

COMMUNITY FUTURES LAC LA BICHE

Annual Report 2021

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Western Economic
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de l'Ouest Canada

Canada



HARNESSING COMMUNITY POTENTIAL



LAUNCHING BUSINESS DREAMS



FOSTERING RURAL DIVERSITY

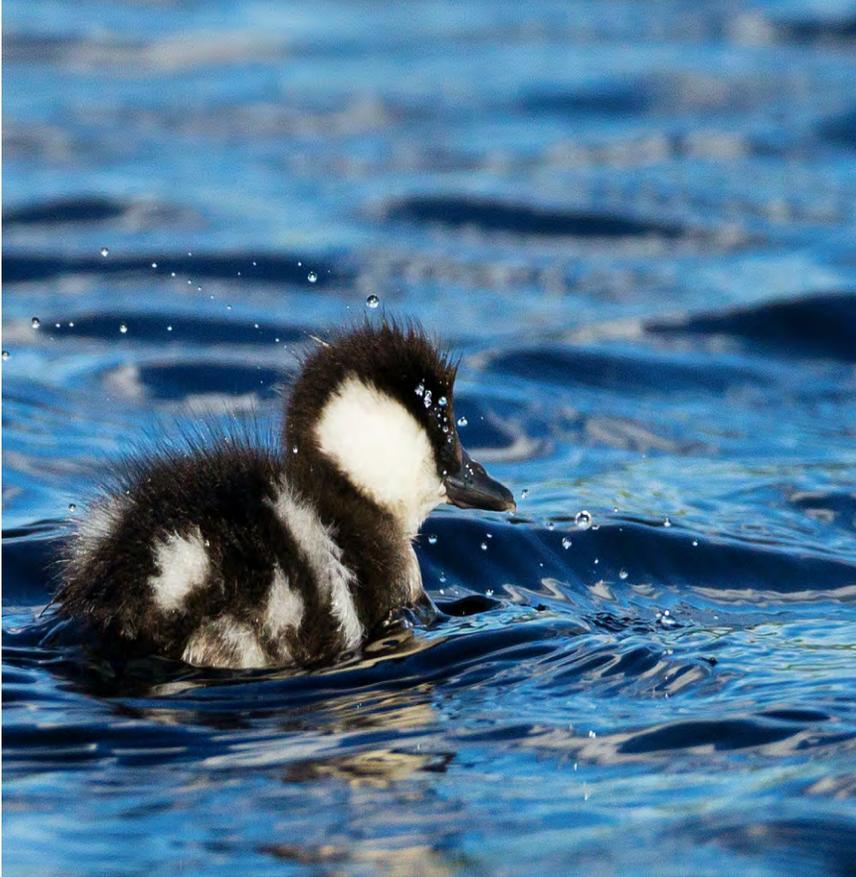
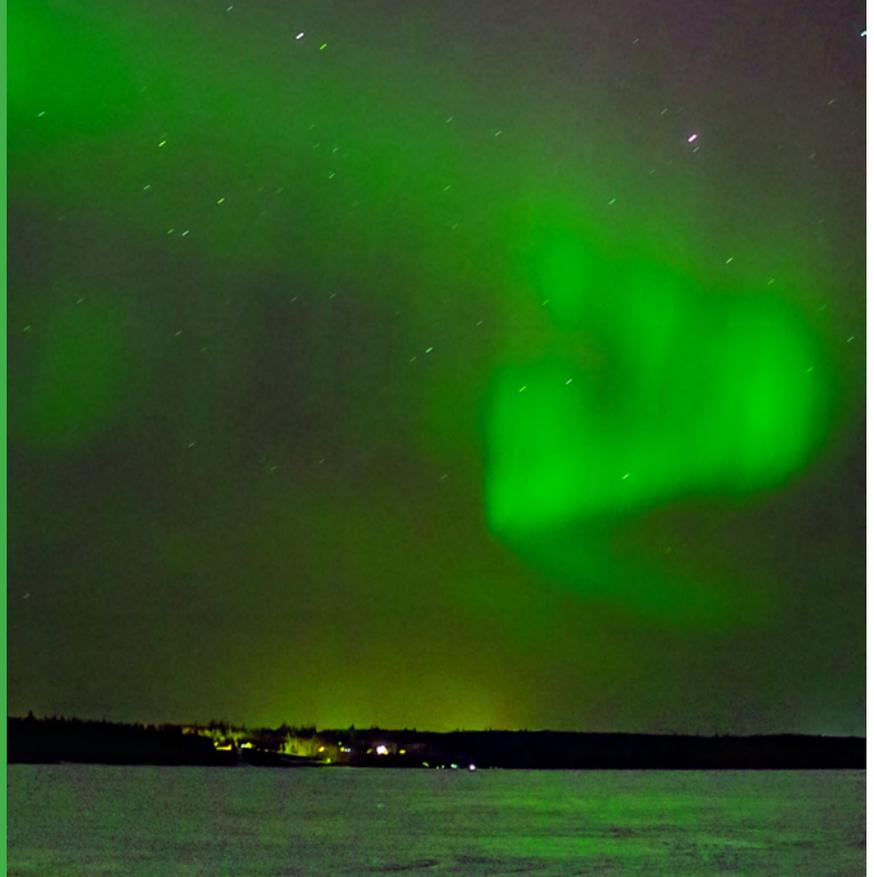


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ELECTION AND APPOINTMENT OF THE BOARD



The Directors shall be elected at the AGM, or in the case of appointed members, their appointment shall be ratified at the AGM. The affairs of the Corporation shall be managed by a Board of Directors of not less than seven (7) and not more than fourteen (14) Directors.

The Board of Directors will include member-at-large representation from the following communities:

- Plamondon area – 1 Director
- Wandering River/Atmore area – 1 Director
- Lac La Biche area – 2 Directors

The following communities shall each have no more than 2 directors. One director may be appointed by the respective elected councils and the other director may be elected as a Member at Large at the AGM:

- Beaver Lake Cree Nation – 2 Directors
- Heart Lake First Nation – 2 Directors
- Buffalo Lake Metis Settlement – 2 Directors
- Kikino Metis Settlement – 2 Directors
- Lac La Biche County – 1 appointed Director
- Lac La Biche Chamber of Commerce – 1 appointed Director

Any of the above director positions which are vacant may be filled by additional directors from the Lac La Biche area.



