
COMMUNITY FUTURES EAST CENTRAL ALBERTA

Financial Statements

Year Ended March 31, 2025

COMMUNITY FUTURES EAST CENTRAL ALBERTA
Index to Financial Statements
Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures East Central Alberta

Opinion

We have audited the financial statements of Community Futures East Central Alberta (the "organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of revenues and expenditures, changes in net assets 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, 2025, 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:

(continues)

Independent Auditor's Report to the Members of Community Futures East Central Alberta *(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.

Neube & Landry LLP

Two Hills, AB
July 26, 2025

Chartered Professional Accountants

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Statement of Financial Position

March 31, 2025

| | General Fund | Business Centre | Capital Assets | Restricted Non-Repayable | Restricted Repayable | Restricted Disabled | Regional Relief and Recovery Fund | 2025 | 2024 |
|---|--------------|-----------------|----------------|--------------------------|----------------------|---------------------|-----------------------------------|--------------|--------------|
| ASSETS | | | | | | | | | |
| CURRENT | | | | | | | | | |
| Cash (Note 14) | \$ 112,556 | \$ 2,090 | \$ - | \$ 866,624 | \$ 1,969,299 | \$ 155,571 | \$ 89,223 | \$ 3,195,363 | \$ 2,991,948 |
| Accounts receivable | 103,854 | 1,434 | - | 496 | - | - | - | 105,784 | 103,423 |
| Interfund AR / AP | - | 26,650 | - | 296,777 | 159,431 | - | - | 482,858 | 341,163 |
| Interest receivable | - | - | - | 5,644 | 344,168 | 9 | 31,020 | 380,841 | 300,666 |
| Prepaid expenses | 3,379 | 656 | - | - | - | - | - | 4,035 | 4,008 |
| | 219,789 | 30,830 | - | 1,169,541 | 2,472,898 | 155,580 | 120,243 | 4,168,881 | 3,741,208 |
| PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 5) | - | - | 139,649 | - | - | - | - | 139,649 | 147,523 |
| LOANS AND NOTES RECEIVABLE | - | - | - | 187,890 | 1,934,037 | 4,711 | 939,006 | 3,065,644 | 3,146,099 |
| | \$ 219,789 | \$ 30,830 | \$ 139,649 | \$ 1,357,431 | \$ 4,406,935 | \$ 160,291 | \$ 1,059,249 | \$ 7,374,174 | \$ 7,034,830 |

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Statement of Financial Position

March 31, 2025

| | General Fund | Business Centre | Capital Assets | Restricted Non-Repayable | Restricted Repayable | Restricted Disabled | Regional Relief and Recovery Fund | 2025 | 2024 |
|-----------------------------------|--------------|-----------------|----------------|--------------------------|----------------------|---------------------|-----------------------------------|--------------|--------------|
| LIABILITIES AND NET ASSETS | | | | | | | | | |
| CURRENT | | | | | | | | | |
| Accounts payable | \$ 44,192 | \$ 95 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 44,287 | \$ 44,287 |
| Inter fund payable | 213,913 | - | - | - | - | 6,570 | 262,375 | 482,858 | 341,163 |
| | 258,105 | 95 | - | - | - | 6,570 | 262,375 | 527,145 | 385,450 |
| LONG TERM DEBT | | | | | | | | | |
| | - | - | - | 271,613 | 962,722 | 3,823 | 880,703 | 2,118,861 | 2,178,861 |
| | 258,105 | 95 | - | 271,613 | 962,722 | 10,393 | 1,143,078 | 2,646,006 | 2,564,311 |
| NET ASSETS | | | | | | | | | |
| Share capital (Note 10) | 38 | - | - | - | - | - | - | 38 | 38 |
| Net assets | (38,354) | 30,735 | 139,649 | 1,085,818 | 3,444,214 | 149,898 | (83,830) | 4,728,130 | 4,470,481 |
| | (38,316) | 30,735 | 139,649 | 1,085,818 | 3,444,214 | 149,898 | (83,830) | 4,728,168 | 4,470,519 |
| | \$ 219,789 | \$ 30,830 | \$ 139,649 | \$ 1,357,431 | \$ 4,406,936 | \$ 160,291 | \$ 1,059,248 | \$ 7,374,174 | \$ 7,034,830 |

