

Community Futures East Kootenay  
Financial Statements  
And Independent Auditors' Report thereon  
March 31, 2025

## **Independent Auditor's Report**

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To the Board of Directors of Community Futures East Kootenay

### **Opinion**

We have audited the non-consolidated financial statements of Community Futures East Kootenay (the "Corporation"), which comprise the non-consolidated statement of financial position as at March 31, 2025, and the non-consolidated statements of operations, changes net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2025, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### **Basis for Opinion**

We conducted our audit in accordance with Canadian 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 Corporation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 non-consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with ASNPOs, 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our 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 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 non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management override of internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Rice & Company LLP*

Chartered Professional Accountants

Nelson, BC

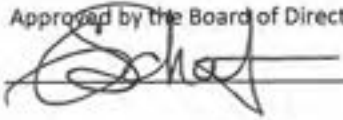

June 26, 2025

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

As at March 31,	Note	General Fund	Investment Loan Fund	2025	2024
<b>Assets</b>					
<b>Current assets</b>					
Cash	4	\$ 308,155	\$ 3,686,389	\$ 3,994,544	\$ 3,275,131
Accounts receivable		21,874	-	21,874	3,586
Marketable securities	5	51,421	-	51,421	49,854
Loan interest and fees receivable	6	-	273,520	273,520	364,852
Due from related party		312	-	312	-
		381,762	3,959,909	4,341,671	3,693,423
Tangible capital assets	7	6,163	-	6,163	-
Loans receivable	8	-	4,314,512	4,314,512	4,964,648
Long term investments	9	500	1	501	501
Inter-fund receivable (payable)		32,235	(32,235)	-	-
		\$ 420,660	\$ 8,242,187	\$ 8,662,847	\$ 8,658,572
<b>Liabilities and Fund Balances</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	10	\$ 41,754	\$ -	\$ 41,754	\$ 43,004
Deferred income	11	200,827	-	200,827	245,997
		242,581	-	242,581	289,001
Long term debt	12		248,890	248,890	302,000
		242,581	248,890	491,471	591,001
<b>Fund Balances</b>					
Contributed funds	13	-	2,875,000	2,875,000	2,875,000
Restricted loan funds		-	5,118,297	5,118,297	5,036,063
Invested in tangible capital assets		6,163	-	6,163	-
Unrestricted		171,916	-	171,916	156,508
		178,079	7,993,297	8,171,376	8,067,571
		\$ 420,660	\$ 8,242,187	\$ 8,662,847	\$ 8,658,572

See accompanying notes to the financial statements.

Approved by the Board of Directors,

 , Director  , Director

**Community Futures East Kootenay**  
**Non-Consolidated Statement of Operations**

For the year ended March 31,	2025		2024	
	General Fund	Investment Loan Fund	Total	Total
<b>Revenue</b>				
Pacific Economic Development Canada	\$ 305,955	\$ -	\$ 305,955	\$ 305,955
Provincial grants	370,668	-	370,668	407,818
Interest on investment funds and loans	-	365,727	365,727	467,333
Interest on deposits	9,963	120,277	130,240	157,585
Loan and administration fees	72,146	-	72,146	68,512
Other revenue	80,348	-	80,348	44,600
	839,080	486,004	1,325,084	1,451,803
<b>Expenses</b>				
Advertising and promotion	3,631	-	3,631	4,802
Amortization	814	-	814	2,328
Consulting fees	1,920	-	1,920	14,232
Economic development, projects and events	362,107	-	362,107	319,962
Insurance, licenses and dues	6,707	-	6,707	7,464
Interest, bank and service charges	1,570	3,131	4,701	4,345
Loan loss provision	-	174,339	174,339	29,441
Office and equipment rent	45,657	-	45,657	47,388
Office, supplies and miscellaneous	18,378	-	18,378	16,463
Professional fees	46,778	-	46,778	37,071
Purchase of equipment	4,323	-	4,323	4,424
Technical assistance	3,562	-	3,562	2,434
Training	12,519	-	12,519	11,601
Travel	17,588	-	17,588	13,273
Wages and benefits	523,522	-	523,522	431,375
	1,049,076	173,770	1,222,846	946,603
<b>Excess (deficiency) of revenue over expenditures from operations</b>	(209,996)	312,234	102,238	505,200
<b>Other income</b>				
Unrealized gain on marketable securities	1,567	-	1,567	2,670
<b>Excess (deficiency) of revenue over</b>	\$ (208,429)	\$ 312,234	\$ 103,805	\$ 507,870

See accompanying notes to the non-consolidated financial statements.

