

COMMUNITY FUTURES TAWATINAW REGION

Financial Statements

Year Ended March 31, 2022

COMMUNITY FUTURES TAWATINAW REGION

Statement of Financial Position

March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	2022 2022	2021 2021
ASSETS						
CURRENT						
Cash	\$ 104,181	\$ 709,529	\$ -	\$ 229,291	\$ 1,043,001	\$ 803,650
CFLIP investment(Cost \$2,398,282)	-	2,560,736	-	-	2,560,736	2,478,874
Accounts receivable	10,364	-	-	-	10,364	15,586
Goods and services tax recoverable	2,667	-	-	-	2,667	1,796
Prepaid expenses	18,220	-	-	-	18,220	14,468
Inter-fund receivable (Note 2)	61,720	-	119,087	22,165	202,972	119,087
Accrued interest receivable (Note 3)	-	88,360	-	-	88,360	53,038
Current portion of investment loans receivable (Note 4)	-	51,431	-	-	51,431	100,300
	197,152	3,410,056	119,087	251,456	3,977,751	3,586,799
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 6)	172,635	-	-	-	172,635	185,202
LOANS AND NOTES RECEIVABLE (Note 4)	-	605,907	-	1,727,365	2,333,272	2,673,663
	\$ 369,787	\$ 4,015,963	\$ 119,087	\$ 1,978,821	\$ 6,483,658	\$ 6,445,664

COMMUNITY FUTURES TAWATINAW REGION

Statement of Financial Position

March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	2022 2022	2021 2021
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable	\$ 31,699	\$ -	\$ -	\$ -	\$ 31,699	\$ 20,785
Wages payable	45,985	-	-	-	45,985	4,762
Deferred income (Note 7)	74,326	-	-	-	74,326	14,500
Inter-fund payable (Note 2)	88,203	114,769	-	-	202,972	119,087
	240,213	114,769	-	-	354,982	159,134
	61,720	-	-	-	61,720	-
LONG TERM DEBT (Note 9)						
	301,933	114,769	-	-	416,702	159,134
	67,854	3,901,194	119,087	1,978,821	6,066,956	6,286,530
NET ASSETS (Notes 11, 12)						
	\$ 369,787	\$ 4,015,963	\$ 119,087	\$ 1,978,821	\$ 6,483,658	\$ 6,445,664

ON BEHALF OF THE BOARD

Director

Director

COMMUNITY FUTURES TAWATINAW REGION

Statement of Revenues and Expenditures

Year Ended March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	2022 2022	2021 2021
REVENUES						
Prairies Economic Development						
Canada	\$ 296,963	\$ -	\$ -	\$ -	\$ 296,963	\$ 402,657
Investment interest	-	73,685	-	-	73,685	53,595
CFLIP interest	-	53,246	-	-	53,246	55,513
Subsidies and grants	15,374	-	-	-	15,374	-
Project cost recoveries	12,431	-	-	-	12,431	17,086
Rental revenue	7,050	-	-	-	7,050	6,750
Sponsorships	300	-	-	-	300	-
Bank interest	164	-	-	-	164	85
Loan fees and cost recoveries	-	-	-	-	-	312
Workshops	-	-	-	-	-	2,024
	332,282	126,931	-	-	459,213	538,022
EXPENSES						
Salaries and wages	314,484	-	-	-	314,484	249,965
Forgiven portion of RRRF loans	-	-	-	70,000	70,000	-
Sub-contracts	48,027	-	-	-	48,027	39,478
Office	26,401	-	-	-	26,401	38,060
Advertising and promotion	23,688	-	-	-	23,688	29,863
Supplies	19,635	-	-	-	19,635	6,498
Repairs and maintenance	17,273	-	-	-	17,273	13,746
Education and reference fees	13,660	-	-	-	13,660	2,263
Professional fees	12,534	-	-	-	12,534	25,330
Business taxes, licenses and memberships	10,637	-	-	-	10,637	5,137
Utilities	10,000	-	-	-	10,000	8,147
Bookkeeping	6,976	-	-	-	6,976	7,034
Travel	5,746	-	-	-	5,746	2,999
Property taxes	5,248	-	-	-	5,248	5,055
Telephone	4,903	-	-	-	4,903	8,441
Interest and bank charges	4,373	-	-	-	4,373	3,874
Insurance	3,655	-	-	-	3,655	2,422

