

Community Futures East Kootenay
Non-Consolidated Financial Statements
For the year ended March 31, 2017

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BDO Canada LLP
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Independent Auditor's Report

To the Members of Community Futures East Kootenay

We have audited the accompanying non-consolidated financial statements of Community Futures East Kootenay, which comprise the non-consolidated statement of financial position as at March 31, 2017 and the non-consolidated statements of operations, changes in net assets and cash flows for the year ended March 31, 2017, and other explanatory information.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the non-consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditor's Report (continued)

Opinion

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of Community Futures East Kootenay as at March 31, 2017 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

BDO Canada LLP

Chartered Professional Accountants
Cranbrook, British Columbia

June 16, 2017


**Community Futures East Kootenay
Non-Consolidated Statement of Financial Position**

| March 31 | 2017 | 2016 |
|-------------------------------------|--------------|--------------|
| | | (Note 12) |
| Assets | | |
| Current | | |
| Cash and cash equivalents (Note 2) | \$ 1,287,576 | \$ 2,111,868 |
| Accounts receivable (Note 3) | 52,252 | 37,017 |
| Prepaid expenses | 4,216 | 3,833 |
| Investments (Note 4) | 104,416 | 97,152 |
| Current portion of loans receivable | 600,195 | 869,863 |
| | 2,048,655 | 3,119,733 |
| Investments (Note 4) | 400,028 | 400,027 |
| Loans receivable (Note 5) | 4,260,604 | 2,998,305 |
| Capital assets (Note 6) | 62 | 185 |
| | \$ 6,709,349 | \$ 6,518,250 |

Liabilities and Net Assets

| | | |
|--|--------------|--------------|
| Current | | |
| Accounts payable and accrued liabilities | \$ 18,700 | \$ 24,772 |
| Deferred revenue | 25,745 | 25,496 |
| | 44,445 | 50,268 |
| Due to related parties (Note 7) | 45,622 | 61,628 |
| | 90,067 | 111,896 |
| Net Assets | | |
| Unrestricted | 74,953 | 53,884 |
| Invested in capital assets | 62 | 185 |
| Contributed funds (Note 8) | 2,875,000 | 2,875,000 |
| Restricted loan funds | 3,669,267 | 3,477,285 |
| | 6,619,282 | 6,406,354 |
| | \$ 6,709,349 | \$ 6,518,250 |

Approved on behalf of the Board:


 _____ Director


 _____ Director

Community Futures East Kootenay
Non-Consolidated Statement of Changes in Net Assets

| For the year ended March 31 | Contributed Funds | Restricted Loan Funds | Invested in Capital | Unrestricted | 2017 Total | 2016 Total |
|--|----------------------|--------------------------|------------------------|--------------|---------------|---------------|
| Balance, beginning of year | \$ 1,975,000 | \$ 3,477,285 | \$ 185 | \$ 53,884 | \$ 5,506,354 | \$ 5,306,378 |
| Prior period adjustment (Note 12) | 900,000 | - | - | - | 900,000 | 900,000 |
| Adjusted balance, beginning of year | 2,875,000 | 3,477,285 | 185 | 53,884 | 6,406,354 | 6,206,378 |
| Change in fund balances | - | 191,982 | (1,661) | 22,607 | 212,928 | 199,976 |
| Additions to capital | - | - | 1,538 | (1,538) | - | - |
| Balance, end of year | \$ 2,875,000 | \$ 3,669,267 | \$ 62 | \$ 74,953 | \$ 6,619,282 | \$ 6,406,354 |

