

COMMUNITY FUTURES WEST INTERLAKE INC.

FINANCIAL STATEMENTS

For the year ended March 31, 2020

COMMUNITY FUTURES WEST INTERLAKE INC.
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STATEMENT OF RESPONSIBILITY

The accompanying financial statements are the responsibility of the Board Members of Community Futures West Interlake Inc. and have been prepared in compliance with legislation, and in accordance with Canadian accounting standards for not-for-profit organizations.

In carrying out its responsibilities, the Board Members maintain appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board Members of the corporation were in contact with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

Sensus Chartered Professional Accountants Ltd., as the corporation's appointed external auditors, have audited the financial statements. The Auditor's Report is addressed to the Board Members and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the corporation in accordance with Canadian accounting standards for not-for-profit organizations.



Chairperson



INDEPENDENT AUDITOR'S REPORT

To the Board Members of:
Community Futures West Interlake Inc.
Ashern, Manitoba

Opinion

We have audited the financial statements of Community Futures West Interlake Inc., which comprise the statements of financial position as at March 31, 2020 and the statements of operations and changes in fund balance, and statements of cash flows for the year then ended, 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 Community Futures West Interlake Inc. as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

During our audit we were able to obtain reasonable assurance that the organization is in compliance with its agreement with Western Economic Diversification of Canada ("WED") - Contribution Agreement - Project No. 6187 for the period of April 1, 2006 ending March 31, 2010 and signed April 11, 2006, amended to end March 31, 2021.

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 Community Futures West Interlake Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we 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 the 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 Community Futures West Interlake Inc.'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 Community Futures West Interlake Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Community Futures West Interlake Inc.'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.

As part of an audit in accordance with Canadian auditing standards, we exercise our 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 Community Futures West Interlake Inc.'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 Community Futures West Interlake Inc.'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 Community Futures West Interlake Inc. 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.

Brandon, Manitoba
June 17, 2020



 Chartered Professional Accountants Ltd.

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - ADMINISTRATION
 As at March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash (Note 11)	\$ 62,786	\$ 58,641
Accounts receivable (Note 3)	2,510	3,395
Prepaid expenses	4,381	7,097
	<u>\$ 69,677</u>	<u>\$ 69,133</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	\$ 33,279	\$ 48,151
Deferred revenue (Notes 2 and 16)	24,610	24,610
Due to Regular Investment Fund	23	948
	<u>57,912</u>	<u>73,709</u>
FUND BALANCES		
UNRESTRICTED FUND (Note 2)	11,765	(4,576)
	<u>\$ 69,677</u>	<u>\$ 69,133</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF OPERATIONS AND FUND BALANCE - ADMINISTRATION
For the year ended March 31, 2020

	2020 Budget Unaudited (Note 12)	2020 Actual	2019 Actual
REVENUE			
Contribution from WED	\$ 295,321	\$ 295,321	\$ 295,321
Investment fund allocation (Note 13)	45,000	5,000	30,000
Other income		4,600	1,960
Rural Municipality of Grahamdale contract services		3,880	1,000
Regional development strategy		3,139	20,754
Community Futures Manitoba		1,000	
SE program and training	5,000		3,000
EDP - Elevate Program			3,000
Townfolio community contribution	2,531		
	<u>347,852</u>	<u>312,940</u>	<u>355,035</u>
EXPENSES, per Schedule 1	347,828	296,599	351,783
EXCESS OF REVENUES OVER EXPENSES	\$ 24	16,341	3,252
UNRESTRICTED FUND, BEGINNING OF YEAR		(4,576)	(7,828)
UNRESTRICTED FUND, END OF YEAR		\$ 11,765	\$ (4,576)