OUR BOARD

Dave Phillips, Chair

Member At Large, Lac La Biche

Doug Stewart, Vice Chair

Member At Large, Lac La Biche

Rick S kyrpan, Secretary/Treasurer

Member At Large, Lac La Biche

Peter Cardinal, Director

Member At Large, Kikino Métis Settlement

Shirley Michaud, Director

Member at Large, Plamondon

Stacie Dease, Director

Member at Large, Lac La Biche

Lorne Ladouceur

Buffalo Lake Métis Settlement

Charlyn Moore

Lac la Biche County

IRC Committee:

Dave Phillips

Rick S kyrpan

Stacie Dease

OUR MISSION



Mission Statement

To support activities and partnerships which enhance and diversify our communities.

Who we are

While the Lac La Biche Regional Community Development Corporation operating as Community Futures Lac La Biche (CFLLB) was incorporated in 1986, its roots date back to the 1970's when the Regional Economic Development Council was established. We are an independent, local, not-for-profit organization funded primarily by Western Economic Diversification. For more than 30 years, CFLLB has been facilitating and promoting activities that enhance and diversify the economic environment of the rural communities where we live through entrepreneurial development and innovative small business initiatives.

What we do

We are passionate about helping our region. By providing free business advice and coaching to businesses, and through our lending program, we make sure more local people own strong businesses in our region. We also facilitate entrepreneurial training, encourage local collaborations and are involved in local tourism initiatives.

Why we do it

We care,
we want you to succeed,
we are invested in our communities,
and we are committed to a strong and diverse local economy.



MESSAGE FROM THE BOARD CHAIR

2020 -21 has again been a challenging year at CF LLB. The roller coaster ride of last year has continued to affect us at CF, our businesses we serve, our town, our province, our country and the world. With coming Covid restrictions being eased, we can look back on the past 18 months and see the resilience of the business world with many examples of innovation and daily adjustments to survive. That in itself gives me hope. We can only do an over the shoulder, squint eyed look at what normal used to look like and guess what normal will look like in the coming days. Rising oil prices and a sense of optimism in the business community will shape the new normal.

Our staff have found a way to operate through these times with working from home when necessary, the office when required, to wade through the many applications for RRRF funds that they have done. We have exceeded lending targets, operated as normally as possible, reacted to ever changing restrictions, met new challenges and have found a way to look forward to tomorrow. Tomorrow will bring something called “normal”, I believe we are ready for it.

For me personally, I’m looking forward to meetings in person, the banter that will bring. I want to put the fear of the past 18 months behind me and look to the future. I encourage everyone to stay strong, stay healthy and positive as we look toward a better tomorrow.

Original signed

Dave Phillips, Chair

MESSAGE FROM THE GENERAL MANAGER



What a roller coaster! COVID-19 brought Community Futures offices the opportunity to deliver Rural Relief & Recovery Fund (RRRF) support (loans with forgivable portions for those who qualify) across Canada. Locally our office was proud to have disbursed \$1.2MM to local businesses that either didn't qualify or didn't access the Canada Emergency Business Account (CEBA).

Typically, Community Futures offices run with a tight belt; on a fixed income, you might say. However, this year we could access special funds to support community projects – and boy did we ever! Providing this support meant a lot of extra but gratifying work. We created and delivered several initiatives that will have an ongoing payback in our Communities for many years to come. We carefully crafted each of these projects to be sustainable without the need for future grants or funding by relying on a not-for-profit model. The projects were designed to bring in just enough revenue to cover their upkeep. We hope that each project will eventually become its own independent not-for-profit. Nevertheless, these projects on their feet, and in the long run, businesses and individuals in our communities will end up with customized tools that support business at the lowest possible cost.

True to the saying that “rising tides raise all boats,” we continued our policy of collaboration, partnering regionally with Northeastern Community Futures offices and the Conseil de développement économique de l'Alberta (CDEA) on the Alberta iMarket, Agrifood (Alberta Food Marketplace), Power Up North (entrepreneurs conference) initiatives, Northern Community Futures offices on Project Gazelle (women's business supports) and provincially with Power Up Alberta, and the Alberta Hemp Alliance.

On the home front, we elevated our systems software and hardware to be cyber-secure, prepared an on-site business incubator and shared work-space, and leveraged technology to work from home to accommodate Covid-19 protocols.

I couldn't be more proud of our staff, Board and the Community Futures program for what we have been able to achieve and deliver this year!

Original signed

Gene Wesley,
General Manager



MESSAGE FROM THE BUSINESS DEVELOPMENT MANAGER

The 2020-21 fiscal year has been challenging for small and medium-sized business owners and Community Futures Lac La Biche staff. The Government of Canada provided relief to businesses experiencing hardship because of the Covid-19 outbreak. With this Community Futures LLB kept busy providing loans from the Regional Relief & Recovery Fund (RRRF) Program. CFLLB processed Relief funding to 42 small businesses for a total of \$1,258,000 in loans. On the upside, this provided an opportunity for us to keep in closer contact with existing clients and meet new ones.

We continue to invite clients to talk with us, so we have an opportunity to work with them on their new ideas, whether it is to diversify the local economy, grow what is already working, or help in any way we can.

It will be exciting to see businesses come back to life and hopefully see new businesses start up in the area.

Whether it is business plan writing, coaching, financing, or training – we look forward to working with our clients and our community.