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

Community Futures East Kootenay Non-Consolidated Statement of Operations

| For the year ended March 31 | | | 2017 | 2016 |
|--|------------------|----------------------------|-------------------|-------------------|
| | General Fund | Investment Loan Fund | Total | Total |
| Revenue | | | | |
| Western Economic Diversification Canada | \$ 305,956 | \$ - | \$ 305,956 | \$ 305,955 |
| Provincial conference | - | - | - | 80,615 |
| Interest on deposits | 6,815 | 10,692 | 17,507 | 19,141 |
| Interest on investment loans | - | 286,429 | 286,429 | 299,872 |
| Loan and administration fees | 24,585 | 104,759 | 129,344 | 98,076 |
| Other revenue | 3,129 | - | 3,129 | 2,804 |
| Realized gain (loss) | - | - | - | (7,672) |
| Unrealized gain (loss) | 7,264 | - | 7,264 | (4,298) |
| | <u>347,749</u> | <u>401,880</u> | <u>749,629</u> | <u>794,493</u> |
| Expenses | | | | |
| Advertising and promotion | 10,047 | - | 10,047 | 7,078 |
| Amortization | 1,661 | - | 1,661 | 5,340 |
| Audit, legal and consulting fees | 18,990 | - | 18,990 | 28,363 |
| Conference costs | - | - | - | 64,006 |
| Economic development contributions | 11,982 | - | 11,982 | 31,029 |
| Insurance, licences, and dues | 6,422 | - | 6,422 | 12,926 |
| Interest, bank and service charges | 4,986 | 1,305 | 6,291 | 6,115 |
| Loan loss provision | - | 95,311 | 95,311 | 17,736 |
| Office and equipment rent | 47,069 | - | 47,069 | 52,052 |
| Office, supplies, miscellaneous, and (recoveries) | 6,828 | - | 6,828 | (5,368) |
| Technical assistance | 1,197 | - | 1,197 | 1,209 |
| Telephone and utilities | 4,455 | - | 4,455 | 4,347 |
| Training and education | 2,002 | - | 2,002 | 1,875 |
| Travel | 20,729 | - | 20,729 | 22,076 |
| Wages and benefits | 303,717 | - | 303,717 | 345,732 |
| | <u>440,085</u> | <u>96,616</u> | <u>536,701</u> | <u>594,516</u> |
| Excess (deficiency) of revenues over expenses from operations | (92,336) | 305,264 | 212,928 | 199,977 |
| Interest & other fees transferred | 113,282 | (113,282) | - | - |
| Change in fund balances | <u>\$ 20,946</u> | <u>\$ 191,982</u> | <u>\$ 212,928</u> | <u>\$ 199,977</u> |

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

Community Futures East Kootenay
Non-Consolidated Statement of Cash Flows

| For the year ended March 31 | 2017 | 2016 |
|---|-------------------------|-------------------------|
| Cash flows provided by (used in): | | |
| Operating activities | | |
| Cash received from governments and other sources | \$ 512,648 | \$ 588,775 |
| Cash paid to suppliers and employees | (534,182) | (618,298) |
| Loans receivable advances | (1,972,339) | (618,050) |
| Loan payments received | 884,417 | 1,055,482 |
| Interest paid | (6,291) | (6,115) |
| Interest received | 293,013 | 320,877 |
| | <u>(822,734)</u> | <u>722,671</u> |
| Investing activities | | |
| Purchase of capital assets | <u>(1,538)</u> | - |
| Increase (decrease) in cash | (824,272) | 722,671 |
| Cash and cash equivalents, beginning of year | <u>2,111,868</u> | <u>1,389,197</u> |
| Cash and cash equivalents, end of year | \$ 1,287,596 | \$ 2,111,868 |

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

1. Nature of Organization and Significant Accounting Policies

Nature of Organization Community Futures East Kootenay, ("the Corporation,") was incorporated without share capital under Part II of the Canada Corporations Act by Letters Patent dated March 24, 1995. The Corporation was subsequently registered as an extraprovincial society on September 15, 1995 under the British Columbia Society Act.

The Corporation promotes economic development and the creation of jobs and wealth in the East Kootenay region by providing small-business loans for start-up, expansion or the purchase of existing businesses.

The Corporation is a not-for-profit organization and is exempt from income tax under the Income Tax Act.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund Accounting The Corporation follows the restricted method of accounting for contributions.

The General Fund accounts for the Corporation's revenues and expenses related to operating and administration activities, program deliveries and loan management costs.

