

COMMUNITY FUTURES LLOYDMINSTER AND REGION

DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDING MARCH 31, 2024

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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To Prairies Economic Development Canada:

We have undertaken a reasonable assurance engagement of Community Futures Lloydminster and Region Development Corporation's compliance during the period April 1, 2023 to March 31, 2024, with the requirements set out in the Contribution Agreement between Prairies Economic Development Canada and Community Futures Lloydminster and Region Development Corporation (the Corporation) dated March 3, 2022.

Management's Responsibility

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

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the Corporation'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 behavior.

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.

Opinion

In our opinion, the Corporation complied with the specified requirements set out in the Contribution Agreement during the period April 1, 2023 to March 31, 2024, in all significant respects.

We do not provide a legal opinion on the Corporation's compliance with the specified requirements.

Restriction on Distribution and Use of Our Report

Our report is intended solely for the Corporation and Prairies Economic Development Canada and should not be distributed to or used by parties other than the Corporation or Prairies Economic Development Canada.

St. Paul, Alberta
June 19, 2024

Handwritten signature in black ink that reads "JMD Group LLP". The signature is stylized and cursive.

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Lloydminster
and Region Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Futures Lloydminster and Region Development Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2024, 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 and other explanatory information, and a schedule of operating expenses.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2024, and its operations, changes in fund balances, 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 Corporation 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 those 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 misstatements, whether due to fraud or error.

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

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

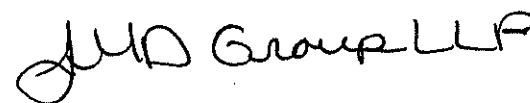
Auditor's Responsibility for the Audit of the Financial Statements

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 the 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 Corporation'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 Corporation'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 Corporation 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.

St. Paul, Alberta
June 19, 2024



Chartered Professional Accountants

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Operating Funds			Loan Investment Funds			
	General	RRRF	Non-Repayable	Repayable	Disabled	RRRF	
Current assets							
Cash in bank	\$ 408,742	\$ --	\$ 445,897	\$ 227,440	\$ 177,389	\$ 114,190	\$ 1,373,658
Accounts receivable (note 3)	4,658	--	--	--	--	--	4,658
Short term investments (note 4)	126,102	--	22,645	35,431	--	--	184,178
Due from investment funds (note 18)	28,008	--	--	--	--	--	28,008
Prepaid expenses	9,143	4,713	--	--	--	--	13,856
Current portion of investment loans	6,326	--	90,096	--	1,280	--	229,188
Current portion of loans receivable	<u>16,451</u>	--	--	--	--	--	<u>16,451</u>
Long term investments (note 5)	599,430	4,713	558,638	394,357	178,669	114,190	1,849,997
Capital assets (note 6)	7,008	--	11,596	--	--	--	18,604
Investment loans receivable (notes 7 - 9)	15,591	3,882	--	--	--	--	19,473
Loans receivable - (note 7, note 13)	4,566	--	632,531	287,008	12,205	--	936,310
	<u>101,582</u>	--	--	--	--	<u>1,117,940</u>	<u>1,219,522</u>
	<u>\$ 728,177</u>	<u>\$ 8,595</u>	<u>\$ 1,202,765</u>	<u>\$ 681,365</u>	<u>\$ 190,874</u>	<u>\$ 1,232,130</u>	<u>\$ 4,043,906</u>

