

COMMUNITY FUTURES EAST KOOTENAY
Non-Consolidated Financial Statements
Year Ended March 31, 2023

COMMUNITY FUTURES EAST KOOTENAY
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Year Ended March 31, 2023

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Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures East Kootenay

Report on the Non-consolidated Financial Statements

Opinion

I have audited the non-consolidated financial statements of Community Futures East Kootenay (the Organization), which comprise the non-consolidated statement of financial position as at March 31, 2023, and the non-consolidated statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2023, and the non-consolidated results of its operations and non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements* section of my report. I am independent of the Organization in accordance with ethical requirements that are relevant to my audit of the non-consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The non-consolidated financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 24, 2022.

Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with ASNPO, 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.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the non-consolidated 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 my 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 non-consolidated financial statements.

Aspire Professional Corporation

(continues)

Independent Auditor's Report to the Members of Community Futures East Kootenay (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the non-consolidated 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 my 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 Organization'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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, I report that, in my opinion, the accounting policies applied in preparing and presenting the non-consolidated financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year, except as disclosed in Note 15.

Invermere, British Columbia
September 21, 2023



CHARTERED PROFESSIONAL ACCOUNTANT

COMMUNITY FUTURES EAST KOOTENAY
Non-Consolidated Statement of Financial Position
March 31, 2023

	General Fund	Investment Loan Fund	Total 2023	Total 2022 <i>Restated</i>
Assets				
Current				
Cash (Note 4)	\$ 262,913	\$ 2,328,883	\$ 2,591,796	\$ 3,158,000
Marketable securities (Note 5)	47,184	-	47,184	55,995
Loan interest and fees receivable (Note 6)	-	250,531	250,531	231,070
Prepaid expenses	-	-	-	1,961
	310,097	2,579,414	2,889,511	3,447,026
Tangible capital assets (Note 7)	2,328	-	2,328	15,339
Loans receivable (Note 8)	-	7,114,448	7,114,448	6,454,293
Long term investments (Note 9)	500	1	501	501
Inter-fund receivable (payable)	54,800	(54,800)	-	-
	\$ 367,725	\$ 9,639,063	\$ 10,006,788	\$ 9,917,159
Liabilities and Fund balances				
Current				
Accounts payable and accrued liabilities (Note 10)	\$ 71,940	\$ -	\$ 71,940	\$ 24,011
Deferred income (Note 11)	153,815	-	153,815	210,529
	225,755	-	225,755	234,540
Long term debt (Note 12)	-	2,113,000	2,113,000	2,125,000
	225,755	2,113,000	2,338,755	2,359,540
Fund Balances				
Contributed funds (Note 13)	-	2,875,000	2,875,000	2,875,000
Restricted loan funds	-	4,651,063	4,651,063	4,517,967
Invested in tangible capital assets	2,328	-	2,328	15,339
Unrestricted	139,642	-	139,642	149,313
	141,970	7,526,063	7,668,033	7,557,619
	\$ 367,725	\$ 9,639,063	\$ 10,006,788	\$ 9,917,159

ON BEHALF OF THE BOARD

Carrie Schaefer Director

Wendy Booth Director

COMMUNITY FUTURES EAST KOOTENAY
Non-Consolidated Statement of Revenues and Expenditures
Year Ended March 31, 2023

	General Fund	Investment Loan Fund	Total 2023	Total 2022 <i>Restated</i>
Revenues				
Pacific Economic Development Canada	\$ 305,955	\$ -	\$ 305,955	\$ 305,955
Provincial grants	246,346	-	246,346	8,556
Interest on investment funds and loans	-	327,360	327,360	291,584
Interest on deposits	7,230	65,361	72,591	2,896
Loan and administration fees	75,410	-	75,410	65,402
Other revenue	34,183	-	34,183	26,251
	669,124	392,721	1,061,845	700,644
Expenditures				
Advertising and promotion	4,336	-	4,336	5,759
Amortization	13,011	-	13,011	13,011
Consulting fees	16,780	-	16,780	-
Economic development, projects and events	169,114	-	169,114	15,257
Insurance, licenses and dues	10,339	-	10,339	6,822
Interest, bank and service charges	1,559	2,845	4,404	4,324
Loan loss provision	-	76,430	76,430	18,068
Office and equipment rent	49,250	-	49,250	57,400
Office, supplies and miscellaneous	15,723	-	15,723	18,112
Professional fees	36,499	-	36,499	34,597
Purchase of equipment	44,769	-	44,769	-
Technical assistance	2,116	-	2,116	4,380
Training	13,904	-	13,904	7,149
Travel	18,932	-	18,932	8,641
Wages and benefits	467,013	-	467,013	382,028
	863,345	79,275	942,620	575,548
Excess (deficiency) Of Revenues Over Expenditures from operations	(194,221)	313,446	119,225	125,096
Other income				
Unrealized gain (loss) on marketable securities	(8,811)	-	(8,811)	1,100
Excess (deficiency) Of Revenues Over Expenditures for the year	\$ (203,032)	\$ 313,446	\$ 110,414	\$ 126,196

