

COMMUNITY FUTURES WEST INTERLAKE INC.

FINANCIAL STATEMENTS

For the year ended March 31, 2021

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, 2021 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, 2021, 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 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 24, 2021



Chartered Professional Accountants Ltd.

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - ADMINISTRATION
 As at March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash (Note 3)	\$ 191,559	\$ 62,786
Accounts receivable (Note 4)	5,018	2,510
Prepaid expenses	4,292	4,381
Due from WED Investment Fund/Youth	600	
	<u>\$ 201,469</u>	<u>\$ 69,677</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 5)	\$ 40,747	\$ 33,280
Deferred revenue (Notes 2 and 6)	133,843	24,610
Due to WED Disability	154	
Due to Regular Investment Fund		23
	<u>174,744</u>	<u>57,913</u>
FUND BALANCES		
UNRESTRICTED FUND (Note 2)	<u>26,725</u>	<u>11,764</u>
	<u>\$ 201,469</u>	<u>\$ 69,677</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - ADMINISTRATION
 For the year ended March 31, 2021

	2021 Budget Unaudited (Note 14)	2021 Actual	2020 Actual
REVENUE			
Contribution from WED	\$ 295,321	\$ 295,321	\$ 295,321
Community Futures Manitoba (Note 16)		130,813	1,000
Driftscape		66,677	
Rural Municipality of Grahamdale contract services		2,631	3,880
Other income		250	4,600
Investment fund allocation (Note 15)	50,000		5,000
SE program and training	2,500		
Regional development strategy			3,139
	<u>347,821</u>	<u>495,692</u>	<u>312,940</u>
EXPENSES, per Schedule 1	<u>350,326</u>	<u>480,731</u>	<u>296,600</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (2,505)</u>	<u>14,961</u>	<u>16,340</u>
UNRESTRICTED FUND, BEGINNING OF YEAR		<u>11,764</u>	<u>(4,576)</u>
UNRESTRICTED FUND, END OF YEAR		<u>\$ 26,725</u>	<u>\$ 11,764</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - CONSOLIDATED INVESTMENT FUND
 As at March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 2,324,413	\$ 1,615,769
Accrued interest	36,036	47,121
Current portion of loans receivable (Note 9)	297,300	140,092
Due from Administration	154	23
	<u>2,657,903</u>	<u>1,803,005</u>
LOANS RECEIVABLE (Note 9)	5,103,284	1,496,476
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	811,781	795,294
	<u>\$ 8,572,968</u>	<u>\$ 4,094,775</u>

LIABILITIES		
CURRENT		
Accounts payable	\$ 3,000	\$
Due to Administration	600	
	<u>3,600</u>	
REPAYABLE TO WED (Note 11)	624,096	624,096
REPAYABLE FUNDS - RRRF (Note 12)	4,280,000	
	<u>4,907,696</u>	<u>624,096</u>

FUND BALANCES		
EXTERNALLY RESTRICTED FUND (Note 2)	1,020,000	1,020,000
INTERNALLY RESTRICTED FUND (Note 2)	2,645,272	2,450,679
	<u>3,665,272</u>	<u>3,470,679</u>
	<u>\$ 8,572,968</u>	<u>\$ 4,094,775</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - REGULAR INVESTMENT FUND
 As at March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 1,446,280	\$ 1,065,754
Current portion of loans receivable (Note 9)	214,845	78,873
Accrued interest	5,740	13,250
Due from Administration		23
	<u>1,666,865</u>	<u>1,157,900</u>
LOANS RECEIVABLE (Note 9)	655,431	1,028,985
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	413,328	404,390
	<u>\$ 2,735,624</u>	<u>\$ 2,591,275</u>
FUND BALANCES		
EXTERNALLY RESTRICTED FUND (Note 2)	\$ 1,020,000	\$ 1,020,000
INTERNALLY RESTRICTED FUND (Note 2)	1,715,624	1,571,275
	<u>2,735,624</u>	<u>2,591,275</u>
	<u>\$ 2,735,624</u>	<u>\$ 2,591,275</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - WED INVESTMENT FUND/YOUTH
 As at March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 201,387	\$ 472,748
Accrued interest	26,376	22,709
Current portion of loans receivable (Note 9)	74,026	56,107
	<u>301,789</u>	<u>551,564</u>
LOANS RECEIVABLE (Note 9)	608,439	322,387
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	290,701	284,797
	<u>\$ 1,200,929</u>	<u>\$ 1,158,748</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 3,000	\$
Due to Administration	600	
	<u>3,600</u>	
REPAYABLE TO WED (Note 11)	424,352	424,352
	<u>427,952</u>	<u>424,352</u>
FUND BALANCES		
INTERNALLY RESTRICTED FUND (Note 2)	772,977	734,396
	<u>\$ 1,200,929</u>	<u>\$ 1,158,748</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - WED DISABILITY
 As at March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 220,629	\$ 77,267
Accrued interest	3,920	11,161
Current portion of loans receivable (Note 9)	8,429	5,112
Due from Administration	154	
	<u>233,132</u>	<u>93,540</u>
LOANS RECEIVABLE (Note 9)	14,756	145,104
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	107,752	106,108
	<u>\$ 355,640</u>	<u>\$ 344,752</u>
LIABILITIES		
REPAYABLE TO WED - DISABILITY LOAN (Note 11)	\$ 199,744	\$ 199,744
FUND BALANCES		
INTERNALLY RESTRICTED FUND (Note 2)	155,896	145,008
	<u>\$ 355,640</u>	<u>\$ 344,752</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF FINANCIAL POSITION - REGIONAL RELIEF AND RECOVERY FUND
 As at March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 456,117	\$
LOANS RECEIVABLE (Note 9)	3,824,658	
	\$ 4,280,775	\$
LIABILITIES		
REPAYABLE FUNDS - RRRF (Note 12)	\$ 4,280,000	\$
FUND BALANCES		
INTERNALLY RESTRICTED FUND (Note 2)	775	
	\$ 4,280,775	\$

