



**RAINY RIVER FUTURE
DEVELOPMENT CORPORATION**
A Community Futures Development Corporation



Annual Report 2024-2025

“The Rainy River Future Development Corporation promotes and supports entrepreneurship, solution-based lending, and community partnerships in the pursuit of regional economic development.”

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Message from the Chair

On behalf of the Board of Directors of the Rainy River Future Development Corporation (RRFDC), I am pleased to present our annual report for the fiscal year ending March 31, 2025.

This past year has been one of progress, resilience, and innovation across the Rainy River District. As a membership-driven, non-profit, community-based organization, RRFDC remains committed to strengthening our local economy by supporting small businesses, fostering community development, and planning strategically for the future.

Through the four pillars of Community Futures – strategic community planning, support for community-based projects, business information and planning services, and access to capital—we continue to deliver programs and services that create lasting impact.

- We supported entrepreneurs and small businesses through flexible loan programs, one-on-one business counselling, and a wide range of workshops and training sessions, helping local owners build the skills and tools needed to succeed.
- We invested in community growth by supporting events, festivals, and strategic projects that bring people together, encourage tourism, and create opportunities for new investment.
- We strengthened partnerships with municipalities, Indigenous communities, and regional organizations to address housing, workforce recruitment, infrastructure development, and connectivity – critical priorities for our district’s long-term prosperity.

I would like to thank my fellow board members, our dedicated staff, and our many partners for their hard work and collaboration. Together, we are helping businesses start, grow, and thrive, while supporting initiatives that make the Rainy River District an even better place to live, work, and invest.

Looking ahead, we remain committed to driving innovation, attracting new opportunities, and ensuring that our region’s economy remains strong, resilient, and inclusive for years to come.

Tammy Ryll
Chair

Overview of the Rainy River Future Development Corporation

About Us – Rainy River Future Development Corporation is a membership-driven, non-profit, community-based organization that supports small businesses and community development in rural and northern areas.

We offer flexible loans for new and growing small businesses.

- Provide free business advice to help with planning, marketing, and operations.
- Support community projects that create jobs, attract investment, and improve quality of life.
- Partner with local leaders to plan for the future and strengthen our local economy.

Each CFDC is run by a local volunteer board, so we understand the unique needs of the communities we serve. Our catchment area includes areas west of Mine Centre to Rainy River and north to Nestor Falls. There are 267 CFDC's in Canada, 61 in Ontario, and 9 in Northwestern Ontario.

The RRFDC works closely with all District municipal governments, indigenous leaders, and other organizations involved in forwarding the District's economy. The RRFDC operates with a nine-member Board of Directors.

4 Pillars of Community Futures

1. Strategic community planning and socio-economic development
2. Support for community-based projects
3. Business information and planning services
4. Access to capital for small- and medium-sized businesses and social enterprises

Our Mandate - *“The Rainy River Future Development Corporation promotes and supports entrepreneurship, solution-based lending, and community partnerships in the pursuit of regional economic development.”*

Board of Directors



Tammy Ryll
Chair



Jan Beazley
Vice Chair



Martin Dufresne
Director



Blair Anderson
Director



Shelley Wepruk
Director



Ted Zimmerman
Director



Ross Donaldson
Director



Lucille MacDonald
Director



Robert Horton
Director

Committees and Staff

Business Investment Committee (BIC)

Shelley Wepruk (Chair)

Rick Ksiezopolski (Vice Chair)

Jim Belluz

Martin Dufresne

Joanne Spence

John McTaggart

Dale Fortes

Ted Zimmerman

Ross Donaldson

Jeff Wieme

Team

Angela Halvorsen Smith

Executive Director

Shaari King

Bookkeeper/Administrator

Charles Speirs

Business Advisor

Cynde Milette

Go Local/Casual

Jeannette Cawston

Projects/Casual

Cameron Scholfield

Tournament & Events Growth
Coordinator

Consultants

Geoff Gillon

Projects Consultant

Mike Willick

Forestry Consultant

Tannis Drysdale

Projects Consultant

FedNor

Mohammad Noroozi and
Greg Desimone

FedNor Initiatives Officers

Economic Overview of the Rainy River District

Reporting Period: April 1, 2024 – March 31, 2025

The Rainy River District continues to demonstrate resilience, adaptability, and community-driven innovation in the face of shifting economic conditions. The 2024-2025 fiscal year saw continued progress in sectors that define our region – natural resources, tourism, agriculture, manufacturing, and small business – alongside renewed focus on housing, workforce recruitment, and infrastructure investment.

Overall Economic Conditions

The District entered 2025 with steady economic activity despite national cost-of-living pressures and global market uncertainty. While inflation rates eased from the highs of 2022–2023, operating costs for businesses remained elevated, particularly in transportation, energy, and construction materials. These cost challenges were offset in part by strong commodity prices, robust tourism traffic, and targeted local investment initiatives.

Population growth, though modest, was positive for the second consecutive year, aided by immigration programs such as the Rural and Northern Immigration Pilot and local employer-led recruitment. This influx is helping to address labour shortages across sectors, but housing supply constraints continue to limit expansion potential.

Sector Highlights

Natural Resources

Forestry and mining remain critical pillars. Sustainable forest management continues to provide stable employment, with demand for value-added wood products supporting secondary manufacturing. Mining exploration and development – particularly in gold and critical minerals – remains active, attracting investment interest and creating opportunities for local suppliers.

Tourism & Hospitality

Tourism activity rebounded strongly in 2024, supported by favourable weather, strong U.S. visitation, and a growing focus on experience-based travel. Fishing, hunting, and nature-based tourism operators reported strong bookings, while festivals, sporting events, and community celebrations contributed to increased local spending. Investments in event infrastructure and marketing – such as the expansion of signature events – are positioning the District as a year-round destination.

Agriculture

Producers in the Rainy River District navigated weather-related challenges with resilience. The sector continues to diversify, with increased interest in value-added processing and agri-tourism. Livestock and forage production remain strong, supported by cooperative marketing and equipment-sharing initiatives.

Small Business & Entrepreneurship

The small business community remains the backbone of the local economy. New business startups were particularly strong in service, trades, and food-based enterprises. RRFDC-supported loan and grant programs facilitated expansions, technology adoption, and succession planning, helping local entrepreneurs remain competitive in an evolving market.

Infrastructure & Housing

Major infrastructure projects – including broadband expansion, road improvements, and community facility upgrades – advanced in 2024-2025. However, housing supply remains a critical constraint to attract and retain workers. Municipalities, developers, and funding partners are actively exploring strategies for new builds, renovations, and adaptive reuse of existing structures.

