

Community Futures East Kootenay  
Non-Consolidated Financial Statements  
For the year ended March 31, 2020

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## Independent Auditor's Report

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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, 2020 and the non-consolidated statements of operations, changes in net assets and cash flows for the year ended March 31, 2020, 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, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### 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.

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## Independent Auditor's Report (continued)

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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.



Chartered Professional Accountants  
Cranbrook, British Columbia

July 31, 2020

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

**March 31** **2020** **2019**

**Assets**

**Current**

Cash and cash equivalents (Note 2)	\$ 2,690,162	\$ 1,662,667
Accounts receivable (Note 3)	180,147	142,028
Prepaid expenses	2,461	6,142
Investments (Note 4)	44,025	54,002
Due from related parties (Note 5)	11,185	11,593
Current portion of loans receivable	600,514	865,924

**3,528,494** **2,742,356**

Investments (Note 4)	1	300,021
Loans receivable (Note 6)	3,863,029	4,019,979
Capital assets (Note 7)	49,321	67,409

**\$ 7,440,845** **\$ 7,129,765**

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 38,120	\$ 29,361
Deferred revenue	160,966	25,745

**199,086** **55,106**

**Net Assets**

Unrestricted	126,264	83,989
Invested in capital assets	49,321	67,409
Contributed funds (Note 8)	2,875,000	2,875,000
Restricted loan funds	4,191,174	4,048,261

**7,241,759** **7,074,659**

**\$ 7,440,845** **\$ 7,129,765**

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	2020 Total	2019 Total
Balance, beginning of year	\$ 2,875,000	\$ 4,048,261	\$ 67,409	\$ 83,989	\$ 7,074,659	\$ 6,873,868
Change in fund balances	-	142,913	(20,520)	44,707	167,100	200,791
Additions to capital	-	-	2,432	(2,432)	-	-
Balance, end of year	\$ 2,875,000	\$ 4,191,174	\$ 49,321	\$ 126,264	\$ 7,241,759	\$ 7,074,659

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			2020	2019
				(Note 12)
	General Fund	Investment Loan Fund	Total	Total
<b>Revenue</b>				
Western Economic Diversification Canada	\$ 305,953	\$ -	\$ 305,953	\$ 305,956
Provincial grant	152,986	-	152,986	54,820
Interest on deposits	3,531	33,472	37,003	18,432
Interest on investments and loans	3,590	312,572	316,162	328,440
Loan and administration fees	30,857	85,050	115,907	151,612
Other revenue	180	-	180	1,990
Realized gain (loss)	-	-	-	996
Unrealized gain (loss)	(9,977)	-	(9,977)	(4,900)
	<u>487,120</u>	<u>431,094</u>	<u>918,214</u>	<u>857,346</u>
<b>Expenses</b>				
Advertising and promotion	10,251	-	10,251	10,414
Amortization	20,520	-	20,520	14,402
Audit, legal and consulting fees	17,971	-	17,971	22,272
Economic development, projects, and events	149,132	-	149,132	73,759
Insurance, licences, and dues	21,801	-	21,801	9,325
Interest, bank and service charges	3,331	1,294	4,625	5,235
Loan loss provision	-	44,313	44,313	41,923
Office and equipment rent	64,751	-	64,751	59,714
Office, supplies, and miscellaneous	19,020	-	19,020	21,244
Technical assistance	5,011	-	5,011	7,571
Training and education	5,507	-	5,507	1,222
Travel	22,912	-	22,912	17,568
Wages and benefits	365,300	-	365,300	371,906
	<u>705,507</u>	<u>45,607</u>	<u>751,114</u>	<u>656,555</u>
Excess (deficiency) of revenues over expenses from operations	(218,387)	385,487	167,100	200,791
Interest & other fees transferred	242,574	(242,574)	-	-
Change in fund balances	\$ 24,187	\$ 142,913	\$ 167,100	\$ 200,791

