

Community Futures East Kootenay
Non-Consolidated Financial Statements
For the year ended March 31, 2019

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Independent Auditor's Report

**To the Members of
Community Futures East Kootenay**

Opinion

We have audited the financial statements of Community Futures East Kootenay (the Entity), which comprise the non-consolidated statement of financial position as at March 31, 2019 and the non-consolidated statements of operations, changes in net assets and cash flows for the year ended March 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity 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 these 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (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 Entity'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 Entity'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 Entity 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.

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 19, 2019

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

March 31 **2019** **2018**

Assets

Current

Cash and cash equivalents (Note 2)	\$ 1,662,667	\$ 1,331,793
Accounts receivable (Note 3)	142,028	113,269
Prepaid expenses	6,142	6,693
Investments (Note 4)	54,002	76,839
Due from related parties (Note 5)	11,593	46,426
Current portion of loans receivable	<u>865,924</u>	<u>941,038</u>

2,742,356 **2,516,058**

Investments (Note 4)	300,021	400,028
Loans receivable (Note 6)	4,019,979	3,983,400
Capital assets (Note 7)	<u>67,409</u>	<u>81,946</u>

\$ 7,129,765 **\$ 6,981,432**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 29,361	\$ 52,494
Deferred revenue	<u>25,745</u>	<u>55,070</u>

55,106 **107,564**

Net Assets

Unrestricted	83,989	82,172
Invested in capital assets	67,409	81,946
Contributed funds (Note 8)	2,875,000	2,875,000
Restricted loan funds	<u>4,048,261</u>	<u>3,834,750</u>

7,074,659 **6,873,868**

\$ 7,129,765 **\$ 6,981,432**

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	2019 Total	2018 Total
Balance, beginning of year	\$ 2,875,000	\$ 3,847,264	\$ 81,946	\$ 69,658	\$ 6,873,868	\$ 6,619,282
Correction of prior period fund transfers	-	(12,514)	-	12,514	-	-
Balance, beginning of year restated	2,875,000	3,834,750	81,946	82,172	6,873,868	6,619,282
Change in fund balances	-	213,511	(14,402)	1,682	200,791	254,586
Disposals of capital	-	-	(135)	135	-	-
Balance, end of year	\$ 2,875,000	\$ 4,048,261	\$ 67,409	\$ 83,989	\$ 7,074,659	\$ 6,873,868

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

2019

2018

	General Fund	Investment Loan Fund	Total	Total
Revenue				
Western Economic Diversification Canada	\$ 305,956	\$ -	\$ 305,956	305,954
Provincial grant	54,820	-	54,820	45,180
Interest on deposits	1,367	17,065	18,432	10,135
Interest on investment loans	3,315	325,125	328,440	327,407
Loan and administration fees	26,634	124,978	151,612	123,871
Other revenue	1,990	-	1,990	1,423
Realized gain (loss)	996	-	996	1,830
Unrealized gain (loss)	(4,900)	-	(4,900)	(4,380)
	390,178	467,168	857,346	811,420
Expenses				
Advertising and promotion	10,414	-	10,414	8,931
Amortization	14,402	-	14,402	10,349
Audit, legal and consulting fees	22,272	-	22,272	20,512
Economic development contributions	73,759	-	73,759	64,907
Insurance, licences, and dues	9,325	-	9,325	8,342
Interest, bank and service charges	3,980	1,255	5,235	4,270
Loan loss provision	-	41,923	41,923	58,575
Office and equipment rent	59,714	-	59,714	46,980
Office, supplies, miscellaneous	18,190	-	18,190	11,984
Technical assistance	7,571	-	7,571	2,340
Telephone and utilities	3,054	-	3,054	3,740
Training and education	1,222	-	1,222	3,410
Travel	17,568	-	17,568	16,221
Wages and benefits	371,906	-	371,906	296,273
	613,377	43,178	656,555	556,834
Excess (deficiency) of revenues over expenses from operations	(223,199)	423,990	200,791	254,586
Interest & other fees transferred	210,479	(210,479)	-	-
Change in fund balances	\$ (12,720)	\$ 213,511	\$ 200,791	\$ 254,586