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - CONSOLIDATED INVESTMENT FUND
 As at March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 1,615,769	\$ 1,679,676
Accrued interest	47,118	50,860
Current portion of loans receivable (Note 8)	140,092	249,900
Due from Administration	23	948
	<u>1,803,002</u>	<u>1,981,384</u>
LOANS RECEIVABLE (Note 8)	1,496,475	1,218,873
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	795,295	773,709
	<u>\$ 4,094,772</u>	<u>\$ 3,973,966</u>
LIABILITIES		
REPAYABLE TO WED (Note 9)	<u>\$ 624,096</u>	<u>\$ 624,096</u>
FUND BALANCES		
EXTERNALLY RESTRICTED FUND (Note 2)	1,020,000	1,020,000
INTERNALLY RESTRICTED FUND (Note 2)	2,450,676	2,329,870
	<u>3,470,676</u>	<u>3,349,870</u>
	<u>\$ 4,094,772</u>	<u>\$ 3,973,966</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - REGULAR INVESTMENT FUND
 As at March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 1,065,754	\$ 1,219,516
Accrued interest	13,251	25,044
Current portion of loans receivable (Note 8)	78,873	157,600
Due from Administration	23	826
	<u>1,157,901</u>	<u>1,402,986</u>
LOANS RECEIVABLE (Note 8)	1,028,985	684,990
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	404,390	392,687
	<u>\$ 2,591,276</u>	<u>\$ 2,480,663</u>
FUND BALANCES		
EXTERNALLY RESTRICTED FUND (Note 2)	\$ 1,020,000	\$ 1,020,000
INTERNALLY RESTRICTED FUND (Note 2)	1,571,276	1,460,663
	<u>2,591,276</u>	<u>2,480,663</u>
	<u>\$ 2,591,276</u>	<u>\$ 2,480,663</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - WED INVESTMENT FUND/YOUTH
 As at March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 472,748	\$ 394,063
Accrued interest	22,706	19,031
Current portion of loans receivable (Note 8)	56,107	86,000
Due from Administration		122
	<u>551,561</u>	<u>499,216</u>
LOANS RECEIVABLE (Note 8)	322,387	377,658
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	284,797	277,067
	<u>\$ 1,158,745</u>	<u>\$ 1,153,941</u>
LIABILITIES		
REPAYABLE TO WED (Note 9)	<u>\$ 424,352</u>	<u>\$ 424,352</u>
FUND BALANCES		
INTERNALLY RESTRICTED FUND (Note 2)	<u>734,393</u>	<u>729,589</u>
	<u>\$ 1,158,745</u>	<u>\$ 1,153,941</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - WED DISABILITY
 As at March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 77,267	\$ 66,097
Accrued interest	11,160	6,785
Current portion of loans receivable (Note 8)	5,112	6,300
	<u>93,539</u>	<u>79,182</u>
LOANS RECEIVABLE (Note 8)	145,104	156,225
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	106,108	103,955
	<u>\$ 344,751</u>	<u>\$ 339,362</u>
LIABILITIES		
REPAYABLE TO WED - DISABILITY LOAN (Note 9)	<u>\$ 199,744</u>	<u>\$ 199,744</u>
FUND BALANCES		
INTERNALLY RESTRICTED FUND (Note 2)	<u>145,007</u>	<u>139,618</u>
	<u>\$ 344,751</u>	<u>\$ 339,362</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF OPERATIONS AND FUND BALANCE - CONSOLIDATED INVESTMENT FUND
 For the year ended March 31, 2020

