
COMMUNITY FUTURES ELK ISLAND REGION

Financial Statements

Year Ended March 31, 2021



**NCUBE &
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**AUDITOR'S REPORT
ON COMPLIANCE WITH AGREEMENT**

We have audited the Community Futures Elk Island Region's compliance as at March 31, 2021 with the criteria established in the Contribution Agreement between Western Economic Diversification and the Community Futures Elk Island Region dated May 29, 2020 and the interpretation of the Agreement as set out in the introduction of notes attached. Compliance with the criteria established by the provisions of the agreement is the responsibility of the board of directors of the Community Futures Elk Island Region. Our responsibility is to express an opinion on this compliance.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Community Futures Elk Island Region complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, the Community Futures Elk Island Region is in compliance, in all material respect, with the criteria established by the contribution agreement.

Two Hills, Alberta
February 11, 2022

NCube & Landry LLP

Chartered Professional Accountants

COMMUNITY FUTURES ELK ISLAND REGION

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Elk Island Region

Opinion

We have audited the financial statements of Community Futures Elk Island Region (the organization), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2021, 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.

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:

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Independent Auditor's Report to the To the Members of Community Futures Elk Island Region
(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.

Two Hills, AB
February 11, 2022

Neube & Landry LLP

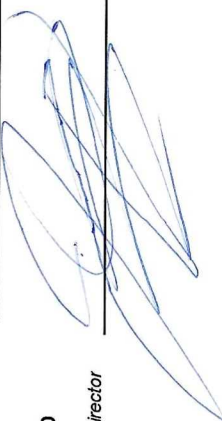
Chartered Professional Accountants

COMMUNITY FUTURES ELK ISLAND REGION
Statement of Financial Position
March 31, 2021

	General Fund	Special project fund	Restricted Non-repayable	Restricted Repayable	Restricted Disabled	Regional Relief and Recovery Fund	Total 2021	Total 2020
ASSETS								
CURRENT								
Cash	\$ 1,515	\$ 372	\$ 622,262	\$ 379,100	\$ 337,044	\$ 12,000	\$ 1,352,293	\$ 1,102,085
Term deposits	-	-	91,717	-	-	-	91,717	91,215
Accounts receivable (Note 2)	76,823	-	-	-	-	-	76,823	17,024
Inter fund receivable (Note 3)	-	55,191	415,007	-	-	-	470,198	288,529
Interest receivable (Note 4)	-	-	689,736	72,112	2,170	-	764,018	625,088
Prepaid expenses	6,645	-	-	-	-	-	6,645	1,090
	84,983	55,563	1,818,722	451,212	339,214	12,000	2,761,694	2,125,031
CAPITAL ASSETS (Net) (Note 5)	208,261	6,063	-	-	-	-	214,324	228,694
LOANS AND NOTES RECEIVABLE	-	-	3,239,478	870,454	4,664	1,694,000	5,808,596	4,298,894
	\$ 293,244	\$ 61,626	\$ 5,058,200	\$ 1,321,666	\$ 343,878	\$ 1,706,000	\$ 8,784,614	\$ 6,652,619

COMMUNITY FUTURES ELK ISLAND REGION
Statement of Financial Position
March 31, 2021

	General Fund	Special project fund	Restricted Non-repayable	Restricted Repayable	Restricted Disabled	Regional Relief and Recovery Fund	Total 2021	Total 2020
LIABILITIES AND FUND BALANCES								
CURRENT								
Accounts payable (Note 7)	\$ 5,218	\$ -	\$ 437	\$ 7,111	\$ -	\$ -	\$ 12,766	\$ 40,184
Current portion of long term debt (Note 8)	8,485	-	-	-	-	-	8,485	8,062
Inter fund payable	186,031	-	-	282,823	1,344	-	470,198	288,528
Wages payable	24,205	-	-	-	-	-	24,205	5,285
	223,939	-	437	289,934	1,344	-	515,654	342,059
LONG TERM DEBT (Note 8)	52,286	-	1,300,000	-	-	1,706,000	3,058,286	1,360,827
DEFERRED INCOME	-	-	-	-	-	-	-	29,698
	276,225	-	1,300,437	289,934	1,344	1,706,000	3,573,940	1,732,584
FUND BALANCES								
Invested in capital assets	139,374	6,063	-	-	-	-	145,437	159,805
Unrestricted	(122,355)	55,563	-	-	-	-	(66,792)	(104,539)
Externally restricted	-	-	3,757,763	1,031,732	342,534	-	5,132,029	4,864,769
	17,019	61,626	3,757,763	1,031,732	342,534	-	5,210,674	4,920,035
	17,019	61,626	3,757,763	1,031,732	342,534	-	5,210,674	4,920,035
	\$ 293,244	\$ 61,626	\$ 5,058,200	\$ 1,321,666	\$ 343,878	\$ 1,706,000	\$ 8,784,614	\$ 6,652,619