The Loan Investment Fund reports restricted resources that are to be used for assistance to small business and entrepreneurs in the form of loans, loan guarantees or equity participation. Loans from the Loan Investment Fund for the Disabled and for Youth are limited to businesses owned and operated by disabled and youth entrepreneurs respectively. The Corporation is restricted in the types of loans that can be made according to its agreement with the federal government.

Revenue Recognition Unrestricted contributions and restricted contributions of the Loan Investment Fund are recognized as revenue of the appropriate fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions of the General Fund are recognized as revenue in the year in which the related expenses are incurred.

Interest income on loans is recorded on the accrual method using effective interest rates.

Loan negotiation fees and income recorded on prepayment and renegotiation of fixed-term loans are recognized when received.

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

1. Nature of Organization and Significant Accounting Policies (continued)

Cash and

Cash Equivalents

Cash and cash equivalents include cashable and highly liquid investments with original maturities of three months or less at the time of purchase.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issuance of financial instruments are expensed for items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Investments

Investments in equities quoted in an active market are accounted for at fair value. Changes in fair value are recorded through the statement of operations.

Investments in private companies, subject to significant influence, are accounted for using the cost method.

Allowance for

Impaired Loans

The Corporation maintains an allowance for impaired loans in the amount management considers adequate to absorb losses in its loan portfolio. The allowance is determined on a loan by loan basis. This allowance is the amount required to reduce the carrying value of each loan to its estimated realizable amount.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Contributed assets are recorded at fair value at the date of contribution.

Amortization is provided for on a straight-line basis over the estimated useful life of the asset as follows:

| | |
|------------------------|--------------|
| Leasehold improvements | 5 years |
| Office equipment | 5 years |
| Computer equipment | 1 to 3 years |

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

1. Nature of Organization and Significant Accounting Policies (continued)

Use of Estimates The preparation of non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash and Cash Equivalents

Cash balances are held in multiple accounts with one financial institution earning interest at rates varying from 0.5% to 1.5%. Included in cash are amounts restricted of \$1,256,015 (2016 - \$2,069,964) in the investment loan fund and represent amounts to be used to provide loans in the future.

The Canada Deposit Insurance Corporation (CDIC) insures each of the Canadian Chartered Bank current accounts up to \$100,000. The aggregate funds held in one account may exceed the CDIC insured limit from time to time and funds held by the institution may not be covered by CDIC insurance. Management does not anticipate any material effect on the financial position of the Corporation as a result to this concentration.

3. Accounts Receivable

| | <u>2017</u> | <u>2016</u> |
|---------------------------|------------------|------------------|
| Trade accounts receivable | \$ 7,431 | \$ 6,889 |
| Sales taxes receivable | 1,377 | 2,947 |
| Interest receivable | 34,420 | 23,498 |
| Other fees receivable | 9,024 | 3,683 |
| | <u>\$ 52,252</u> | <u>\$ 37,017</u> |

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

4. Investments

| | 2017 | 2016 |
|--|------------|------------|
| Current | | |
| Marketable securities, at fair value | \$ 104,416 | \$ 97,152 |
| Long-term | | |
| Shares in private company, at cost (a) | \$ 400,027 | \$ 400,027 |
| Shares in private company, at cost (b) | 1 | - |
| | \$ 400,028 | \$ 400,027 |

- a) In the Community Business Loan Program of the Loan Investment Fund the Corporation owns 52 shares (29%) of a local private company that is incorporated under the British Columbia Business Corporation Act.

On December 20, 2013, the Corporation entered into a share purchase and purchase back agreement that includes an obligation for the shares to be purchased back from the Corporation. On December 20, 2015 the agreement was renegotiated where the shares can be re-purchased from the Corporation at any time over the two year period at the same price the Corporation paid for them. The Corporation receives monthly royalties consisting of 1.1% (2016 - 1.1%) of the company's gross monthly revenues with a cap of \$28,800. During the year these royalties totaled \$23,292 (2016 - \$20,165). This amount is included in "Loan and administration fees" on the Statement of Operations.