**Community Futures East Kootenay**  
**Non-Consolidated Statement of Changes in Fund Balances**

Year ended March 31, 2025, with comparative figures for 2024

Year ended March 31, 2025	Contributed Funds	Restricted Loan Funds	Invested in Capital	Unrestricted	Total
Fund Balances, March 31, 2024	\$ 2,875,000	\$ 5,036,063	\$ -	\$ 156,508	\$ 8,067,571
Excess (deficiency) of revenue over expenses	-	312,234	(814)	(207,615)	103,805
Transfer of fund balances:					
Administration and other fees	-	-	-	-	-
Loan interest transfer	-	(230,000)		230,000	-
Acquisition of tangible capital assets			6,977	(6,977)	
Fund Balances, March 31, 2025	\$ 2,875,000	\$ 5,118,297	\$ 6,163	\$ 171,916	\$ 8,171,376
Year ended March 31, 2024	Contributed Funds	Restricted Loan Funds	Invested in Capital	Unrestricted	Total
Fund Balances, March 31, 2023	\$ 2,875,000	\$ 4,651,063	\$ 2,328	\$ 139,642	\$ 7,668,033
Excess (deficiency) of revenue over expenses	-	575,000	(2,328)	(64,802)	507,870
Transfer of fund balances:					
Administration and other fees				(108,332)	(108,332)
Loan interest transfer	-	(190,000)	-	190,000	-
Fund Balances, March 31, 2024	\$ 2,875,000	\$ 5,036,063	\$ -	\$ 156,508	\$ 8,067,571

**Community Futures East Kootenay**  
**Non-Consolidated Statement of Cash Flows**

For the year ended March 31,	General Fund	Investment Loan Fund	2025	2024
<b>Cash provided by (used in):</b>				
<b>Cash flows from operating activities</b>				
Excess of revenues over expenditures	\$ (208,429)	312,234	103,805	507,870
Items not affecting cash:				
Amortization of tangible capital assets	814	-	814	2,328
Unrealized (gains) losses on marketable securities	(1,567)	-	(1,567)	(2,670)
Changes in non-cash working capital:				
Loan interest and fees receivable	-	91,332	91,332	(114,321)
Accounts receivable	(18,288)	-	(18,288)	(3,586)
Accounts payable and accrued liabilities	(1,250)	-	(1,250)	(28,936)
Deferred income	(45,170)	-	(45,170)	92,182
<b>Net cash provided by (used in) operating activities</b>	<b>(273,890)</b>	<b>403,566</b>	<b>129,676</b>	<b>452,867</b>
<b>Cash flows from investing activities</b>				
Loans receivable (net)	-	650,136	650,136	2,149,800
Advances to related parties	(312)	-	(312)	-
Acquisition of capital assets	(6,977)	-	(6,977)	-
<b>Net cash provided by investing activities</b>	<b>(7,289)</b>	<b>650,136</b>	<b>642,847</b>	<b>2,149,800</b>
<b>Cash flows from financing activities</b>				
Provision for forgivable portion of loan repayment	-	(53,110)	(53,110)	(1,811,000)
Interfund transfers	226,823	(226,823)	-	(108,332)
<b>Net cash provided by financing activities</b>	<b>226,823</b>	<b>(279,933)</b>	<b>(53,110)</b>	<b>(1,919,332)</b>
<b>Increase (Decrease) in cash</b>	<b>(54,356)</b>	<b>773,769</b>	<b>719,413</b>	<b>683,335</b>
<b>Cash, beginning of year</b>	<b>362,511</b>	<b>2,912,620</b>	<b>3,275,131</b>	<b>2,591,796</b>
<b>Cash, end of year</b>	<b>\$ 308,155</b>	<b>\$ 3,686,389</b>	<b>\$ 3,994,544</b>	<b>\$ 3,275,131</b>

See accompanying notes to the non-consolidated financial statements.

**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 extra-provincial 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 (ASNFPPO).

**3. Summary of material 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 are limited to businesses owned and operated by disabled entrepreneurs.

*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.

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

*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.

*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:

<i>Leasehold improvements</i>	5 years straight-line method
<i>Furniture &amp; Equipment</i>	5 years straight-line method

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.

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

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.

**4. Cash and cash equivalents**

Cash balances are held in multiple accounts with one financial institution earning interest at 2.65%-4.85%. Included in cash are amounts restricted of \$3,686,389 (2024 - \$2,912,620 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, 2025, the overdraft is unused (2024 - 40,000).