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COMMUNITY FUTURES TAWATINAW REGION

Statement of Revenues and Expenditures (continued)

Year Ended March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	2022 2022	2021 2021
Provision for investment losses	-	2,355	-	-	2,355	151
Board member expenses	1,006	-	-	-	1,006	66
EDP project	-	-	-	-	-	11,459
Rental	-	-	-	-	-	198
Amortization	14,743	-	-	-	14,743	13,761
	542,989	2,355	-	70,000	615,344	473,947
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(210,707)	124,576	-	(70,000)	(156,131)	64,075
OTHER INCOME						
Unrealized gain (loss) on CFLIP investment	-	28,616	-	-	28,616	159,175
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (210,707)	\$ 153,192	\$ -	\$ (70,000)	\$ (127,515)	\$ 223,250

COMMUNITY FUTURES TAWATINAW REGION

Statement of Changes in Net Assets

Year Ended March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	2022	2021
NET ASSETS - BEGINNING OF YEAR						
Deficiency of revenues over expenses	\$ 161,078	\$ 3,865,485	\$ 119,087	\$ 2,140,880	\$ 6,286,530	\$ 3,922,399
Interest transfer (Note 13)	(210,707)	153,192	-	(70,000)	(127,515)	223,251
Contributions during year	117,483	(117,483)	-	-	-	-
Repayments during year	-	-	-	235,000	235,000	2,140,880
	-	-	-	(327,059)	(327,059)	-
NET ASSETS - END OF YEAR	\$ 67,854	\$ 3,901,194	\$ 119,087	\$ 1,978,821	\$ 6,066,956	\$ 6,286,530

Breakdown of Net Assets

Year Ended March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	Total 2022	Total 2021
Original contributions	\$ -	\$ 1,850,000	\$ 200,000	\$ 1,978,821	\$ 4,028,821	\$ 4,190,880
Earned net assets	67,854	2,051,194	(80,913)	-	2,038,135	2,095,650
	\$ 67,854	\$ 3,901,194	\$ 119,087	\$ 1,978,821	\$ 6,066,956	\$ 6,286,530

See notes to financial statements

COMMUNITY FUTURES TAWATINAW REGION

Statement of Cash Flows

Year Ended March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	2022 2022	2021 2021
OPERATING ACTIVITIES						
Excess (deficiency) of revenues over expenses	\$ (210,707)	\$ 153,192	\$ -	\$ (70,000)	\$ (127,515)	\$ 223,250
Items not affecting cash:						
Amortization of property and equipment	14,743	-	-	-	14,743	13,761
Write-down of CFLIP investment	-	(28,616)	-	-	(28,616)	(159,175)
Provision for investment losses	-	2,355	-	-	2,355	151
CFLIP interest reinvested	-	(53,246)	-	-	(53,246)	(55,513)
Forgiven portion of RRRF loans	-	-	-	70,000	70,000	-
	(195,964)	73,685	-	-	(122,279)	22,474
Changes in non-cash working capital:						
Accounts receivable	5,222	-	-	-	5,222	(11,561)
Inventory	-	-	-	-	-	11,915
Accounts payable	10,914	-	-	-	10,914	5,992
Deferred income	59,826	-	-	-	59,826	(15,604)
Prepaid expenses	(3,752)	-	-	-	(3,752)	2,186
Goods and services tax payable	(871)	-	-	-	(871)	2,216
Accrued interest receivable	-	(35,013)	-	-	(35,013)	(25,487)
Inter-fund payable (receivable)	(24,951)	48,380	-	(23,429)	-	-
Wages payable	41,223	-	-	-	41,223	(14,426)
	87,611	13,367	-	(23,429)	77,549	(44,769)
Cash flow from (used by) operating activities	(108,353)	87,052	-	(23,429)	(44,730)	(22,295)
INVESTING ACTIVITIES						
Purchase of property and equipment	(2,176)	-	-	-	(2,176)	(26,241)
Repayment of loans and notes receivable	-	334,263	-	241,457	575,720	210,027
						(continues)