- b) On March 24, 2017, Community Futures East Kootenay was issued 40 voting common (33.3%) of a newly incorporated private entity established for the purpose of purchasing real estate of which Community Futures East Kootenay will be an eventual partial tenant. Included within the transaction, Community Futures East Kootenay loaned the private company \$100,000 which is included in repayable loans receivable (Note 5).

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

5. Loans Receivable

The loans receivable consist of small business loans under a variety of programs in the Loan Investment Fund. Loans are normally repayable on a monthly basis at fixed interest rates ranging from 5% to 10% (2016 - 6% to 10%) per annum compounded semi-annually, not in advance. The rate offered to a client varies with the term of the loan, type of security offered and clients credit worthiness. In general, security for loans are obtained by one or more of chattel and real property mortgages and personal and a third party guarantees.

| | 2017 | 2016 |
|------------------------------------|--------------|--------------|
| Repayable | \$ 825,234 | \$ 621,373 |
| Non-Repayable | 2,888,339 | 2,404,637 |
| Community Business Loans Program | 1,061,549 | 942,765 |
| Disability | 229,631 | 30,977 |
| | 5,004,753 | 3,999,752 |
| Less: Current portion | (600,195) | (869,863) |
| Less: Provision for impaired loans | (143,954) | (131,584) |
| | \$ 4,260,604 | \$ 2,998,305 |

The allowance for loan impairment is made based on expected loan default rates, potential loss ratios and review of loan portfolios, as determined by management. During the year loan losses of \$95,311 (2016 - \$17,736) were recorded which include changes in the allowance for impaired loans.

During the year, Community Future East Kootenay along with four other Community Futures organizations, agreed to provide a syndicated loan in the principal amount of \$850,000 to a private company. The four other partners agreed to each participate in 16.175% of the loan and Community Futures East Kootenay agreed to provide 35.50% of the total syndicated loan. Community Futures East Kootenay has accounted for only its proportionate share of the syndicated loan and is included in the non-repayable loans receivable balance.

6. Capital Assets

| | 2017 | | 2016 | |
|------------------------|-----------|-----------------------------|-----------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Leasehold improvements | \$ 45,099 | \$ 45,037 | \$ 45,099 | \$ 44,914 |
| Office equipment | 5,771 | 5,771 | 5,771 | 5,771 |
| Computer equipment | 20,309 | 20,309 | 18,771 | 18,771 |
| | \$ 71,179 | \$ 71,117 | \$ 69,641 | \$ 69,456 |
| Net book value | | \$ 62 | | \$ 185 |

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

7. Related Party

The Corporation controls Rocky Mountain Business Development Centre Society ("the Society"), an organization related by way of a common board of directors and management team. The Society is incorporated under the Society Act of British Columbia and was established to acquire or lease a building which, in turn, it leases to the Corporation to carry out its operations. Notice to Reader financial statements of the Society are available on request.

- a) Financial summaries of this Society as at March 31, 2017, and for the year then ended, are as follows:

| | 2017 | 2016 |
|---------------------------------|------------|------------|
| Financial Position | | |
| Current assets | \$ 119,464 | \$ 109,869 |
| Tangible capital assets | 9,228 | 11,927 |
| | \$ 128,692 | \$ 121,796 |
| Current liabilities | \$ 4,004 | \$ 12,997 |
| Net assets | 124,688 | 108,799 |
| | \$ 128,692 | \$ 121,796 |
| Operations | | |
| Revenues | \$ 55,910 | \$ 58,661 |
| Expenses | 40,021 | 44,778 |
| Excess of revenue over expenses | \$ 15,889 | \$ 13,883 |

- b) Transactions with the Society during the year are as follows:

- i) The Corporation made annual lease payments of \$52,607 (2016 - \$54,460) to the Society during the year for office and equipment rent.
- ii) In 2013 the Society loaned \$55,000 to the Corporation. Interest is accruing on the amount outstanding at a rate of 5% per annum. The outstanding balance as of March 31, 2017 is \$45,622 (2016 - \$61,628).