**5. Marketable securities**

	2025	2024
BMO Nesbitt Burns	\$ 62,280	\$ 64,300
Allowance for excess (reduction) of cost over market value	(10,859)	(14,446)
	\$ 51,421	\$ 49,854

Community Futures East Kootenay  
Notes to Non-Consolidated Financial Statements  
Year Ended March 31, 2025

6. Loans interest and fees receivable

	2025	2024
Interest receivable	\$ 231,816	\$ 320,719
Fees receivable	41,704	44,133
	<u>\$ 273,520</u>	<u>\$ 364,852</u>

7. Tangible capital assets

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 65,053	\$ 65,053	\$ -	\$ -
Furniture & Equipment	\$ 6,977	\$ 814	\$ 6,163	\$ -
	<u>\$ 72,030</u>	<u>\$ 65,867</u>	<u>\$ 6,163</u>	<u>\$ -</u>

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 5% to 11.20% 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	2025	2024
Repayable	\$ 485,332	\$ (16,425)	\$ 468,907	\$ 732,715
Non-repayable	2,459,121	(3,679)	2,455,442	2,460,718
Community Business Loan Program (CBLP)	1,071,030	(34,517)	1,036,513	1,355,862
Disability	124,409	-	124,409	166,008
RRRF	229,241	-	229,241	249,345
	<u>\$ 4,369,133</u>	<u>\$ (54,621)</u>	<u>\$ 4,314,512</u>	<u>\$ 4,964,648</u>

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 \$174,339 (2024 - \$29,411) 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 \$1,286,694 (2024 - \$1,044,534). The partners have agreed to each participate in varying amounts ranging from 11.16% up to 50% 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.

**8. Loans receivable (Continued)**

The Organization, in accordance with their agreement with Pacific Economic Development Canada, is required to disclose loans issued where CFEK's portion of the outstanding balance is in excess of \$150,000. As at March 31, 2025 CFEK is obliged to disclose 8 such loans with a total outstanding balance owing to CFEK of \$2,304,598.

**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).

**9. Long term investments**

	2025	2024
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**

	2025	2024
Trade payables and accrued liabilities	\$ 25,046	\$ 42,920
Government remittances payable	9,288	(2,525)
Accrued wages and vacation pay payable	7,420	2,609
	\$ 41,754	\$ 43,004

Community Futures East Kootenay  
Notes to Non-Consolidated Financial Statements  
Year Ended March 31, 2025

11. Deferred revenue

	2025	2024
Rural Dividend Grant	\$ 28,754	\$ 52,954
CFBC Regional Relief and Recovery Funds	19,000	43,000
CED	1,172	6,615
Other	61,051	51,014
Community Workforce Response	75,850	66,918
HFT Project	15,000	-
Operating	-	25,496
	<u>\$ 200,827</u>	<u>\$ 245,997</u>

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, 2025, \$1,367,110 has been repaid and \$575,000 forgiven leaving a balance of \$248,890 outstanding that remains distributed as RRRF loans. The balance due to CFBC is noninterest 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 \$575,000 forgivable portion of the loans receivable that have been repaid prior to March 31, 2025 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.

13. Contributed funds

	2025	2024
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
	<u>\$ 2,875,000</u>	<u>\$ 2,875,000</u>

**13. Contributed funds (Continued)**

**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).

**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.

Community Futures East Kootenay  
Notes to Non-Consolidated Financial Statements  
Year Ended March 31, 2025

13. Contributed funds (Continued)

Unaudited financial summaries of RMBDCS as at March 31, 2025, and the for year then ended, are as follows:

	2025	2024
<b>Statement of Financial Position</b>		
Current assets	\$ 78,601	\$ 52,420
Tangible capital assets	7,826	31,958
	<u>86,427</u>	<u>84,378</u>
Current liabilities	13,367	10,839
Net assets	<u>73,060</u>	<u>73,539</u>
	<u>86,427</u>	<u>84,378</u>

14. Related parties

<b>Statement of Revenues and Expenditures</b>		
Total revenues	336,077	338,422
Total expenditure	(336,556)	(332,224)
	<u>(479)</u>	<u>6,198</u>

The Organization earned interest and loan fees of \$nil (2024 - \$2,163), management Fees of \$35,714 (2024 - \$7,500) and for janitorial services and supplies of \$16,800 (2024 - \$16,800). In addition, the Organization paid office and equipment rent of \$45,575 (2024 - \$46,228). 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, 2025, the RMBDCS has a loan with the Organization with an outstanding balance of \$nil plus accrued interest and loan fees of \$nil (2024 - \$168).

**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

	2025	2024
Interest earned on loan	\$ 7,268	\$ 7,578

As at March 31, 2025, 1069666 B.C. Ltd. has a loan with the Organization with an outstanding balance of \$151,036 (2024 - \$152,368) plus accrued interest of \$3,869 (2024 - \$3,569).

