

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Community Futures St. Paul - Smoky Lake Region

### *Opinion*

We have audited the financial statements of Community Futures St. Paul - Smoky Lake Region (the Organization), which comprise the statement of financial position as at March 31, 2020, 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, 2020, 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)



P.O. Box 6927  
5508 Jubilee Avenue  
Drayton Valley, AB  
Canada T7A 1S3

Phone: (780) 542-4468  
Fax: (780) 542-5275  
Toll Free: (888) 542-4468  
Email: office@crsllp.ca

Independent Auditor's Report to the Members of Community Futures St. Paul - Smoky Lake Region *(continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Carlson Roberts Seely LLP.*

Drayton Valley, Alberta  
June 17, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

COMMUNITY FUTURES ST. PAUL - SMOKY LAKE REGION

Statement of Financial Position

March 31, 2020

	General Fund 2020	Restricted Non- repayable 2020	Restricted Repayable 2020	Restricted Disabled 2020	Total 2020	Total 2019
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash (Note 4)	\$ 116,547	\$ 292,399	\$ 104,473	\$ 281,806	\$ 795,225	\$ 886,317
GIC's bearing interest at 2.26% per annum (Note 4)	35,500	-	-	-	35,500	-
GST and accounts receivable	2,117	-	-	-	2,117	2,225
Prepaid expenses	4,683	-	-	-	4,683	4,683
Interfund payable receivable (Note 3)	31,846	184,235	-	-	216,081	239,857
Current portion of investment loans receivable (Note 6)	-	177,948	282,059	21,452	481,459	370,773
	190,693	654,582	386,532	303,258	1,535,065	1,503,855
<b>PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 5)</b>	2,639	-	-	-	2,639	228
<b>LOANS AND NOTES RECEIVABLE (Note 6)</b>	-	1,012,236	1,010,541	62,806	2,085,583	2,163,583
	\$ 193,332	\$ 1,666,818	\$ 1,397,073	\$ 366,064	\$ 3,623,287	\$ 3,667,666

See notes to financial statements

**COMMUNITY FUTURES ST. PAUL - SMOKY LAKE REGION**  
**Statement of Financial Position**  
**March 31, 2020**

	General Fund 2020	Restricted Non- repayable 2020	Restricted Repayable 2020	Restricted Disabled 2020	Total 2020	Total 2019
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 13,763	-	-	-	\$ 13,763	\$ 13,761
Deferred revenue (Note 7)	32,231	-	-	-	32,231	34,580
Interfund payable (Note 3)	-	-	158,320	57,761	216,081	239,857
Current portion of long term debt (Note 9)	-	-	9,577	-	9,577	8,557
Callable debt due in one year (Note 8)	-	-	325,000	-	325,000	375,000
	45,994	-	492,897	57,761	596,652	671,755
<b>LONG TERM DEBT (Note 9)</b>	-	-	89,653	-	89,653	99,611
	45,994	-	582,550	57,761	686,305	771,366
<b>NET ASSETS (Notes 11, 12)</b>	147,338	1,666,818	814,523	308,303	2,936,982	2,896,300
	\$ 193,332	\$ 1,666,818	\$ 1,397,073	\$ 366,064	\$ 3,623,287	\$ 3,667,666

**ON BEHALF OF THE BOARD**  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

**COMMUNITY FUTURES ST. PAUL - SMOKY LAKE REGION**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2020**

	Total 2020	Total 2019
<b>REVENUES</b>		
Federal contracts	\$ 294,963	\$ 294,963
Investment interest	181,443	175,809
Projects and other	22,300	8,424
Loan fees and cost recoveries	7,670	4,320
Bank interest	3,513	5,376
Community Futures (RCED)	3,049	9,336
	<u>512,938</u>	<u>498,228</u>
<b>EXPENSES</b>		
Salaries and wages	225,929	216,382
Provision for loan loss	66,535	99,978
Portfolio recovery expense	50,000	21
Professional fees	10,359	9,474
Rent	31,169	30,922
Interest on CFNA loan	14,556	16,213
Office	14,319	14,069
Projects	10,266	6,437
Staff exercises	9,717	7,827
Advertising and promotion	8,613	10,324
Telephone, utilities, and internet	8,223	8,830
Interest on long term debt	7,023	7,567
Board member expenses	4,605	6,733
Bank charges and interest	2,632	2,256
Insurance	2,515	2,392
Non-recoverable GST	2,117	2,225
Professional development	1,984	5,739
Video conferencing	1,080	1,097
Amortization	614	456
	<u>472,256</u>	<u>448,942</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 40,682</u>	<u>\$ 49,286</u>

**COMMUNITY FUTURES ST. PAUL - SMOKY LAKE REGION**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2020**

	General Fund 2020	Restricted Non- repayable 2020	Restricted Repayable 2020	Restricted Disabled 2020	Total 2020	Total 2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 144,943	\$ 1,597,118	\$ 856,362	\$ 297,877	\$ 2,896,300	\$ 2,847,014
Excess of revenues over expenses	(5,353)	77,448	(41,839)	10,426	40,682	49,286
Interest transfer	7,748	(7,748)	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 147,338	\$ 1,666,818	\$ 814,523	\$ 308,303	\$ 2,936,982	\$ 2,896,300

**Breakdown of Net Assets  
Year Ended March 31, 2020**

	General Fund 2020	Restricted Non- repayable 2020	Restricted Repayable 2020	Restricted Disabled 2020	Total 2020	Total 2019
Original contributions	\$ -	\$ 581,497	\$ 600,000	\$ 200,000	\$ 1,381,497	\$ 1,381,497
Earned net assets	147,338	1,085,321	214,523	108,303	1,555,485	1,514,803
	\$ 147,338	\$ 1,666,818	\$ 814,523	\$ 308,303	\$ 2,936,982	\$ 2,896,300