

COMMUNITY FUTURES WEST INTERLAKE INC.

FINANCIAL STATEMENTS

For the year ended March 31, 2022

COMMUNITY FUTURES WEST INTERLAKE INC.
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STATEMENT OF RESPONSIBILITY

To the Members of Community Futures West Interlake:

Management is responsible for preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

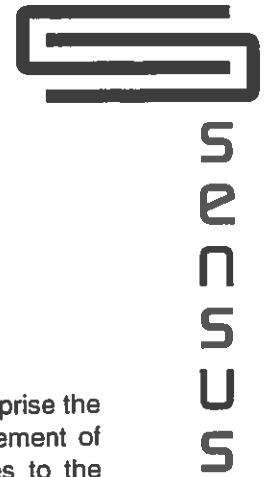
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the organization's external auditors.

Sensus Chartered Professional Accountants Ltd., an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and Management to discuss their audit findings.



Director



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors 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, 2022 and the statements of operations, statement of 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, 2022, 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 corporation is in compliance with its agreement with Western Economic Diversification of Canada ("WED") - Contribution Agreement - Project No. 6187.

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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing 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
July 01, 2022



Chartered Professional Accountants Ltd.

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	Administration Fund	Regular Investment Fund	WED Investment/Youth Fund	WED Disability Fund	Regional Relief and Recovery Fund	Total
	2022	2022	2022	2022	2022	2021
ASSETS						
Current Assets						
Cash (Note 3)	\$ 176,061	\$ 1,790,166	\$ 104,151	\$ 235,073	\$ 116,146	\$ 2,421,597
Accounts receivable (Note 4)	9,438	3,978	23,344	116		36,876
Current portion of loans receivable (Note 10)		106,664	101,752	10,289		218,705
Prepays	4,780					4,780
Due from Administration			30			30
Due from WED investment/youth fund						154
	190,279	1,900,808	229,277	245,478	116,146	2,681,988
Loans receivable (Note 10)		463,359	816,554	6,397	4,537,958	5,103,283
Community Futures Investment Fund (Note 2)		421,299	194,370	109,133		724,802
	\$ 190,279	\$ 2,785,466	\$ 1,240,201	\$ 361,008	\$ 4,654,104	\$ 9,231,058
						\$ 8,773,829
LIABILITIES						
Current Liabilities						
Accounts payable (Note 5)	\$ 41,825	\$	\$	\$	\$	\$ 41,825
Deferred revenue (Notes 2 and 7)						133,843
Due to Administration						600
Due to WED investment/youth fund	30					30
Due to WED disability fund						154
	41,855				41,855	178,344
Repayable to WED (Note 11)			424,352	199,744		624,096
Repayable fund - RRRF (Notes 12 and 16)	137,160				4,652,958	4,790,118
	179,015		424,352	199,744	4,652,958	5,456,069
						5,082,440
FUND BALANCES						
Unrestricted Fund (Note 2)	11,264					11,264
Externally restricted fund (Note 2)		1,020,000				1,020,000
Internally restricted fund (Note 2)	11,264	1,765,466	815,849	161,264	1,146	2,743,725
	11,264	2,785,466	815,849	161,264	1,146	3,774,989
	\$ 190,279	\$ 2,785,466	\$ 1,240,201	\$ 361,008	\$ 4,654,104	\$ 9,231,058
						\$ 8,774,429

COMMUNITY FUTURES WEST INTERLAKE INC.