	2020	2019
REVENUE		
Interest earned - loans	\$ 83,134	\$ 81,957
Interest earned - bank	67,709	65,529
Recovery of bad debts	18,449	19,401
Credit life insurance 5% commission		17
	<u>169,292</u>	<u>166,904</u>
EXPENSES		
Administration fund allocation (Note 13)	5,000	30,000
Credit life insurance premiums	919	1,397
Interest and bank charges	1	34
Legal	905	18,874
Provision for doubtful loans (Note 8)	41,661	61,759
	<u>48,486</u>	<u>112,064</u>
EXCESS OF REVENUES OVER EXPENSES (Schedule 2)	<u>120,806</u>	<u>54,840</u>
INTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	<u>2,329,870</u>	<u>2,275,030</u>
INTERNALLY RESTRICTED FUND, END OF YEAR	<u>\$ 2,450,676</u>	<u>\$ 2,329,870</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - ADMINISTRATION
 For the year ended March 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 18,504	\$ 88,965
Cash paid to suppliers and employees	(307,238)	(342,491)
Grants received	295,321	295,321
Interest paid	(1,517)	(1,266)
Change in due to/from Regular Investment Fund	(925)	948
	<hr/>	<hr/>
CHANGE IN CASH	4,145	41,477
CASH, BEGINNING OF YEAR	58,641	17,164
	<hr/>	<hr/>
CASH, END OF YEAR	\$ 62,786	\$ 58,641
	<hr/>	<hr/>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - CONSOLIDATED INVESTMENT FUND
 For the year ended March 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 42,532	\$ 182,007
Cash paid to suppliers	(48,485)	(112,064)
Interest received	150,843	147,486
Commissions received		17
Change in due to/from Administration	926	(948)
	<u>145,816</u>	<u>216,498</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	(188,137)	109,010
Change in Community Futures Investment Fund	(21,586)	(20,913)
	<u>(209,723)</u>	<u>88,097</u>
CHANGE IN CASH	(63,907)	304,595
CASH, BEGINNING OF YEAR	1,679,676	1,375,081
CASH, END OF YEAR	<u>\$ 1,615,769</u>	<u>\$ 1,679,676</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - REGULAR INVESTMENT FUND
 For the year ended March 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 11,792	\$ 137,114
Cash paid to suppliers	(6,824)	(53,138)
Interest received	98,988	90,576
Commissions received		17
Change in due to/from administration	804	(826)
	<u>104,760</u>	<u>173,743</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	(246,819)	177,521
Change in Community Futures Investment Fund	(11,703)	(11,338)
	<u>(258,522)</u>	<u>166,183</u>
CHANGE IN CASH	(153,762)	339,926
CASH, BEGINNING OF YEAR	1,219,516	879,590
CASH, END OF YEAR	<u>\$ 1,065,754</u>	<u>\$ 1,219,516</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - WED INVESTMENT FUND / YOUTH
 For the year ended March 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 26,609	\$ 25,647
Cash paid to suppliers	(33,155)	(34,467)
Interest received	37,960	43,432
Change in due to/from administration	122	(122)
	31,536	34,490
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	54,879	(68,368)
Change in Community Futures Investment Fund	(7,730)	(7,489)
	47,149	(75,857)
CHANGE IN CASH	78,685	(41,367)
CASH, BEGINNING OF YEAR	394,063	435,430
CASH, END OF YEAR	\$ 472,748	\$ 394,063

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - WED DISABILITY
For the year ended March 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 4,131	\$ 19,246
Cash paid to suppliers	(8,506)	(24,459)
Interest received	13,895	13,478
	<u>9,520</u>	<u>8,265</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	3,803	(143)
Change in Community Futures Investment Fund	(2,153)	(2,086)
	<u>1,650</u>	<u>(2,229)</u>
CHANGE IN CASH	11,170	6,036
CASH, BEGINNING OF YEAR	66,097	60,061
CASH, END OF YEAR	\$ 77,267	\$ 66,097

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2020

1. ENTITY DEFINITION

Community Futures West Interlake Inc. (the "corporation") is a community based organization that provides loans and financial services to small businesses in the West Interlake Region of Manitoba that are otherwise unable to obtain suitable financing and also provide community economic development services. The program which is being funded by the community futures program, was formed to foster the economic development of the region. The corporation was incorporated under the Manitoba Companies Act as a non-profit organization on August 19, 1989. The corporation is exempt from income taxes under the Income Tax Act section 149(1)(d) as a non-profit organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following are considered to be the more significant policies:

Capital assets

Capital assets are expensed on acquisition. Capital assets held include computers, computer software, and office furniture. During the year there was no capital purchases.