See notes to financial statements

COMMUNITY FUTURES EAST KOOTENAY
Non-Consolidated Statement of Changes in Fund Balances
Year Ended March 31, 2023

	Contributed Funds	Restricted Loan Funds	Invested in Capital	Unrestricted	Total 2023	Total 2022 <i>Restated</i>
Fund balances - beginning of year						
As previously reported	\$ 2,875,000	\$ 4,517,967	\$ 16,325	\$ 149,313	\$ 7,558,605	\$ 7,441,877
Change in accounting policy for tangible capital assets (<i>Note 15</i>)	-	-	(986)	-	(986)	(10,454)
As restated	2,875,000	4,517,967	15,339	149,313	7,557,619	7,431,423
Excess of revenues over expenditures	-	313,446	(13,011)	(190,021)	110,414	126,196
Transfer to interest and other fees	-	(180,350)	-	180,350	-	-
Fund balances - end of year	\$ 2,875,000	\$ 4,651,063	\$ 2,328	\$ 139,642	\$ 7,668,033	\$ 7,557,619

See notes to financial statements

COMMUNITY FUTURES EAST KOOTENAY
Non-Consolidated Statement of Cash Flows
Year Ended March 31, 2023

	2023	2022 <i>Restated</i>
Operating activities		
Excess of revenues over expenditures for the year	\$ 110,414	\$ 126,196
Items not affecting cash:		
Amortization of tangible capital assets	13,011	13,011
Unrealized (gains) losses on marketable securities	8,811	(1,100)
	132,236	138,107
Changes in non-cash working capital:		
Loan interest and fees receivable	(19,461)	8,990
Accounts payable and accrued liabilities	47,929	(2,752)
Deferred income	(56,714)	82,440
Prepaid expenses	1,961	11,184
	(26,285)	99,862
Cash flow from operating activities	105,951	237,969
Investing activities		
Purchase of tangible capital assets	-	(6,715)
Proceeds from sale of marketable securities	-	222
Loans receivable	(660,155)	473,169
Cash flow from (used by) investing activities	(660,155)	466,676
Financing activities		
Loan advances from CFBC	-	469,000
Provision for forgivable portion of loan repayment	(12,000)	(85,000)
Cash flow from (used by) financing activities	(12,000)	384,000
Increase (decrease) in cash flow	(566,204)	1,088,645
Cash - beginning of year	3,158,000	2,069,355
Cash - end of year	\$ 2,591,796	\$ 3,158,000
Cash consists of:		
General Fund Cash	\$ 262,913	\$ 296,091
Investment Loan Fund Cash	2,328,883	2,861,909
	\$ 2,591,796	\$ 3,158,000

See notes to financial statements

COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

1. Purpose of the Organization

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

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

2. Basis of presentation

The non-consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. Summary of significant accounting policies

Fund accounting

Community Futures East Kootenay follows the restricted fund method of accounting for contributions.

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

The Investment Loan Fund reports restricted resources that are to be used to provide assistance to small business and entrepreneurs in the form of loans, loan guarantees or equity participation. The Organization is restricted in the types of loans than can be made according to its agreement with the Federal Government. 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.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in cashable terms are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than 180 days. Management has classified these as cash equivalents as they can be cashed at the Organization's discretion.

Marketable securities

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of statement of revenues and expenditures.