Original signed

Debra Hunting,
Business Development Manager

MESSAGE FROM THE BUSINESS ADVISOR AND EXECUTIVE ASSISTANT



It is difficult to talk about this past fiscal year without mentioning the challenge the global pandemic imposed on our local economy and small businesses. One of the biggest challenges brought on by this pandemic this year was not being able to interact face to face with our clients and at times, the rest of the staff. However, the office quickly adapted to the COVID crisis by transitioning everything online and working virtually from home. We were successfully able to offer all our services while keeping both staff and our clients safe. It is truly inspiring to see local entrepreneurs not only diversify to fit the needs of our ever-changing economy but to also overcome the impending hurdles presented to them brought on by the pandemic.

The announcement of Project Gazelle requiring the remodelling of two of our offices brought on the project of tidying all the remaining offices. Excess old furniture that was no longer needed was removed, and existing furniture was re-organized so that the offices could be utilized in a more functional way. After many years, the storage room shelving needed an upgrade as the old ones were starting to fall apart. With the help of our summer student, new steel shelving was installed. We now have a fully equipped office that is fully capable of accommodating clients who may not have access to a computer or just require a space to drop into.

Another great accomplishment throughout the past years would have to be streamlining the bookkeeping in the office. Monthly statements are balanced to the bank and are now audit-worthy within just a few short days of month-end. It is a good feeling to know that a report can be pulled at any point in time and be accurate. We continue to look for different ways to make processes in the office more effective.

I continue to look forward with optimism that things will return to “normal” and be able to assist the diverse needs of Community Futures clients with a fantastic team beside me!

Original signed

Krissa Kirechuk,
Business Advisor & Executive Assistant

Mainstreet Lac La Biche

is your local source for businesses, events,
government services, community groups
and much more!

[Explore Now](#)

Category ▾

Lac La Biche, Alt 📍

Radius: 50 km

[Explore Mainstreet Lac La Biche ...](#)

Project:

MAINSTREET LAC LA BICHE

The MainStreet Lac La Biche initiative is a comprehensive website that will be complimented by soon-to-be-launched mobile phone Apps that will serve customer and business needs, while also attracting those outside our community to visit and shop at our businesses.

Although previous iterations of a Lac La Biche Business directory were well received by the business community and the public alike, there was so much more that could be accomplished, and this year, Community Futures Lac La Biche created and launched a new, enhanced initiative. The MainStreet Lac La Biche project already hosts more than 240 businesses and not-for-profit support services and provides other resources such as News, Deals, Events and Publications.

MainStreet Lac La Biche aims at addressing the absence of digital support and services for local businesses by providing a website and social media platform that makes participating on the site easy and straightforward and either free or at a very low (not for profit) costing to ensure future sustainability.

Everything on Mainstreet can be shared simultaneously via multiple social media channels and accounts and in this respect all businesses, events, news, deals and publications engage the public, invite sharing and drive even more traffic and attention to the community and it's offerings.

News items appear as individual posts weekly or more often, are archived for future browsing and reading, and a monthly "Pelican News" publication is produced and distributed electronically and physically. Businesses and support services can easily self-post and advertise events in an online public community events calendar, serving residents and tourists alike. Directory listings can link to external online shopping platforms that can be used to facilitate direct sales, and digital publications such as flyers, deals and property listings can easily be shared and viewed in an attractive magazine turn-the-page style.

If you haven't visited the website yet, check it out!

MainStreet Lac La Biche can be found online at www.mainstreetlaclabiche.com.

"Opportunities don't happen. You create them."
Chris Grosser

Project:

Alberta iMarket (AiM)



The Alberta iMarket (AiM) is a community-driven, shop local, self-sustainable initiative developed and supported by a collaboration of the four Community Futures offices in Northeast Alberta plus the Francophone Economic Development Council of Alberta (CDEA).

AiM is a non-profit concept that originated from a desire to promote regional and rural products and services to local and larger markets. The project provides a very affordable “shop local” e-commerce platform connecting rural Alberta businesses with customers through digital resources that enable them to market and sell their products or services.

While there are many options for online business promotion, our team wanted to create a comprehensive e-commercial platform where all forms of products and services could be easily presented and sold. Through the AiM platform, vendors selling virtually anything can make their products readily available to consumers across Alberta. In particular, AiM allows rural businesses to effectively and efficiently reach consumers in denser populated areas. To date, AiM has attracted 100+ vendors and lists nearly 3,000 products.

Visit the Alberta iMarket at www.albertaimarket.com



Success Story: BACK TO NATURE RV PARK

When a workplace injury required Clinton Lizee to reconsider his career, he and his wife Victoria purchased 160 acres of pristine nature near Wandering River to begin an RV park/campsite. While this may sound relatively straightforward, the path to get there wasn't as direct.

After the couple was initially turned down for financing from other sources, Community Futures Lac La Biche provided the necessary support, consultation, and advice to get the Back to Nature RV Park up and running. Clinton says, "Community Futures provided the opportunity to purchase the property and equipment to get things going. They were very easy to communicate with and responsive to inquiries and our needs".

Since purchasing the land in 2020, the Lizee's have developed 22 sites for the RV enthusiasts, complete with water, electricity and a sewage dump station. Each site is rented on an annual basis for \$3000 if the site has both electrical and water, and \$2300 for just water. Like many RV-associated businesses during the past year and the pandemic, Back to Nature has been busy. Currently, 18 of the 22 sites are rented. Clinton is quick to point out that Back to Nature RV Park has distinguished itself from others in the region with a dedication to customer service and security facilitated by the fact that he lives at the park. "I've worked all of my life outdoors. Being able to do what I do is as much of a hobby and passion for me as it is a business."

Campers can take a bridge across a creek from 40 acres of groomed campground to 120 acres of trails, wilderness, and wildlife. Many fish in the creek, while others are content just to enjoy the beauty of nature, including Wally, the resident moose who has developed an affection for the RV camp as well.

Finding the RV Camp for a tour or stay is as easy as phoning Clinton at 780-531-0512. He'll guide you through a few simple directions from the Wandering River Store or even meet you at the store to guide you there in person.

"If you really want to do something, you'll find a way. If you don't, you'll find an excuse."
-Jim Rohn

Success Story:
**SALVUS
TRUCKS**



Arseny Kuznetsov, the owner of Salvus Trucks, has worked in the trucking field since 2013, hauling diverse trailer combinations and cargo. With the experience he gained during this time, he knew it was time for the next step – starting his own company.