**14. Related parties (Continued)**

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, 2025 reports a deficit of \$23,440 (2024 - deficit of \$27,373). These amounts represent the full results of 1069666 B.C. Ltd., not the Organization's 33.33% share. As such, there is no equity pickup in these financial statements.

**15. Economic dependence**

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

**16. 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, 2025.

**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. A 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.

**16. 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.

**17. 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 \$85,000 (Contracted start date of July 30, 2024). No compensation was paid to any Directors of the Organization during the year.

**18. 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  
March 31, 2025

Schedule 1

	Operating	Invested in Capital	Makerspace	RRSF Operating	Paramedic Course	Discretionary Fund	CED	HFT Project	Total 2025	Total 2024
<b>Assets</b>										
Cash	\$ 110,668	\$ -	\$ 27,131	\$ 19,000	\$ 75,850	\$ 59,334	\$ 1,172	\$ 15,000	\$ 308,155	\$ 362,511
Accounts receivable	21,874	-	-	-	-	-	-	-	21,874	3,585
Marketable securities	-	-	-	-	-	51,421	-	-	51,421	49,854
Due from related party	-	-	312	-	-	-	-	-	312	-
Tangible capital assets	-	6,163	-	-	-	-	-	-	6,163	-
Long term investments	500	-	-	-	-	-	-	-	500	500
Inter-fund receivable (payable)	32,235	-	-	-	-	-	-	-	32,235	29,059
<b>Total assets</b>	<b>\$ 165,277</b>	<b>\$ 6,163</b>	<b>\$ 27,443</b>	<b>\$ 19,000</b>	<b>\$ 75,850</b>	<b>\$ 110,755</b>	<b>\$ 1,172</b>	<b>\$ 15,000</b>	<b>\$ 420,660</b>	<b>\$ 445,509</b>
<b>Liabilities</b>										
Accounts payable and accrued liabilities	\$ 41,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,754	\$ 43,004
Deferred income	61,051	-	28,754	19,000	75,850	-	1,172	15,000	200,827	245,997
	102,805	-	28,754	19,000	75,850	-	1,172	15,000	242,581	289,001
<b>Net Assets</b>										
Unrestricted	62,472	-	(1,311)	-	-	110,755	-	-	171,916	156,508
Invested in tangible capital assets	-	6,163	-	-	-	-	-	-	6,163	-
	\$ 165,277	\$ 6,163	\$ 27,443	\$ 19,000	\$ 75,850	\$ 110,755	\$ 1,172	\$ 15,000	\$ 420,660	\$ 445,509

Community Futures East Kootenay  
Non-Consolidated Detailed Statements of Financial Position  
Investment Loan Fund  
March 31, 2025

Schedule 2

	Repayable	Non-Repayable	Community Business Loans	Disability	RRRF	Total 2025	Total 2024
<b>Assets</b>							
Cash	\$ 801,276	\$ 1,526,744	\$ 1,013,888	\$ 281,384	\$ 63,097	\$ 3,686,389	\$ 2,912,620
Accounts receivable	7,285	148,376	113,710	2,268	1,881	273,520	364,852
Loans receivable	468,907	2,455,442	1,036,513	124,409	229,241	4,314,512	4,964,648
Long term investments	1	-	-	-	-	1	1
Inter-fund receivable (Payable)	25,653	(27,372)	(16,255)	(13,129)	(1,132)	(32,235)	(29,058)
<b>Total assets</b>	<b>1,303,122</b>	<b>4,103,190</b>	<b>2,147,856</b>	<b>394,932</b>	<b>293,087</b>	<b>8,242,187</b>	<b>8,213,063</b>
<b>Liabilities</b>							
Long term debt	-	-	-	-	248,890	248,890	302,000
	-	-	-	-	248,890	248,890	302,000
<b>Net Assets</b>							
Contributed funds	700,000	1,450,000	525,000	200,000	-	2,875,000	2,875,000
Restricted loan funds	603,122	2,653,190	1,622,856	194,932	44,197	5,118,297	5,036,063
	\$ 1,303,122	\$ 4,103,190	\$ 2,147,856	\$ 394,932	\$ 293,087	\$ 8,242,187	\$ 8,213,063

Community Futures East Kootenay  
Non-Consolidated Detailed Statement of Revenue and Expenditures  
General Fund  
Year ended March 31, 2025