Investments with significant influence

The Organization's investment in 1069666 B.C. Ltd. includes 33.33% of the outstanding voting shares and the ability to appoint 2 of 6 members on the board of directors. The Organization exercises significant influence over 1069666 B.C. Ltd and accounts for the investment by the equity method. Accordingly, the investment is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and dividends received.

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COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

3. Summary of significant accounting policies (*continued*)

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Leasehold improvements	5 years straight-line method
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The Organization regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Allowance for impaired loans

The Organization 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.

Revenue recognition

Unrestricted and restricted contributions of the Investment Loan 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 related to the General Fund are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenue consists of funds received under such agreements for which the related expenses have not been incurred. They will be recognized as revenue in the year in which the related expenses are incurred.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates, including provision for loan losses and amortization are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

4. Cash and cash equivalents

Cash balances are held in multiple accounts with one financial institution earning interest at 0.85%-4.47%. Included in cash are amounts restricted of \$2,328,883 (2022 - \$2,861,910 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 Organization as a result to this concentration.

The bank account in the General Operating Fund carries overdraft protection of \$40,000. As at March 31, 2023, the overdraft is unused (2022 - nil).

5. Marketable securities

	2023	2022
BMO Nesbitt Burns	\$ 64,300	\$ 64,300
Allowance for excess (reduction) of cost over market value	(17,116)	(8,305)
	\$ 47,184	\$ 55,995

6. Loans interest and fees receivable

	2023	2022
Interest receivable	\$ 211,081	\$ 201,183
Fees receivable	39,450	29,887
	\$ 250,531	\$ 231,070

7. Tangible capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value <i>Restated</i>
Leasehold improvements	\$ 65,053	\$ 62,725	\$ 2,328	\$ 15,339

COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

8. Loans receivable

The loans receivable consist of small business loans under a variety of programs in the Investment Loan Fund. Loans are normally repayable on a monthly basis at fixed interest rates ranging from 4.7% to 12.25% per annum compounded semi-annually, not in advance. The rate offered to a client varies with prime rate, 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.

	Loan Receivable	Allowance for Doubtful Accounts	2023	2022
Repayable	\$ 1,045,694	\$ (45,376)	\$ 1,000,318	\$ 831,737
Non-repayable	2,711,226	(8,753)	2,702,473	2,248,769
Community Business Loan Program (CBLP)	1,470,423	(43,491)	1,426,932	1,298,548
Disability	168,625	-	168,625	194,639
RRRF	1,816,100	-	1,816,100	1,880,600
	\$ 7,212,068	\$ (97,620)	\$ 7,114,448	\$ 6,454,293

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 \$76,430 (2022 - \$18,068) were recorded which include changes in the allowance for impaired loans.

The Organization along with other Community Futures organizations, have provided syndicated loans to private companies of which the original principal of the loans outstanding at the end of the year is \$1,809,430 (2022 - \$1,340,000). The partners have agreed to each participate in varying amounts ranging from 30.0% up to 64.7% of the respective loans. The Organization has accounted for only its proportionate share of the syndicated loans of which are included in the Non-Repayable Fund loans receivable balance.

The Organization, in accordance with their agreement with Pacific Economic Development Canada, is required to disclose loans issued in excess of \$150,000. As at March 31, 2023 there were 12 loans with a total balance outstanding of \$2,845,967 (2022 - 6 loans \$1,386,902).

RRRF Loans:

The RRRF loans were provided to businesses with up to \$60,000 each to finance qualifying expenses during COVID-19. The loans are non-interest bearing with no scheduled payments until December 31, 2023. If the balance of the loan has been repaid by that date, 25% of the first \$40,000 and 50% of the amounts above \$40,000 and up to \$60,000 will be forgiven. If the full amount of the loan payments have not been made by December 31, 2023, the full outstanding balance of the loan will be converted to a 5% interest bearing loan to be repaid in monthly installments over a two year period ending December 31, 2025.

The loans were financed through the conditionally repayable loan from Community Futures British Columbia (CFBC) (Note 12).

COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

9. Long term investments

	2023	2022
Investment in 1069666 B.C. Ltd.	\$ 1	\$ 1
Invest in EK Columbia Community Investment Co-op	500	500
	\$ 501	\$ 501

The shares held in the private company relate to 33% of total voting shares. The company is related by way of the shareholdings and ability to appoint 2 of 6 members to the board of directors.

The membership share in EKCCIC does not carry significantly influence and is accounted for using the cost method.

10. Accounts payable and accrued liabilities

	2023	2022
Trade payables and accrued liabilities	\$ 25,076	\$ 17,598
Government remittances payable	5,599	6,413
Accrued wages and vacation pay payable	41,265	-
	\$ 71,940	\$ 24,011

11. Deferred revenue

	2023	2022
Rural Dividend Grant	\$ 47,361	\$ 118,283
CFBC Regional Relief and Recovery Funds	58,500	64,500
Pacific Economic Development Canada	-	25,496
Community Workforce Response	45,704	-
Junior Dragons' Den	250	-
Other	2,000	2,250
	\$ 153,815	\$ 210,529

12. Long term debt

The Organization has received \$2,210,000 in funding from Community Futures BC (CFBC) to provide RRRF loans.

As of March 31, 2022, \$297,000 has been repaid and \$97,000 forgiven leaving a balance of \$1,816,000 outstanding that remains distributed as RRRF loans. The balance due to CFBC is non-interest bearing with no principal payments due until December 31, 2025. The balance to be repaid to CFBC will be reduced to the extent that the loans receivable are forgiven (Note 8) and by any loans that are not collectible and costs associated with attempts to collect loans in arrears.

As the Organization records financial liabilities at fair value, the balance outstanding has been recorded net of the \$97,000 forgivable portion of the loans receivable that have been repaid prior to March 31, 2023 and the Borrower's are entitled to the forgivable portion. The extent to which all Borrowers will repay to receive the forgivable portion is unknown at the date of these financial statements and as such no provision has been taken.

COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

13. Contributed funds

	2023	2022
Non-repayable:		
Investment fund	\$ 1,450,000	\$ 1,450,000
Forest Renewal British Columbia	525,000	525,000
Conditionally repayable:		
Pacific Economic Development Canada (P.E.D.)	700,000	700,000
Pacific Economic Development Canada (P.E.D.)	200,000	200,000
	\$ 2,875,000	\$ 2,875,000

Non-repayable:

The Organization entered into an investment fund agreement on June 1, 1994 whereby the Organization 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 Organization also entered into an agreement on May 21, 1996 with Forest Renewal British Columbia whereby the Organization received a \$400,000 grant, which was matched by the Organization 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 for a total of \$525,000. 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 Pacific Economic Development Canada ("P.E.D."), which was formerly known as Western Economic Diversification Canada, 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 P.E.D. to provide similar funding for disabled entrepreneurs (as defined in the funding agreement) for a total of \$900,000. The contribution is conditionally repayable upon 30 days written notice from the Minister of P.E.D. under the following circumstances:

1. 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
2. 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
3. the Organization is in default of the terms of the agreement(s).

COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

14. Related parties

Rocky Mountain Business Development Centre Society

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

Unaudited financial summaries of RMBDCS as at March 31, 2023 and the for year then ended, are as follows:

	2023	2022
Statement of Financial Position		
Current assets	\$ 46,457	\$ 41,098
Tangible capital assets	71,185	114,660
	117,642	155,758
Current liabilities	50,301	60,715
Net assets	67,341	95,043
	117,642	155,758
Statement of Revenues and Expenditures		
Total revenues	260,153	261,490
Total expenditures	(287,855)	(302,142)
	(27,702)	(40,652)

The Organization earned interest and loan fees of \$3,378 (2022 - \$3,110) and for janitorial services and supplies of \$16,800 (2022 - \$13,524). In addition, the Organization paid office and equipment rent of \$47,708 (2022 - \$57,400). 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.

As at March 31, 2023, the RMBDCS has a loan with the Organization with an outstanding balance of \$40,947 plus accrued interest and loan fees of \$168 (2022 - \$54,169). The loan requires monthly blended payment of \$1,402. Interest is being charged at prime plus 2% per annum. As at March 31, 2023, the prime rate was 5.45%. The loan is secured by a promissory note, general security agreement and borrowing resolutions of the directors.