Labour Market

The labour market remains tight, particularly in skilled trades, health care, and hospitality. Partnerships between employers, training institutions, and immigration pathways have helped fill some gaps, but demand continues to outpace supply in several sectors. Efforts to improve housing, transportation, and childcare are becoming integral to workforce attraction strategies.

Looking Ahead

The Rainy River District enters 2025 with cautious optimism. Opportunities exist to build on recent momentum by:

- Expanding housing supply to support population growth
- Strengthening transportation and digital connectivity infrastructure
- Leveraging natural resource and tourism assets for sustainable development
- Supporting innovation and diversification in small business and agriculture
- Continuing to attract and retain a skilled, diverse workforce

RRFDC remains committed to working with municipalities, indigenous communities, businesses, and regional partners to ensure the district's economy remains strong, resilient, and inclusive. By aligning investment with long-term priorities, the Rainy River District is well positioned to meet future challenges and seize emerging opportunities.

Pillar 1 – Strategic community planning and socio-economic development

RRFDC plays a leading role in supporting the long-term economic and social vitality of the Rainy River District through strategic community planning and development initiatives. This work involves collaborating with municipalities, Indigenous communities, non-profit organizations, and the private sector to identify priorities, address challenges, and create opportunities that enhance quality of life and economic prosperity.

Our efforts include facilitating community consultations, coordinating studies, and helping partners access funding for infrastructure, tourism, housing, and workforce development projects. We also provide project management and advisory support to ensure initiatives are well-planned, sustainable, and aligned with regional and provincial economic goals.

By fostering strong partnerships and providing the tools, data, and expertise needed to move projects forward, RRFDC helps create conditions for investment, innovation, and inclusive growth. From attracting new residents and businesses to enhancing community amenities and services, our strategic planning work strengthens the economic resilience of the entire Rainy River District.

Workforce Attraction & Retention Strategy

Partnered with municipalities, Indigenous communities, and local employers to advance recruitment campaigns under the Rural and Northern Immigration Pilot and the Ontario Immigrant Nominee Program.

Collaborated with the Rainy River District Municipal Association on the development of a regional promotional video to attract skilled workers and new residents.

Housing Development Support

Provided planning and assistance for housing initiatives to address critical shortages across the District.

Facilitated discussions with developers and municipalities to identify land and financing opportunities for new builds and conversions.

Tourism & Event Development

Supported the expansion of tourism infrastructure and marketing, including major events such as the Emo Fair, and various fishing tournaments across the District, all of which generate significant visitor spending.

Partnered with local tourism operators to explore off-season tourism opportunities and experiential travel packages.

Community Infrastructure & Revitalization Projects

Supported broadband expansion efforts to improve digital connectivity for businesses and residents through the Dibaajimowin Project.

Local Initiatives Program (LIP)

Delivered grants of up to \$5,000 to community-based projects that create jobs, stimulate economic activity, and improve quality of life.

Business & Sector Development

RRFDC advanced business growth and sector diversification by providing targeted research, sector engagement, and skills development opportunities for local entrepreneurs and organizations. Our work included agriculture, value-added manufacturing, and renewable energy, along with facilitated networking events that encouraged collaboration and knowledge sharing opportunities.

A key component of this work was delivering a wide range of workshops, training sessions, and focus groups designed to strengthen business capacity and competitiveness. These included:

- **Business Planning Workshop** – guiding entrepreneurs through the fundamentals of building a viable business plan.
- **Buying Commercial Property** – exploring financing, due diligence, and investment considerations for business real estate.
- **Collaboration Innovation Table with PARO** – fostering partnerships and innovative thinking among women-led businesses and community organizations.
- **Cultural Awareness Training** – building inclusive workplaces and improving cross-cultural communication.
- **Demystify Immigration / IRCC Employer Session** – providing employers with practical guidance on hiring through immigration programs.
- **Food Manufacturers Focus Group** – engaging local producers to discuss opportunities, challenges, and sector trends.
- **Francophone Immigration** – supporting awareness and participation in programs that attract French-speaking newcomers.
- **Marketing Redefined Workshop** – introducing modern, cost-effective marketing strategies for small business growth.
- **Social Media Workshop** – practical training on building an online presence and reaching customers effectively.
- **Starting a Business Seminar** – covering the essentials of launching a new venture in the Rainy River District.

- **Succession Planning Workshop** – preparing business owners for a smooth and profitable ownership transition.
- **Tariffs & Small Business Workshop** – understanding how trade policies impact local operations.
- **Write Your Business Plan Seminar** – hands-on guidance for creating a professional, investor-ready plan.

Through these initiatives, RRFDC helped local businesses acquire practical tools, expand networks, and strengthen their position in an evolving marketplace—ensuring the Rainy River District remains competitive and resilient in the face of change.

Pillar 2 – Support for community-based projects

RRFDC actively supports a wide variety of community-based initiatives that strengthen the economic, cultural, and social well-being of the Rainy River District. Through project leadership, funding assistance, event coordination, research, and promotional support, we help ensure that local events, infrastructure projects, and strategic initiatives have the resources and partnerships they need to succeed. These efforts create lasting benefits by driving tourism, supporting entrepreneurship, improving infrastructure, and enhancing quality of life.

In 2024–2025, RRFDC was involved in:

Agriculture & Agri-Business Development

- Northwest International Ag Expo, Rainy River District Regional Abattoir Harvest Dinner Fundraiser, Rainy River Federation of Agriculture Ag Day and Annual Meeting.
- Hops Project – harvester, baler, and storage shed.
- Tile Drainage Projects to enhance farmland productivity.
- Support for the Rainy River District Vet Services Committee.

Business Development & Funding Programs

- Delivered the Local Initiatives Program, providing grants for community projects that create jobs and stimulate economic activity.
- Participated in the Grant Review Committee for Starter Company Plus, supporting new and expanding entrepreneurs.
- Judging regional competitions including the Northwestern Ontario Pitch-It Contest, PARO Pitch It Like a Pro Contest, and the Young Entrepreneur Pitch Challenge.
- Managed the Emes Entrepreneurial Bursary Fund.
- Partnered with programs such as the Northern Ontario Black Economic Empowerment Program.