Revenue recognition

The corporation follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the unrestricted fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund. Unrestricted contributions are recognized as revenue of the administration fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest and all other revenues are recorded as income when earned.

Deferred revenue

Deferred revenue is the portion of the operating grant from WED received prior to year end which relates to future periods. The amount will be recognized as revenue in the period in which the related expenditures occur.

Nature of fund balances

Unrestricted fund

The unrestricted fund accounts for the corporation's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

Internally restricted fund

The internally restricted fund consists of funds to be used for the purpose of local employment through loans, loan guarantees, and equity investment. The internally restricted fund consists of the regular investment fund, WED investment fund/youth, and WED disability fund.

The regular investment fund and WED investment fund/youth provides loans, loan guarantees, or equity investments to a maximum of \$150,000. This fund requires a minimum equity of 10.0% in the business and has repayment terms up to five years with a maximum amortization period of ten years. Interest charged consists of bank prime rate plus 2.0% to 4.0% with a minimum base rate of 6.5%.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of fund balances (continued)

Internally restricted fund (continued)

The WED disability fund offers business services to people with disabilities or health conditions and provides loans to a maximum of \$150,000. This fund requires a minimum equity of 10% in the business and has flexible repayment terms, designed for a client's specific needs. Interest charged consists of bank prime with a minimum base rate of 5%.

Externally restricted fund

The externally restricted fund consists of grants from WED to be used for the purpose of local employment through loans, loan guarantees, and equity investments. The externally restricted fund is part of the regular investment fund.

Community futures investment fund

The corporation has entered into a cash pooling agreement with Community Futures Investment Fund (the "CFIF") and has transferred monies plus accumulated interest possessed and beneficially owned by the corporation. Such monies will be administered under the control and supervision of the persons authorized to do so in accordance with the terms of the agreement. The monies shall comprise all monies advanced from time to time by the corporation to the CFIF, together with interest thereon, less any fees, expenses and other charges of the CFIF in accordance with the terms of the agreement.

Use of estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates consist of allowances on doubtful loans. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Financial instruments

Community Futures West Interlake Inc. measures its financial assets and liabilities at fair value. The corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, loans receivable and the Community Futures Investment Fund.

Financial liabilities measured at amortized cost include accounts payable and repayable to WED.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2020

3. ACCOUNTS RECEIVABLE	2020	2019
GST	\$ 1,510	\$ 3,395
Community Futures Manitoba	1,000	
	<u>\$ 2,510</u>	<u>\$ 3,395</u>

4. ACCOUNTS PAYABLE	2020	2019
Trade	\$ 3,577	\$ 10,805
Accrued audit fee	4,170	4,170
Accrued wages and vacation	25,532	33,176
	<u>\$ 33,279</u>	<u>\$ 48,151</u>

5. FINANCIAL INSTRUMENTS

The corporation is exposed to various risks through its financial instruments.

Credit risk

The corporation provides credit to its clients through lending loans in the normal course of its operations. It carries out, on a continuing basis, credit checks and obtains security on these clients and on occasion has bad debts.

For grants receivable, the corporation assesses, on a continuous basis amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The corporation manages its liquidity by constantly monitoring cash flows and financial liability matures, and by holding assets that can be readily converted to cash.

Trade accounts payable are generally paid within one month of receipt of invoice.

6. ECONOMIC DEPENDENCE

Community Futures West Interlake Inc. receives 94% (2019 - 83%) of its operating revenue from WED, a sub-division of the federal government and is economically dependent on it. The present contract the corporation has with the department expires March 31, 2021 with the provision that WED receives parliament approval for the continuation of the program beyond its current contract date.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2020

7. ALLOWANCE FOR DOUBTFUL LOANS

The Board Members and management have agreed upon and created an account for potential doubtful accounts. The need for an allowance has been determined through a review process in accordance with management's judgment of the credit worthiness of the individual borrowers. Loans determined to be uncollectible will be offset against the allowance for doubtful loans. As the collectability of loans included in the allowance is indeterminable, interest has only been accrued on the loans management has determined should be collected in the future. Loan write-offs for the 2020 fiscal year total \$2,869 (2019 - \$0).