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

8. Contributed Funds

Non-Repayable

The Corporation entered into an investment fund agreement on June 1, 1994 whereby the Corporation received a grant over time totaling \$1,450,000 to be used to assist in creating new small business and to expand, stabilize and protect existing businesses, resulting in the generation and maintenance of permanent employment. Financial assistance may be in the form of loans, loan guarantees and equity participation.

The Corporation also entered into an agreement on May 21, 1996 with Forest Renewal British Columbia whereby the Corporation received a \$400,000 grant, which was matched by the Corporation with existing loans and cash. The funds must be used to provide loans, business counselling and training to small and medium size forest sector enterprises in British Columbia. An additional \$125,000 was provided on January 25, 2001. Forest Renewal British wound up in 2003 and has ceased operations. The fund is now administered by the Community Business Loans Programs (CBLP).

Conditionally Repayable

In 1997, \$700,000 was received from Western Economic Diversification Canada ("W.E.D.") as a conditionally repayable contribution to provide for the funding of loans, loan guarantees and equity investments in businesses. In 1998, \$200,000 was received from W.E.D. to provide similar funding for disabled entrepreneurs (as defined in the funding agreement). The contribution is conditionally repayable upon 30 days written notice from the Minister of W.E.D. under the following circumstances:

- it is the Minister's opinion that the Conditionally Repayable Investment Funds are not providing satisfactory levels of benefits in terms of employment creation, the development of community-owned or controlled businesses, and strengthening of the Western Canadian economy;
- it is the Minister's opinion that the Conditionally Repayable Investment Fund is no longer necessary or relevant to the development of the Western Canadian economy; or
- the Corporation is in default of the terms of the agreement(s).

9. Economic Dependence

The Corporation receives the majority of its operating revenues from the provincial and federal governments and is economically dependent upon them.

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2017

10. Financial Instrument Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to this risk arises from the possibility that changes in interest rates will affect the value of the loans receivable. Loans receivable are all issued at fixed rates of interest and is subject to interest rate price risk, as the value will fluctuate as a result of changes in market interest rates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk resulting from its accounts receivable and loans receivable.

Liquidity Risk

Liquidity risk is the risk that the company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Corporation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and conditionally repayable funds.

11. Salaries, Honoraria and Benefits

The Society Act of British Columbia requires certain information to be reported with regards to remuneration of employees, contractors and directors.

Community Futures East Kootenay has one employee with remuneration over \$75,000. The salary paid to this individual for the fiscal year ended March 31, 2017 was \$86,440. No honoraria were paid to members of the Board of Directors for the 2017 fiscal year.

12. Prior Period Adjustment

The Community Futures East Kootenay previously recorded its conditionally repayable contributions from Western Economic Diversification Canada ("W.E.D") as a liability. As required under Canadian accounting standards for not-for-profit organizations, when applying the restricted fund method, restricted contributions are to be recognized in revenue when received. Community Futures East Kootenay received conditionally repayable contributions in 1997 and 1998 in total of \$900,000 and as such the financial statements have been restated to reflect this reclassification from a liability to contributed funds net assets. The comparative figures on the statement of financial position have been adjusted by decreasing liabilities by \$900,000 and increasing contributed fund net assets by \$900,000. The change did not have any affect on the statement of operations.

The comparative figures have been restated to conform to the current year's financial statement presentation.



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Notice to Reader

On the basis of information provided by management, we have compiled the attached schedules of the Community Futures East Kootenay for the year ended March 31, 2017.

We have not performed an audit or a review engagement in respect of these schedules and, accordingly, we express no assurance thereon.

Readers are cautioned that these schedules may not be appropriate for their purposes.