See notes to financial statements

COMMUNITY FUTURES TAWATINAW REGION

Statement of Cash Flows (continued)

Year Ended March 31, 2022

	General Fund 2022	Restricted General 2022	Restricted Disabled 2022	Restricted RRRF 2022	2022 2022	2021 2021
Advances of loans and notes receivable	-	(41,948)	-	(217,176)	(259,124)	(2,028,251)
Cash flow from (used by) investing activities	(2,176)	292,315	-	24,281	314,420	(1,844,465)
FINANCING ACTIVITIES						
Interest transfer	117,483	(117,483)	-	-	-	-
Contributions during year	-	-	-	235,000	235,000	2,140,880
Repayments during year	-	-	-	(327,059)	(327,059)	-
Proceeds on long term debt	61,720	-	-	-	61,720	-
Cash flow from (used by) financing activities	179,203	(117,483)	-	(92,059)	(30,339)	2,140,880
INCREASE (DECREASE) IN CASH FLOW						
Cash - beginning of year	68,674	261,884	-	(91,207)	239,351	274,120
	35,507	447,645	-	320,498	803,650	529,530
CASH - END OF YEAR	\$ 104,181	\$ 709,529	\$ -	\$ 229,291	\$ 1,043,001	\$ 803,650
CASH CONSISTS OF:						
Cash	\$ 104,181	\$ 709,529	\$ -	\$ 229,291	\$ 1,043,001	\$ 803,650

COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Organization

Community Futures Tawatinaw Region (the "corporation") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Alberta. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

With the financial support of the Government of Canada, it provides loans and financial services to small businesses otherwise unable to obtain financing, delivers government services and programs related to employment and economic development, provides training and business advisory services, and contributes leadership and expertise in economic development to local communities.

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

Community Futures Tawatinaw Region follows the restricted fund method of accounting for contributions.

The General Fund accounts for the corporation's equity in capital assets, operating costs, operating grants and innovative programs. This fund reports unrestricted resources and restricted operating grants. Included in the General Fund is the RRRF Operating Fund.

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 entrepreneurs. The corporation is restricted in the types of loans that can be made according to its agreement with the Government of Canada.

The Regional Relief and Recovery Fund (RRRF) reports restricted resources that are used to provide financial support directly to small-and-medium sized enterprises to address COVID-19 impacts on rural and remote communities. The corporation is restricted in the loan applications that can be approved for the RRRF according to its agreement with the Government of Canada.

Recognition of Contributions

Federal contracts and grants are included in revenue in the year in which they are received or become receivable, with the exception that amounts received to fund specific expenditures are included in revenue in the year the funds are expended.

Recognition of Other Revenues

Revenue from all other sources is included in revenue in the year in which it is received or becomes receivable.

Contributed services

The corporation would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a weighted average cost basis.

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COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

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

Investment Loans and Accrued Interest Receivable

Investment loans receivable are classified as held to maturity financial instruments and are recorded at the lower of principal 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 principal or interest. This assessment is made by management and the Board of Directors.

When a loan is classified as impaired, recognition of interest income in accordance with the original loan agreement ceases. Any subsequent payments received on an impaired loan are applied to reduce the recorded investment in the loan.

Allowance for Doubtful Loans

The corporation maintains an allowance for doubtful loans that reduces the carrying value of loans to their estimated realizable amount. The allowance is increased by a provision for investment losses which is charged to income and reduced by write-offs, net of recoveries.