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	2020	2019
Cash flows provided by (used in):		
Operating activities		
Cash received from governments and other sources	\$ 701,146	\$ 475,917
Cash paid to suppliers and employees	(659,009)	(578,706)
Loans receivable advances	(1,036,007)	(1,343,495)
Loan payments received	1,414,055	1,340,106
Interest paid	(4,625)	(5,235)
Interest received	314,167	323,347
	<u>729,727</u>	<u>211,934</u>
Investing activities		
Purchase of capital assets	(2,432)	-
Proceeds on sale of equipment	180	-
Cash from sale of shares in private company	300,020	100,007
Cash from sale of investments	-	18,933
	<u>297,768</u>	<u>118,940</u>
Increase in cash	1,027,495	330,874
Cash and cash equivalents, beginning of year	<u>1,662,667</u>	<u>1,331,793</u>
Cash and cash equivalents, end of year	<u>\$ 2,690,162</u>	<u>\$ 1,662,667</u>

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## Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2020

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### 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.



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## Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2020

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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

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## Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2020

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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.

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2. Cash and Cash Equivalents

Cash balances are held in multiple accounts with one financial institution earning interest at 1.00%. Included in cash are amounts restricted of \$2,476,383 (2019 - \$1,619,341) 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.

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3. Accounts Receivable

	2020	2019
Trade accounts receivable	\$ 9,180	\$ 8,705
Sales taxes receivable	9,014	3,278
Interest receivable	147,615	108,617
Other fees receivable	14,338	21,428
	<u>\$ 180,147</u>	<u>\$ 142,028</u>

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Community Futures East Kootenay  
Notes to Non-Consolidated Financial Statements

March 31, 2020

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4. Investments

	2020	2019
Current		
Marketable securities, at fair value	\$ 44,025	\$ 54,002
Long-term		
Shares in private company, at cost (a)	\$ -	\$ 300,020
Shares in private company, at cost (b)	1	1
	\$ 1	\$ 300,021

a) 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 received monthly royalties consisting of 1.1% (2019 - 1.1%) of the company's gross monthly revenues with an annual cap of \$28,800. During the year these royalties totaled \$12,005 (2019 - \$31,455). This amount is included in "Loan and administration fees" on the Statement of Operations.

During the fiscal year, the local private company repurchased the remaining 39 shares for \$300,020.

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).

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## Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2020

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### 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, 2020, and for the year then ended, are as follows:

	2020	2019
<b>Financial Position</b>		
Current assets	\$ 27,392	\$ 69,662
Tangible capital assets	167,322	85,154
	\$ 194,714	\$ 154,816
Current liabilities	\$ 5,817	\$ 44,586
Long-term liabilities	11,185	11,593
Net assets	177,712	98,637
	\$ 194,714	\$ 154,816
 <b>Operations</b>		
Revenues	\$ 330,615	\$ 217,288
Expenses	251,540	235,285
Excess (deficiency) of revenue over expenses	\$ 79,075	\$ (17,997)

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

- i) The Corporation made annual lease payments of \$58,498 (2019 - \$58,982) 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, 2020 is \$18,513 (2019 - \$17,612). As at March 31, 2020, the Society also owes the Corporation \$29,698 for advances not expended by the Society. This amount has been netted with the outstanding loan balance for financial statement presentation.
- iii) In 2020, the Corporation received a provincial grant from the BC Rural Dividend program to support the Ground Floor Maker Space Project. As at March 31, 2020 the Corporation incurred infrastructure expenses contributed to the Society in the amount of \$126,879 which are included economic development expenses on the Statement of Operations.

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Community Futures East Kootenay  
Notes to Non-Consolidated Financial Statements

March 31, 2020

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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% (2019 - 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.

	2020	2019
Repayable	\$ 864,038	\$ 791,969
Non-Repayable	2,640,938	2,858,022
Community Business Loans Program	988,934	1,190,623
Disability	204,437	256,948
	4,698,347	5,097,562
Less: Current portion	(600,514)	(865,924)
Less: Provision for impaired loans	(234,804)	(211,659)
	\$ 3,863,029	\$ 4,019,979

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 \$44,313 (2019 - \$41,923) 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 \$1,320,000 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.

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7. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 61,555	\$ 24,622	\$ 61,555	\$ 12,311
Office equipment	27,695	18,785	27,285	14,789
Computer equipment	30,770	27,292	28,748	23,079
	\$ 120,020	\$ 70,699	\$ 117,588	\$ 50,179
Net book value		\$ 49,321		\$ 67,409

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## Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2020

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### 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).