Finding a Lender that would fund “the new guy on the block” proved to be a bit of a challenge. Finally, a friend referred him to the Community Future’s Loan Program, and after some research, he made the call and scheduled an appointment that same week.

“The Community Futures team helped me step into my role and responsibilities as a new business owner. CFLLB provided me and my business with a step-up by lending me the capital required to obtain a 2015 Western Star 4900 with a Tridem hayrack trailer. While it took some time to select the right equipment, my loan officer was very patient and helpful throughout the whole process.”

Arseny’s advice to anyone purchasing pre-owned equipment, specifically a tractor, is to buy the dealer-recommended drive-train warranty. He says, “Paying \$600 for insurance is better than \$11,000 for a tranny down the road. I am speaking from experience.”

Salvus Trucks is now part of a backbone industry, and Arseny is glad to be part of it. “CFLLB helped me achieve step one of my vision and allows me to look towards future growth, thanks to Gene Debra and Krissa.”



Success Story:

ALL ABOUT PLAY, FAMILY CENTRE

Shauna Hannin has been involved in taking care of children for years, whether it's others' little ones or her very own. At one point, she saw a void in Lac La Biche for government-subsidized after-school childcare and began the process of putting together a plan to open one in Lac La Biche. The process was not easy; finding a suitable location, financing, getting the permits, passing the inspections – and all of this while working a full-time job.

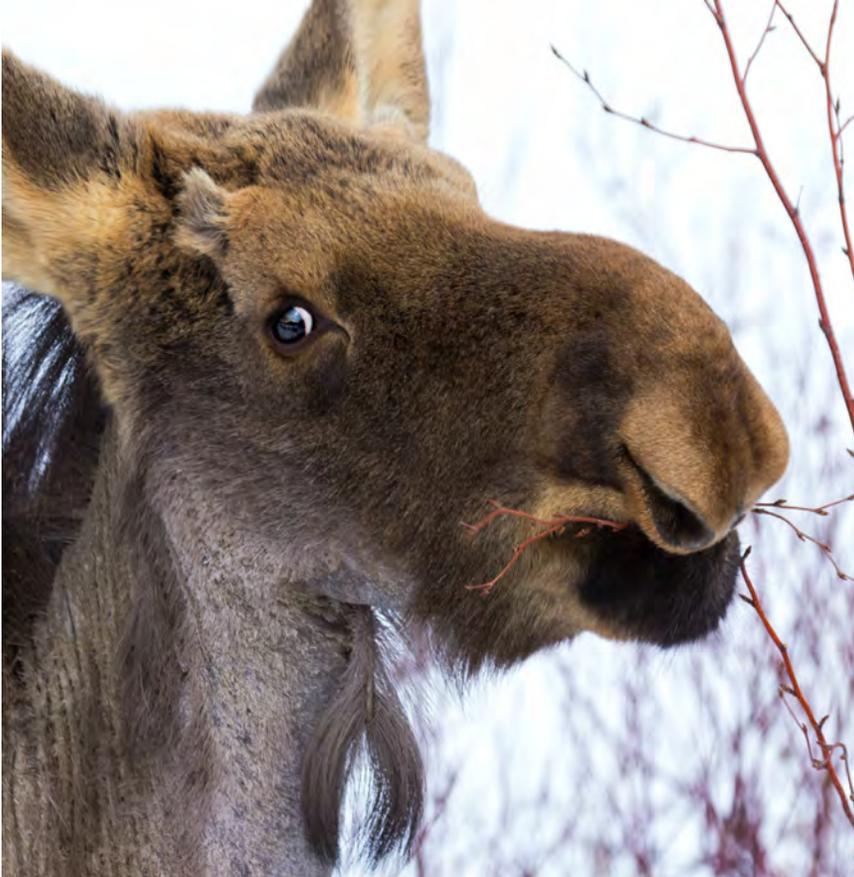
Shauna accessed the Canada Small Business Financing (CSBF) program and a local bank to finance the building, but she needed a bit more. A friend referred her to Community Futures for some help and we provided the financing needed for payroll and the facility upgrades that were necessary to make sure the facility was up to code. The All About Play Family Center was opened on October 1, 2016.

Shauna's connection with Community Futures was a positive experience. "It was just great to work with people who are helpful and supportive of new entrepreneurs."

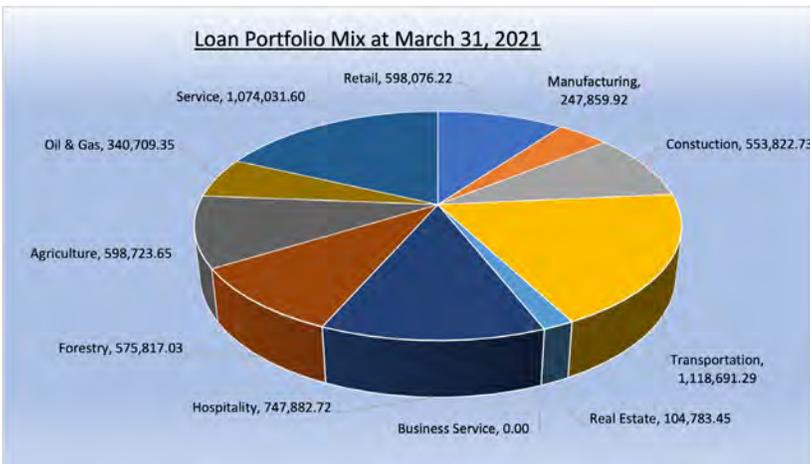
Almost 5 years later, Shauna Hannin continues to excel with careful business planning and sound management decisions. All About Play was able to weather the severe impacts of the Covid-19 pandemic with help from RRRF support funds, and she is now approved for lending to expand to a neighbouring community. Again, she has done her homework and all expectations are that she will replicate her success there.