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	Administration Fund		Regular Investment Fund		WED Investment/ Youth Fund		WED Disability Fund		Regional Relief and Recovery Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUES												
Contribution from WED	\$ 295,321	\$ 295,321	\$	\$	\$	\$	\$	\$	\$	\$	\$ 295,321	\$ 295,321
Driftscape	200,223	66,677									200,223	66,677
Interest earned - loans			41,911	64,807	40,491	23,385	1,080	5,462			83,482	93,654
Interest earned - banks			22,934	22,538	4,729	10,004	3,206	2,882	774		31,241	36,198
Loan forgiveness									372	20,000	20,000	
Contract services	8,000	2,631									8,000	2,631
Other income	3,934	250									3,934	250
Recovery of bad debts						5,192	1,081	5,832			1,081	11,024
Regional development strategy	372										372	
Community Futures Manitoba (Note 16)		130,813										130,813
	\$ 507,850	\$ 495,692	\$ 64,845	\$ 87,345	\$ 45,220	\$ 38,581	\$ 5,367	\$ 14,176	\$ 774	\$ 20,372	\$ 643,654	\$ 636,568
EXPENSES												
Accounting and legal	\$ 4,754	\$ 7,105	\$	\$	\$	\$	\$	\$	\$	\$	\$ 4,754	\$ 10,393
Advertising	1,153	2,154									1,153	2,154
Board member	1,946	2,599									1,946	2,599
Client costs	400	717									400	717
Community development projects	20,000										20,000	
Insurance	4,811	4,353									4,811	4,353
Interest and bank charges	1,683	1,547			34						1,717	1,547
Loan forgiveness					400				20,000		20,000	
Micro Loan Rebate												
Office expenses	19,813	11,466									19,813	11,466
Provision for doubtful loans					1,910						1,910	
Rent	6,977	6,977									6,977	6,977
Repairs and maintenance	558	798									558	798
RRRF - COVID-19	6,275	128,201									6,275	128,201
Special projects - Driftscape	195,525	66,677									195,525	66,677
Special projects - public relations	4,297	9,589									4,297	9,589
Staff expenses	2,892	2,165									2,892	2,165
Subscriptions and memberships	350	350									350	350
Telephone	5,496	6,774									5,496	6,774
Training and professional development	10,810	1,331									10,810	1,331
Utilities	1,467	1,374									1,467	1,374
Wages and Benefits	249,103	169,555									249,103	169,555
	538,310	423,732			2,344			3,288		20,000	560,654	427,020
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (30,460)	\$ 71,960	\$ 64,845	\$ 87,345	\$ 42,876	\$ 38,581	\$ 5,367	\$ 10,888	\$ 774	\$ 83,000	\$ 83,000	\$ 209,548

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended March 31, 2022

	Administration		Regular Investment Fund		WED Investment/ Youth Fund		WED Disability Fund	
	2022	2021	2022	2021	2022	2021	2022	2021
Balance, beginning of year	\$ 26,724	\$ 11,764	\$ 2,735,621	\$ 2,591,276	\$ 772,973	\$ 734,392	\$ 155,897	\$ 145,009
Excess (deficiency) of revenue over expenses	(30,460)	71,960	64,845	87,345	42,876	38,581	5,367	10,888
Transfers (Note 15)	15,000	(57,000)	(15,000)	57,000				
Balance, end of year	\$ 11,264	\$ 26,724	\$ 2,785,466	\$ 2,735,621	\$ 815,849	\$ 772,973	\$ 161,264	\$ 155,897

	Regional Relief and Recovery Fund		Total	
	2022	2021	2022	2021
Balance, beginning of year	\$ 774	\$ 3,691,989	\$ 3,482,441	
Excess (deficiency) of revenue over expenses	372	774	83,000	209,548
Transfers (Note 15)				
Balance, end of year	\$ 1,146	\$ 774	\$ 3,774,989	\$ 3,691,989

COMMUNITY FUTURES WEST INTERLAKE INC.

