIGHWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2022

**9. Share capital**

	2022	2021
Issued		
10 Common Voting Shares	\$ 10	\$ 10

**10. 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. In order to match the credit risk to the organization's objectives, the organization has adopted credit policies which include loan approval procedures, credit analysis of each borrower, adequate security, and the analysis of the financial position of its borrowers on a regular basis.

**Liquidity risk**

Liquidity risk is the risk the organization may not be able to meet its obligations. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, loan payable, and operating lease commitments.

**Interest rate risk**

The organization manages its exposure to interest rate risk through a combination of fixed and floating rate borrowings. The fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

**11. Economic dependence**

The organization receives a significant portion of its operating revenue from federal government contracts and is therefore economically dependant on the Government of Canada.

**12. 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. 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 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.

**13. Comparative figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The Youth Fund has been separated from the Non-Repayable Investment Fund. The changes do not affect prior year earnings.

**COMMUNITY FUTURES HIGHWOOD**  
**SCHEDULE OF PRAIRIESCAN OPERATING REVENUE AND ELIGIBLE EXPENSES**  
For the year ended March 31, 2022

	2022 Total	2021 Total
<b>Prairies Economic Development Canada - Contributions</b>	\$ 294,963	\$ 294,963
<b>Expenses</b>		
Salaries and related benefits	234,958	284,133
Professional fees	49,484	31,771
Rent	25,000	25,306
Repairs and maintenance	23,076	10,219
Office	12,152	2,656
Professional development	6,958	4,038
Telephone	4,300	4,015
Insurance	2,683	2,200
Equipment lease and maintenance	2,428	3,035
Interest and bank charges	2,149	2,324
Advertising and promotion	1,023	451
Non-refundable GST	6,176	6,619
	370,387	376,767
<b>Deficiency of revenue over expenses</b>	\$ (75,424)	\$ (81,804)







**REFERENCE NUMBER**

D69345C4-AAA0-42BA-9780-3CB7BDB5DFD7

**SIGNATURE CERTIFICATE**

TRANSACTION DETAILS	DOCUMENT DETAILS
<p><b>Reference Number</b> D69345C4-AAA0-42BA-9780-3CB7BDB5DFD7</p> <p><b>Transaction Type</b> Signature Request</p> <p><b>Sent At</b> 06/27/2022 14:25 MST</p> <p><b>Executed At</b> 06/28/2022 15:10 MST</p> <p><b>Identity Method</b> email</p> <p><b>Distribution Method</b> email</p> <p><b>Signed Checksum</b> f81e10a4b7b8b13780359a8eaeecb880e79670e78fd887dbe22f5fbc555747f4</p> <p><b>Signer Sequencing</b> Disabled</p> <p><b>Document Passcode</b> Disabled</p>	<p><b>Document Name</b> Ye Audit Signing - Community Futures Highwood</p> <p><b>Filename</b> ye_audit_signing_-_community_futures_highwood.pdf</p> <p><b>Pages</b> 36 pages</p> <p><b>Content Type</b> application/pdf</p> <p><b>File Size</b> 968 KB</p> <p><b>Original Checksum</b> e06d30405788e8ef280d3632b55da6f4c98caece7a15789f2fabb8ee04f5865</p>

**SIGNERS**

SIGNER	E-SIGNATURE	EVENTS
<p><b>Name</b> Ursula Sherwood</p> <p><b>Email</b> ursulas@cfhighwood.net</p> <p><b>Components</b> 10</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> 34b0c0a5c2e6f1b2d82b1a4b42182d1790723f857bd3d43e9c492c6444934db0</p> <p><b>IP Address</b> 184.70.217.86</p> <p><b>Device</b> Chrome via Windows</p> <p><b>Typed Signature</b></p>  <p><b>Signature Reference ID</b> B3E8CB17</p>	<p><b>Viewed At</b> 06/28/2022 08:09 MST</p> <p><b>Identity Authenticated At</b> 06/28/2022 15:10 MST</p> <p><b>Signed At</b> 06/28/2022 15:10 MST</p>
<p><b>Name</b> Veronica Kloiber</p> <p><b>Email</b> v.kloiber@town.blackdiamond.ab.ca</p> <p><b>Components</b> 1</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> edcffc19adb3b1a5c82e8da98af6cc1c563f992576a1be3bf79bbd34227a8f78</p> <p><b>IP Address</b> 205.206.78.166</p> <p><b>Device</b> Chrome Mobile via Android</p> <p><b>Drawn Signature</b></p>  <p><b>Signature Reference ID</b> 7845AF98</p> <p><b>Signature Biometric Count</b> 134</p>	<p><b>Viewed At</b> 06/27/2022 16:38 MST</p> <p><b>Identity Authenticated At</b> 06/27/2022 16:39 MST</p> <p><b>Signed At</b> 06/27/2022 16:39 MST</p>

Name	Status	Viewed At
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Kerri Ann Colby  
**Email**  
kerrianncolby@gmail.com  
**Components**  
1

signed  
**Multi-factor Digital Fingerprint Checksum**  
d2d0f88a5cd10b400b279ba2fa8eb95c766bef563202816557efe2cfe41fac81  
**IP Address**  
198.166.249.175  
**Device**  
Safari via Mac  
**Typed Signature**



**Signature Reference ID**  
17067357

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**Identity Authenticated At**  
06/27/2022 14:37 MST  
**Signed At**  
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## AUDITS

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