		ASSETS		LIABILITIES AND FUND BALANCES	
Current liabilities					
Payables and accrued liabilities (note 10)	\$ 43,858	\$ --	\$ --	\$ --	\$ --
Due to general fund	--	965	1,565	100	25,378
Due to (from) investment funds (note 18)	--	(180,000)	4,386	175,614	--
Deferred revenue (note 11)	10,576	--	--	--	49,551
Loans repayable (note 13)	--	--	--	--	<u>17,884</u>
Loans repayable (note 13)	54,434	--	(179,035)	175,714	92,813
Deferred capital contributions (note 14)	133,333	--	--	--	1,116,988
	<u>7,720</u>	--	--	--	<u>7,720</u>
	<u>195,487</u>	<u>(179,035)</u>	<u>5,951</u>	<u>175,714</u>	<u>1,209,801</u>
Fund balances					
Invested in capital assets	7,871	3,882	--	--	--
Externally restricted (note 12)	--	--	1,381,800	675,414	15,160
Unrestricted	524,819	4,713	--	--	22,329
	<u>532,690</u>	<u>8,595</u>	<u>1,381,800</u>	<u>675,414</u>	<u>22,329</u>
	<u>\$ 728,177</u>	<u>\$ 8,595</u>	<u>\$ 1,202,765</u>	<u>\$ 190,874</u>	<u>\$ 1,232,130</u>

Approved on Behalf of The Board: _____

Chairman

Treasurer

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024

	Operating Funds		Loan Investment Funds			2024	2023
	General	RRRF	Non-Repayable	Repayable	Disabled		
Revenue							
Federal contracts	\$ 294,963	\$ 25,449	\$ --	\$ --	\$ --	\$ 320,412	\$ 317,848
Loan interest	6,070	--	55,225	31,833	766	100,761	103,815
Bank interest	24,911	--	13,497	9,716	7,867	67,457	28,105
Special projects & other revenue	37,082	--	--	--	--	37,082	77,172
CGI operating funds	3,774	--	--	--	--	3,774	--
Amortization of deferred capital contributions (note 14)	2,924	--	--	--	--	2,924	1,703
CFLIP investment income	--	--	840	1,314	--	2,154	2,093
CFLIP unrealized gain/(loss)	--	--	340	532	--	872	(3,124)
Digital literacy contract	--	--	--	--	--	--	66,167
WES project	--	--	--	--	--	--	262,076
WES -- in kind contributions	--	--	--	--	--	--	20,937
WES other	--	--	--	--	--	--	4,876
	<u>369,724</u>	<u>25,449</u>	<u>69,902</u>	<u>43,395</u>	<u>8,633</u>	<u>535,436</u>	<u>881,668</u>
Expenses							
Operating expenses (schedule)	354,374	25,214	--	--	--	379,588	407,387
Provision for (recovery of) loan losses	5,266	--	(8,529)	--	(1,056)	(4,319)	47,816
WES project	--	--	--	--	--	--	272,963
WES -- in kind expenditures	--	--	--	--	--	--	20,937
	<u>359,640</u>	<u>25,214</u>	<u>(8,529)</u>	<u>--</u>	<u>(1,056)</u>	<u>375,269</u>	<u>749,103</u>
Excess of revenue over expenses	\$ 10,084	\$ 235	\$ 78,431	\$ 43,395	\$ 9,689	\$ 160,167	\$ 132,565

