

COMMUNITY FUTURES LAKELAND

FINANCIAL STATEMENTS

FOR THE YEAR ENDING MARCH 31, 2024

INDEX

	Page
Independent Practitioner's Reasonable Assurance Report on Compliance	1-2
Independent Auditor's Report	3-4
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Fund Balances	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-18
Schedule of Operating Expenses	19



JMD Group LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Maurice R. Joly, CPA, CA, CFP*
Barbara K. M^CCarthy, CPA, CA*
Claude R. Dion, CPA, CA, CMA*
Richard R. Jean, CPA, CA*
Amie J. Anderson, CPA, CA*
Stephanie Ference, CPA, CA*
*Denotes Professional Corporation

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To Prairies Economic Development Canada:

We have undertaken a reasonable assurance engagement of Community Futures Lakeland'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 Lakeland dated March 3, 2022.

Management's Responsibility

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

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Community Futures Lakeland'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.

4925-50 Avenue
St. Paul, Alberta
Ph: (780) 645-4611
Fax: (780) 645-6644

Mailing Address:
Box 1452,
St. Paul, AB T0A 3A0
Email: jmdadmin@mcsnet.ca

Opinion

In our opinion, Community Futures Lakeland 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 Community Futures Lakeland's compliance with the specified requirements.

Restriction on Distribution and Use of Our Report

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

St. Paul, Alberta
July 10, 2024

Handwritten signature of JMD Group LLP in black ink.

Chartered Professional Accountants



INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Lakeland

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Futures Lakeland, 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 Community Futures Lakeland 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 Community Futures Lakeland 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 Community Futures Lakeland'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 Community Futures Lakeland or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Community Futures Lakeland financial reporting process.

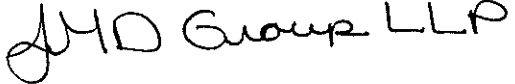
Auditor's Responsibility for the Audit of the Financial Statements

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 Community Futures Lakeland'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 Community Futures Lakeland'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 disclosure 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 Community Futures Lakeland 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
July 10, 2024


Chartered Professional Accountants

COMMUNITY FUTURES LAKELAND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Operating Funds		Loan Investment Funds				RRRF	
	General	RRRF	Non-Repayable	Repayable	Disabled	RRRF	2024	2023
Current assets								
Cash in bank	\$ 34,835	\$ --	\$ 726,813	\$ 184,667	\$ 132,251	\$ 46,762	\$ 1,125,328	\$ 1,196,590
Accounts receivable	2,736	--	--	--	--	--	2,736	--
GST receivable	5,131	--	--	--	--	--	5,131	6,282
Short term investments (note 3)	--	--	892,087	772,895	--	--	1,664,982	1,578,245
Due from investment funds	14,047	--	--	--	--	--	14,047	7,365
Prepaid expenses	8,382	--	--	--	--	--	8,382	15,413
Current portion of investment loans	--	--	330,405	150,861	52,659	--	533,925	378,377
Current portion of loans receivable (note 12)	<u>20,534</u>	--	--	--	--	--	<u>20,534</u>	<u>12,085</u>
	85,665	--	1,949,305	1,108,423	184,910	46,762	3,375,065	3,194,357
Long term investments (note 4)	2,927	--	10,821	10,821	--	--	24,569	23,853
Capital assets (note 5)	103,988	--	--	--	--	--	103,988	115,906
Investment loans receivable (notes 6-8)	--	--	781,601	300,845	164,322	--	1,246,768	1,296,753
Loans receivable (note 6, note 12)	<u>76,061</u>	--	--	--	--	693,185	<u>769,246</u>	<u>1,828,969</u>
	<u>\$ 268,641</u>	\$ --	<u>\$ 2,741,727</u>	<u>\$ 1,420,089</u>	<u>\$ 349,232</u>	<u>\$ 739,947</u>	<u>\$ 5,519,636</u>	<u>\$ 6,459,838</u>
Current liabilities								
Payables and accrued liabilities (note 9)	\$ 42,837	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 42,837	\$ 47,796
Due to (from) general fund	--	--	400	240	180	13,227	14,047	7,365
Deferred revenue (note 10)	12,137	--	--	3,202	--	19,989	35,328	77,301
Loans repayable (note 12)	--	--	--	--	--	9,450	9,450	127,056
	54,974	--	400	3,442	180	42,666	101,662	259,518
Loans repayable (note 6, note 12)	114,583	--	--	--	--	693,185	807,768	1,840,570
Deferred capital contributions (note 13)	<u>44,583</u>	--	--	--	--	--	<u>44,583</u>	<u>49,583</u>
	214,140	--	400	3,442	180	735,851	954,013	2,149,671
Fund balances								
Invested in capital assets	59,405	--	--	--	--	--	59,405	66,323
Externally restricted (note 11)	--	--	2,741,327	1,416,647	349,052	--	4,507,026	4,259,381
Unrestricted	<u>(4,904)</u>	--	--	--	--	4,096	<u>(808)</u>	<u>(15,537)</u>
	54,501	--	2,741,327	1,416,647	349,052	4,096	4,565,623	4,310,167
	<u>\$ 268,641</u>	\$ --	<u>\$ 2,741,727</u>	<u>\$ 1,420,089</u>	<u>\$ 349,232</u>	<u>\$ 739,947</u>	<u>\$ 5,519,636</u>	<u>\$ 6,459,838</u>