Economic Development & Strategic Initiatives

- Began working on the Workforce Recruitment Strategy/Campaign, attracting new residents and skilled workers.
- Partnered in planning for the Rainy River District Promotional Video to market the region.
- Participated in the Boundary Waters Forest Management Corporation.
- Supported the Wood Fibre & Fort Frances Wood Yard Project and Fort Frances Power MicroGrid Project.
- Promoted the Rural Housing Information System development.
- Partnered on clean energy projects including Wanagekong-Biiwega'iganan (WB) Clean Energy/Highbury Project.
- Provided economic research on the FedNor Tariff Impact – Initial Findings & CFDC Response.
- Participated in Regional Economic Development Organization Meetings and administered the Municipal Accommodation Tax Committee.
- Collaborated on tourism growth strategies such as the Tourism Incorporation Pilot.

Tourism & Community Events

- Emo Fair Market Square, Emo Holly Daze, Emo Spring Fever Days, Emo Walleye Classic, Fort Frances Canadian Bass Championship Event Tent, Rainy River Walleye Tournament Event Tent, and coordinated the RCMP Musical Ride.
- Food Truck Festival “Burger Wars” – a major new tourism and culinary event.
- Rainy River First Nations Annual Fish Fry, Rainy River Trade Show & Vendor Market, and the Rainy River Valley Agricultural Society Hometown Hoedown Fundraiser.
- Administered the Go Local Fort Frances Program & Celebrate Canada promotions.

Business Networking & Professional Development

- Supported the Fort Frances Chamber Business & Community Expo, Business Awards, and Mall Days.
- Partnered with PARO Centre for Women's Enterprise for events including the PARO Summit & Awards and PARO/RRFDC Mix & Mingle for Women in Business.
- Participated in the Spring Into Business Funding Forum and coordinated a FedNor Meet & Greet (Funding Forum).
- Delivered Welcoming Week events (Immigration Benefits Business and Stay Informed/Service Canada) to promote inclusive economic growth.

Community Engagement & Special Projects

- Supported the Dibaajimowin Broadband Project to improve regional connectivity.
- Facilitated the Airport Focus Group to explore transportation and economic opportunities.
- Celebrated community milestones including Geoff's Retirement Celebration and the Grand Opening for Dust Off the Soul Art Therapy.

Go Local Fort Frances Program Transition

After 13 successful years, the Go Local Fort Frances Program will conclude in 2025. Since its inception, Go Local has been instrumental in encouraging residents to shop locally, supporting small businesses, and fostering community pride through its loyalty program and seasonal campaigns. Over the years, the program has encouraged residents to spend their money locally and strengthened the connection between businesses and consumers. In 2026, Go Local will be replaced with a new Celebrate Canada campaign, which will continue to champion local shopping while broadening its reach to celebrate Canadian products, services, and community identity across the Rainy River District.

Through these diverse projects and events, RRFDC has helped create a stronger, more connected, and economically vibrant Rainy River District—supporting innovation, investment, and sustainable growth at every level.

Pillar 3 – Business information and planning services

Our Business Information and Planning Services provide entrepreneurs, business owners, and community organizations with the tools, resources, and guidance they need to start, grow, and sustain their ventures. These services are designed to help clients make informed decisions, strengthen operations, and position themselves for long-term success.

Key components include:

- **Business Planning Support** – Assistance with developing business plans, feasibility studies, and strategic growth plans tailored to each client’s goals.
- **Market Research and Analysis** – Access to regional and sector-specific data to identify opportunities, understand competition, and assess market trends.
- **Financial Planning Guidance** – Support in preparing cash flow projections, budgeting, and understanding financing options, including RRFDC loan programs and other funding sources.
- **Regulatory and Licensing Information** – Guidance on permits, licensing, and compliance requirements at the municipal, provincial, and federal levels.
- **Resource Navigation** – Connections to professional services, training opportunities, and sector-specific networks that can assist in business growth and problem-solving.
- **Succession and Transition Planning** – Support for business owners preparing to sell, transfer, or transition ownership to ensure continuity and value preservation.

These services are confidential, provided at no cost to the client, and are available to businesses at every stage—from idea development to expansion and succession. By equipping our clients with the right information and planning strategies, RRFDC helps build a stronger, more competitive business community in the Rainy River District.

Business Information Services

In 2024–2025, RRFDC’s Business Information and Planning Services responded to **873** general and in-depth inquiries, providing personalized counselling to entrepreneurs and organizations across the Rainy River District. These services directly supported the start-up, maintenance, and expansion of **24** businesses, resulting in the creation or preservation of **39** local jobs.

Pillar 4 – Access to capital for small- and medium-sized businesses and social enterprises

RRFDC’s Access to Capital program provides flexible, community-based financing to help small- and medium-sized businesses and social enterprises start, grow, and adapt to changing market conditions. These loans fill critical gaps where traditional financing may not be available, enabling local entrepreneurs to seize opportunities, strengthen operations, and create lasting economic impact.

In 2024–2025, RRFDC received **8 loan** applications and disbursed **7 loans**, totalling **\$734,667** in financing. This investment supported the start-up, maintenance, or expansion of **7 businesses** and helped create or maintain **4 local jobs**. These projects leveraged an additional **\$3,162,525** in funding from other sources, multiplying the impact of RRFDC’s contribution and driving significant economic activity across the Rainy River District.

RRFDC also continued its partnership with seven other Community Futures Development Corporations in Northwestern Ontario through the Northwestern Ontario Investment Pool (NWOIP). This collaborative pool allows us to provide larger-scale financing—offering loans beyond our standard \$300,000 cap, up to **\$600,000** for both new and existing businesses. RRFDC currently has **two active loans** financed through NWOIP and is actively exploring additional opportunities to utilize this program to support substantial business growth in the region.

Loan Portfolio on March 31, 2025

Term Loans	\$3,430,097.01
NWOIP Loans	\$564,933.36
RRRF Loans	\$359,833.23
Guarantees	\$145,000.00
Covid Loans	\$40,021.40
Total	\$4,539,885.00

Appendix A

Audited Financial Statements to March 31, 2025

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Financial Statements

March 31, 2025

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Financial Statements

For The Year Ended March 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Members of **Rainy River Future Development Corporation**:

Opinion

We have audited the financial statements of **Rainy River Future Development Corporation**, which comprise the statement of financial position as at March 31, 2025, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the corporation's financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2025, 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 the corporation 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 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 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 the corporation'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 corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the corporation'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 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.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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 the corporation'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 corporation'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 corporation 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.