ON BEHALF OF THE BOARD

Director

Director

COMMUNITY FUTURES EAST CENTRAL ALBERTA
Statement of Revenues and Expenditures
Year Ended March 31, 2025

| | General Fund | Business Centre | Capital Assets | Restricted Non-Repayable | Restricted Repayable | Restricted Disabled | Regional Relief and Recovery Fund | 2025 | 2024 |
|--|--------------|-----------------|----------------|--------------------------|----------------------|---------------------|-----------------------------------|------------|------------|
| REVENUES | | | | | | | | | |
| Federal contracts | \$ 294,963 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 294,963 | \$ 294,963 |
| Service and other income | 71,589 | - | - | - | - | - | - | 71,589 | 119,666 |
| Investment interest | - | - | - | 17,548 | 169,003 | 221 | 35,714 | 222,486 | 181,007 |
| Interest income | - | 88 | - | 34,839 | 85,245 | 6,108 | 3,201 | 129,481 | 158,963 |
| Projects and other | - | - | - | 1,281 | 4,201 | 275 | 1,400 | 7,157 | 7,552 |
| | 366,552 | 88 | - | 53,668 | 258,449 | 6,604 | 40,315 | 725,676 | 762,151 |
| EXPENSES | | | | | | | | | |
| Salaries and wages | 186,470 | - | - | - | - | - | 8,000 | 194,470 | 221,679 |
| Travel | 64,049 | - | - | - | - | - | - | 64,049 | 31,223 |
| Management salaries | 49,500 | - | - | - | - | - | - | 49,500 | 66,000 |
| Telephone and Utilities | 20,220 | - | - | - | - | - | - | 20,220 | 20,405 |
| Office supplies and postage | 7,712 | - | - | - | 4,685 | - | - | 12,397 | 11,420 |
| Professional fees | 7,000 | - | - | - | - | - | - | 7,000 | 6,500 |
| Property taxes | 5,887 | - | - | - | - | - | - | 5,887 | 5,707 |
| Insurance | 5,066 | - | - | - | - | - | - | 5,066 | 7,227 |
| Rental | 4,604 | - | - | - | - | - | - | 4,604 | 5,718 |
| Advertising and promotion | 3,661 | - | - | - | - | - | - | 3,661 | 9,781 |
| Repairs and maintenance | 3,384 | - | - | - | - | - | - | 3,384 | 2,068 |
| Projects | 2,911 | - | - | - | - | - | - | 2,911 | 11,726 |
| Equipment rental | 2,114 | - | - | - | - | - | - | 2,114 | - |
| Bank charges and interest | 1,687 | 300 | - | 706 | - | 300 | 300 | 3,293 | 2,976 |
| Amortization | - | - | 7,874 | - | - | - | - | 7,874 | 8,507 |
| CFLIP Interest | - | - | - | - | 81,597 | - | - | 81,597 | 93,149 |
| Bad debts | - | - | - | - | - | - | - | - | 86,119 |
| | 364,265 | 300 | 7,874 | 706 | 86,282 | 300 | 8,300 | 468,027 | 590,205 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | \$ 2,287 | \$ (212) | \$ (7,874) | \$ 52,962 | \$ 172,167 | \$ 6,304 | \$ 32,015 | \$ 257,649 | \$ 171,946 |

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Statement of Changes in Net Assets

Year Ended March 31, 2025

| | Operating Fund | Rural Alberta Business Centre | Capital Assets | Non-Repayable Investment Loans | Repayable Investment Loans | Disabled Investment Loans | Regional Relief and Recovery Fund | 2025 | 2024 |
|---|-------------------|-------------------------------------|----------------|--------------------------------------|----------------------------------|---------------------------------|---|--------------|--------------|
| NET ASSETS - BEGINNING OF YEAR | \$ (40,641) | \$ 30,947 | \$ 147,523 | \$ 1,032,856 | \$ 3,272,047 | \$ 143,594 | \$ (115,845) | \$ 4,470,481 | \$ 4,298,535 |
| Excess of revenues over expenses | 2,287 | (212) | (7,874) | 52,962 | 172,167 | 6,304 | 32,015 | 257,649 | 171,946 |
| NET ASSETS - END OF YEAR | \$ (38,354) | \$ 30,735 | \$ 139,649 | \$ 1,085,818 | \$ 3,444,214 | \$ 149,898 | \$ (83,830) | \$ 4,728,130 | \$ 4,470,481 |