LIABILITIES AND FUND BALANCES

Approved on Behalf of The Board:  Chairman  Treasurer

COMMUNITY FUTURES LAKELAND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024

	Operating Funds		Loan Investment Funds			RRRF	2024	2023
	General	RRRF	Non-Repayable	Repayable	Disabled			
Revenue								
Government contracts	\$ 301,383	\$ 27,238	\$ --	\$ --	\$ --	\$ --	\$ 328,621	\$ 306,499
Loan interest	6,809	--	116,098	28,706	16,509	4,096	172,218	151,435
Special projects & other revenue	170,121	--	--	--	--	--	170,121	94,237
Bank interest	115	--	793	457	31	--	1,396	1,614
CFLIP investment income	--	--	33,089	28,668	--	--	61,757	49,200
CFLIP unrealized gains (losses)	--	--	13,384	11,596	--	--	24,980	(27,591)
Amortization of deferred capital contributions (note 13)	<u>5,000</u>	--	--	--	--	--	<u>5,000</u>	<u>417</u>
	<u>483,428</u>	<u>27,238</u>	<u>163,364</u>	<u>69,427</u>	<u>16,540</u>	<u>4,096</u>	<u>764,093</u>	<u>575,811</u>
Expenses								
Operating expenses (schedule)	591,367	29,634	--	--	--	--	621,001	445,655
Provision for (recovery of) investment losses	--	--	(107,635)	(25,000)	20,271	--	(112,364)	(48,993)
	<u>591,367</u>	<u>29,634</u>	<u>(107,635)</u>	<u>(25,000)</u>	<u>20,271</u>	--	<u>508,637</u>	<u>396,662</u>
Excess (deficiency) of revenue over expenses	<u>\$ (107,939)</u>	<u>\$ (2,396)</u>	<u>\$ 270,999</u>	<u>\$ 94,427</u>	<u>\$ (3,731)</u>	<u>\$ 4,096</u>	<u>\$ 255,456</u>	<u>\$ 179,149</u>

COMMUNITY FUTURES LAKELAND
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2024