St. Thomas, Ontario

August 19, 2025

Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Statement of Financial Position As At March 31, 2025

	Board Fund	General Fund	Other Projects Fund	Investment Fund	MAT Fund	Total 2025	Total 2024
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
CURRENT ASSETS							
Cash	352,849	181,457	502,469	-	246,889	1,283,664	1,005,108
Accounts receivable	-	39,674	16,677	-	-	56,351	135,858
Government remittances receivable	-	99,190	23,555	577	2,902	126,224	91,641
Prepaid expenses	-	19,010	994	-	-	20,004	13,987
Interfund balances (Note 2)	<u>65,033</u>	<u>(125,480)</u>	<u>(8,372)</u>	<u>64,896</u>	<u>3,923</u>	<u>-</u>	<u>-</u>
	417,882	213,851	535,323	65,473	253,714	1,486,243	1,246,594
TANGIBLE CAPITAL ASSETS (NOTE 7)	-	222	85,588	-	-	85,810	65,012
INVESTMENT (NOTE 5)	-	-	100	-	-	100	100
RESTRICTED CASH (NOTE 6)	-	-	2,502	4,592,254	-	4,594,756	4,491,103
PORTFOLIO INVESTMENTS							
- RESTRICTED (NOTE 4)	-	-	-	42,459	246,675	289,134	275,896
ACCOUNTS RECEIVABLE - RESTRICTED	-	-	-	15,963	-	15,963	12,406
LOANS AND MORTGAGES RECEIVABLE							
- RESTRICTED (NOTE 9)	-	-	-	2,746,684	-	2,746,684	2,906,021
EQUITY INVESTMENTS (NOTE 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,500</u>	<u>-</u>	<u>29,500</u>	<u>29,500</u>
	<u>417,882</u>	<u>214,073</u>	<u>623,513</u>	<u>7,492,333</u>	<u>500,389</u>	<u>9,248,190</u>	<u>9,026,632</u>

See accompanying notes to the audited financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Statement of Financial Position As At March 31, 2025

	Board Fund \$	General Fund \$	Other Projects Fund \$	Investment Fund \$	MAT Fund \$	Total 2025 \$	Total 2024 \$
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	-	19,183	3,855	13,865	1,468	38,371	60,080
Deferred contributions (Note 8)	-	194,890	318,431	-	494,450	1,007,771	953,763
Funding repayable	-	-	-	-	-	-	25,000
	-	214,073	322,286	13,865	495,918	1,046,142	1,038,843
DEFERRED REVENUE - EMES FUND	-	-	2,809	-	-	2,809	2,809
	-	214,073	325,095	13,865	495,918	1,048,951	1,041,652
FUND BALANCES							
Internally restricted	417,882	-	212,830	7,478,468	-	8,109,180	7,888,809
Externally restricted	-	-	-	-	4,471	4,471	4,471
Unrestricted	-	(222)	-	-	-	(222)	(443)
Invested in tangible capital assets	-	222	85,588	-	-	85,810	92,143
	417,882	-	298,418	7,478,468	4,471	8,199,239	7,984,980
	417,882	214,073	623,513	7,492,333	500,389	9,248,190	9,026,632

On Behalf of the Board

Tammy Ryll
Director

Jan Beazley
Director

See accompanying notes to the audited financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Statement of Changes in Net Assets For The Year Ended March 31, 2025

	Board Fund <u>\$</u>	General Fund <u>\$</u>	Other Projects Fund <u>\$</u>	Investment Fund <u>\$</u>	MAT Fund <u>\$</u>	Total 2025 \$	Total 2024 <u>\$</u>
FUND BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED	352,848	-	329,476	7,148,185	4,471	7,834,980	7,880,973
Prior period adjustments (Note 13)	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
FUND BALANCE, BEGINNING OF YEAR AS RESTATED	352,848	-	329,476	7,298,185	4,471	7,984,980	8,030,973
Excess (deficiency) of revenue over expenditures	65,034	(87,741)	(31,058)	268,024	-	214,259	(45,993)
Transfers (Note 14)	<u>-</u>	<u>87,741</u>	<u>-</u>	<u>(87,741)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>417,882</u></u>	<u><u>-</u></u>	<u><u>298,418</u></u>	<u><u>7,478,468</u></u>	<u><u>4,471</u></u>	<u><u>8,199,239</u></u>	<u><u>7,984,980</u></u>

See accompanying notes to the audited financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Statement of Operations For The Year Ended March 31, 2025

	Board Fund	General Fund	Other Projects Fund (Schedule 2)	Investment Fund	MAT Fund	Total 2025	Total 2024
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
REVENUES							
Grant revenue							
NOHFC - Other projects	-	-	360,546	-	-	360,546	612,855
FedNor (Note 12)	-	300,000	-	-	-	300,000	300,000
Municipal contributions	63,711	-	47	-	-	63,758	76,548
Economic Development	-	-	2,102	-	-	2,102	32,171
Administration income	1,323	375	-	-	-	1,698	38,281
Interest	-	17,817	16,199	211,399	26,917	272,332	261,073
Project revenue	-	-	107,329	-	109,424	216,753	255,175
Investment income	-	-	-	210,168	-	210,168	143,405
Miscellaneous	-	<u>37,432</u>	<u>29,797</u>	<u>13,010</u>	-	<u>80,239</u>	<u>28,901</u>
TOTAL REVENUES	<u>65,034</u>	<u>355,624</u>	<u>516,020</u>	<u>434,577</u>	<u>136,341</u>	<u>1,507,596</u>	<u>1,748,409</u>
EXPENSES							
Community development (Schedule 1)	-	17,872	522,118	-	128,901	668,891	949,033
Salaries and benefits (Schedule 1)	-	319,181	-	-	-	319,181	257,498
Bad debts (recovery)	-	-	-	157,409	-	157,409	(41,081)
Occupancy and equipment (Schedule 1)	-	58,323	-	-	-	58,323	54,922
Administrative expense-reallocation (Schedule 1)	-	34,757	-	7,585	-	42,342	31,176
Amortization	-	221	24,960	-	-	25,181	7,439
Director's expenses (Schedule 1)	-	12,252	-	-	-	12,252	15,620
Consulting	-	-	-	-	7,440	7,440	8,291
Collection costs	-	759	-	1,559	-	2,318	4,004
Forgivable portion of RRRF loans	-	-	-	-	-	-	<u>507,500</u>
TOTAL EXPENSES	<u>-</u>	<u>443,365</u>	<u>547,078</u>	<u>166,553</u>	<u>136,341</u>	<u>1,293,337</u>	<u>1,794,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	<u>65,034</u>	<u>(87,741)</u>	<u>(31,058)</u>	<u>268,024</u>	<u>-</u>	<u>214,259</u>	<u>(45,993)</u>

See accompanying notes to the audited financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Statement of Cash Flows For The Year Ended March 31, 2025