Says Shauna, "What I'd say to anyone looking to start a new business is to just go for it; there are a lot of 'what if' scenarios, but there is also a great deal of support."





LOAN PORTFOLIO QUICK FACTS



Community Futures Lac La Biche by the Numbers

| Since January 1, 1986 | |
|--|------------------------|
| 974 | Loans |
| \$57.6 Million | Total Amount Dispersed |
| 1800 | People Advised |
| Since January 1, 2017, and the economic downturn | |
| \$10.5 Million | Total Amount Dispersed |



“I cannot give you the formula for success, but I can give you the formula for failure- Try to please everybody.”
 -Herbert Bayard Swope

2020-2021 PERFORMANCE INDICATORS



| Community Futures Performance Results | 2020-21 |
|--|--------------------|
| <i>Strong rural community strategic planning and implementation</i> | |
| 1. Total number of community-based projects (new & on-going) | 67 |
| 2. Total number of local and regionally based community strategic plans developed and/or updated | 25 |
| <i>Rural access to business development services</i> | |
| 3. Total number of business training session participants | 378 |
| 4. Total number of business advisory services | 323 |
| <i>Rural access to capital and leveraged capital</i> | |
| 5. Dollar value of loans | \$2,128,046 |
| 6. Total number of loans | 50 |
| 7. Number of jobs created/maintained/expanded through lending ¹ | 51 |
| Provide additional Information (e.g. Success stories, Links to priorities, leveraging work, communication events, etc...) | |
| <p>In 2020/21 we continued to help businesses and diversify the economy:</p> <p>41 RRRF COVID-19 Relief Loans totalling \$1,223,200 were provided to local businesses 33 businesses were created/maintained/expanded through lending 51 Jobs were created/maintained through lending 50 loans totalling \$2.1M helped new and existing businesses in our region 1 loan was to youth, 4 to indigenous and 5 to support women entrepreneurs 12 Indigenous, 16 youth, 27 women and 10 persons with disabilities were served</p> <p>Since 1986 Community Futures Lac La Biche has disbursed 974 loans totalling \$56.7 MM and; Since 2017 we have disbursed 190 loans totalling \$10.5 MM in support</p> <p>This year some of our projects included the Alberta iMarket www.albertaimarket.com, the Alberta Food Marketplace www.albertafoodmarketplace.com Mainstreet Lac La Biche www.mainstreetlaclabiche.com, and Power Up Alberta www.powerupalberta.com. We also created a physical incubator and shared workspace to enhance women's supports through Project Gazelle www.projectgazelle.ca/</p> | |

¹ Estimated at the time of lending

“Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful.”
 -Albert Schweitzer

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INDEPENDENT AUDITOR'S REPORT

WALTER H. RYL*
CHARTERED PROFESSIONAL ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Lac La Biche Regional Community
Development Corporation

Opinion

I have audited the financial statements of Lac La Biche Regional Community Development Corporation which comprise the statement of financial position at March 31, 2021 and the statements of income 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 and other explanatory information.

In my opinion, the accompanying financial statements present fairly, all all material respects, the financial position of the Organization as at March 31, 2021 and the results of its income and expenditures, change in fund balances and the cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 organization and for such internal control as management determines 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 appropriate, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Organization or to cease operations, or has no realistic alternative by to do so.

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

*Denotes Professional Corporation

INDEPENDENT AUDITOR'S REPORT

WALTER H. RYL*
CHARTERED PROFESSIONAL ACCOUNTANT

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Auditor's Responsibility for the Audit of the Financial Statements

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and access 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 my 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 on 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the over 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 I identified during my audit.

Lac La Biche, Alberta
June 23, 2021



CHARTERED PROFESSIONAL ACCOUNTANT

*Denotes Professional Corporation

BALANCE SHEET AS AT MARCH 31, 2021

ASSETS

| | GENERAL FUNDS | LOAN INVESTMENT FUNDS FUNDS | REPAYABLE | TOTAL 2021 | TOTAL 2020 |
|---|-------------------|--------------------------------|--------------------|--------------------|--------------------|
| CASH AND TERM DEPOSITS | \$ 195,250 | \$1,099,477 | \$ 40,886 | \$1,335,613 | \$1,574,303 |
| INVESTMENTS (Note 2) | 1,380 | - | - | 1,380 | 1,380 |
| ACCOUNTS RECEIVABLE | 3,883 | 314 | - | 4,197 | 6,396 |
| INVESTMENT LOANS RECEIVABLE (Note 4) | - | 4,286,665 | 1,318,627 | 5,605,292 | 4,793,166 |
| COMMUNITY FUTURE NETWORK FUND (Note 10) | - | 2,009,472 | - | 2,009,472 | 1,334,105 |
| DUE FROM (TO) INVESTMENT FUNDS | - | (563,715) | 563,715 | - | - |
| PROPERTY, EQUIPMENT (Notes 2, 3) | <u>174,594</u> | <u>-</u> | <u>-</u> | <u>174,594</u> | <u>191,336</u> |
| | <u>\$ 375,107</u> | <u>\$6,832,213</u> | <u>\$1,923,228</u> | <u>\$9,130,548</u> | <u>\$7,900,686</u> |

LIABILITIES

| | | | | | |
|--|---------------|------------|------------------|------------------|----------------|
| ACCOUNTS PAYABLE AND ACCRUED LIABILITIES | \$ 13,647 | \$ 265 | \$ - | \$ 13,912 | \$ 23,114 |
| OTHER PAYABLES (Note 6) | - | - | 1,263,990 | 1,263,990 | - |
| DEFERRED REVENUES (Note 11) | 27,021 | - | - | 27,021 | 62,683 |
| ADVANCES FROM WESTERN ECONOMIC DIVERSIFICATION (Note 5) | <u>-</u> | <u>-</u> | <u>494,919</u> | <u>494,919</u> | <u>489,357</u> |
| | <u>40,668</u> | <u>265</u> | <u>1,758,909</u> | <u>1,799,842</u> | <u>575,154</u> |

