

INDEPENDENT AUDITORS' REPORT

To the Directors of Community Futures Strathcona

Report on the Financial Statements

Opinion

We have audited the financial statements of Community Futures Strathcona (CFS), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations 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 Community Futures Strathcona as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CFS in accordance with the 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 those 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 Canadian accounting standards for not-for-profit organizations, 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 CFS's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate Community Futures Strathcona or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion.

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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:

- 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 CFS'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 CFS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause CFS 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.

Other Matters

The supplementary information contained in the accompanying schedule is presented for purposes of providing additional information to management and Pacific Economic Development Canada and does not form part of the financial statements. The schedule has not been audited other than in the course of our audit of the financial statements, to the extent necessary, to allow us to render an opinion thereon.

Campbell River, British Columbia
June 21, 2023

MOELLER MATTHEWS
Chartered Professional Accountants

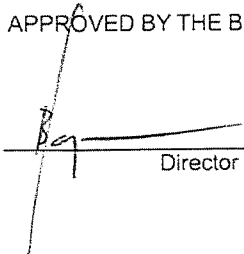
COMMUNITY FUTURES STRATHCONA

STATEMENT OF FINANCIAL POSITION

AT MARCH 31, 2023

	Operating Fund	Investment Funds				TOTAL	TOTAL
	Operating Fund \$	PacifiCan Non-repayable Investment Fund \$	RRRF Investment Fund \$	Fisheries Legacy Fund \$	Business Development Fund \$	2023 \$	2022 \$
ASSETS							
CURRENT							
Cash	61,841	972,535	68,413	170,513	120,224	1,393,526	1,995,555
Goods and services tax receivable	523	-	-	-	-	523	299
Prepaid Expenses	3,536	-	-	-	-	3,536	-
Current portion of loans receivable (Note 3)	-	1,668,862	2,210,495	40,472	125,037	4,044,866	1,281,373
	65,900	2,641,397	2,278,908	210,985	245,261	5,442,451	3,277,227
LOANS RECEIVABLE (Note 3)	-	5,728,698	-	248,155	429,944	6,406,797	8,479,449
PROPERTY AND EQUIPMENT (Note 4)	76,156	-	-	-	-	76,156	89,366
	142,056	8,370,095	2,278,908	459,140	675,205	11,925,404	11,846,042
LIABILITIES							
CURRENT							
Accounts payable (Note 5)	16,193	-	-	-	-	16,193	23,206
Deferred revenue (Note 6)	-	-	-	-	-	-	25,496
Due to (from) other funds	-	15,322	-	(2,458)	(12,864)	-	-
Conditionally repayable contributions (Note 7)	-	-	2,278,900	420,000	-	2,698,900	3,080,792
	16,193	15,322	2,278,900	417,542	(12,864)	2,715,093	3,129,494
COMMITMENTS (Note 8)							
NET ASSETS							
UNRESTRICTED SURPLUS	125,863	-	-	-	-	125,863	124,181
RESTRICTED SURPLUS	-	8,354,773	8	41,598	688,069	9,084,448	8,592,367
	125,863	8,354,773	8	41,598	688,069	9,210,311	8,716,548
	142,056	8,370,095	2,278,908	459,140	675,205	11,925,404	11,846,042

APPROVED BY THE BOARD:



Director



Director

The accompanying notes are an integral part of these financial statements.

COMMUNITY FUTURES STRATHCONA

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2023

	Operating Fund	Investment Funds				TOTAL	TOTAL
	Operating Fund	PacifiCan Non-repayable Investment Fund	RRRF Investment Fund	Fisheries Legacy Fund	Business Development Fund	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$	\$	\$	\$
SURPLUS - BEGINNING OF YEAR	124,181	7,931,579	7	19,655	641,126	8,716,548	8,228,959
EXCESS OF REVENUE OVER EXPENSES	1,682	423,194	1	21,943	46,943	493,763	487,589
SURPLUS - END OF YEAR	<u>125,863</u>	<u>8,354,773</u>	8	41,598	688,069	<u>9,210,311</u>	<u>8,716,548</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FUTURES STRATHCONA

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	Operating Fund	Investment Funds				TOTAL	TOTAL
	Operating Funds \$ (Schedule 1)	PacifiCan Non-repayable Investment Fund \$	RRRF Investment Fund \$	Fisheries Legacy Fund \$	Business Development Fund \$	2023 \$	2022 \$
REVENUES							
Operating funding	344,385	-	-	-	-	344,385	319,423
Loan Interest	-	527,299	-	21,943	47,032	596,274	517,779
Administration recoveries	27,438	-	120	-	-	27,558	27,340
Loan forgiveness	-	-	75,300	-	-	75,300	63,375
	<u>371,823</u>	<u>527,299</u>	<u>75,420</u>	<u>21,943</u>	<u>47,032</u>	<u>1,043,517</u>	<u>927,917</u>
EXPENSES							
WAGES AND BENEFITS							
Wages and benefits	243,419	-	-	-	-	243,419	226,286
PROFESSIONAL							
Professional fees	25,151	-	-	-	-	25,151	14,978
ADMINISTRATION							
Bad debts	-	104,105	-	-	89	104,194	31,310
Loan forgiveness	-	-	75,300	-	-	75,300	63,375
Credit documentation costs	5,389	-	-	-	-	5,389	5,332
Dues and subscriptions	1,272	-	-	-	-	1,272	1,354
Interest and bank charges	430	-	119	-	-	549	1,947
Meeting expense	4,011	-	-	-	-	4,011	2,335
Office	19,997	-	-	-	-	19,997	18,811
Premise and associated costs	22,388	-	-	-	-	22,388	23,850
Program Promotion	1,099	-	-	-	-	1,099	1,215
Staff/Volunteer Training	5,110	-	-	-	-	5,110	15,724
Travel and vehicle	7,917	-	-	-	-	7,917	270
Utilities	8,348	-	-	-	-	8,348	8,315
	<u>344,531</u>	<u>104,105</u>	<u>75,419</u>	<u>-</u>	<u>89</u>	<u>524,144</u>	<u>415,102</u>
Income from operations	27,292	423,194	1	21,943	46,943	519,373	512,815
Amortization	(25,610)	-	-	-	-	(25,610)	(25,226)
EXCESS OF REVENUE OVER EXPENSES	<u>1,682</u>	<u>423,194</u>	<u>1</u>	<u>21,943</u>	<u>46,943</u>	<u>493,763</u>	<u>487,589</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FUTURES STRATHCONA

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
CASH PROVIDED BY (USED IN):		
Operating Activities		
Excess of revenue over expenses	493,763	487,589
Charges to income not involving cash:		
Provision for bad debts	104,194	31,310
Amortization of property and equipment	25,610	25,226
Write down of long term debt	-	-
	<u>623,567</u>	<u>544,125</u>
Change in non-cash working capital:		
Changes in accounts receivable	(224)	2,210
Change in deferred revenue	(25,496)	25,496
Change in accounts payable	(7,013)	(3,883)
Change in prepaid expenses	(3,536)	-
	<u>587,298</u>	<u>567,948</u>
Investing Activities		
Purchase of property and equipment	(12,400)	-
Net advances of loans receivable	(795,035)	(718,415)
Financing Activities		
Proceeds from long term financing	(381,892)	231,942
Change in Cash and Equivalents During Year	(602,029)	81,475
Cash and Equivalents - Beginning of Year	<u>1,995,555</u>	<u>1,914,080</u>
Cash and Equivalents - End of Year	<u><u>1,393,526</u></u>	<u><u>1,995,555</u></u>

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