	Board Fund \$	General Fund \$	Other Projects Fund \$	Investment Fund \$	MAT Fund \$	Total 2025 \$	Total 2024 \$
CASH FLOWS FROM (USED IN)							
OPERATING ACTIVITIES							
Excess (deficiency) of revenues over expenditures	65,034	(87,741)	(31,058)	268,024	-	214,259	(45,993)
Amortization	-	221	24,960	-	-	25,181	7,439
Forgivable portion of RRRF loans	-	-	-	-	-	-	507,500
Bad debts (recovery)	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,409</u>	<u>-</u>	<u>157,409</u>	<u>(41,081)</u>
	<u>65,034</u>	<u>(87,520)</u>	<u>(6,098)</u>	<u>425,433</u>		<u>396,849</u>	<u>427,865</u>
Changes in net working capital:							
Accounts receivable	-	(34,496)	114,003	-	-	79,507	39,273
Government remittances recoverable	-	(79,203)	45,309	2,061	(2,750)	(34,583)	(35,472)
Prepaid expenses	-	(6,017)	-	-	-	(6,017)	323
Accounts payable and accrued liabilities	-	4,170	(29,505)	2,547	1,079	(21,709)	22,146
Deferred contributions	-	1,429	7,169	(25,000)	45,410	29,008	39,220
Interfund balances receivable/payable	<u>287,815</u>	<u>(100,289)</u>	<u>141,701</u>	<u>(210,688)</u>	<u>(118,539)</u>	<u>-</u>	<u>-</u>
Net change in in net working capital	<u>287,815</u>	<u>(214,406)</u>	<u>278,677</u>	<u>(231,080)</u>	<u>(74,800)</u>	<u>46,206</u>	<u>65,490</u>
CASH FROM (USED IN)							
OPERATING ACTIVITIES	<u>352,849</u>	<u>(301,926)</u>	<u>272,579</u>	<u>194,353</u>	<u>(74,800)</u>	<u>443,055</u>	<u>493,355</u>

See accompanying notes to the audited financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Statement of Cash Flows (Continued) For The Year Ended March 31, 2025

	Board Fund \$	General Fund \$	Other Projects Fund \$	Investment Fund \$	MAT Fund \$	Total 2025 \$	Total 2024 \$
CASH FROM (USED IN)							
OPERATING ACTIVITIES (PAGE 7)	<u>352,849</u>	<u>(301,926)</u>	<u>272,579</u>	<u>194,353</u>	<u>(74,800)</u>	<u>443,055</u>	<u>493,355</u>
CASH FLOWS USED IN							
INVESTING ACTIVITIES							
Purchase of capital assets	-	-	(45,979)	-	-	(45,979)	(43,191)
Purchase of short-term investments							
- restricted	-	-	-	(1,285)	(236,132)	(237,417)	(199,310)
Maturity of short-term investments							
- restricted	-	-	-	-	224,179	224,179	189,201
Change in accounts receivable - restricted	-	-	-	(3,557)	-	(3,557)	6,946
Advances of loans and mortgages receivable							
- restricted	-	-	-	(852,134)	-	(852,134)	(1,028,632)
Repayments of loans and mortgages receivable							
- restricted	-	-	-	854,062	-	854,062	1,848,069
Change in restricted cash balance	<u>-</u>	<u>-</u>	<u>45</u>	<u>(103,698)</u>	<u>-</u>	<u>(103,653)</u>	<u>(1,179,990)</u>
CASH (USED IN)							
INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(45,934)</u>	<u>(106,612)</u>	<u>(11,953)</u>	<u>(164,499)</u>	<u>(406,907)</u>
CASH FLOWS FROM (USED IN)							
FINANCING ACTIVITIES							
Interfund transfers	<u>-</u>	<u>87,741</u>	<u>-</u>	<u>(87,741)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	352,849	(214,185)	226,645	-	(86,753)	278,556	86,448
CASH, BEGINNING OF YEAR	<u>-</u>	<u>395,642</u>	<u>275,824</u>	<u>-</u>	<u>333,642</u>	<u>1,005,108</u>	<u>918,660</u>
CASH, END OF YEAR	<u>352,849</u>	<u>181,457</u>	<u>502,469</u>	<u>-</u>	<u>246,889</u>	<u>1,283,664</u>	<u>1,005,108</u>

See accompanying notes to the audited financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

NATURE OF THE ORGANIZATION

Rainy River Future Development Corporation (the “corporation”) was incorporated without share capital as a not-for-profit organization under the Ontario Corporations Act and thus is exempt from income taxes under section 149(1)(l) of the Income Tax Act (“the Act”). In order to maintain its status as a registered not-for-profit organization under the Act, the Corporation must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Corporation provides business counselling and advisory services in the Rainy River District. It also assists communities in the district in developing a community work plan for the development and support of additional permanent sector employment through research and projects. The Corporation maintains an investment fund to create new small business and to expand, stabilize and protect existing businesses resulting in the generation and maintenance of permanent employment.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The corporation uses the following fund groups:

Board Fund

The Board Fund is internally restricted and may be used for future projects or temporary cash flow of operating expenses as deemed appropriate by the Board of Directors. It was established to account for administration revenue earned from program delivery and administrative activities from unrestricted contributions and for any monies raised by activities carried out by the board of directors and other volunteers.

General Fund

The General Fund reports revenue and expenditures related to program delivery and administration activities. This fund reports unrestricted resources and restricted operating contributions.

Other Project Fund

The Other Project Fund reports the assets, liabilities, revenue and expenditures related to the corporation's unrestricted program delivery and administration activities.

Investment Fund

The Investment Fund reports revenue and expenditures relating to investment activities. Investment income earned on resources of the Investment Fund is reported in the Investment Fund. The purpose of the investment activity is to provide capital to assist in the creation or maintenance of long-term employment in the community.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAT Fund

The Municipal Accommodation Tax (MAT) Fund is externally restricted and accounts for funds collected and forwarded by the Town of Fort Frances. The town of Fort Frances is responsible for the collection and general administration of the MAT, 50% of the funds collected are forwarded to RRFDC. These funds are to support tourism, promotion and development in the Town of Fort Frances. A tourism advisory committee includes representatives from the hotels in Fort Frances and the committee is responsible for determining the use of the MAT funding.

Cash

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash and short-term investments subject to restrictions that prevent its use for current purposes is included in restricted cash.

Short-term investments

Short-term investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less any permanent impairment.

Accounting Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

In particular, the corporation uses estimates when accounting for certain items, including:

Allowance for doubtful loans and useful lives of tangible capital assets

Loans and mortgages receivable

A loan receivable is considered doubtful when, in management's view, the loan has suffered an impairment in value that is not considered temporary in which case the loan is written-down to net realizable value. Once a loan client has defaulted on one or more of the loan agreement terms, management measures the value of the loan based on the expected future cash flows discounted at the loan's effective interest rate and on the estimated fair value of the security underlying the loan.