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - CONSOLIDATED INVESTMENT FUND
 For the year ended March 31, 2021

	2021	2020
REVENUE		
Interest earned - loans	\$ 93,654	\$ 83,134
Interest earned - bank	36,203	67,715
Recovery of bad debts	11,024	18,449
Administration fund allocation (Note 15)	57,000	
	<u>197,881</u>	<u>169,298</u>
EXPENSES		
Administration fund allocation (Note 15)		5,000
Credit life insurance premiums		919
Interest and bank charges		1
Legal	3,288	905
Provision for doubtful loans		41,661
	<u>3,288</u>	<u>48,486</u>
EXCESS OF REVENUES OVER EXPENSES (Schedule 2)	<u>194,593</u>	<u>120,812</u>
INTERNALLY RESTRICTED FUND, BEGINNING OF YEAR	<u>2,450,679</u>	<u>2,329,867</u>
INTERNALLY RESTRICTED FUND, END OF YEAR	<u>\$ 2,645,272</u>	<u>\$ 2,450,679</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - ADMINISTRATION
 For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 307,096	\$ 18,505
Cash paid to suppliers and employees	(471,628)	(307,239)
Grants received	295,321	295,321
Interest paid	(1,547)	(1,517)
Change in due to/from Regular Investment Fund	(469)	(925)
CHANGE IN CASH	128,773	4,145
CASH, BEGINNING OF YEAR	62,786	58,641
CASH, END OF YEAR	\$ 191,559	\$ 62,786

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - CONSOLIDATED INVESTMENT FUND
For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 4,348,082	\$ 42,526
Cash paid to suppliers	(288)	(48,486)
Interest received	129,857	150,849
Change in due to/from Administration	469	926
	<u>4,478,120</u>	<u>145,815</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	(3,752,990)	(188,137)
Change in Community Futures Investment Fund	(16,486)	(21,586)
	<u>(3,769,476)</u>	<u>(209,723)</u>
CHANGE IN CASH	<u>708,644</u>	<u>(63,908)</u>
CASH, BEGINNING OF YEAR	<u>1,615,769</u>	<u>1,679,677</u>
CASH, END OF YEAR	<u>\$ 2,324,413</u>	<u>\$ 1,615,769</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - REGULAR INVESTMENT FUND
 For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 64,509	\$ 11,793
Cash paid to suppliers		(6,824)
Interest received	87,349	98,988
Change in due to/from administration	23	804
	<u>151,881</u>	<u>104,761</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	237,583	(246,819)
Change in Community Futures Investment Fund	(8,938)	(11,703)
	<u>228,645</u>	<u>(258,522)</u>
CHANGE IN CASH	380,526	(153,761)
CASH, BEGINNING OF YEAR	1,065,754	1,219,515
CASH, END OF YEAR	\$ 1,446,280	\$ 1,065,754

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - WED INVESTMENT FUND / YOUTH
 For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ (3,667)	\$ 26,606
Cash paid to suppliers	3,000	(33,156)
Interest received	33,389	37,964
Change in due to/from administration	600	122
	<u>33,322</u>	<u>31,536</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	(298,779)	54,879
Change in Community Futures Investment Fund	(5,904)	(7,730)
	<u>(304,683)</u>	<u>47,149</u>
CHANGE IN CASH	<u>(271,361)</u>	<u>78,685</u>
CASH, BEGINNING OF YEAR	<u>472,748</u>	<u>394,063</u>
CASH, END OF YEAR	<u>\$ 201,387</u>	<u>\$ 472,748</u>