APPROVED ON BEHALF OF THE BOARD

 Director

COMMUNITY FUTURES ELK ISLAND REGION
Statement of Revenues and Expenditures
Year Ended March 31, 2021

	General Account Budget	General Account Actual	Special Projects	Non Repayable Investments	Repayable Investments	Disabled Investments	Regional Relief and Recovery Fund	Total 2021	Total 2020
REVENUES									
Western economic diversification	\$ 294,963	\$ 294,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,963	\$ 294,963
Special programs	342,429	492,910	-	-	-	-	84,514	577,424	304,062
Service and miscellaneous income	26,786	5,540	-	-	-	-	-	5,540	19,775
Interest income	-	-	-	502	-	6,420	-	6,922	25,895
Investment interest	-	-	-	240,298	51,051	741	-	292,090	375,804
	664,178	793,413	-	240,800	51,051	7,161	84,514	1,176,939	1,020,499
EXPENDITURES									
Salaries, wages and benefits	545,610	596,056	-	-	-	-	62,469	658,525	550,239
Supplies	7,200	28,905	-	-	-	-	895	29,800	34,172
Travel and subsistence - staff	10,760	18,482	-	-	-	-	-	18,482	23,583
Professional development	9,000	18,000	-	-	-	-	-	18,000	4,800
Projects	7,500	16,870	-	-	-	-	14,870	31,740	3,195
Rental	18,000	16,451	-	-	-	-	-	16,451	16,473
Telephone	8,400	10,764	-	-	-	-	-	10,764	10,941
Utilities	8,180	9,819	-	-	-	-	-	9,819	8,386
Advertising and promotion	8,400	9,266	-	-	-	-	-	9,266	14,970
Business taxes, licenses and memberships	4,868	7,073	-	-	-	-	6,280	13,353	6,672
Professional fees	6,000	6,186	-	-	-	-	-	6,186	5,994
Insurance	6,500	5,467	-	-	-	-	-	5,467	4,640
Property taxes	4,500	4,619	-	-	-	-	-	4,619	4,645
Interest on long term debt	3,500	3,282	-	31,754	-	-	-	35,036	50,384
Credit checks, client expense	2,400	1,048	-	-	-	-	-	1,048	2,126
Travel and subsistence - director	8,700	613	-	-	-	-	-	613	19,330
GST expense	-	2,586	-	-	-	-	-	2,586	3,419
Interest and bank charges	-	-	175	-	-	-	-	175	151

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COMMUNITY FUTURES ELK ISLAND REGION
Statement of Revenues and Expenditures (continued)
Year Ended March 31, 2021

	General Account Budget	General Account Actual	Special Projects	Non Repayable Investments	Repayable Investments	Disabled Investments	Regional Relief and Recovery Fund	Total 2021	Total 2020
Bad debts	-	-	-	-	-	-	-	-	4
Write off on loan receivables	-	-	-	-	-	-	-	-	195,426
	659,518	755,487	175	31,754	-	-	84,514	871,930	959,550
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	4,660	37,926	(175)	209,046	51,051	7,161	-	305,009	60,949
OTHER ITEMS									
Amortization of capital assets	\$ -	\$ (10,328)	\$ (4,042)	\$ -	\$ -	\$ -	\$ -	\$ (14,370)	\$ (15,900)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,660	\$ 27,598	\$ (4,217)	\$ 209,046	\$ 51,051	\$ 7,161	\$ -	\$ 290,639	\$ 45,049