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COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

14. Related parties (continued)

1069666 B.C. Ltd.

The Organization owns 33.33% of the outstanding voting shares and has the ability to appoint 2 of 6 board members

Interest earned on loan	\$	7,210	\$	7,950
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As at March 31, 2023, 1069666 B.C. Ltd. has a loan with the Organization with an outstanding balance of \$156,450 plus accrued interest of \$1,015 (2022 - \$159,000).

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.

While the Organization has significant influence with respect to this investment, the compiled financial information of 1069666 B.C. Ltd. for the year ended March 31, 2023 reports a deficit of \$80,282 (2022 - \$101,024). As such, there is no equity pickup in these financial statements.

15. Change in accounting policy for tangible capital assets

During the year, the Organization revised their capitalization policy for tangible capital assets, specifically increasing the threshold for capitalization to \$5,000. This change in accounting policy was applied retroactively and the figures for 2022 have been restated.

16. Economic dependence

The Organization received the majority of its operating revenues from the provincial and federal governments and is accordingly economically dependent on them.

17. Financial instruments

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from loan customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An provision for loan loss is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization is exposed to credit risk resulting from its accounts and loans receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, obligations under capital leases, accounts payable and conditionally repayable funds..

(continues)

COMMUNITY FUTURES EAST KOOTENAY
Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

17. Financial instruments (*continued*)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

18. Remuneration of employees

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

During the year, the Organization had one employee who made greater than \$75,000. The salary paid to this individual was \$91,237 (2022 - \$94,191). No compensation was paid to any Directors of the Organization during the year.

19. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

COMMUNITY FUTURES EAST KOOTENAY

**Non-Consolidated Detailed Statement of Financial Position
General Fund**

(Schedule 1)

Year Ended March 31, 2023

	Operating	Invested in Capital	Makerspace	RRRF Operating	Paramedic Course	Discretionary Fund	Total 2023	Total 2022 <i>Restated</i>
Assets								
Cash	\$ 161,175	\$ -	\$ 72,500	\$ -	\$ -	\$ 29,238	\$ 262,913	\$ 296,090
Marketable securities	-	-	-	-	-	47,184	47,184	55,995
Prepaid expenses	-	-	-	-	-	-	-	1,961
Tangible capital assets	-	2,328	-	-	-	-	2,328	15,339
Long term investments	500	-	-	-	-	-	500	500
Inter-fund receivable (payable)	(77,222)	-	26,861	58,500	46,661	-	54,800	29,307
Total assets	\$ 84,453	\$ 2,328	\$ 99,361	\$ 58,500	\$ 46,661	\$ 76,422	\$ 367,725	\$ 399,192
Liabilities								
Accounts payable and accrued liabilities	\$ 71,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,940	\$ 24,011
Deferred income	250	-	49,361	58,500	45,704	-	153,815	210,529
Total liabilities	72,190	-	49,361	58,500	45,704	-	225,755	234,540
Net Assets								
Unrestricted	12,263	-	50,000	-	957	76,422	139,642	149,313
Invested in tangible capital assets	-	2,328	-	-	-	-	2,328	15,339
	\$ 84,453	\$ 2,328	\$ 99,361	\$ 58,500	\$ 46,661	\$ 76,422	\$ 367,725	\$ 399,192

See notes to financial statements

COMMUNITY FUTURES EAST KOOTENAY

**Non-Consolidated Detailed Statement of Financial Position
Investment Loan Fund**

Year Ended March 31, 2023

(Schedule 2)