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - WED DISABILITY
 For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from clients	\$ 7,240	\$ 4,127
Cash paid to suppliers	(3,288)	(8,506)
Interest received	8,344	13,897
Change in due to administration	(154)	
	<u>12,142</u>	<u>9,518</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	132,864	3,803
Change in Community Futures Investment Fund	(1,644)	(2,153)
	<u>131,220</u>	<u>1,650</u>
CHANGE IN CASH	143,362	11,168
CASH, BEGINNING OF YEAR	77,267	66,099
CASH, END OF YEAR	\$ 220,629	\$ 77,267

COMMUNITY FUTURES WEST INTERLAKE INC.
STATEMENT OF CASH FLOWS - REGIONAL RELIEF AND RECOVERY FUND
 For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from Community Futures Manitoba	\$ 4,280,000	\$
Interest received	775	
	<u>4,280,775</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in loans receivable	<u>(3,824,658)</u>	
CHANGE IN CASH	<u>456,117</u>	
CASH, END OF YEAR	<u>\$ 456,117</u>	\$

COMMUNITY FUTURES WEST INTERLAKE INC.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

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.

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.

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%.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2021

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%.

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.

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, repayable to WED, and repayable funds - RRRF.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2021

3. CASH

The corporation has an authorized overdraft limit with Noventis Credit Union Ltd. in the amount of \$40,000 with interest payable at prime. Prime rate of interest at March 31, 2021 was 2.45% (2020 - 2.45%). Secured by the investment fund.

4. ACCOUNTS RECEIVABLE

	2021	2020
GST	\$ 5,018	\$ 1,510
Community Futures Manitoba		1,000
	<u>\$ 5,018</u>	<u>\$ 2,510</u>

5. ACCOUNTS PAYABLE

	2021	2020
Accrued wages and vacation	\$ 19,766	\$ 25,532
Trade	16,507	3,578
Accrued audit fee	4,474	4,170
	<u>\$ 40,747</u>	<u>\$ 33,280</u>

6. DEFERRED REVENUE

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

	Driftscape	WED	2021 Total	2020 Total
Balance, beginning of year	\$	\$ 24,610	\$ 24,610	\$ 24,610
Add: amount received during the year	133,843		133,843	24,610
Less: amount recognized during the year		(24,610)	(24,610)	(24,610)
Balance, end of year	<u>\$ 133,843</u>	<u>\$</u>	<u>\$ 133,843</u>	<u>\$ 24,610</u>

7. ECONOMIC DEPENDENCE

Community Futures West Interlake Inc. receives 60% (2020 - 94%) 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 expired March 31, 2021, however subsequent to year end a new agreement was signed to extend the contract to March 31, 2026.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

8. 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.

9. LOANS RECEIVABLE

	RRRF	Regular Investment Fund	WED Investment Fund/Youth	WED Disability	2021 Total	2020 Total
Loans	\$ 3,824,658	\$ 870,276	\$ 831,091	\$ 70,436	\$ 5,596,461	\$ 1,843,468
Current portion		(214,845)	(74,026)	(8,429)	(297,300)	(140,092)
	3,824,658	655,431	757,065	62,007	5,299,161	1,703,376
Allowance for doubtful loans (Note 10)			(148,626)	(47,251)	(195,877)	(206,900)
	\$ 3,824,658	\$ 655,431	\$ 608,439	\$ 14,756	\$ 5,103,284	\$ 1,496,476

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, 2021

10. 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 2021 fiscal year total \$NIL (2020 - \$2,869).

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:

- 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	2021 Total	2020 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, 2021

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

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 \$4,280,000 where \$3,824,658 was loaned out as of year end.

Term and repayment:

- i. From disbursement until December 31, 2022, no principal payments of the loan will be required.
- ii. All loan proceeds received that have not been loaded 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, 2023.
- 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, 2023 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.

	2021	2020
Amount advanced	\$ 4,280,000	\$
Less: amount forgiven		
	\$ 4,280,000	\$

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 (2020 - \$295,321). The corporation also has a loan receivable from a board member in the amount of \$60,000 (2020 - \$NIL) 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.