BDO Canada LLP

Chartered Professional Accountants

Cranbrook, BC
June 16, 2017

Community Futures East Kootenay
Schedule 1 - Detailed Fund Statement of Financial Position
As at March 31

| | General Fund | | | Loan Investment Fund | | | | | 2017 Total | 2016 Total |
|--|-----------------------|--------------------|------------|----------------------|-------------------|-----------------------------|------------|--------------|---------------|---------------|
| | General Operations | General Capital | Total | Repayable | Non- Repayable | Community Business Loans | Disability | Total | | |
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 31,560 | \$ - | \$ 31,560 | \$ 272,406 | \$ 540,403 | \$ 377,676 | \$ 65,531 | \$ 1,256,016 | 1,287,576 | 2,111,868 |
| Accounts receivable | 7,623 | - | 7,623 | 2,315 | 4,309 | 2,399 | 1,186 | 10,209 | 17,832 | 13,519 |
| Accrued interest receivable | - | - | - | 6,723 | 14,924 | 11,612 | 1,161 | 34,420 | 34,420 | 23,498 |
| Prepaid expenses | 4,216 | - | 4,216 | - | - | - | - | - | 4,216 | 3,833 |
| Investments | 104,416 | - | 104,416 | - | - | 400,028 | - | 400,028 | 504,444 | 497,179 |
| Loans receivable | - | - | - | 825,234 | 2,888,338 | 1,061,550 | 229,631 | 5,004,753 | 5,004,753 | 3,999,752 |
| Allowance for doubtful accounts | - | - | - | (59,604) | (30,287) | (37,533) | (16,530) | (143,954) | (143,954) | (131,584) |
| Tangible capital assets | - | 62 | 62 | - | - | - | - | - | 62 | 185 |
| Inter-fund receivable (payable) | 17,205 | - | 17,205 | (3,003) | (11,977) | (2,005) | (220) | (17,205) | - | - |
| | \$ 165,020 | \$ 62 | \$ 165,082 | \$ 1,044,071 | \$ 3,405,710 | \$ 1,813,727 | \$ 280,759 | \$ 6,544,267 | \$ 6,709,349 | \$ 6,518,250 |
| Liabilities | | | | | | | | | | |
| Accounts payable and accrued liabilities | 18,700 | - | 18,700 | - | - | - | - | - | 18,700 | 24,772 |
| Deferred revenue | 25,745 | - | 25,745 | - | - | - | - | - | 25,745 | 25,496 |
| Due to related party | 45,622 | - | 45,622 | - | - | - | - | - | 45,622 | 61,628 |
| Total liabilities | 90,067 | - | 90,067 | - | - | - | - | - | 90,067 | 111,896 |
| Net Assets | | | | | | | | | | |
| Unrestricted | 74,953 | - | 74,953 | - | - | - | - | - | 74,953 | 53,884 |
| Invested in tangible capital assets | - | 62 | 62 | - | - | - | - | - | 62 | 185 |
| Contributed loan funds | - | - | - | 700,000 | 1,450,000 | 525,000 | 200,000 | 2,875,000 | 2,875,000 | 2,875,000 |
| Restricted loan funds | - | - | - | 344,071 | 1,955,710 | 1,288,727 | 80,759 | 3,669,267 | 3,669,267 | 3,477,285 |
| Total net assets | 74,953 | 62 | 75,015 | 1,044,071 | 3,405,710 | 1,813,727 | 280,759 | 6,544,267 | 6,619,282 | 6,406,354 |
| | \$ 165,020 | \$ 62 | \$ 165,082 | \$ 1,044,071 | \$ 3,405,710 | \$ 1,813,727 | \$ 280,759 | \$ 6,544,267 | \$ 6,709,349 | \$ 6,518,250 |

Community Futures East Kootenay
Schedule 2 - Detailed Fund Statement of Operations
For the year ended March 31