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### 9. Economic Dependence

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

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## Community Futures East Kootenay Notes to Non-Consolidated Financial Statements

March 31, 2020

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### 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.

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### 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, 2020 was \$91,361. No honoraria were paid to members of the Board of Directors for the 2020 fiscal year.

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### 12. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation

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### 13. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. In response to the current economic impact, Community Futures has provided as option to borrowers to defer principal and interest payments on loans outstanding for up to 3 months. Interest on these loans continues to accrue and will increase the repayment period when the deferral period ends and regular payments resume. In May 2020 it was announced that Western Economic Development would provide additional funding for local Community Futures to borrow up to \$1,000,000 in funds to support local businesses with COVID related small business loans up to \$40,000 each.



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## Notice to Reader

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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, 2020.

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  
July 31, 2020



Community Futures East Kootenay  
Schedule 1 - Detailed Fund Statement of Financial Position  
(Unaudited - see Notice to Reader)  
As at March 31

	General Fund				Loan Investment Fund					2020 Total	2019 Total
	General Operations	General Capital	Makerspace	Total	Repayable	Non- Repayable	Community Business Loans	Disability	Total		
<b>Assets</b>											
Cash and cash equivalents	\$ 53,605	\$ -	\$ 160,174	\$ 213,779	\$ 260,819	\$ 1,081,912	\$ 990,037	\$ 143,615	\$ 2,476,383	\$ 2,690,162	\$ 1,662,667
Accounts receivable	18,194	-	-	18,194	1,668	8,508	3,886	276	14,338	32,532	33,411
Accrued interest receivable	-	-	-	-	25,385	49,251	72,204	775	147,615	147,615	108,617
Prepaid expenses	2,461	-	-	2,461	-	-	-	-	-	2,461	6,142
Investments	44,025	-	-	44,025	-	-	-	-	-	44,025	354,023
Due from related party	11,185	-	-	11,185	-	-	-	-	-	11,185	11,593
Loans receivable	-	-	-	-	864,038	2,640,938	988,934	204,437	4,698,347	4,698,347	5,097,562
Allowance for doubtful accounts	-	-	-	-	(46,903)	(59,199)	(105,537)	(23,164)	(234,803)	(234,803)	(211,659)
Tangible capital assets	-	49,321	-	49,321	-	-	-	-	-	49,321	67,409
Inter-fund receivable (payable)	35,660	-	46	35,706	24,485	(45,559)	(14,930)	298	(35,706)	-	-
	165,130	49,321	160,220	374,671	1,129,492	3,675,851	1,934,594	326,237	\$ 7,066,174	7,440,845	\$ 7,129,765
<b>Liabilities</b>											
Accounts payable and accrued liabilities	38,120	-	-	38,120	-	-	-	-	-	38,120	29,361
Deferred revenue	25,746	-	135,220	160,966	-	-	-	-	-	160,966	25,745
Due to related party	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	63,866	-	135,220	199,086	-	-	-	-	-	199,086	55,106
<b>Net Assets</b>											
Unrestricted	101,264	-	25,000	126,264	-	-	-	-	-	126,264	83,989
Invested in tangible capital assets	-	49,321	-	49,321	-	-	-	-	-	49,321	67,409
Contributed loan funds	-	-	-	-	700,000	1,450,000	525,000	200,000	2,875,000	2,875,000	2,875,000
Restricted loan funds	-	-	-	-	429,492	2,225,851	1,409,594	126,237	4,191,174	4,191,174	4,048,261
Total net assets	101,264	49,321	25,000	175,585	1,129,492	3,675,851	1,934,594	326,237	7,066,174	7,241,759	7,074,659
	\$ 165,130	\$ 49,321	\$ 160,220	\$ 374,671	\$ 1,129,492	\$ 3,675,851	\$ 1,934,594	\$ 326,237	\$ 7,066,174	\$ 7,440,845	\$ 7,129,765