COMMUNITY FUTURES WEST INTERLAKE INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

15. INTERFUND TRANSFERS

The administrative fund transferred \$57,000 (2020 - \$NIL) to the regular investment fund. The regular investment fund transferred \$NIL (2020 - \$5,000) 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 \$4,280,000 to lend to small and medium sized enterprises who needed to transition, survive possible shut downs or employee lay offs. They also received \$130,813 RRRF to enhance support and services to businesses impacted by the COVID-19 pandemic. The office doors were closed to the public and employees worked remotely from mid March 2020 to June 2020, and mid November 2020 - June 2021. Client meetings are 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.

COMMUNITY FUTURES WEST INTERLAKE INC.
SCHEDULE 1 - SCHEDULE OF EXPENSES - ADMINISTRATION
 For the year ended March 31, 2021

	2021 Budget Unaudited (Note 14)	2021 Actual	2020 Actual
Accounting and legal	\$ 6,000	\$ 7,105	\$ 5,595
Advertising	2,550	2,154	7,422
Board member expenses	7,500	2,599	4,869
Client costs	1,750	717	2,386
Community development projects	20,500		17,130
Equipment and furniture	1,500		
Insurance	5,200	4,353	4,163
Interest and bank charges	1,300	1,547	1,517
Investment fund allocation (Note 15)		57,000	
Office expense	11,500	11,464	12,554
Rent	7,200	6,977	6,977
Repairs and maintenance	1,500	799	1,296
RRRF - COVID-19		128,201	
Special projects - Driftscape		66,677	
Special projects - public relations	14,500	9,589	15,513
Staff expenses	11,000	2,165	7,397
Subscriptions and memberships	600	350	500
Telephone	8,800	6,774	7,459
Townfolio	3,000		906
Training and professional development	5,000	1,331	7,167
Utilities	2,300	1,374	1,625
Wages and benefits	238,626	169,555	192,124
	\$ 350,326	\$ 480,731	\$ 296,600

COMMUNITY FUTURES WEST INTERLAKE INC.
SCHEDULE 2 - SCHEDULE OF REVENUES AND EXPENSES BY INVESTMENT FUND
 For the year ended March 31, 2021

	2021	2020
REVENUE - REGULAR INVESTMENT FUND		
Interest earned - loans	\$ 64,807	\$ 54,101
Administration fund allocation (Note 15)	57,000	
Interest earned - bank	22,542	44,887
Recovery of bad debts		18,449
TOTAL REVENUE - REGULAR INVESTMENT FUND	144,349	117,437
EXPENSES - REGULAR INVESTMENT FUND		
Administration fund allocation (Note 15)		5,000
Credit life insurance premiums		919
Legal		905
TOTAL EXPENSES - REGULAR INVESTMENT FUND		6,824
EXCESS OF REVENUES OVER EXPENSES - REGULAR INVESTMENT FUND	\$ 144,349	\$ 110,613
REVENUE - WED INVESTMENT FUND / YOUTH		
Interest earned - loans	\$ 23,385	\$ 18,858
Interest earned - bank	10,004	19,106
Recovery of bad debts	5,192	
TOTAL REVENUE - WED INVESTMENT FUND / YOUTH	38,581	37,964
EXPENSES - WED INVESTMENT FUND / YOUTH		
Interest and bank charges		1
Provision for bad debts		33,155
TOTAL EXPENSES - WED INVESTMENT FUND / YOUTH		33,156
EXCESS OF REVENUES OVER EXPENSES - WED INVESTMENT FUND/YOUTH	\$ 38,581	\$ 4,808

COMMUNITY FUTURES WEST INTERLAKE INC.
SCHEDULE 2 - SCHEDULE OF REVENUES AND EXPENSES BY INVESTMENT FUND - CONTINUED
 For the year ended March 31, 2021

	2021	2020
REVENUE - WED DISABILITY		
Recovery of bad debts	\$ 5,832	\$
Interest earned - loans	5,462	10,175
Interest earned - bank	2,882	3,722
TOTAL REVENUE - WED DISABILITY	14,176	13,897
EXPENSES - WED DISABILITY		
Legal	3,288	
Provision for doubtful loans		8,506
TOTAL EXPENSES - WED DISABILITY	3,288	8,506
EXCESS OF REVENUES OVER EXPENSES - WED DISABILITY	\$ 10,888	\$ 5,391
REVENUE - REGIONAL RELIEF AND RECOVERY FUND		
Interest earned - bank	\$ 775	\$
TOTAL REVENUE - REGIONAL RELIEF AND RECOVERY FUND	775	
EXCESS OF REVENUES OVER EXPENSES - REGIONAL RELIEF AND RECOVERY FUND	\$ 775	\$
EXCESS OF REVENUES OVER EXPENSES - TOTAL	\$ 194,593	\$ 120,812