All equity investments are with incorporated private businesses and are subject to formal agreements. If, in management's opinion, equity investments have suffered an impairment in value, then they are written-down to net realizable values.

The corporation accounts for its investments using the cost method. The carrying amount of an investment is written-down to its net recoverable amount if a decline in value is judged to be other than temporary. The corporation has also estimated a general provision for investment losses based on past experiences for all investments for which no specific provision has been established.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets and Amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts and the gain or loss is recognized in excess of revenues over expenditures. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. The annual amortization rates are as follows:

Tent and trailer	10 years
Furniture and fixtures	10 years
Equipment	5 years
Leasehold improvements	5 years
Computer equipment	4 years
Projectors	4 years

Financial Instruments

Initial measurement of financial instruments

The corporation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. Financial assets and liabilities originated or exchanged in a related party transaction, except for those that involve parties whose sole relationship with the corporation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If repayment terms are present, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the organization in the transaction.

Subsequent measurement of financial instruments

The corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity and other instruments that are quoted in an active market and cash, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Transaction costs

The corporation recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess (deficiency) of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenues over expenditures.

Revenue Recognition

The deferral method of accounting for contributions is used whereby restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Dividends are recorded as investment income as they are received. In the event that an equity investment is converted into a loan during the year, any capitalized dividends will be recorded as investment income to the extent that the loan is collectable as determined by management.

Interest income is recorded as earned unless the terms of the loan provide that interest payments shall not commence until twelve months after the date the funds are disbursed. Interest income will be recorded on these deferred interest loans when received. Interest income is recorded on a cash basis on those loans that are in default.

Administration charges result when contribution agreements permit an "overhead" charge equal to a percentage of identifiable eligible expenditures to be included in the project expenses for the purposes of calculating revenue earned.

Contributions relating to tangible capital assets are credited to deferred capital contributions and recognized as revenue on the same basis as depreciation on the related asset is charged against operations.

Contributed materials

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Corporation's operations and would otherwise have been purchased.

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

2. INTERFUND BALANCES

Interfund balances are unsecured, non-interest bearing and have no set terms of repayment.

3. ECONOMIC DEPENDENCE

The corporation's primary source of revenue is federal government grants. The grant funding can be cancelled if the Corporation does not observe certain established guidelines. The corporation's ability to continue viable operations is dependent upon maintaining its compliance with the criteria within federal government guidelines. As at the date of these financial statements the corporation believes that it is in compliance with the guidelines.

4. PORTFOLIO INVESTMENTS

	2025	2024
	<u>\$</u>	<u>\$</u>
Term deposit - Alterna Savings Credit Union at 4.65% interest, maturing April 2025	42,459	40,567
Excess of GIC investments over loan guarantees	<u>-</u>	<u>607</u>
	<u>42,459</u>	<u>41,174</u>
Term deposit - Alterna Savings Credit Union at 5.25% interest, maturing May 2025	164,370	156,150
Term deposit - Alterna Savings Credit Union at 3.25% interest, maturing March 2027	82,305	-
Term deposit - Alterna Savings Credit Union at 4.75% interest, matured March 2025	<u>-</u>	<u>78,572</u>
	<u>246,675</u>	<u>234,722</u>
	<u>289,134</u>	<u>275,896</u>

5. INVESTMENT

The Corporation owns 100 Class A shares in a private corporation. The share structure is as follows:

	2025	2024
	<u>\$</u>	<u>\$</u>
Investment in private corporation	<u>100</u>	<u>100</u>

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

6. RESTRICTED CASH

Restricted cash funds in the Other Projects Fund are set aside for expenditures restricted by specific projects. In addition, restricted cash funds are set aside in the Investment Fund to fund future loans as approved by the Board of Directors.

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2025	2024
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
General Fund				
Tent and trailer	80,418	80,418	-	-
Furniture and fixtures	47,704	47,704	-	-
Leasehold improvements	18,208	18,208	-	-
Computer equipment	31,677	31,455	222	443
Projectors	<u>4,927</u>	<u>4,927</u>	<u>-</u>	<u>-</u>
	<u>182,934</u>	<u>182,712</u>	<u>222</u>	<u>443</u>
Other Projects Fund				
Furniture and fixtures	48,509	34,257	14,252	21,378
Leasehold improvements	<u>89,170</u>	<u>17,834</u>	<u>71,336</u>	<u>43,191</u>
	<u>137,679</u>	<u>52,091</u>	<u>85,588</u>	<u>64,569</u>
Total Tangible Capital Assets	<u>320,613</u>	<u>234,803</u>	<u>85,810</u>	<u>65,012</u>

8. DEFERRED CONTRIBUTIONS

	2025	2024
	<u>\$</u>	<u>\$</u>
FedNor Operating Funds	<u>194,890</u>	<u>193,461</u>
Go Local	158,279	192,579
FedNor projects	8,366	13,213
NOHFC holdbacks	68,987	36,388
Deferred capital contributions	<u>82,799</u>	<u>69,082</u>
	<u>318,431</u>	<u>311,262</u>
MAT Contributions	<u>494,450</u>	<u>449,040</u>
Balance, end of year	<u>1,007,771</u>	<u>953,763</u>

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

9. LOANS AND MORTGAGES RECEIVABLE - RESTRICTED

The loans and mortgages receivable at March 31, 2025 consist of 52 Corporation loans, 3 guarantees, and 7 Northwestern Ontario Investment Pool (NWOIP) loans.

The Corporation is one of seven economic development corporations that participate in the NWOIP. The term NWOIP loans receivable bear interest at varying fixed rates set by the host economic development corporation. A potential loan recipient will approach a participating organization and make an application of up to \$600,000. The hosting organization is responsible for assessing the initial application as well as ongoing collectability of the NWOIP loans.

In 2020, the Corporation partnered with FedNor to deliver Regional Relief and Recovery Fund (RRRF) loans to small businesses and entrepreneurs in the region who were adversely impacted by COVID-19 and were rejected or ineligible for other government supports. RRRF loans were available to qualifying enterprises to a maximum of \$60,000. The loans are non-interest bearing with no scheduled payments until March 28, 2024. If 75% of the loan has been repaid by that date, the remaining 25% will be forgiven. If 75% of the loan has not been repaid by March 28, 2024, the full outstanding balance will be converted to a 5% interest bearing term loan. The full balance must be repaid no later than December 31, 2026.