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	2019	2018
Cash flows provided by (used in):		
Operating activities		
Cash received from governments and other sources	\$ 475,917	\$ 495,407
Cash paid to suppliers and employees	(578,706)	(544,308)
Loans receivable advances	(1,343,495)	(1,185,100)
Loan payments received	1,340,106	1,062,886
Interest paid	(5,235)	(4,270)
Interest received	323,347	286,870
	<u>211,934</u>	<u>111,485</u>
Investing activities		
Purchase of capital assets	-	(92,295)
Cash from sale of shares in private company	100,007	-
Cash from sale of investments	18,933	25,027
	<u>118,940</u>	<u>(67,268)</u>
Increase in cash	330,874	44,217
Cash and cash equivalents, beginning of year	1,331,793	1,287,576
Cash and cash equivalents, end of year	\$ 1,662,667	\$ 1,331,793

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

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2019

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, 2019

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, 2019

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 1.25%. Included in cash are amounts restricted of \$1,619,341 (2018 - \$1,297,353) 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

	2019	2018
Trade accounts receivable	\$ 8,705	\$ 6,663
Sales taxes receivable	3,278	4,791
Interest receivable	108,617	85,092
Other fees receivable	21,428	16,723
	\$ 142,028	\$ 113,269

Community Futures East Kootenay
Notes to Non-Consolidated Financial Statements

March 31, 2019

4. Investments

	2019	2018
Current		
Marketable securities, at fair value	\$ 54,002	\$ 76,839
 Long-term		
Shares in private company, at cost (a)	\$ 300,020	\$ 400,027
Shares in private company, at cost (b)	1	1
	\$ 300,021	\$ 400,028

a) In the Community Business Loan Program of the Loan Investment Fund the Corporation owns 39 shares (22%) (2018 - 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, 2017 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% (2018 - 1.1%) of the company's gross monthly revenues with an annual cap of \$28,800. During the year these royalties totaled \$31,455 (2018 - \$30,674). This amount is included in "Loan and administration fees" on the Statement of Operations.

During the fiscal year, the local private company repurchased 13 shares for \$100,007. Community Futures East Kootenay loaned the local private company this amount, which is included in community business loans receivable.

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 is a partial tenant. Community Futures East Kootenay has also loaned the private company funds which are included in loans receivable (Note 6).

Community Futures East Kootenay
Notes to Non-Consolidated Financial Statements

March 31, 2019

5. 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, 2019, and for the year then ended, are as follows:

	2019	2018
Financial Position		
Current assets	\$ 69,662	\$ 120,026
Tangible capital assets	85,154	118,390
	\$ 154,816	\$ 238,416
Current liabilities	\$ 44,586	\$ 75,356
Long-term liabilities	11,593	46,426
Net assets	98,637	116,634
	\$ 154,816	\$ 238,416
Operations		
Revenues	\$ 217,288	\$ 93,170
Expenses	235,285	101,224
	\$ (17,997)	\$ (8,054)

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

- i) The Corporation made annual lease payments of \$58,982 (2018 - \$46,980) to the Society during the year for office and equipment rent. 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.
- 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, 2019 is \$17,612 (2018 - \$20,868).
- iii) In the prior year, the Corporation received a provincial grant in the amount of \$100,000 from the Rural Dividend program for the Ground Floor Project, of which \$70,795 has been paid in total for expenditures incurred up to March 31, 2019 in relation to the project. This amount is included in Economic development contributions expense. As at March 31, 2019 the Society owes the Corporation \$29,205 for advances not expended by the Society. This amount has been netted with the outstanding loan balance for financial statement presentation.

Community Futures East Kootenay
Notes to Non-Consolidated Financial Statements

March 31, 2019

6. 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% (2018 - 5% 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.