A specific allowance is established on an individual loan basis, to reduce the carrying book values to estimated realizable values. Estimated realizable values are determined by discounting the expected future cash flows at the effective interest rate inherent in the loans. When the amounts and timing of future cash flows cannot be reliably established, estimated realizable values are determined by reference to market prices for the loans of their underlying security.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Buildings	35 years	straight-line method
Equipment	3 to 5 years	straight-line method
Computer equipment	3 to 5 years	straight-line method

Measurement uncertainty

The preparation of financial statements 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. Current estimates include allowance for doubtful accounts, allocation of expenses between funds, and depreciation of capital assets. 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.

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COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

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

Financial Instruments Policy

Held for trading

The corporation has classified the following financial assets and liabilities as held for trading: cash and CFLIP investment. These instruments are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Held for trading financial instruments are subsequently measured at their fair value. Gains and losses arising from changes in fair value are recognized immediately in net income.

Loans and receivables

The corporation has classified the following financial assets as loans and receivables: trade accounts receivable and long term loans receivable. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate method, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and less any reduction for impairment or uncollectibility. Gains or losses arising from changes in fair value are recognized in net income from derecognition or impairment.

Other financial liabilities

The corporation has classified the following financial liabilities as other financial liabilities: accounts payable and accruals. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carry value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. Gains and losses arising from the changes in fair value are recognized in net income upon derecognition or impairment.

2. INTER-FUND RECEIVABLE/PAYABLE

The inter-fund balances are of an operating nature and will be paid/repaid in the next fiscal year.

COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

3. ACCRUED INTEREST RECEIVABLE

	2022	2021
Restricted General Fund		
Interest in arrears	\$ 88,360	\$ 54,235
Less: provision for loan losses	-	(1,197)
	<u>88,360</u>	<u>53,038</u>

4. INVESTMENT LOANS RECEIVABLE

	General	RRRF	2022	2021
Loans receivable	\$ 657,338	\$ 1,727,365	\$ 2,384,703	\$ 2,798,731
Less: allowance for loan impairment	-	-	-	(24,768)
Less: current portion	(51,431)	-	(51,431)	(100,300)
	<u>605,907</u>	<u>1,727,365</u>	<u>2,333,272</u>	<u>2,673,663</u>

An allowance for impairment 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:

ALLOWANCE FOR LOAN IMPAIRMENT:

Balance, beginning of year	(24,768)	-	(24,768)	(36,045)
Provision for loan losses	(2,664)	-	(2,664)	(396)
Amounts written off to the allowance	27,432	-	27,432	11,473
Amounts recovered from the allowance	-	-	-	200
Balance, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,768)</u>

Total recorded investment on impaired loans	\$ -	\$ -	\$ -	\$ 26,165
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In accordance with the corporation's objectives, the corporation has provided loans to small businesses. Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 0.0% to 9.0% per annum with monthly blended principal and interest repayments amortized for terms between 12 and 120 months. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on property.

The corporation had 2 loans of \$150,000 or greater, totaling \$520,837, outstanding to one loan client as at March 31, 2022.

COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

5. INVESTMENT LOANS RECEIVABLE (CONTINUED)

The breakdown of transactions related to the RRRF investment loans receivable is as follows:

	2022	2021
Balance, beginning of year	\$ 1,821,646	\$ -
Advances during the year	217,175	1,831,646
Repayments during the year	(241,456)	(10,000)
Forgiven portion during the year	(70,000)	-
Balance, end of year	<u>\$ 1,727,365</u>	<u>\$ 1,821,646</u>

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Buildings	\$ 272,024	\$ 117,392	\$ 154,632	\$ 162,404
Equipment	44,114	33,246	10,868	12,549
Computer equipment	49,387	42,252	7,135	10,249
	<u>\$ 365,525</u>	<u>\$ 192,890</u>	<u>\$ 172,635</u>	<u>\$ 185,202</u>

7. DEFERRED REVENUE

Deferred revenues represent the amount of the restricted contributions that are related to disbursements of future periods. These funds are disbursed in accordance with the signed grant agreements.