COMMUNITY FUTURES ELK ISLAND REGION
Statement of Changes in Fund Balances
Year Ended March 31, 2021

	General Account	Special Projects	Non Repayable Investments	Repayable Investments	Disabled Investments	Regional Relief and Recovery Fund	2021	2020
FUND BALANCES - BEGINNING OF YEAR	\$ (10,579)	\$ 65,843	\$ 3,548,717	\$ 980,681	\$ 335,373	\$ -	\$ 4,920,035	\$ 4,874,986
Excess of revenues over expenditures	27,598	(4,217)	209,046	51,051	7,161	-	290,639	45,049
Approved fund transfer	-	-	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ 17,019	\$ 61,626	\$ 3,757,763	\$ 1,031,732	\$ 342,534	\$ -	\$ 5,210,674	\$ 4,920,035

COMMUNITY FUTURES ELK ISLAND REGION

Statement of Cash Flows

Year Ended March 31, 2021

	General fund	Special project	Non repayable	Repayable	Disabled	Regional Relief and Recovery Fund	Total 2021	Total 2020
OPERATING ACTIVITIES								
Excess (deficiency) of revenues	\$ 27,598	\$ (4,217)	\$ 209,046	\$ 51,051	\$ 7,161	\$ -	\$ 290,639	\$ 45,049
Items not affecting cash:								
Amortization of capital assets	10,328	4,042	-	-	-	-	14,370	15,900
Bad debts	-	-	-	-	-	-	-	4
Write off on loans	-	-	-	-	-	-	-	195,426
	37,926	(175)	209,046	51,051	7,161	-	305,009	256,379
Changes in non-cash working capital:								
Accounts receivable	(59,799)	-	-	-	-	-	(59,799)	(1,238)
Interest receivable	-	-	(114,895)	(24,035)	-	-	(138,930)	(54,132)
Accounts payable	(14,765)	-	(10,988)	(1,666)	-	-	(27,419)	3,962
Deferred income	(29,698)	-	-	-	-	-	(29,698)	92
Prepaid expenses	(5,555)	-	-	-	-	-	(5,555)	10
Wages payable	18,920	-	-	-	-	-	18,920	5,285
	(90,897)	-	(125,883)	(25,701)	-	-	(242,481)	(46,021)
Cash flow from operating activities	(52,971)	(175)	83,163	25,350	7,161	-	62,528	210,358
INVESTING ACTIVITIES								
Purchase of fixed assets	-	-	-	-	-	-	-	(43,800)
Repayment of loans and notes receivable	-	-	-	-	4,245	-	4,245	(400,997)
Addition to loans and notes receivable	-	-	330,080	(150,026)	-	(1,694,000)	(1,513,946)	-
Proceeds from sale of marketable securities	-	-	(502)	-	-	-	(502)	-
Cash flow from (used by) investing activities	-	-	329,578	(150,026)	4,245	(1,694,000)	(1,510,203)	(444,797)
FINANCING ACTIVITIES								
Interfund transfers	(2,054)	(391)	(181,280)	183,725	-	-	-	-
Long term debt	(8,117)	-	-	-	-	1,706,000	1,697,883	(7,379)
Approved fund transfers	-	-	-	-	-	-	-	-

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COMMUNITY FUTURES ELK ISLAND REGION

Statement of Cash Flows *(continued)*

Year Ended March 31, 2021

	General fund	Special project	Non repayable	Repayable	Disabled	Regional Relief and Recovery Fund	Total 2021	Total 2020
Cash flow from (used by) financing activities	(10,171)	(391)	(181,280)	183,725	-	1,706,000	1,697,883	(7,379)
INCREASE (DECREASE) IN CASH FLOW	(63,142)	(566)	231,461	59,049	11,406	12,000	250,208	(241,818)
Cash - beginning of year	64,657	938	390,801	320,051	325,638	-	1,102,085	1,343,903
CASH - END OF YEAR	\$ 1,515	\$ 372	\$ 622,262	\$ 379,100	\$ 337,044	\$ 12,000	\$ 1,352,293	\$ 1,102,085