	Repayable	Non-Repayable	Community Business Loans	Disability	RRRF	Total 2023	Total 2022 <i>Restated</i>
Assets							
Cash	\$ 204,617	\$ 1,122,618	\$ 503,095	\$ 194,815	\$ 303,738	\$ 2,328,883	\$ 2,861,909
Accounts receivable	31,892	113,727	102,700	2,212	-	250,531	231,070
Loans receivable	1,000,318	2,702,473	1,426,932	168,625	1,816,100	7,114,448	6,454,293
Long term investments	1	-	-	-	-	1	1
Inter-fund receivable (payable)	28,608	(54,030)	(15,429)	(12,817)	(1,132)	(54,800)	(29,306)
Total assets	\$ 1,265,436	\$ 3,884,788	\$ 2,017,298	\$ 352,835	\$ 2,118,706	\$ 9,639,063	\$ 9,517,967
Liabilities							
Long term debt	\$ -	\$ -	\$ -	\$ -	\$ 2,113,000	\$ 2,113,000	\$ 2,125,000
Total liabilities	-	-	-	-	2,113,000	2,113,000	2,125,000
Net Assets							
Contributed funds	700,000	1,450,000	525,000	200,000	-	2,875,000	2,875,000
Restricted loan funds	565,436	2,434,788	1,492,298	152,835	5,706	4,651,063	4,517,967
	\$ 1,265,436	\$ 3,884,788	\$ 2,017,298	\$ 352,835	\$ 2,118,706	\$ 9,639,063	\$ 9,517,967

See notes to financial statements

COMMUNITY FUTURES EAST KOOTENAY

Non-Consolidated Detailed Statement of Revenue and Expenditures

General Fund

(Schedule 3)

Year Ended March 31, 2023

	General Operations	Invested in Capital	Makerspace	RRRF Operating	Paramedic Course	Discretionary Fund	Total 2023	Total 2022 <i>Restated</i>
Revenues								
Pacific Economic Development Canada	\$ 305,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,955	\$ 305,955
Provincial grants	-	-	70,922	-	175,424	-	246,346	8,556
Interest on deposits	4,694	-	2,536	-	-	-	7,230	124
Loan and administration fees	69,410	-	-	6,000	-	-	75,410	65,402
Other revenue	30,290	-	900	-	-	2,993	34,183	26,251
	410,349	-	74,358	6,000	175,424	2,993	669,124	406,288
Expenditures								
Advertising and promotion	3,862	-	474	-	-	-	4,336	5,759
Amortization	-	13,011	-	-	-	-	13,011	13,011
Consulting fees	-	-	16,780	-	-	-	16,780	-
Economic development, projects and events	13,793	-	-	-	155,321	-	169,114	15,257
Insurance, licenses and dues	9,638	-	701	-	-	-	10,339	6,822
Interest, bank and service charges	1,559	-	-	-	-	-	1,559	1,260
Office and equipment rent	41,636	-	7,614	-	-	-	49,250	57,400
Office, supplies and miscellaneous	15,623	-	100	-	-	-	15,723	18,112
Professional fees	36,088	-	411	-	-	-	36,499	34,597
Purchase of equipment	260	-	44,509	-	-	-	44,769	-
Technical assistance	2,047	-	69	-	-	-	2,116	4,380
Training	13,904	-	-	-	-	-	13,904	7,149
Travel	18,913	-	19	-	-	-	18,932	8,641
Wages and benefits	457,332	-	3,681	6,000	-	-	467,013	382,028
	614,655	13,011	74,358	6,000	155,321	-	863,345	554,416
Excess (deficiency) of revenues over expenditures	\$ (204,306)	\$ (13,011)	\$ -	\$ -	\$ 20,103	\$ 2,993	\$ (194,221)	\$ (148,128)

See notes to financial statements

COMMUNITY FUTURES EAST KOOTENAY

**Non-Consolidated Detailed Statement of Revenue and Expenditures
Investment Loan Fund
Year Ended March 31, 2023**

(Schedule 4)

	Repayable	Non-Repayable	Community Business Loans	Disability	RRRF	Total 2023	Total 2022 <i>Restated</i>
Revenues							
Interest on investment funds and loans	\$ 41,317	\$ 167,473	\$ 106,146	\$ 12,424	\$ -	\$ 327,360	\$ 291,584
Interest on deposits	8,694	32,049	13,378	4,455	6,785	65,361	2,772
	50,011	199,522	119,524	16,879	6,785	392,721	294,356
Expenditures							
Interest, bank and service charges	567	565	603	560	550	2,845	3,064
Loan loss provision	(538)	10,261	66,707	-	-	76,430	18,068
	29	10,826	67,310	560	550	79,275	21,132
Excess of revenues over expenditures	\$ 49,982	\$ 188,696	\$ 52,214	\$ 16,319	\$ 6,235	\$ 313,446	\$ 273,224

See notes to financial statements