FUND BALANCES

| | | | | | |
|---------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| INVESTMENT IN LONG LIVED ASSETS | 174,594 | - | - | 174,594 | 191,336 |
| RESTRICTED FUNDS | - | 6,831,948 | 164,319 | 6,996,267 | 6,988,505 |
| UNRESTRICTED FUNDS | <u>159,845</u> | <u>-</u> | <u>-</u> | <u>159,845</u> | <u>145,691</u> |
| | <u>334,439</u> | <u>6,831,948</u> | <u>164,319</u> | <u>7,330,706</u> | <u>7,325,532</u> |
| | <u>\$ 375,107</u> | <u>\$6,832,213</u> | <u>\$1,923,228</u> | <u>\$9,130,548</u> | <u>\$7,900,686</u> |

APPROVED BY THE BOARD:

Director

Director

INCOME AND EXPENDITURES FOR THE YEAR ENDED MARCH 31, 2021

| | <u>GENERAL</u> | <u>LOAN FUNDS</u> | <u>TOTAL 2021</u> | <u>TOTAL 2020</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| REVENUE | | | | |
| Western Economic Diversification grant | \$ 294,963 | \$ - | \$ 294,963 | \$ 294,963 |
| Transfer from loan investment funds | 79,369 | (79,369) | - | - |
| Loan interest | - | 306,690 | 306,690 | 328,861 |
| Investment income | 1,928 | 53,011 | 54,939 | 71,618 |
| Other income (Note 7) | 160,010 | - | 160,010 | 108,749 |
| | <u>536,270</u> | <u>280,332</u> | <u>816,602</u> | <u>804,191</u> |
| EXPENDITURES | | | | |
| Salaries and employee benefits | 259,271 | - | 259,271 | 266,135 |
| Professional expenses | | | | |
| Accounting, audit, legal fees | 5,950 | - | 5,950 | 6,450 |
| Training and education | 713 | - | 713 | 2,849 |
| Legal, credit bureau | 3,624 | 3,183 | 3,624 | 20,973 |
| Administration | | | | |
| Project expenditures (Note 12) | 145,925 | - | 145,925 | 92,091 |
| Contract services | 30,000 | - | 30,000 | - |
| Building occupancy costs (Note 9) | 24,664 | - | 24,664 | 25,984 |
| Computer hardware and software costs | 14,632 | - | 14,632 | - |
| Cyber security costs | 11,221 | - | 11,221 | - |
| Telephone and communications | 6,738 | - | 6,738 | 6,009 |
| Office | 4,669 | - | 4,669 | 24,308 |
| Advertising and promotion | 3,906 | - | 3,906 | 5,628 |
| GST expense - non rebate portion (Note 2) | 3,857 | - | 3,857 | 3,978 |
| Travel | 1,385 | - | 1,385 | 5,892 |
| Insurance | 1,133 | - | 1,133 | 1,133 |
| Board expenses | 898 | - | 898 | 5,129 |
| Marketing and visibility | 846 | - | 846 | 850 |
| Bank charges and interest | 728 | - | 728 | 749 |
| Memberships, licenses, dues, subscriptions | 528 | - | 528 | 1,045 |
| Postage, delivery | 252 | - | 252 | 545 |
| Equipment rental | - | - | - | 270 |
| Loan receivable recoveries | - | (9,413) | (9,413) | (700) |
| Bad debts | - | 278,800 | 278,800 | 216,999 |
| | <u>520,940</u> | <u>272,570</u> | <u>795,327</u> | <u>686,317</u> |
| NET INCOME FROM OPERATIONS | 15,330 | 7,762 | 23,092 | 117,874 |
| AMORTIZATION (Note 2) | <u>(17,918)</u> | - | <u>(17,918)</u> | <u>(17,814)</u> |
| NET INCOME (LOSS) | <u>\$ (2,588)</u> | <u>7,762</u> | <u>\$ 5,174</u> | <u>\$ 100,060</u> |

CHANGES IN FUND BALANCES OPERATING FOR THE YEAR ENDED MARCH 31, 2021

| | INVESTED IN LONG LIVED | | TOTAL | TOTAL |
|-------------------------------|------------------------------|---------------------|-------------------|-------------------|
| | <u>ASSETS</u> | <u>UNRESTRICTED</u> | <u>2021</u> | <u>2020</u> |
| BALANCE, OPENING | \$ 191,336 | \$ 145,691 | \$ 337,027 | \$ 337,850 |
| NET INCOME | - | (2,588) | (2,588) | (823) |
| AMORTIZATION EXP. | (17,918) | 17,918 | - | - |
| PURCHASE OF CAPITAL ASSETS | <u>1,176</u> | <u>(1,176)</u> | <u>-</u> | <u>-</u> |
| BALANCE CLOSING | <u>\$ 174,594</u> | <u>\$ 159,845</u> | <u>\$ 334,439</u> | <u>\$ 337,027</u> |

CHANGES IN FUND BALANCES INVESTMENT FOR THE YEAR ENDED MARCH 31, 2021

| | LOAN INVESTMENT FUNDS | | TOTAL | TOTAL |
|--|-----------------------|-------------------|---------------------|---------------------|
| | FUNDS | REPAYABLE | 2021 | 2020 |
| REVENUE | | | | |
| Loan interest | \$ 301,128 | \$ 11,124 | \$ 312,252 | \$ 337,903 |
| Investment income | <u>53,011</u> | <u>-</u> | <u>53,011</u> | <u>67,415</u> |
| | <u>354,139</u> | <u>11,124</u> | <u>395,263</u> | <u>405,318</u> |
| EXPENSES | | | | |
| Legal costs | 3,183 | - | 3,183 | - |
| Transfers to general fund operations | 79,369 | - | 79,369 | 79,369 |
| Loan receivable recovery costs | (9,413) | - | (9,413) | (700) |
| To investment repayable fund | - | 5,562 | 5,562 | 9,042 |
| Provision for investment losses (Note 6) | <u>278,800</u> | <u>-</u> | <u>278,800</u> | <u>216,724</u> |
| | <u>351,939</u> | <u>5,562</u> | <u>357,501</u> | <u>304,435</u> |
| NET INCOME | 2,200 | 5,562 | 7,762 | 100,883 |
| FUND BALANCES, Beginning of year | <u>6,829,748</u> | <u>158,757</u> | <u>6,988,505</u> | <u>6,887,622</u> |
| FUND BALANCES, End of year | <u>\$ 6,831,948</u> | <u>\$ 164,319</u> | <u>\$ 6,996,267</u> | <u>\$ 6,988,505</u> |

CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

| | GENERAL <u>FUNDS</u> | LOAN INVESTMENT <u>FUNDS</u> | TOTAL <u>2021</u> | TOTAL <u>2020</u> |
|---------------------------------------|-------------------------|---------------------------------|----------------------|----------------------|
| CASH PROVIDED BY (USES) FOR: | | | | |
| OPERATING | | | | |
| Western Economic Diversification | \$ 294,963 | \$ - | \$ 294,963 | \$ 294,963 |
| Other income and grants | 126,207 | 9,413 | 135,620 | 56,514 |
| Investment loan advances | - | (2,515,792) | (2,515,792) | (2,546,191) |
| Investment loan repayments | - | 1,389,957 | 1,389,957 | 2,519,807 |
| Rural relief recovery funds advanced | - | 1,281,000 | 1,281,000 | - |
| Rural relief recovery funds repaid | - | (17,010) | (17,010) | - |
| Interest income from investment loans | 1,928 | 400,172 | 402,100 | 384,107 |
| Salaries and benefits | (259,271) | - | (259,271) | (266,135) |
| Materials and services | (271,136) | (2,578) | (273,714) | (212,520) |
| | <u>(107,309)</u> | <u>545,162</u> | <u>437,853</u> | <u>230,545</u> |
| INVESTING | | | | |
| CFLIP investment advance | - | (675,367) | (675,367) | (726,539) |
| Purchase of capital assets | (1,176) | - | (1,176) | (4,401) |
| | <u>(1,176)</u> | <u>(675,367)</u> | <u>(676,543)</u> | <u>(730,940)</u> |
| FINANCING | | | | |
| Interfund transfers | 79,369 | (79,369) | - | - |
| NET INCREASE (DECREASE) IN CASH | (29,116) | (209,574) | (238,690) | (500,395) |
| CASH, Beginning of year | <u>224,366</u> | <u>1,349,937</u> | <u>1,574,303</u> | <u>2,074,698</u> |
| CASH, End of year | <u>\$ 195,250</u> | <u>\$ 1,140,363</u> | <u>\$ 1,335,613</u> | <u>\$ 1,574,303</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. NATURE OF OPERATIONS

The corporation is a non-profit organization which may receive funding, on a contractual basis, from all levels of Government, to implement the region's community economic development and strategic planning initiatives. As a non-profit organization, the corporation is exempt from income taxes under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations.

The corporation follows the restricted method of accounting for contributions.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

B. 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period.

Accounts receivable and loans receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful life of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

C. PROPERTY, EQUIPMENT

Property and equipment is recorded at cost. Amortization is provided on the straight-line method over the estimated useful lives of the assets as follows:

| | |
|-------------------------|-----------|
| Furniture and equipment | - 20% |
| Computer software | - 33 1/3% |
| Building/Improvements | - 4% |

In the year of acquisition, amortization is provided for at one half of the normal rates. When capital assets are disposed, the cost of the asset and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in operations. No amortization is recorded in the year of disposition.

D. GOODS AND SERVICE TAX

The corporation accounts for goods and services tax on an exclusive basis. Under this method all expenditures are stated exclusive of goods and services tax. G.S.T. expense is shown net of G.S.T. rebates received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

E. INVESTMENTS

The Corporation owns 270.01 shares of Sunlife Financial, as a result of demutualization. These marketable securities have been recorded at a nominal value of \$1 per share. Present market value of these shares is approximately \$16,978.

F. REVENUE RECOGNITION

Revenue from investment loan receivable are recognized on an accrual basis. No interest is accrued on loans when collection is considered doubtful.

Operating fund revenues are recognized as earned based on the terms of the funding agreements. Deferred revenues consist of funds received under such agreements for which related expenses have not been incurred. They will be recognized as revenue in the year in which the related expenses are incurred.

All other revenues with respect to services and rental incomes are recognized when such services are performed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3. PROPERTY AND EQUIPMENT

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2021</u> | <u>Net 2020</u> |
|-----------------------|-------------------|-------------------------------------|---------------------|---------------------|
| Land | \$ 115,920 | \$ - | \$ 115,920 | \$ 115,920 |
| Building | 367,469 | 323,990 | 43,479 | 58,178 |
| Furniture & equip. | 43,842 | 35,968 | 7,874 | 8,520 |
| Computer software | 7,600 | 7,044 | 556 | 834 |
| Leasehold improvement | <u>31,168</u> | <u>24,403</u> | <u>6,765</u> | <u>7,884</u> |
| | <u>\$ 565,999</u> | <u>\$ 391,405</u> | <u>\$ 174,594</u> | <u>\$ 191,336</u> |

4. INVESTMENT LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSS

The corporation has a portfolio of 107 loans, bearing interest rates from 0.0 to 7.5%. The loans are secured by general security agreements, personal guarantees and land mortgages. The loans are due at various dates through 2025.

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:

| | <u>TOTAL LOANS</u> | <u>ACCRUED INTEREST</u> | <u>PROVISION FOR CREDIT LOSSES</u> | <u>NET LOANS</u> |
|------------------------|------------------------|-----------------------------|--|----------------------|
| Loan Investment Funds: | | | | |
| Non-repayable | \$ 4,614,437 | \$ 27,228 | \$ (355,000) | \$ 4,286,665 |
| Repayable | <u>1,318,344</u> | <u>283</u> | <u>-</u> | <u>1,318,627</u> |
| | <u>\$ 5,932,781</u> | <u>\$ 27,511</u> | <u>\$ (355,000)</u> | <u>\$ 5,605,292</u> |

Actual writeoffs, net of recoveries, have been provided for in the statement of income and changes in fund balances. The provision for credit losses is sufficient to keep the balance in the allowance for credit losses adequate to absorb additional credit related losses.