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Statement of Cash Flows

Year Ended March 31, 2025

| | General Fund | Business Centre | Capital Assets | Restricted Non-Repayable | Restricted Repayable | Restricted Disabled | Regional Relief and Recovery Fund | 2025 | 2024 |
|---|--------------|-----------------|----------------|--------------------------|----------------------|---------------------|-----------------------------------|------------|-------------|
| OPERATING ACTIVITIES | | | | | | | | | |
| Excess (deficiency) of revenues over expenses | \$ 2,287 | \$ (212) | \$ (7,874) | \$ 52,962 | \$ 172,167 | \$ 6,304 | \$ 32,015 | \$ 257,649 | \$ 171,946 |
| Item not affecting cash: | | | | | | | | | |
| Amortization of property and equipment | - | - | 7,874 | - | - | - | - | 7,874 | 8,508 |
| | 2,287 | (212) | - | 52,962 | 172,167 | 6,304 | 32,015 | 265,523 | 180,454 |
| Changes in non-cash working capital: | | | | | | | | | |
| Accounts receivable | (2,361) | - | - | - | - | - | - | (2,361) | (81,383) |
| Interest receivable | - | - | - | 818 | (55,047) | (9) | (25,936) | (80,174) | 9,826 |
| Accounts payable | - | - | - | - | - | - | - | - | (5) |
| Prepaid expenses | (27) | - | - | - | - | - | - | (27) | (199) |
| Interfund AR / AP | 87,000 | - | - | (29,750) | (111,945) | 4,750 | 49,945 | - | - |
| | 84,612 | - | - | (28,932) | (166,992) | 4,741 | 24,009 | (82,562) | (71,761) |
| Cash flow from (used by) operating activities | 86,899 | (212) | - | 24,030 | 5,175 | 11,045 | 56,024 | 182,961 | 108,693 |
| INVESTING ACTIVITY | | | | | | | | | |
| Repayment of loans and notes receivable | - | - | - | 14,148 | 176,838 | 563 | 16,571 | 208,120 | 1,911,802 |
| Cash flow from investing activity | - | - | - | 14,148 | 176,838 | 563 | 16,571 | 208,120 | 1,911,802 |
| FINANCING ACTIVITIES | | | | | | | | | |
| Loans | - | - | - | (51,281) | (6,710) | (5,275) | (64,400) | (127,666) | (100,001) |
| Repayment of long term debt | - | - | - | - | (60,000) | - | - | (60,000) | (1,687,076) |
| Cash flow from (used by) financing activities | - | - | - | (51,281) | (66,710) | (5,275) | (64,400) | (187,666) | (1,787,077) |
| | | | | | | | | | (continues) |

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Notes to Financial Statements

Year Ended March 31, 2025

INTRODUCTION TO NOTES

The Community Futures East Central Alberta ("the organization") is a community based organization that provides loans and financial services to small businesses that are otherwise unable to obtain financing. The organization is incorporated under the Alberta Companies Act as a non-profit organization. It is exempt from income taxes under the Income Tax Act as a non-profit organization.

1. 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).

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Fund accounting

The organization follows the restricted method of accounting for contributions.

The General Fund accounts for the organization's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

The Rural Alberta Business Centre Fund accounts for the organization's business centre activities. This fund reports unrestricted resources and restricted operating grants.

The capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Organization's acquisition of capital assets.

The Loan Investment Funds report 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 Loan Investment Fund for the Disabled are limited to businesses owned and operated by disabled. The organization is restricted in the types of loans that can be made according to its agreement with the federal government.

Cash and cash equivalents

The organizations policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Revenue recognition

The organization uses the restricted method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contribution are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimate and collection is reasonable assured.

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COMMUNITY FUTURES EAST CENTRAL ALBERTA

Notes to Financial Statements

Year Ended March 31, 2025

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

Property and equipment

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

| | | |
|------------------------|-----|--------------------------|
| Buildings | 5% | declining balance method |
| Library | 20% | declining balance method |
| Computer equipment | 20% | declining balance method |
| Computer software | 20% | declining balance method |
| Furniture and fixtures | 20% | declining balance method |

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Investment loans and accrued interest receivable

Investment loans are classified as held to maturity financial instruments and are recorded at the lower of principle plus accrued interest and estimated realizable value.