The other loans and mortgages receivable bear various interest rates from 0% to 12% per annum and are fixed for one to five years with amortization periods from one to twenty years. Loans and mortgages receivable include loans made directly by the Corporation to clients and loans where the Corporation has placed corporate funds with a bank in the form of a guaranteed investment certificate or term deposit as security for a client's line of credit. Loan guarantees investments pay a one-time \$75 administration fee upon acceptance of the guarantee.

	Loan Fund*	NWOIP Non- host Loans	Other Funds**	2025	2024
	\$	\$	\$	\$	\$
Loans receivable, beginning of the year	3,928,413	289,806	255,859	4,474,078	5,861,015
Add: loan advances or restructured	<u>789,801</u>	<u>62,333</u>	<u>-</u>	852,134	1,548,713
	<u>4,718,214</u>	<u>352,139</u>	<u>255,859</u>	5,326,212	<u>7,409,728</u>
Loans repaid or restructured	(660,620)	(83,447)	(70,838)	(814,905)	(2,368,150)
Loans written off	(11,603)	(41,815)	-	(53,418)	(60,000)
Loans forgiven	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(507,500)</u>
	<u>(672,223)</u>	<u>(125,262)</u>	<u>(70,838)</u>	(868,323)	<u>(2,935,650)</u>
Loans receivable, end of the year	4,045,991	226,877	185,021	4,457,889	4,474,078
Less: allowance for doubtful loans	<u>(1,626,477)</u>	<u>(15,464)</u>	<u>(69,264)</u>	(1,711,205)	<u>(1,568,057)</u>
	<u>2,419,514</u>	<u>211,413</u>	<u>115,757</u>	2,746,684	<u>2,906,021</u>

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

9. LOANS AND MORTGAGES RECEIVABLE - RESTRICTED (CONTINUED)

The activity in the Allowance for Doubtful Loans account is as follows:

	Loan Fund*	NWOIP Non- host Loans	Other Funds**	2025	2024
	\$	\$	\$	\$	\$
Allowance, beginning of the year	<u>(1,432,199)</u>	<u>(73,184)</u>	<u>(62,674)</u>	<u>(1,568,057)</u>	<u>(1,669,139)</u>
Current year's loan loss provision	(243,520)	-	(11,500)	(255,020)	(882,240)
Loans written off during the year	6,150	28,539	-	34,689	-
Loan recoveries during the year	<u>43,092</u>	<u>29,181</u>	<u>4,910</u>	<u>77,183</u>	<u>983,322</u>
	<u>(194,278)</u>	<u>57,720</u>	<u>(6,590)</u>	<u>(143,148)</u>	<u>101,082</u>
Allowance, end of the year	<u>(1,626,477)</u>	<u>(15,464)</u>	<u>(69,264)</u>	<u>(1,711,205)</u>	<u>(1,568,057)</u>

*Loans include the host CFDC's portion of NWOIP loans.

**Other funds include loan guarantees.

The Corporation determines the provision for uncollectable loans by providing for specific investment losses after reviewing outstanding investments on a loan-by-loan basis plus the use of an estimated general provision based on past experience for all loans for which no specific provision has been established.

Investments in default are generally defined as any loan which has missed regular payments during the year or has defaulted on one or more of the loan agreement terms.

As collateral for the investments, the Corporation generally requires either promissory notes, general security agreements, registered security charges over specific assets, conditional sales contracts, personal guarantees, postponements of claims or some combination thereof depending on the investment circumstances. Investments generally are not fully secured.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

10. EQUITY INVESTMENTS

Equity investments are made to eligible investees. At March 31, 2025, the investment in common shares consists of two Northwestern Ontario Investment Pool (NWOIP) non-host equity investments.

The balance comprised of:

	Equity*	NWOIP Non-host Equity	2025	2024
	\$	\$	\$	\$
Balance	-	81,996	81,996	161,987
Impairment	-	(52,496)	(52,496)	(132,487)
	<u>-</u>	<u>29,500</u>	<u>29,500</u>	<u>29,500</u>

* Equity includes the host CFDC's portion of pooled investments in shares.

The Corporation determines the impairment of Equity Investments by providing for specific investment losses after reviewing outstanding equity investments on a investment-by-investment basis plus the use of an estimated general provision based on past experience for all equity investments for which no specific provision has been established.

11. COMMITMENTS

The corporation is committed under its operating leases to rent premises and office equipment.

The minimum annual lease payments required in each of the next five years in respect of operating leases are as follows:

	\$
2026	39,114
2027	37,929
2028	38,620
2029	37,670
2030	37,618

12. FEDNOR - CONTRIBUTION AGREEMENT

The Corporation has an operating funding agreement with FedNor for a five year period from April 1, 2023 to March 31, 2028. The agreement provides \$1,500,000 for the 2024 to 2028 fiscal years to the General Fund to cover the costs of providing business counselling and advisory services to the community and to maintain an Investment Fund. This agreement contains specific restrictions on interest rates on Investment Funds, how funds are to be invested and how surplus funds can be used.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

13. PRIOR PERIOD ADJUSTMENT

During the prior year, the corporation recorded a prior period adjustment for \$175,000 of FedNor funding in the Investment Fund that was believed to be revenue recorded in a prior year that was unspent and was repaid by the Corporation during the current year. However it was determined during the year that \$150,000 of this repayment was already recorded as a liability in deferred revenue in the Operating fund. As a result \$150,000 of the prior year adjustment that was recorded at March 31, 2024 was reversed in the current year.

14. FUND TRANSFERS

During the year, the board of directors approved a transfer of interest income of \$77,660 from the Investment Fund to the General Fund to assist in funding the deficit in the General Fund in the current year.

During the prior year, the board of directors approved the following transfers from the Board Fund to the General Fund:

- The remaining \$30,190 of the \$127,500 that was originally transferred from the Investment Fund to the Board Fund under a one time measure in the year ended March 31, 2022 to help cover the incremental costs related to administering RRRF loans.
- An additional transfer of \$1,947.

15. SPECIAL PROJECTS

The Corporation has entered into contracts with various funding agencies to assist other organizations in securing funding from projects in the Community and the Northwestern Ontario Region. Contributions from these funding agencies for these special projects do not pertain to the regular operations of the Corporation. Since the funds have been advanced by the Corporation to these other organizations to undertake projects, only the total revenue and expenditures paid by the Corporation for the projects are included in these financial statements.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Notes to the Financial Statements As At March 31, 2025

16. FINANCIAL INSTRUMENT RISKS

Risks and Concentrations

The corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the corporation's risk exposure and concentrations at the Statement of Financial Position date.