	2022	2021
Balance, beginning of the year	\$ 14,500	\$ 30,104
PLUS: Amounts received related to the following year	74,326	14,500
LESS: Amounts recognized as revenue in the year	(14,500)	(30,104)
	<u>\$ 74,326</u>	<u>\$ 14,500</u>

Deferred revenue consists of:

Digital Service Squad	\$ 62,326	\$ -
Lemonade day	12,000	14,500
	<u>\$ 74,326</u>	<u>\$ 14,500</u>

8. CALLABLE DEBT

The corporation has obtained an operating line of credit which is authorized to a limit of \$25,000. The line bears interest at 3.75% and requires minimum interest only payments on a monthly basis. Funds available at March 31, 2022 was \$25,000.

COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

9. LONG TERM DEBT

	2022	2021
Community Futures Alberta	\$ 61,720	\$ -

Community Futures Alberta loan non-interest bearing with no fixed terms of repayment. The term for this loan ends December 31, 2025. At the time the funds from this loan are "used for operating costs related to RRRF loan aftercare and assisting SMEs in their communities in response to COVID-19" the corresponding portion of this loan will be forgiven.

10. RELATED PARTY TRANSACTIONS

a) During the year, the Corporation entered into transactions with the following related parties:

Paul Ponich, member of the board
Lawrence Giffin, member of the board

b) The Corporation entered into the following transactions with related parties.

	2022	2021
<u>Board and committee expenses and reimbursements</u>		
Board members	\$ 247	\$ -

11. GENERAL FUND NET ASSETS

Included in the general fund net assets is \$172,635 (2021 - \$185,202) that is invested in capital assets.

COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

12. EXTERNALLY RESTRICTED ASSETS

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

	2022	2021
General	\$ 3,901,194	\$ 3,865,485
Disabled	119,087	119,087
RRRF	1,978,821	2,140,880
	<u>\$ 5,999,102</u>	<u>\$ 6,125,452</u>

Under the terms and conditions of the contribution agreement with Prairies Economic Development Canada (PrairiesCan), the Regional Relief and Recovery Fund (RRRF) is fully repayable upon the repayment of loans from small-and-medium sized enterprises, or when RRRF loan funds remain undisbursed and are requested to be returned by PrairiesCan.

Under the terms and conditions of the contribution agreement with Prairies Economic Development Canada, loan investment funds include Conditionally Repayable Funds in the amount of \$500,000 that are repayable if any of the following conditions occur:

- The Conditionally Repayable Investment fund is not administered according to the terms and conditions specified in the Agreement; or
- Based on review and evaluations of the operations and the Conditionally Repayable Investment Fund of the organization, the Conditionally Repayable Investment Fund is not providing a 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
- In the opinion of the Minister, the Conditionally Repayable Investment Fund is no longer necessary or relevant to the development of the Western Canadian economy; or
- The Agreement is terminated in accordance with the provisions of the Agreement; or
- An event of default occurs as described in the Agreement; or
- The Minister does not approve terms and conditions to extend the project beyond March 31, 2026.
- If this agreement is not renewed beyond the March 31, 2026 ending date, the outstanding loans receivable would be liquidated in an orderly fashion. Minimal staff would be kept on to oversee this process and operational costs would have to be covered by the interest earned by the loans as PrairiesCan would no longer fund operational costs. No new loans receivable would be granted and no other projects would be initiated.

13. INTEREST TRANSFERS

PrairiesCan has pre-approved the corporation for an interest transfer of up to 75% of net growth to a maximum of \$100,000. Interest transfers are not allowed when the corporation has an operating surplus or when the transfer will create an operating surplus. This allows the corporation to transfer funds from a restricted investment fund to the general fund.

In 2022, PrairiesCan approved \$117,483 of interest transfer to fund Youth in Business and entrepreneurial training.

The corporation transferred \$117,483 from its investment funds to operating funds (2021 - \$98,481), which special approval was received for.