Interest income from loans is recorded on the accrual basis for all loans not classified as impaired. Loans are classified as impaired when there is reasonable doubt as to the timely collection of some portion of the principle or interest. This assessment is made by management and the Board of Directors.

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.

Financial instruments policy

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in the fair value are recognized in the statement of operations.

The financial assets subsequently measured at amortized cost include cash, and accounts receivable. The financial liabilities measured at amortized cost include trade accounts payable and accrued liabilities.

2. ACCOUNTS RECEIVABLE

| | 2025 | 2024 |
|------------------------------------|------------------|-------------------|
| General trade receivable | \$ 25,400 | \$ 87,795 |
| Receivable from federal government | 20,384 | 15,628 |
| | <u>\$ 45,784</u> | <u>\$ 103,423</u> |

COMMUNITY FUTURES EAST CENTRAL ALBERTA**Notes to Financial Statements****Year Ended March 31, 2025****3. INTERFUND RECEIVABLE / PAYABLE**

The interfund receivable and payable are the amounts that are required to reimburse the other Funds for receipts and disbursements made on their behalf. These internally restricted amounts are not available for any other purpose without the approval of the board of directors. Interfund amounts bear no interest and are not governed by term of repayment in the year.

4. INTEREST RECEIVABLE

| | 2025 | 2024 |
|------------------------------------|-------------------|-------------------|
| Loan Interest and costs receivable | \$ 402,022 | \$ 321,847 |
| Allowance for doubtful accounts | (21,181) | (21,181) |
| | <u>\$ 380,841</u> | <u>\$ 300,666</u> |

5. PROPERTY AND EQUIPMENT

| | Cost | Accumulated amortization | 2025 Net book value | 2024 Net book value |
|-------------------------|-------------------|-----------------------------|---------------------------|---------------------------|
| Buildings | \$ 334,015 | \$ 198,814 | \$ 135,201 | \$ 141,963 |
| Library | 6,440 | 6,432 | 8 | 10 |
| Computer equipment | 114,218 | 112,618 | 1,600 | 1,999 |
| Computer software | 50,368 | 49,330 | 1,038 | 1,298 |
| Furniture and fixtures | 152,548 | 150,959 | 1,589 | 1,986 |
| Furniture and Equipment | 3,665 | 3,452 | 213 | 268 |
| | <u>\$ 661,254</u> | <u>\$ 521,605</u> | <u>\$ 139,649</u> | <u>\$ 147,524</u> |

6. INVESTMENT LOANS RECEIVABLE

Outstanding loans to entrepreneurs are interest bearing at floating rates with blended principle and interest repayments. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and buildings.

7. ACCOUNTS PAYABLE

| | 2025 | 2024 |
|------------------------|------------------|------------------|
| Trade accounts payable | \$ 39,373 | \$ 39,373 |
| Accrued Vacation Pay | 4,914 | 4,914 |
| | <u>\$ 44,287</u> | <u>\$ 44,287</u> |

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Notes to Financial Statements

Year Ended March 31, 2025

8. LOANS PAYABLE

The line of credit from CFNA is a demand loan requiring monthly payments of interest only. Interest is at prime rate (currently 2.70%) and is secured by a first charge on the loan portfolio.

The Regional Relief and Recovery Fund is a demand loan with no payments due until January 2023 at which time any funds not loaned out as secondary loans are to be repaid. Any funds loaned out as secondary loans are not to be repaid until after December 2025. These loans are interest free and are to be repaid December 31, 2025.

9. ALLOWANCE FOR CREDIT LOSS

An allowance for losses on investment loans is made based on expected loan default rates, potential loss ratios and review of loans portfolio, as determined by management as follows:

| | Opening balance | Provision for Credit losses | Actual write offs | Total Column |
|--------------------------------|--------------------|--------------------------------|----------------------|------------------|
| Non-repayable Investment loans | \$ 30,451 | \$ - | \$ - | \$ 30,451 |
| Repayable investment loans | 9,602 | - | - | 9,602 |
| | <u>\$ 40,053</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 40,053</u> |

Actual write-offs, net of recoveries, will be deducted from the allowance for credit losses. The provision for credit losses in the statement of income and changes in fund balances is charged with an amount sufficient to keep the balance in the allowance for credit losses adequate to absorb all credit related losses.

10. SHARE CAPITAL

Authorized:

50 Shares

Issued:

Common shares

| | 2025 | 2024 |
|--|--------------|--------------|
| | <u>\$ 38</u> | <u>\$ 38</u> |

No more than 38 shares may be outstanding at any one time. No dividends are payable on these shares.