Schedule 3

	Operating	Invested in Capital	Makerspace	R888 Operating	Paramedic Course	Discretionary Fund	CED	HFT Project	Total 2025	Total 2024
<b>Revenues</b>										
Pacific Economic Development Canada	\$ 305,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,955	\$ 305,955
Provincial grants	3,800	-	44,700	-	283,432	-	37,886	5,750	370,668	407,818
Interest on deposits	6,991	-	2,077	-	-	895	-	-	9,963	17,389
Loan and administration fees	48,146	-	-	24,000	-	-	-	-	72,146	68,512
Other revenue	57,275	-	14,705	-	-	3,688	4,680	-	80,348	44,600
	422,167	-	61,482	24,000	283,432	4,583	37,666	5,750	839,080	844,274
<b>Expenditures</b>										
Advertising and promotion	2,024	-	1,607	-	-	-	-	-	3,631	4,802
Amortization	-	814	-	-	-	-	-	-	814	2,328
Consulting fees	-	-	-	-	-	-	1,920	-	1,920	14,232
Economic development, projects and events	34,826	-	20,353	-	267,432	-	31,746	5,750	362,107	319,962
Insurance, licenses and dues	6,707	-	-	-	-	-	-	-	6,707	7,464
Interest, bank and service charges	1,570	-	-	-	-	-	-	-	1,570	1,257
Office and equipment rent	45,657	-	-	-	-	-	-	-	45,657	47,388
Office, supplies and miscellaneous	15,381	-	2,997	-	-	-	-	-	18,378	16,463
Professional fees	46,778	-	-	-	-	-	-	-	46,778	37,071
Purchase of equipment	-	-	4,323	-	-	-	-	-	4,323	4,424
Technical assistance	3,562	-	-	-	-	-	-	-	3,562	2,434
Training	12,519	-	-	-	-	-	-	-	12,519	11,601
Travel	17,453	-	135	-	-	-	-	-	17,588	13,273
Wages and benefits	446,144	-	53,378	24,000	-	-	-	-	523,522	431,375
Unrealized gain (loss) on marketable securities	-	-	-	-	-	(1,567)	-	-	(1,567)	(2,670)
	632,621	814	82,793	24,000	267,432	(1,567)	35,666	5,750	1,047,509	911,404
<b>Excess of revenue over expenditures</b>	(210,454)	(814)	(21,311)	-	16,000	6,150	2,000	-	(208,429)	(67,130)
Fund balance, beginning of year	51,903	-	-	-	-	104,605	-	-	156,508	141,970
<b>Transfer of fund balances:</b>										
Administration and other transfers	18,000	-	-	-	(116,000)	-	(2,000)	-	-	(108,332)
Loan interest transfer	210,000	-	20,000	-	-	-	-	-	230,000	190,000
Acquisition of capital assets	(6,977)	6,977	-	-	-	-	-	-	-	-
	62,472	6,163	(1,311)	-	-	110,755	-	-	178,079	156,508

The information in this schedule is derived from the Corporation's annual audited financial statements and were subject to audit procedures performed on the financial statements as a whole

Community Futures East Kootenay  
Non-Consolidated Detailed Statement of Revenue and Expenditures  
Investment Loan Fund  
Year ended March 31, 2025

Schedule 4

	Repayable	Non-Repayable	Community Business Loans	Disability	RRRF	Total 2025	Total 2024
<b>Revenues</b>							
Interest on investment funds and loans	\$ 45,584	\$ 205,427	\$ 96,804	\$ 10,816	\$ 7,096	\$ 365,727	\$ 467,333
Interest on deposits	23,768	54,886	30,440	9,497	1,686	120,277	140,196
	69,352	260,313	127,244	20,313	8,782	486,004	607,529
<b>Expenditures</b>							
Interest, bank and service charges	613	665	605	605	643	3,131	3,088
Loan loss provision	79,029	27,106	68,454	-	(250)	174,339	29,441
Loans forgiven	-	-	-	-	(3,700)	(3,700)	-
	79,642	27,771	69,059	605	(3,307)	173,770	32,529
<b>Excess of revenue over expenditures</b>	<b>(10,290)</b>	<b>232,542</b>	<b>58,185</b>	<b>19,708</b>	<b>12,089</b>	<b>312,234</b>	<b>575,000</b>
Fund balance, beginning of year	613,412	2,600,648	1,614,671	175,224	32,108	5,036,063	4,651,063
Transfer of fund balances:							
Loan interest transfer	-	(180,000)	(50,000)	-	-	(230,000)	(190,000)
	\$ 603,122	\$ 2,653,190	\$ 1,622,856	\$ 194,932	\$ 44,197	\$ 5,118,297	\$ 5,036,063