COMMUNITY FUTURES TAWATINAW REGION

Notes to Financial Statements

Year Ended March 31, 2022

14. ECONOMIC DEPENDENCE

The corporation receives a significant portion of its operating revenues from the Federal and Provincial governments and is economically dependent upon them.

15. FINANCIAL INSTRUMENTS

The corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2022.

(a) Credit risk

The corporation is exposed to credit risk on investment loans receivable from its applicants. In order to reduce its credit risk, the corporation has adopted credit policies and all loans are approved by the Board of Directors. The corporation also provides for doubtful accounts based on estimated realizable value of the investment loans receivable.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The corporation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The corporation is exposed to other price risk through its investment in CFLIP.

(d) Changes in Risk

There have been no changes in the corporation's risk exposures from the prior year

16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

COMMUNITY FUTURES TAWATINAW REGION

RRRF Statement of Revenue and Expenditures

(Schedule 1)

Year Ended March 31, 2022

	RRRF Operating 2022	Restricted RRRF 2022	Total 2022	Total 2021
REVENUES				
Prairies Economic Development Canada	\$ 2,000	\$ -	\$ 2,000	\$ 107,694
EXPENDITURES				
Forgiven portion of RRRF loans	-	70,000	70,000	-
Amortization	3,569	-	3,569	1,784
Professional fees	2,000	-	2,000	4,022
Advertising and promotion	-	-	-	13,072
Office	-	-	-	30,029
Education and reference fees	-	-	-	523
Interest and bank charges	-	-	-	118
Salaries and wages	-	-	-	44,900
	5,569	70,000	75,569	94,448
EXCESS OF REVENUES OVER EXPENDITURES FROM RRRF OPERATIONS	(3,569)	(70,000)	(73,569)	13,246
OTHER EXPENDITURES				
Acquisition of capital assets	-	-	-	15,091
LOSS FROM RRRF OPERATIONS	\$ (3,569)	\$ (70,000)	\$ (73,569)	\$ (1,845)

COMMUNITY FUTURES TAWATINAW REGION

RRRF Statement of Financial Position

(Schedule 2)

Year Ended March 31, 2022

	RRRF Operating 2022	Restricted RRRF 2022	Total 2022	Total 2021
ASSETS				
CURRENT				
Cash	\$ -	\$ 229,291	\$ 229,291	\$ 320,498
Inter-fund receivable	61,720	22,165	83,885	(1,264)
	<u>\$ 61,720</u>	<u>\$ 251,456</u>	<u>\$ 313,176</u>	<u>\$ 319,234</u>
PROPERTY AND EQUIPMENT	\$ 9,738	\$ -	\$ 9,738	\$ 13,307
INVESTMENT LOANS RECEIVABLE	-	1,727,365	1,727,365	1,821,646
TOTAL ASSETS	<u>\$ 71,458</u>	<u>\$ 1,978,821</u>	<u>\$ 2,050,279</u>	<u>\$ 2,154,187</u>
LIABILITIES				
Long term debt	\$ 61,720	\$ -	\$ 61,720	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 61,720</u>	<u>\$ -</u>	<u>\$ 61,720</u>	<u>\$ -</u>
NET ASSETS				
Net assets - beginning of year	\$ 3,569	\$ 2,140,880	\$ 2,144,449	\$ -
Equity in capital assets	9,738	-	9,738	13,307
Excess of revenues over expenses	(3,569)	(70,000)	(73,569)	-
Repayments during the year	-	(327,059)	(327,059)	-
Contributions during the year	-	235,000	235,000	2,140,880
TOTAL NET ASSETS	<u>9,738</u>	<u>1,978,821</u>	<u>1,988,559</u>	<u>2,154,187</u>
TOTAL NET ASSETS AND LIABILITIES	<u>\$ 71,458</u>	<u>\$ 1,978,821</u>	<u>\$ 2,050,279</u>	<u>\$ 2,154,187</u>