Management regularly reviews the status of these loans, including identifying payments in arrears, available security, financial results of the loan recipients, current economic trends and other relevant information to make a judgment in evaluating the adequacy of the provision for credit losses.

A total of 42 loans for \$1,258,000 were advanced under the Rural Relief Recovery Fund. These loans range from \$13,000 to \$40,000. The loans are interest free and up to \$10,000 will be forgiven if the loans are repaid in full by December 31, 2022. To date, \$34,800 has been repaid with respect to these loans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

5. REPAYABLE INVESTMENT FUNDS

Repayable investment funds consist of contributions of \$200,000 to implement the Youth Investment Fund program; and \$200,000 to implement a Disabled Entrepreneurs Investment Fund, both funds sponsored by Western Economic Diversification - Canada. The terms and conditions of these funds have been amended by the Department of Western Economic Development, such that these funds are repayable if any of the following conditions occur:

i) The Conditionally Repayable Investments Funds are not administered to the terms and conditions specified in the agreement; or

ii) Based on reviews and evaluations of the operations and the Repayable Investment Funds, the repayable investment funds are 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

iii) In the opinion of Minister, the repayable investment funds are no longer necessary or relevant to the development of the Western Canadian economy; or

iv) The Agreement is terminated as described in Section 12; or

v) An event of default occurs as described in Section 7 of the Agreement; or

Repayable balances are calculated as follows:

| | <u>YOUTH</u> | <u>DISABILITY</u> | <u>TOTAL</u> |
|-------------------------|-------------------|-------------------|-------------------|
| Fund advances | \$ 200,000 | \$ 200,000 | \$ 400,000 |
| Bad debt written off | (31,692) | (10,446) | (42,138) |
| 50% of interest | 94,009 | 37,486 | 131,495 |
| Balance, March 31, 2020 | 262,317 | 227,040 | 489,357 |
| Current year interest | 5,383 | 179 | 5,562 |
| Balance, March 31, 2021 | <u>\$ 267,700</u> | <u>\$ 227,219</u> | <u>\$ 494,919</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

6. OTHER PAYABLES

An amount of \$1,281,000 was advanced to the corporation to administer the Rural Relief Recovery Fund with respect to providing interest free loans to businesses needing assistance due to the Covid-19 pandemic. Under this program, the corporation advanced loans of up to \$40,000 to qualifying businesses. These loans are interest free and have no fixed terms of repayment to December 31, 2022. The business are eligible for a forgivable balance of up to \$10,000 if the loans are repaid by December 31, 2022. The corporation repays its obligation with respect to this program as funds are repaid. As of December 31, 2022 any unpaid loans will be converted to interest bearing loans repayable over five years. The corporation is not responsible for any unpaid loans.

7. OTHER INCOME

| Other income is comprised of: | <u>2021</u> | <u>2020</u> |
|------------------------------------|-------------------|-------------------|
| Project funding | \$ 126,969 | \$ 65,377 |
| Rent | 18,839 | 10,155 |
| Loan application fees, commissions | 11,610 | 22,084 |
| Workforce Initiative admin. fees | 1,442 | 2,215 |
| Other grants | - | 8,353 |
| Miscellaneous, recoveries | 1,150 | 565 |
| | <u>\$ 160,010</u> | <u>\$ 108,749</u> |

Project funding for the year is as follows:

| | |
|-------------------------------------|-------------------|
| Rural Relief Recovery Funds | \$ 87,250 |
| Alberta Energy | 25,050 |
| Northeastern Alberta Food Marketers | 9,669 |
| Project Gazelle | 5,000 |
| | <u>\$ 126,969</u> |

8. ECONOMIC DEPENDENCE

In the fiscal year ended March 31, 2021, the Corporation received 55% of its general operating revenues from Western Economic Diversification, and accordingly is economically dependent upon this department.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2021

9. BUILDING OCCUPANCY COSTS

| | <u>2021</u> | <u>2020</u> |
|-------------------------|------------------|------------------|
| Repairs and maintenance | \$ 5,846 | \$ 7,877 |
| Property taxes | 8,038 | 7,927 |
| Utilities | 6,310 | 6,228 |
| Insurance | 4,470 | 3,952 |
| | <u>\$ 24,664</u> | <u>\$ 25,984</u> |

10. COMMUNITY FUTURES NETWORK OF ALBERTA FUND

The Corporation has an investment with the Community Futures Network of Alberta. As at March 31, 2021, the cost of this investment was \$2,009,472 with a market value of \$2,039,976. The corporation must provide at least 15 days notice to withdraw any of these funds.

11. DEFERRED REVENUE

| Deferred revenue is comprised of: | <u>2021</u> | <u>2020</u> |
|---|------------------|------------------|
| WD grants | \$ - | \$ 24,580 |
| Power Up North grant | 690 | - |
| Northeastern Alberta Food Marketers Association | 26,331 | - |
| Alberta Energy Efficiency | - | 25,050 |
| Northeastern Alberta Agri-food Network | - | 13,053 |
| | <u>\$ 27,021</u> | <u>\$ 62,683</u> |

12. PROJECT EXPENDITURES

Project expenditures for the year were as follows:

| | |
|-------------------------------------|-------------------|
| Rural Relief Recovery funds | \$ 98,152 |
| Alberta Energy | 24,365 |
| Northeastern Alberta Food Marketers | 9,669 |
| Project Gazelle | 4,866 |
| Rural business support network | 4,259 |
| Industrial Hemp Alliance | 3,491 |
| Other | 1,123 |
| | <u>\$ 145,925</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

13. FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and liabilities at cost adjusted by the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed on by the related parties.

The organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset, a write-down is recognized in operations.





Community
Futures 
Lac La Biche