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	Administration		Regular Investment Fund		WED Investment/ Youth Fund		WED Disability Fund		Regional Relief and Recovery Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES												
Cash receipts from clients	\$ 89,266	\$ 307,096	\$ 1,760	\$ 64,514	\$ 3,028	\$ 1,525	\$ 4,885	\$ 13,072	\$ 20,000	\$ 118,939	\$ 386,207	
Cash paid to suppliers and employees	(536,037)	(471,629)	(15,000)	(5,344)	(3,288)	(3,288)	(3,288)	(3,288)	(20,000)	(576,381)	(471,917)	
Grants received	295,321	295,321	64,845	87,345	45,220	33,389	4,286	8,344	372	295,321	295,321	
Interest received	(1,683)	(1,547)							774	114,723	129,852	
Change in due to/from funds	476	(469)								(1,683)	(1,547)	
Change in due to/from Administration	(152,657)	128,772	51,605	151,882	(630)	600	154	(154)	372	476	(469)	
				23	(630)	600	154	(154)	372	(476)	469	
				151,882	42,274	38,514	9,325	17,974	372	(49,081)	337,916	
CASH FLOWS FROM INVESTING ACTIVITIES												
Change in loans receivable	300,252	237,582	(7,971)	(8,938)	(235,841)	(303,971)	6,499	127,032	(713,300)	(642,390)	(3,764,015)	
Change in due to/from Administration	(7,971)	(8,938)	292,281	228,644	96,331	(5,904)	(1,381)	(1,644)	(713,300)	86,979	(16,486)	
				(139,510)	(309,875)	(309,875)	5,118	125,388	(713,300)	(555,411)	(3,780,501)	
CASH FLOWS FROM FINANCING ACTIVITIES												
Change in Repayable to WED	137,160								372,958	4,280,000	372,958	4,280,000
Change in Repayable fund - RRRF	137,160								372,958	4,280,000	137,160	
CHANGE IN CASH	(15,497)	128,772	343,886	380,526	(97,236)	(271,361)	14,443	143,362	(339,970)	456,116	(94,374)	837,415
CASH, BEGINNING OF YEAR	191,558	62,786	1,446,280	1,065,754	201,387	472,748	220,630	77,268	456,116	2,515,971	1,678,556	
CASH, END OF YEAR	\$ 176,061	\$ 191,558	\$ 1,790,166	\$ 1,446,280	\$ 104,151	\$ 201,387	\$ 235,073	\$ 220,630	\$ 116,146	\$ 2,421,597	\$ 2,515,971	

COMMUNITY FUTURES WEST INTERLAKE INC.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

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 paragraph 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.

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.

Revenue recognition

The corporation follows the restricted fund method of accounting for contributions. 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. All other restricted 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. All other restricted contributions are recognized as revenue of the appropriate fund.

Deferred revenue

Deferred revenue is the portion of grant revenue 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. The unrestricted fund consists of the Administration Fund.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of fund balances (continued)

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, WED disability fund, and the Regional Relief and Recovery 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%.

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%.

The Regional Relief and Recovery Fund ("RRRF") was established to provide financing to support rural communities and small and medium sized enterprises to enable their recovery from economic disruptions associated with the COVID-19 pandemic. The receipt of monies was received through the Government of Canada's Regional Relief and Recovery Fund.

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.

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, repayable to WED, and repayable funds - RRRF.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

3. CASH

The corporation has a line of credit with Noventis Credit Union Ltd. in the amount of \$40,000. The interest rate charged on the line of credit was 2.95% (2021 - 2.95%). Secured by the investment fund.

4. ACCOUNTS RECEIVABLE

	2022	2021
Administration:		
GST	\$ 2,938	\$ 5,018
Community Futures Manitoba	6,500	
	<u>9,438</u>	<u>5,018</u>
Regular Investment Fund- accrued interest	3,978	5,738
WED Investment/Youth Fund - accrued interest	23,344	26,372
WED Disability Fund - accrued interest	116	3,920
	<u>\$ 36,876</u>	<u>\$ 41,048</u>

5. ACCOUNTS PAYABLE

	2022	2021
Administration:		
Accrued vacation	\$ 23,897	\$ 19,766
Trade	13,454	16,507
Accrued audit fee	4,474	4,474
	<u>41,825</u>	<u>40,747</u>
WED Investment/Youth Fund - Trade		3,000
	<u>\$ 41,825</u>	<u>\$ 43,747</u>

6. 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 2022 fiscal year total \$NIL (2021 - \$NIL).

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

7. DEFERRED REVENUE

Deferred revenue is the portion of grant revenue received prior to year end which relates to future periods.