	Operating Funds		Loan Investment Funds		RRRF	Disabled	RRRF	2024	2023
	General	RRRF	Non-Repayable	Repayable					
Equity in capital assets, beginning of year	\$ 63,927	\$ 2,396	\$ --	\$ --	\$ --	\$ --	\$ 66,323	\$ 8,580	
Purchase of capital assets	4,430	--	--	--	--	--	4,430	111,663	
Net amortization	(7,614)	(2,396)	--	--	--	--	(10,010)	(3,920)	
Pan West grant	--	--	--	--	--	--	--	(50,000)	
Proceeds from sale of capital assets	--	--	--	--	--	--	--	--	
Gain (loss) on sale of capital assets	(1,338)	--	--	--	--	--	(1,338)	--	
Equity in capital assets, end of year	<u>59,405</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>59,405</u>	<u>66,323</u>	
Externally restricted funds, beginning of year	--	--	2,584,378	1,322,220	--	352,783	4,259,381	4,138,656	
Excess (deficiency) of revenue over expenses	--	--	270,999	94,427	--	(3,731)	361,695	220,725	
Interfund transfer (note 15)	--	--	(114,050)	--	--	--	(114,050)	(100,000)	
Externally restricted funds, end of year	<u>--</u>	<u>--</u>	<u>2,741,327</u>	<u>1,416,647</u>	<u>--</u>	<u>349,052</u>	<u>4,507,026</u>	<u>4,259,381</u>	
Unrestricted funds, beginning of year	(15,537)	--	--	--	--	--	(15,537)	(16,218)	
Excess (deficiency) of revenue over expenses	(107,939)	(2,396)	--	--	--	--	(106,239)	(41,576)	
Purchase of capital assets	(4,430)	--	--	--	--	4,096	(4,430)	(111,663)	
Net amortization	7,614	2,396	--	--	--	--	10,010	3,920	
Pan West grant	--	--	--	--	--	--	--	50,000	
Proceeds from sale of capital assets	--	--	--	--	--	--	--	--	
Loss (gain) on sale of capital assets	1,338	--	--	--	--	--	1,338	--	
Interfund transfer (note 15)	114,050	--	--	--	--	--	114,050	100,000	
Unrestricted funds, end of year	<u>(4,904)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,096</u>	<u>--</u>	<u>(808)</u>	<u>(15,537)</u>	
	<u>\$ 54,501</u>	<u>\$ --</u>	<u>\$ 2,741,327</u>	<u>\$ 1,416,647</u>	<u>\$ 4,096</u>	<u>\$ 349,052</u>	<u>\$ 4,565,623</u>	<u>\$ 4,310,167</u>	

COMMUNITY FUTURES LAKELAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	Operating Funds		Loan Investment Funds		RRRF	2024	2023
	General	RRRF	Non-Repayable	Repayable			
Operating Activities							
Government contracts	\$ 297,963	\$ --	\$ --	\$ --	\$ --	\$ 297,963	\$ 304,963
Investment income	7,363	--	117,701	22,831	4,096	166,740	149,695
Special projects and other income	164,361	--	--	--	--	164,361	79,352
Bank interest	22	--	477	142	(100)	572	851
PanWest grant	--	--	--	--	--	--	50,000
Salaries and benefits	(266,942)	(14,011)	--	--	--	(280,953)	(225,380)
Materials and services	(320,468)	--	--	--	--	(320,468)	(221,567)
	<u>(117,701)</u>	<u>(14,011)</u>	<u>118,178</u>	<u>22,973</u>	<u>3,996</u>	<u>28,215</u>	<u>137,914</u>
Investing Activities							
Purchase of capital assets	(4,430)	--	--	--	--	(4,430)	(111,663)
	<u>(4,430)</u>	--	--	--	--	<u>(4,430)</u>	<u>(111,663)</u>
Financing Activities							
Investment loan advances	--	--	(324,847)	(276,664)	(8,889)	(610,400)	(577,259)
Investment loan repayments	--	--	442,659	128,383	43,240	1,304,167	605,764
CGI loans collected	12,427	--	--	--	--	12,427	56,250
CGI loans issued	(33,333)	--	--	--	--	(33,333)	(150,000)
Advances (repayments to) CFNA	(16,667)	--	--	--	(751,241)	(767,908)	(14,010)
Interfund transfer (note 15)	<u>114,050</u>	<u>14,011</u>	<u>(114,050)</u>	--	<u>(14,011)</u>	--	--
	<u>76,477</u>	<u>14,011</u>	<u>3,762</u>	<u>(148,281)</u>	<u>(75,367)</u>	<u>(95,047)</u>	<u>(79,255)</u>
Net increase (decrease) in cash	<u>(45,654)</u>	--	<u>121,940</u>	<u>(125,308)</u>	<u>(71,371)</u>	<u>(71,262)</u>	<u>(53,004)</u>
Cash, beginning of year	<u>80,489</u>	--	<u>604,873</u>	<u>309,975</u>	<u>118,133</u>	<u>1,196,590</u>	<u>1,249,594</u>
Cash, end of year	<u>\$ 34,835</u>	<u>\$ --</u>	<u>\$ 726,813</u>	<u>\$ 184,667</u>	<u>\$ 46,762</u>	<u>\$ 1,125,328</u>	<u>\$ 1,196,590</u>