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					2020 Total	2019 Total
	General Operations	General Capital	Makerspace	Total	Repayable	Non- Repayable	Community Business Loans	Disability	Total		
<b>Revenue</b>											
Western Economic Diversification Canada	\$ 305,953	\$ -	\$ -	\$ 305,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,953	\$ 305,956
Provincial grant	-	-	152,986	152,986	-	-	-	-	-	152,986	54,820
Interest on deposits	3,531	-	-	3,531	7,260	15,012	8,979	2,221	33,472	37,003	18,432
Interest on investments and loans	3,590	-	-	3,590	40,651	178,493	76,436	16,992	312,572	316,162	328,440
Loan and administration fees	30,857	-	-	30,857	14,637	46,384	19,360	4,669	85,050	115,907	151,612
Other revenue	-	180	-	180	-	-	-	-	-	180	1,990
Realized gain on investments	-	-	-	-	-	-	-	-	-	-	996
Unrealized gain (loss) on investments	(9,977)	-	-	(9,977)	-	-	-	-	-	(9,977)	(4,900)
<b>Total revenue</b>	<b>333,954</b>	<b>180</b>	<b>152,986</b>	<b>487,120</b>	<b>62,548</b>	<b>239,889</b>	<b>104,775</b>	<b>23,882</b>	<b>431,094</b>	<b>918,214</b>	<b>857,346</b>
<b>Expenses</b>											
Advertising and promotion	7,661	-	2,590	10,251	-	-	-	-	-	10,251	10,414
Amortization	-	20,520	-	20,520	-	-	-	-	-	20,520	14,402
Audit, legal, and consulting fees	17,971	-	-	17,971	-	-	-	-	-	17,971	22,272
Economic development, projects, and events	12,664	-	128,371	141,035	-	-	-	-	-	141,035	73,759
Insurance, licences, and dues	16,881	-	4,920	21,801	-	-	-	-	-	21,801	9,325
Interest, bank and service charges	3,331	-	-	3,331	324	359	285	326	1,294	4,625	5,235
Loan loss provision (recoveries)	-	-	-	-	3,209	31,108	(13,168)	23,164	44,313	44,313	41,923
Office and equipment rent	58,497	-	6,254	64,751	-	-	-	-	-	64,751	59,714
Office, supplies, and miscellaneous	16,266	-	2,754	19,020	-	-	-	-	-	19,020	21,244
Program development	-	-	8,097	8,097	-	-	-	-	-	8,097	-
Technical assistance	5,011	-	-	5,011	-	-	-	-	-	5,011	7,571
Training and education	5,507	-	-	5,507	-	-	-	-	-	5,507	1,222
Travel	22,912	-	-	22,912	-	-	-	-	-	22,912	17,568
Wages and benefits	365,300	-	-	365,300	-	-	-	-	-	365,300	371,906
<b>Total expenses</b>	<b>532,001</b>	<b>20,520</b>	<b>152,986</b>	<b>705,507</b>	<b>3,533</b>	<b>31,467</b>	<b>(12,883)</b>	<b>23,490</b>	<b>45,607</b>	<b>751,114</b>	<b>656,555</b>
<b>Revenues over expenses</b>	<b>(198,047)</b>	<b>(20,340)</b>	<b>-</b>	<b>(218,387)</b>	<b>59,015</b>	<b>208,422</b>	<b>117,658</b>	<b>392</b>	<b>385,487</b>	<b>167,100</b>	<b>200,791</b>
Administration and other transfers	(2,252)	2,252	-	-	-	-	-	-	-	-	-
Loan fee transfers	85,000	-	-	85,000	(14,637)	(46,384)	(19,310)	(4,669)	(85,000)	-	-
Loan interest transfers	132,574	-	25,000	157,574	(41,642)	(82,582)	(33,350)	-	(157,574)	-	-
<b>Change in fund balance</b>	<b>17,275</b>	<b>(18,088)</b>	<b>25,000</b>	<b>24,187</b>	<b>2,736</b>	<b>79,456</b>	<b>64,998</b>	<b>(4,277)</b>	<b>142,913</b>	<b>167,100</b>	<b>200,791</b>
Fund balance, beginning of year	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
<b>Fund balance, end of year</b>	<b>\$ 101,264</b>	<b>\$ 49,321</b>	<b>\$ 25,000</b>	<b>\$ 175,585</b>	<b>\$ 1,129,492</b>	<b>\$ 3,675,851</b>	<b>\$ 1,934,594</b>	<b>\$ 326,237</b>	<b>\$ 7,066,174</b>	<b>\$ 7,241,759</b>	<b>\$ 7,074,659</b>