	Driftscape	2022 Total	2021 Total
Balance, beginning of year	\$ 133,843	\$ 133,843	\$ 24,610
Add: amount received during the year			133,843
Less: amount recognized during the year	(133,843)	(133,843)	(24,610)
Balance, end of year	\$	\$	\$ 133,843

8. ECONOMIC DEPENDENCE

Community Futures West Interlake Inc. receives 58% (2021 - 60%) 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 WED will expire on March 31, 2026.

9. 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. The corporation has not seen a decline in the collectability of accounts receivable and loans receivable as a result of the COVID-19 pandemic.

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.

Interest rate risk

The corporation is exposed to interest rate risk on its floating interest rate financial instruments. Floating rate financial subject the corporation to a cash flow risk. The corporation is exposed to this type of risk as a result of investments held in the Community Futures Investment Fund. However, the risk associated with the investments are reduced to a minimum due to maintaining a balanced portfolio.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

10. LOANS RECEIVABLE

	RRRF	Regular Investment Fund	WED Investment Fund/Youth	WED Disability	2022 Total	2021 Total
Loans	\$ 4,537,958	\$ 570,023	\$ 1,068,842	\$ 62,856	\$ 6,239,679	\$ 5,596,459
Current portion		(106,664)	(101,752)	(10,289)	(218,705)	(297,300)
Allowance for doubtful loans (Note 6)	4,537,958	463,359	967,090	52,567	6,020,974	5,299,159
			(150,536)	(46,170)	(196,706)	(195,876)
	\$ 4,537,958	\$ 463,359	\$ 816,554	\$ 6,397	\$ 5,824,268	\$ 5,103,283

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

The regular investment fund and WED investment fund/youth provides loans, loan guarantees, or equity investments to a maximum of \$150,000. There were two loans that exceeded the \$150,000 limit. One from the regular investment fund issued in the 2014 fiscal year in the amount of \$230,000 and one from the WED investment/youth fund issued in the 2021 fiscal year in the amount of \$250,000.

11. 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:

Term and repayment:

- 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	2022 Total	2021 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.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

12. REPAYABLE FUNDS - REGIONAL RELIEF AND RECOVERY FUND (RRRF)

Regional Relief and Recovery Fund:

The corporation is in receipt of monies from the Government of Canada's Regional Relief and Recovery Fund through the Community Futures Investment Fund Inc. (CFIF) to provide financing to support rural communities and small and medium sized enterprises to enable their recovery from economic disruptions associated with the COVID-19 pandemic. Total loan advances received was \$4,672,958 and the full amount was loaned out as of year end. Total collections during the year including the loan forgiveness was \$135,000.

Term and repayment:

- i. From disbursement until December 31, 2023, no principal payments of the loan will be required.
- ii. All loan proceeds received that have not been loaned to business entities by June 30, 2021 are to be returned to the CFIF.
- iii. CFIF will not be requiring repayment of its loans prior to January 1, 2024.
- iv. Repayable balance will be reduced by any loan write-offs or allowance for doubtful loan receivable determined by the management of the corporation on or before January 1, 2024 and reasonable costs charges and expenses incurred by the corporation in connection with enforcing payment of any monies or in performance of any other obligation owing under any Secondary Loan.
- v. Outstanding loan amount must be repaid in full by December 31, 2025.

	2022	2021
Amount advanced	\$ 4,672,958	\$ 4,280,000
Less: amount forgiven	20,000	
	<u>4,652,958</u>	<u>4,280,000</u>

Administration:

The organization has entered into a loan agreement with Community Futures Investment Fund Regional Relief and Recovery Fund program to borrow funds to be used for RRRF Investment Fund administration costs. The RRRF Investment Fund administration costs include, but are not limited to RRRF loans aftercare, monitoring, collections, and related administration costs deemed reasonable, incremental, and directly attributable to support RRRF loan clients and loan recovery. It is incurred and charged to the borrower's RRRF Investment Fund. Total loan advances received was \$137,160.