| | General Fund | | | Loan Investment Fund | | | | | 2017 | 2016 |
|---|--------------------|----------|------------------|----------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|---------------------|
| | General Operations | Other | Total | Repayable | Non-Repayable | Community Business Loans | Disability | Total | Total | Total |
| Revenue | | | | | | | | | | |
| Western Economic Diversification Canada | \$ 305,956 | \$ - | \$ 305,956 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 305,956 | \$ 305,955 |
| Provincial conference | - | - | - | - | - | - | - | - | - | 80,615 |
| Interest on deposits | 6,815 | - | 6,815 | 2,662 | 4,253 | 1,853 | 1,924 | 10,692 | 17,507 | 19,141 |
| Interest on investment loans | - | - | - | 35,705 | 176,314 | 73,735 | 675 | 286,429 | 286,429 | 299,872 |
| Loan and administration fees | 24,585 | - | 24,585 | 12,456 | 53,127 | 37,946 | 1,230 | 104,759 | 129,344 | 98,076 |
| Other revenue | 3,129 | - | 3,129 | - | - | - | - | - | 3,129 | 2,804 |
| Realized gain | - | - | - | - | - | - | - | - | - | (7,672) |
| Unrealized gain (loss) on investments | 7,264 | - | 7,264 | - | - | - | - | - | 7,264 | (4,298) |
| Total revenue | 347,749 | - | 347,749 | 50,823 | 233,694 | 113,534 | 3,829 | 401,880 | 749,629 | 794,493 |
| Expenses | | | | | | | | | | |
| Advertising and promotion | 10,047 | - | 10,047 | - | - | - | - | - | 10,047 | 7,079 |
| Amortization | 1,661 | - | 1,661 | - | - | - | - | - | 1,661 | 5,340 |
| Audit, legal, and consulting fees | 18,990 | - | 18,990 | - | - | - | - | - | 18,990 | 28,363 |
| Conference costs | - | - | - | - | - | - | - | - | - | 64,006 |
| Economic development contributions | 11,982 | - | 11,982 | - | - | - | - | - | 11,982 | 31,029 |
| Insurance, licences, and dues | 6,422 | - | 6,422 | - | - | - | - | - | 6,422 | 12,926 |
| Interest, bank and service charges | 4,986 | - | 4,986 | 325 | 328 | 352 | 300 | 1,305 | 6,291 | 6,115 |
| Loan loss provision (recoveries) | - | - | - | 24,305 | 30,312 | 24,164 | 16,530 | 95,311 | 95,311 | 17,736 |
| Office and equipment rent | 47,069 | - | 47,069 | - | - | - | - | - | 47,069 | 52,052 |
| Office, supplies, miscellaneous, and (recoveries) | 6,828 | - | 6,828 | - | - | - | - | - | 6,828 | (5,368) |
| Technical assistance | 1,197 | - | 1,197 | - | - | - | - | - | 1,197 | 1,209 |
| Telephone and utilities | 4,455 | - | 4,455 | - | - | - | - | - | 4,455 | 4,347 |
| Training and education | 2,002 | - | 2,002 | - | - | - | - | - | 2,002 | 1,875 |
| Travel | 20,729 | - | 20,729 | - | - | - | - | - | 20,729 | 22,076 |
| Wages and benefits | 303,717 | - | 303,717 | - | - | - | - | - | 303,717 | 345,732 |
| Total expenses | 440,085 | - | 440,085 | 24,630 | 30,640 | 24,516 | 16,830 | 96,616 | 536,701 | 594,517 |
| Revenues over expenses | (92,336) | - | (92,336) | 26,193 | 203,054 | 89,018 | (13,001) | 305,264 | 212,928 | 199,976 |
| Administration and other transfers | | | | | | | | | | |
| Loan fee transfers | 78,282 | - | 78,282 | (12,456) | (49,942) | (14,654) | (1,230) | (78,282) | - | - |
| Loan interest transfers | 35,000 | - | 35,000 | - | - | (35,000) | - | (35,000) | - | - |
| Change in fund balance | 20,946 | - | 20,946 | 13,737 | 153,112 | 39,364 | (14,231) | 191,982 | 212,928 | 199,976 |
| Fund balance, beginning of year | | | 54,069 | 1,030,334 | 3,252,598 | 1,774,363 | 294,990 | 6,352,285 | 6,406,354 | 6,206,378 |
| Fund balance, end of year | | | \$ 75,015 | \$ 1,044,071 | \$ 3,405,710 | \$ 1,813,727 | \$ 280,759 | \$ 6,544,267 | \$ 6,619,282 | \$ 6,406,354 |