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Notes to Financial Statements

Year Ended March 31, 2025

11. EXTERNALLY RESTRICTED NET ASSETS

Loan funds contributed by the government are classified as non-repayable, repayable and disabled according to the restrictions placed on their use and the terms of the program for which they were advanced. Externally imposed restrictions on loan investments fund balances are as follow:

| | 2025 | 2024 |
|---------------------------------------|---------------------|---------------------|
| Loan Investment Funds | | |
| Non-repayable | \$ 187,890 | \$ 150,757 |
| Conditionally repayable fund | 1,934,037 | 2,104,165 |
| Conditionally repayable disabled fund | 4,711 | - |
| Regional Relief and Recovery fund | 939,006 | 891,177 |
| | \$ 3,065,644 | \$ 3,146,099 |

Under the terms and conditions of the contribution agreement with the Department of Western Economic Diversification, Loan investment funds include Conditionally Repayable Funds in the amount of \$950,000 that are repayable if any of the following conditions occur:

1. The Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in the Agreement; or
2. Based on review and evaluation of the operations and the Conditionally Repayable Investment Funds of the Organization, the Conditionally Repayable Investment Fund is not providing satisfactory level of benefits in terms of employment creation, the development of community owned or controlled businesses, and strengthening of the western Canadian economy; or
3. In the opinion of the Minister, the Conditionally Repayable Fund is no longer necessary or relevant to the development of the western Canadian economy; or
4. The Agreement is terminated as described in Section 12 of the agreement; or
5. An event of default occurs, as described in Section 7 of the agreement; or
6. The Minister does not approve terms and conditions to extend the Project beyond the Completion Date or the Corporation does not agree to extend the Project beyond the Completion Date of March 31, 2021.

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Notes to Financial Statements

Year Ended March 31, 2025

12. FINANCIAL INSTRUMENTS

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposure and concentrations at March 31, 2020.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The association's main interest rate risk involves the loans receivable and loans payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relate to its interest receivable and loans receivable. In order to reduce its risk, the organization has adopted credit policies and all loans are approved by the Board of Directors. The organization also provides for doubtful accounts based on estimated realizable value of the investment loans receivable.

13. ECONOMIC DEPENDENCE

The organization receives a significant portion of its operating revenues from federal, provincial and municipal governments and is economically dependent upon them.

14. CASH

| | 2025 | 2024 |
|------|--------------|--------------|
| Cash | \$ 3,195,363 | \$ 2,991,948 |

COMMUNITY FUTURES EAST CENTRAL ALBERTA

Statement of General Funds Revenue and Expenses With Budget

Year Ended March 31, 2025

| | Operating Fund Budget | 2025 Total | 2024 Total |
|-------------------------------|-----------------------------|---------------|---------------|
| REVENUES | | | |
| Federal contracts | \$ 294,963 | \$ 294,963 | \$ 294,963 |
| Service and other income | 108,647 | 71,589 | 119,641 |
| Provincial Contracts | - | - | - |
| Projects and other | - | - | - |
| Interest | - | - | - |
| | 403,610 | 366,552 | 414,604 |
| EXPENSES | | | |
| Salaries and wages | 197,880 | 186,470 | 221,679 |
| Management salaries | 66,000 | 49,500 | 66,000 |
| Travel | 67,200 | 64,049 | 31,223 |
| Telephone and Utilities | 20,460 | 20,220 | 20,405 |
| Projects | 3,500 | 2,911 | 11,726 |
| Office supplies and postage | 8,760 | 7,712 | 11,420 |
| Advertising and promotion | 2,900 | 3,661 | 9,781 |
| Insurance | 5,400 | 5,066 | 7,227 |
| Professional fees | 6,500 | 7,000 | 6,500 |
| Rental | 4,980 | 4,604 | 5,718 |
| Property taxes | 6,000 | 5,887 | 5,707 |
| Repairs and maintenance | 4,800 | 3,384 | 2,068 |
| Bank charges and interest | 1,680 | 1,686 | 1,548 |
| Training | 5,150 | - | - |
| GST not recoverable | 2,400 | - | - |
| | 403,610 | 362,150 | 401,002 |
| INCOME FROM OPERATIONS | \$ - | \$ 4,402 | \$ 13,602 |