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2024

	Operating Funds		Loan Investment Funds		RRRF	2024	2023
	General	RRRF	Non-Repayable	Repayable			
Equity in capital assets, beginning of year	\$ 8,276	\$ 5,546	\$ --	\$ --	\$ --	\$ 13,822	\$ 15,947
Purchase of capital assets	2,304	--	--	--	--	2,304	15,017
Pan West capital grant	--	--	--	--	--	--	(12,347)
Amortization	(5,290)	(1,664)	--	--	--	(6,954)	(6,387)
Loss (gain) on disposal of capital assets	157	--	--	--	--	157	(111)
Proceeds on sale of capital assets	(500)	--	--	--	--	(500)	--
Amortization of deferred capital contributions	2,924	--	--	--	--	2,924	1,703
Equity in capital assets, end of year	<u>7,871</u>	<u>3,882</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,753</u>	<u>13,822</u>
Externally restricted funds, beginning of year	--	--	1,292,804	632,019	--	1,930,294	1,861,626
Interfund transfer (note 18)	--	--	10,565	--	--	10,565	--
Excess of revenue over expenses	--	--	78,431	43,395	--	131,515	68,668
Externally restricted funds, end of year	<u>--</u>	<u>--</u>	<u>1,381,800</u>	<u>675,414</u>	<u>--</u>	<u>2,072,374</u>	<u>1,930,294</u>
Unrestricted funds, beginning of year	524,895	2,814	--	--	3,996	531,705	465,683
Excess of revenue over expenses	10,084	235	--	--	18,333	28,652	63,897
Purchase of capital assets	(2,304)	--	--	--	--	(2,304)	(15,017)
Pan West capital grant	--	--	--	--	--	--	12,347
Amortization	5,290	1,664	--	--	--	6,954	6,387
Loss (gain) on disposal of capital assets	(157)	--	--	--	--	(157)	111
Proceeds on sale of capital assets	500	--	--	--	--	500	--
Amortization of deferred capital Contributions	(2,924)	--	--	--	--	(2,924)	(1,703)
Interfund transfer (note 18)	(10,565)	--	--	--	--	(10,565)	--
Unrestricted funds, end of year	<u>524,819</u>	<u>4,713</u>	<u>--</u>	<u>--</u>	<u>22,329</u>	<u>551,861</u>	<u>531,705</u>
	<u>\$ 522,690</u>	<u>\$ 8,595</u>	<u>\$ 1,381,800</u>	<u>\$ 675,414</u>	<u>\$ 22,329</u>	<u>\$ 2,635,988</u>	<u>\$ 2,475,821</u>

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	Operating Funds		Loan Investment Funds		2024	2023
	General	RRRF	Non-Repayable	Repayable		
Operating Activities						
Federal contracts	\$ 297,963	\$ --	\$ --	\$ --	\$ --	\$ 288,003
Investment income	5,967	--	55,523	31,052	832	91,394
Bank interest income	24,341	--	12,796	9,796	7,773	28,510
Special projects and other income	59,779	--	--	--	--	48,937
WES project income	110,835	--	--	--	--	192,761
WES project other income	--	--	--	--	--	4,876
CF Pan West	--	--	--	--	--	12,347
Digital literacy contract	--	--	--	--	--	37,537
Salaries and benefits	(221,260)	(4,000)	--	--	--	(192,978)
Materials and services	(117,072)	(18,885)	--	--	--	(223,083)
WES project expenses	--	--	--	--	--	(281,437)
	<u>160,553</u>	<u>(22,885)</u>	<u>68,319</u>	<u>40,848</u>	<u>8,605</u>	<u>273,074</u>
Investing Activities						
Purchase of capital assets	(2,304)	--	--	--	--	(15,017)
Proceeds on sale of capital assets	500	--	--	--	--	--
CFLIP investments redeemed	--	--	--	--	--	200,000
Purchase of term deposit	(126,102)	--	--	--	--	--
	<u>(127,906)</u>	--	--	--	--	<u>184,983</u>
Financing Activities						
Investment loan advances	--	--	(170,815)	(121,375)	(100)	(381,070)
Investment loan repayments	--	--	370,299	127,506	2,136	543,445
SSB and CGI loans collected	24,873	--	--	--	--	1,605
SSB and CGI loans issued	(38,833)	--	--	--	--	(120,800)
Advances from (repayments to) CFNA	34,618	--	--	--	--	(245,614)
Interfund transfer (note 14)	(10,565)	22,885	10,565	--	--	--
	<u>10,093</u>	<u>22,885</u>	<u>210,049</u>	<u>6,131</u>	<u>2,036</u>	<u>(202,434)</u>
Net increase (decrease) in cash	42,740	--	278,368	46,979	10,641	(10,584)
Cash, beginning of year	<u>366,002</u>	--	<u>167,529</u>	<u>180,461</u>	<u>166,748</u>	<u>1,064,280</u>
Cash, end of year	<u>\$ 408,742</u>	<u>\$ --</u>	<u>\$ 445,897</u>	<u>\$ 227,440</u>	<u>\$ 177,389</u>	<u>\$ 1,053,696</u>