8. LOANS RECEIVABLE

	Regular Investment Fund	WED Investment Fund/Youth	WED Disability	2020 Total	2019 Total
Loans	\$ 1,107,858	\$ 532,312	\$ 203,299	1,843,469	\$ 1,655,331
Current portion	(78,873)	(56,107)	(5,112)	(140,092)	(249,900)
	1,028,985	476,205	198,187	1,703,377	1,405,431
Allowance for doubtful loans (Note 7)		(153,818)	(53,083)	(206,901)	(186,558)
	\$ 1,028,985	\$ 322,387	\$ 145,104	\$ 1,496,476	\$ 1,218,873

All loans issued by the corporation have been for the purpose represented by the Board Members in its corporate mandate.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2020

9. REPAYABLE TO WED

The Corporation is in receipt of monies from the Government of Canada to provide loans to specific groups in their mandate area. These monies were distributed for the following purposes:

- 1) \$525,000 to provide a repayable investment fund.
- 2) \$200,000 to provide a repayable disabled persons investment fund.

The repayment commencement date has not been determined under the terms and conditions of the agreement with the Government of Canada.

	WED Investment Fund / Youth	WED Disability	2020 Total	2019 Total
Principal	\$ 525,000	\$ 200,000	\$ 725,000	\$ 725,000
Accumulated loss realized	(100,648)	(256)	(100,904)	(100,904)
	\$ 424,352	\$ 199,744	\$ 624,096	\$ 624,096

The amount repayable may be adjusted as the outstanding loans in this fund are not fully collected at this time. Future losses that have not been realized may require an offset adjustment against the outstanding commitment.

10. RELATED PARTIES

During the year, the corporation received grants from WED, a sub-division of the federal government which has significant influence over the organization, in the amount of \$295,321 (2019 - \$295,321). These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed by the related parties), which approximates the arm's length equivalent value.

11. CASH

The corporation has an authorized overdraft limit with Noventis Credit Union in the amount of \$40,000 with interest payable at prime. Prime rate of interest at March 31, 2020 was 2.45% (2019 - 3.95%). Secured by the investment fund.

12. BUDGET

The budget figures presented for the for comparative purposes for the administrative fund are those approved by the Board Members and are unaudited. There was no budget figures presented for the investment fund.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2020

13. INTERFUND TRANSFERS

The regular investment fund transferred \$5,000 (2019 - \$30,000) to the administrative fund for special initiatives.

14. PRIOR PERIOD ADJUSTMENT

During the course of the audit it was discovered an accrued vacation liability was not recorded. The adjustment resulted in an decrease to the 2019 opening unrestricted fund balance of \$29,195, an increase in the 2019 payables of \$33,176 and an increase in expenses of \$3,981. The net affect of the adjustment was a decrease to the 2020 opening unrestricted fund balance of \$33,176.

15. OTHER MATTERS

The COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. The corporation is expected to take on more risk in lending to help businesses who need to transition, survive possible shut downs or employee lay offs. Community Futures West Interlake Inc. has been given a blanket approval from WED to lower interest rates below prime plus 2% for new and existing clients. For existing clients, the corporation has offered a variety of interest and payment options.

As of the audit report date, the organization has not suffered any significant disruptions and we are therefore unable to estimate the effect of the pandemic on the organization's operations. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of the disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

16. DEFERRED REVENUE

Deferred revenue is a grant received prior to year end which relates to services to be delivered after year end.