	2019	2018
Repayable	\$ 791,969	\$ 880,746
Non-Repayable	2,858,022	2,759,362
Community Business Loans Program	1,190,623	1,185,167
Disability	256,948	268,244
	5,097,562	5,093,519
Less: Current portion	(865,924)	(941,038)
Less: Provision for impaired loans	(211,659)	(169,081)
	\$ 4,019,979	\$ 3,983,400

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 \$41,923 (2018 - \$58,575) were recorded which include changes in the allowance for impaired loans.

Community Future East Kootenay along with other Community Futures organizations, have provided syndicated loans with original principal amounts of \$1,620,000 to private companies. The partners have agreed to each participate in varying amounts ranging from 16.175% up to 50% of the respective loans. Community Futures East Kootenay has accounted for only its proportionate share of the syndicated loans of which are included in the non-repayable loans receivable balance.

7. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 61,555	\$ 12,311	\$ 61,555	\$ 6,155
Office equipment	27,285	14,789	27,285	10,834
Computer equipment	28,748	23,079	29,287	19,192
	\$ 117,588	\$ 50,179	\$ 118,127	\$ 36,181
Net book value		\$ 67,409		\$ 81,946

Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2019

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, 2019

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, 2019 was \$89,404. No honoraria were paid to members of the Board of Directors for the 2019 fiscal year.



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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, 2019.

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.


Chartered Professional Accountants

Cranbrook, BC
June 19, 2019

Community Futures East Kootenay
 Fund Statement of Financial Position
 (Unaudited - see Notice to Reader)
 As at March 31

	General Fund		Loan Investment Fund					2019		2018	
	General Operations	General Capital	Total	Non-Community			Disability	Total	Total	Total	
				Repayable	Repayable	Business Loans					
Assets											
Cash and cash equivalents	\$ 43,326	-	\$ 43,326	\$ 383,961	\$ 726,067	\$ 444,968	\$ 64,345	\$ 1,619,341	1,662,667	1,331,793	
Accounts receivable	11,983	-	11,983	643	8,179	3,125	9,481	21,428	33,411	28,177	
Accrued interest receivable	-	-	-	15,445	41,934	49,564	1,674	108,617	108,617	85,092	
Prepaid expenses	6,142	-	6,142	-	-	300,021	-	-	6,142	6,693	
Investments	54,002	-	54,002	-	-	-	-	-	354,023	476,867	
Due from related party	11,593	-	11,593	-	-	-	-	-	11,593	46,426	
Loans receivable	-	-	-	791,969	2,858,022	1,190,623	256,948	5,097,562	5,097,562	5,093,519	
Allowance for doubtful accounts	-	-	-	(64,862)	(28,092)	(118,705)	-	(211,659)	(211,659)	(169,081)	
Tangible capital assets	-	67,409	67,409	(400)	(9,715)	-	(1,934)	(12,049)	67,409	81,946	
Inter-fund receivable (payable)	12,049	-	12,049	-	-	-	-	-	-	-	
	\$ 139,095	\$ 67,409	\$ 206,504	\$ 1,126,756	\$ 3,596,395	\$ 1,869,596	\$ 330,514	\$ 6,923,261	7,129,765	\$ 6,981,432	
Liabilities											
Accounts payable and accrued liabilities	29,361	-	29,361	-	-	-	-	-	29,361	52,494	
Deferred revenue	25,745	-	25,745	-	-	-	-	-	25,745	55,070	
Due to related party	-	-	-	-	-	-	-	-	-	-	
Total liabilities	55,106	-	55,106	-	-	-	-	-	55,106	107,564	
Net Assets											
Unrestricted	83,989	-	83,989	-	-	-	-	-	83,989	82,172	
Invested in tangible capital assets	-	67,409	67,409	-	-	-	-	-	67,409	81,946	
Contributed loan funds	-	-	-	700,000	1,450,000	525,000	200,000	2,875,000	2,875,000	2,875,000	
Restricted loan funds	-	-	-	426,756	2,146,395	1,344,596	130,514	4,048,261	4,048,261	3,832,050	
Total net assets	83,989	67,409	151,398	1,126,756	3,596,395	1,869,596	330,514	6,923,261	7,074,659	6,873,868	
	\$ 139,095	\$ 67,409	\$ 206,504	\$ 1,126,756	\$ 3,596,395	\$ 1,869,596	\$ 330,514	\$ 6,923,261	7,129,765	\$ 6,981,432	