Term and repayment:

- i. From disbursement until December 31, 2025, no principal payments of the loan will be required.
- ii. The remaining balance of the loan advanced be repaid by the Borrower to the Lender, as calculated by the Lender from time to time, shall be the total of: (i) the principal advanced; less (ii) less any of the loan used for operating costs related to RRRF loan aftercare and assisting SMEs in their communities in response to COVID-19.
- iii. Outstanding loan amount must be repaid in full by December 31, 2025.
- iv. All amounts be payable in Canadian Dollars.

	2022	2021
Amount advanced	137,160	
Total Repayable Fund	<u>\$ 4,790,118</u>	<u>\$ 4,280,000</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

13. RELATED PARTIES

During the year, the corporation received grants from WED, a sub-division of the federal government which has significant influence over the corporation in the amount of \$295,321 (2021 - \$295,321). The corporation also has a loan receivable from a board member or family of a board member in the amount of \$100,000 (2021 - \$60,000) through the RRRF. 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.

14. 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.

15. INTERFUND TRANSFERS

The administrative fund transferred \$NIL (2021 - \$57,000) to the regular investment fund. The regular investment fund transferred \$15,000 (2021 - \$NIL) to the administrative fund for special initiatives.

16. OTHER MATTERS

The COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. The corporation received Regional Relief and Recovery Fund (RRRF) loan advances in the amount of \$4,672,958 to lend to small and medium sized enterprises who needed to transition, survive possible shut downs or employee layoffs. The corporation also received \$137,160 RRRF loan advances to administer RRRF loan payments for businesses with approved loans as a result impacted by the COVID-19 pandemic. The office doors were closed to the public and employees were allowed to work remotely during the year. Client meetings were held remotely or social distanced in the office by appointment only. 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.

In the prior year, the corporation received \$130,813 in funding to enhance support and services to businesses impacted by the COVID-19 pandemic.

COMMUNITY FUTURES WEST INTERLAKE INC.
SCHEDULE 1 - SCHEDULE OF REVENUES AND EXPENSES WITH BUDGET - ADMINISTRATION
For the year ended March 31, 2022

	2022 Budget Unaudited (Note 14)	2022 Actual	2021 Actual
REVENUE			
Contribution from WED	\$ 295,321	\$ 295,321	\$ 295,321
Community Futures Manitoba			130,813
Driftscape		200,223	66,677
Contract services	1,500	8,000	2,631
Other income	450	3,934	250
SE program and training	1,500		
Regional development strategy		372	
	<u>298,771</u>	<u>507,850</u>	<u>495,692</u>
EXPENSES			
Accounting and legal	6,000	4,754	7,105
Advertising	2,550	1,153	2,154
Board member expenses	6,500	1,946	2,599
Client costs	1,750	400	717
Community development projects	20,500	20,000	
Equipment and furniture	1,000		
Insurance	5,300	4,811	4,353
Interest and bank charges	1,300	1,683	1,547
Office expense	11,000	19,813	11,466
Rent	7,200	6,977	6,977
Repairs and maintenance	1,000	558	798
RRRF - COVID-19		6,275	128,201
Special projects - Driftscape		195,525	66,677
Special projects - public relations	14,500	4,297	9,589
Staff expenses	9,500	2,892	2,165
Subscriptions and memberships	600	350	350
Telephone	8,800	5,496	6,774
Training and professional development	3,500	10,810	1,331
Utilities	2,300	1,467	1,374
Wages and benefits	245,579	249,103	169,555
	<u>348,879</u>	<u>538,310</u>	<u>423,732</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(50,108)	(30,460)	71,960
TRANSFERS	50,000	15,000	(57,000)
	<u>\$ (108)</u>	<u>(15,460)</u>	<u>14,960</u>
UNRESTRICTED FUND, BEGINNING OF YEAR		26,724	11,764
UNRESTRICTED FUND, END OF YEAR		<u>\$ 11,264</u>	<u>\$ 26,724</u>