	2020	2019
Balance, beginning of period	\$ 24,610	\$ 24,610
Deferred revenue received during the period	24,610	24,610
Recognition of deferred revenue during the period	(24,610)	(24,610)
Balance, end of period	<u>\$ 24,610</u>	<u>\$ 24,610</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
SCHEDULE 1 - SCHEDULE OF EXPENSES - ADMINISTRATION
 For the year ended March 31, 2020

	2020 Budget Unaudited (Note 12)	2020 Actual	2019 Actual
Accounting and legal	\$ 6,000	\$ 5,595	\$ 6,710
Advertising	2,550	7,422	6,865
Board member expenses	7,500	4,869	5,300
Client costs	1,750	2,386	
Community development projects	21,550	17,130	13,038
Equipment and furniture	1,500		4,627
Insurance	5,200	4,163	4,101
Interest and bank charges	1,350	1,517	1,266
Office expense	11,500	12,552	17,312
Rent	7,200	6,977	6,977
Repairs and maintenance	1,500	1,297	915
Special projects - public relations	23,300	15,513	40,980
Staff expenses	9,000	7,397	7,712
Subscriptions and memberships	600	500	400
Telephone	8,550	7,459	7,461
Townfolio		906	
Training and professional development	6,000	7,167	6,452
Utilities	2,150	1,625	1,672
Wages and benefits	230,628	192,124	219,995
	\$ 347,828	\$ 296,599	\$ 351,783

COMMUNITY FUTURES WEST INTERLAKE INC.
SCHEDULE 2 - SCHEDULE OF REVENUES AND EXPENSES BY INVESTMENT FUNDS
 For the year ended March 31, 2020

	2020	2019
REVENUE - REGULAR INVESTMENT FUND		
Interest earned - loans	\$ 54,101	\$ 47,492
Interest earned - bank	44,887	43,084
Recovery of bad debts	18,449	19,401
Credit life insurance 5% commission		17
TOTAL REVENUE - REGULAR INVESTMENT FUND	117,437	109,994
EXPENSES - REGULAR INVESTMENT FUND		
Administration fund allocation	5,000	30,000
Credit life insurance premiums	919	1,351
Interest and bank charges		33
Legal	905	18,576
Provision for doubtful loans		3,178
TOTAL EXPENSES - REGULAR INVESTMENT FUND	6,824	53,138
EXCESS OF REVENUES OVER EXPENSES - REGULAR INVESTMENT FUND	\$ 110,613	\$ 56,856
REVENUE - WED INVESTMENT FUND / YOUTH		
Interest earned - bank	\$ 19,102	\$ 19,040
Interest earned - loans	18,858	24,392
TOTAL REVENUE - WED INVESTMENT FUND / YOUTH	37,960	43,432
EXPENSES - WED INVESTMENT FUND / YOUTH		
Credit life insurance premiums		46
Interest and bank charges	1	1
Legal		293
Provision for bad debts	33,155	34,122
TOTAL EXPENSES - WED INVESTMENT FUND / YOUTH	33,156	34,467
EXCESS OF REVENUES OVER EXPENSES - WED INVESTMENT FUND/YOUTH	\$ 4,804	\$ 8,965

COMMUNITY FUTURES WEST INTERLAKE INC.
SCHEDULE 2 - SCHEDULE OF REVENUES AND EXPENSES BY INVESTMENT FUNDS - CONTINUED
 For the year ended March 31, 2020

	2020	2019
REVENUE - WED DISABILITY		
Interest earned - loans	\$ 10,175	\$ 10,073
Interest earned - bank	3,720	3,405
TOTAL REVENUE - WED DISABILITY	13,895	13,478
EXPENSES - WED DISABILITY		
Provision for doubtful loans	8,506	24,459
TOTAL EXPENSES - WED DISABILITY	8,506	24,459
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES - WED DISABILITY	\$ 5,389	\$ (10,981)
EXCESS OF REVENUES OVER EXPENSES - TOTAL	\$ 120,806	\$ 54,840