Credit Risk

The organization is exposed to significant credit risk that arises from the credit quality of the entities to which it provides loans. Credit risk arises from the possibility that these entities may experience financial difficulty and be unable to fulfil their obligations. The organization performs ongoing credit evaluations of the entities financial condition and maintains provisions for potential credit losses.

Liquidity Risk

Liquidity risk is the risk that the corporation will encounter difficulty in meeting obligations associated with financial liabilities. The corporation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. In the opinion of management, the liquidity risk exposure to the corporation is low.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

In the opinion of management, the corporation is not exposed to any significant market risk, including currency, interest rate and other price risk.

No financial liabilities of the corporation were in default during the period.

The corporation was not subject to any covenants during the period.

There were no changes to the corporation's risk exposures from the prior year.

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Schedule 1 - Schedule of Expenditures For The Year Ended March 31, 2025

	Operating Fund \$	Other Projects Fund \$	Investment Fund \$	MAT Fund \$	2025 \$	2024 \$
ADMINISTRATION						
Bank charges and interest	(182)	-	2,658	-	2,476	1,913
Office	14,196	-	-	-	14,196	14,123
Postage	564	-	-	-	564	1,130
Professional fees	18,356	-	4,927	-	23,283	12,610
Travel	<u>1,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,852</u>	<u>1,400</u>
	<u>34,786</u>	<u>-</u>	<u>7,585</u>	<u>-</u>	<u>42,371</u>	<u>31,176</u>
COMMUNITY DEVELOPMENT						
Advertising and marketing	3,631	-	-	-	3,631	4,644
Employee training and conferences	9,684	-	-	-	9,684	6,864
Library	-	-	-	-	-	97
Memberships and dues	1,655	-	-	-	1,655	2,618
Projects (Schedule 2)	-	521,500	-	128,901	650,401	925,875
Tent (Schedule 2)	<u>2,902</u>	<u>618</u>	<u>-</u>	<u>-</u>	<u>3,520</u>	<u>8,935</u>
	<u>17,872</u>	<u>522,118</u>	<u>-</u>	<u>128,901</u>	<u>668,891</u>	<u>949,033</u>
DIRECTORS' EXPENSE						
Meetings	4,654	-	-	-	4,654	6,336
Travel	3,151	-	-	-	3,151	9,284
Technology	<u>4,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,447</u>	<u>-</u>
	<u>12,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,252</u>	<u>15,620</u>
OCCUPANCY AND EQUIPMENT						
Insurance	25,949	-	-	-	25,949	23,271
Rent and taxes	26,045	-	-	-	26,045	25,674
Repairs and maintenance	4,041	-	-	-	4,041	4,080
Telephone	<u>2,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,288</u>	<u>1,897</u>
	<u>58,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,323</u>	<u>54,922</u>
SALARIES AND BENEFITS						
Salaries	314,881	-	-	-	314,881	223,936
Benefits	<u>4,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,300</u>	<u>33,562</u>
	<u>319,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,181</u>	<u>257,498</u>
	<u>442,414</u>	<u>522,118</u>	<u>7,585</u>	<u>128,901</u>	<u>1,101,018</u>	<u>1,308,249</u>

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Schedule 2 - Project Revenue and Expenditures For The Year Ended March 31, 2025

	Other Projects \$	Tile drainage \$	Agriculture Innovation \$	MAT Project \$	Go Local \$	FD& I \$	2025 Total \$
REVENUES							
NOHF Corporation	7,642	360,546	-	-	-	-	368,188
Other projects revenue	29,797	-	-	15,400	18,634	12,204	76,035
FedNor	-	-	13,603	39,846	-	-	53,449
Investment income	16,199	-	-	-	-	-	16,199
Fort Frances	2,102	-	-	-	-	-	2,102
Municipal	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>
	<u>55,787</u>	<u>360,546</u>	<u>13,603</u>	<u>55,246</u>	<u>18,634</u>	<u>12,204</u>	<u>516,020</u>
EXPENSES							
Tile drainage	-	360,546	-	-	-	-	360,546
Consulting	10,375	-	18,819	11,289	-	16,272	56,755
Marketing	-	-	2,503	46,259	5,269	-	54,031
Internal projects	30,992	-	-	-	-	-	30,992
Office	-	-	-	-	13,365	-	13,365
Fort Frances Economic Dev. Project	5,811	-	-	-	-	-	5,811
Tent	<u>618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618</u>
	47,796	360,546	21,322	57,548	18,634	16,272	522,118
Amortization	<u>24,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,960</u>
	<u>72,756</u>	<u>360,546</u>	<u>21,322</u>	<u>57,548</u>	<u>18,634</u>	<u>16,272</u>	<u>547,078</u>
	<u>(16,969)</u>	<u>-</u>	<u>(7,719)</u>	<u>(2,302)</u>	<u>-</u>	<u>(4,068)</u>	<u>(31,058)</u>

RAINY RIVER FUTURE DEVELOPMENT CORPORATION

Schedule 2 - Project Revenue and Expenditures (Continued) For The Year Ended March 31, 2025

	Other Projects \$	Tile drainage \$	Agriculture Innovation \$	MAT Project \$	Go Local \$	FD& I \$	2024 Total \$
REVENUES							
NOHF Corporation	3,649	609,206	-	-	-	-	612,855
FedNor	-	-	60,306	47,306	-	-	107,612
Other projects revenue	7,126	-	8,955	27,169	19,192	27,655	90,097
Municipal	76,548	-	7,699	2,967	-	-	87,214
Fort Frances	32,171	-	-	-	-	-	32,171
Investment income	<u>20,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,890</u>
	<u>140,384</u>	<u>609,206</u>	<u>76,960</u>	<u>77,442</u>	<u>19,192</u>	<u>27,655</u>	<u>950,839</u>
EXPENSES							
Tile drainage	-	609,206	-	-	-	-	609,206
Consulting	-	-	72,244	20,260	-	27,655	120,159
Marketing	-	-	4,716	57,182	12,400	-	74,298
Internal projects	32,034	-	-	-	-	-	32,034
Fort Frances Economic Dev. Project	16,061	-	-	-	-	-	16,061
Office	-	-	-	-	6,792	-	6,792
Tent	<u>3,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,649</u>
	51,744	609,206	76,960	77,442	19,192	27,655	862,199
Amortization	<u>7,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,126</u>
	<u>58,870</u>	<u>609,206</u>	<u>76,960</u>	<u>77,442</u>	<u>19,192</u>	<u>27,655</u>	<u>869,325</u>
	<u>81,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,514</u>