Community Futures East Kootenay
 Schedule 2 - Detailed Fund Statement of Operations
 (Unaudited - see Notice to Reader)
 For the year ended March 31

	General Fund		Loan Investment Fund					2019	2018
	General Operations	General Capital	Total	Repayable	Non-Repayable	Community Business Loans	Disability	Total	Total
Revenue									
Western Economic Diversification Canada	\$ 305,956	\$ -	\$ 305,956	\$ -	\$ -	\$ -	\$ -	305,956	305,954
Provincial grant	54,820	-	54,820	-	-	-	-	54,820	45,180
Interest on deposits	1,367	-	1,367	8,695	3,946	619	17,065	18,432	10,135
Interest on investment loans	3,315	-	3,315	45,428	182,720	80,098	16,879	328,440	327,407
Loan and administration fees	26,634	-	26,634	10,505	51,217	50,937	12,319	151,612	123,871
Other revenue	1,990	-	1,990	-	-	-	-	1,990	1,423
Realized gain on investments	996	-	996	-	-	-	-	996	1,830
Unrealized gain (loss) on investments	(4,900)	-	(4,900)	-	-	-	-	(4,900)	(4,380)
Total revenue	390,178	-	390,178	59,738	242,632	134,981	29,817	857,346	811,420
Expenses									
Advertising and promotion	10,414	-	10,414	-	-	-	-	10,414	8,931
Amortization	-	14,402	14,402	-	-	-	-	14,402	10,349
Audit, legal, and consulting fees	22,272	-	22,272	-	-	-	-	22,272	20,512
Economic development contributions	73,759	-	73,759	-	-	-	-	73,759	64,907
Insurance, licences, and dues	9,325	-	9,325	-	-	-	-	9,325	8,342
Interest, bank and service charges	3,980	-	3,980	310	325	308	313	5,235	4,270
Loan loss provision (recoveries)	-	-	-	(14,724)	(3,003)	73,468	(13,818)	41,923	58,575
Office and equipment rent	59,714	-	59,714	-	-	-	-	59,714	46,980
Office, supplies, and miscellaneous	18,055	135	18,190	-	-	-	-	18,190	11,984
Technical assistance	7,571	-	7,571	-	-	-	-	7,571	2,340
Telephone and utilities	3,054	-	3,054	-	-	-	-	3,054	3,740
Training and education	1,222	-	1,222	-	-	-	-	1,222	3,410
Travel	17,568	-	17,568	-	-	-	-	17,568	16,221
Wages and benefits	371,906	-	371,906	-	-	-	-	371,906	296,273
Total expenses	598,840	14,537	613,377	(14,414)	(2,678)	73,775	(13,505)	656,555	556,834
Revenues over expenses	(208,662)	(14,537)	(223,199)	74,152	245,310	61,206	43,323	200,791	254,586
Administration and other transfers	78,778	-	78,778	(10,505)	(45,274)	(10,680)	(12,319)	-	-
Loan fee transfers	131,701	-	131,701	-	(97,701)	(34,000)	-	-	-
Change in fund balance	1,817	(14,537)	(12,720)	63,647	102,335	16,526	31,004	200,791	254,586
Fund balance, beginning of year	82,172	81,946	164,118	1,063,109	3,494,060	1,853,070	299,510	6,873,868	6,619,282
Fund balance, end of year	\$ 83,989	\$ 67,409	\$ 151,398	\$ 1,126,756	\$ 3,596,395	\$ 1,869,596	\$ 330,514	\$ 7,074,659	\$ 6,873,868