

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**FINANCIAL STATEMENTS**  
**For the year ended March 31, 2019**

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## STATEMENT OF RESPONSIBILITY

The accompanying financial statements are the responsibility of the Board Members of the 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 organization 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 organization'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 organization 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, 2019 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, 2019, 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.

### 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.

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.

#### 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.

Brandon, Manitoba  
June 19, 2019


  
 Chartered Professional Accountants Ltd.

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF FINANCIAL POSITION - ADMINISTRATION**  
 As at March 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 11)	\$ 58,641	\$ 17,164
Accounts receivable (Note 3)	3,395	8,036
Prepaid expenses	7,097	12,235
	<u>\$ 69,133</u>	<u>\$ 37,435</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable (Note 4)	\$ 14,976	\$ 16,068
Deferred revenue (Note 2)	24,610	
Due to Regular Investment Fund	948	
	<u>40,534</u>	<u>16,068</u>
<b>FUND BALANCES</b>		
<b>UNRESTRICTED FUND (Note 2)</b>	<u>28,599</u>	<u>21,367</u>
	<u>\$ 69,133</u>	<u>\$ 37,435</u>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - ADMINISTRATION**  
 For the year ended March 31, 2019

	2019 Budget Unaudited (Note 12)	2019 Actual	2018 Actual
<b>REVENUE</b>			
Contribution from WED	\$ 295,321	\$ 295,321	\$ 295,321
Investment fund allocation	50,000	30,000	45,034
Regional development strategy		20,754	
SE program and training	5,000	3,000	8,300
EDP - Elevate Program		3,000	500
Other income		1,960	746
Rural Municipality of Grahamdale contract services		1,000	9,000
Townfolio community contribution	2,531		2,531
	<u>352,852</u>	<u>355,035</u>	<u>361,432</u>
<b>EXPENSES, per Schedule 1</b>	<b>352,836</b>	<b>347,803</b>	<b>353,888</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 16</b>	<b>7,232</b>	<b>7,544</b>
<b>UNRESTRICTED FUND, BEGINNING OF YEAR</b>		<b>21,367</b>	<b>13,823</b>
<b>UNRESTRICTED FUND, END OF YEAR</b>		<b>\$ 28,599</b>	<b>\$ 21,367</b>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF FINANCIAL POSITION - CONSOLIDATED INVESTMENT FUND**  
 As at March 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,679,676	\$ 1,375,078
Accrued interest	50,861	151,713
Current portion of loans receivable (Note 8)	249,900	606,150
Due from Administration	948	
	<u>1,981,385</u>	<u>2,132,941</u>
<b>LOANS RECEIVABLE (Note 8)</b>	<b>1,218,873</b>	<b>1,033,391</b>
<b>COMMUNITY FUTURES INVESTMENT FUND (Note 2)</b>	<b>773,709</b>	<b>752,796</b>
	<u>\$ 3,973,967</u>	<u>\$ 3,919,128</u>
<b>LIABILITIES</b>		
<b>REPAYABLE TO WED (Note 9)</b>	<u>\$ 624,096</u>	<u>\$ 624,096</u>
<b>FUND BALANCES</b>		
<b>EXTERNALLY RESTRICTED FUND (Note 2)</b>	<b>1,020,000</b>	<b>1,020,000</b>
<b>INTERNALLY RESTRICTED FUND (Note 2)</b>	<b>2,329,871</b>	<b>2,275,032</b>
	<u>3,349,871</u>	<u>3,295,032</u>
	<u>\$ 3,973,967</u>	<u>\$ 3,919,128</u>



**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF FINANCIAL POSITION - REGULAR INVESTMENT FUND**  
 As at March 31, 2019

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT</b>		
Cash	\$ 1,219,516	\$ 879,590
Accrued interest	25,043	139,578
Current portion of loans receivable (Note 8)	157,600	543,000
Due from Administration	826	
	<u>1,402,985</u>	<u>1,562,168</u>
<b>LOANS RECEIVABLE (Note 8)</b>	<b>684,990</b>	<b>480,289</b>
<b>COMMUNITY FUTURES INVESTMENT FUND (Note 2)</b>	<b>392,687</b>	<b>381,349</b>
	<u>\$ 2,480,662</u>	<u>\$ 2,423,806</u>
<b>FUND BALANCES</b>		
<b>EXTERNALLY RESTRICTED FUND (Note 2)</b>	<b>\$ 1,020,000</b>	<b>\$ 1,020,000</b>
<b>INTERNALLY RESTRICTED FUND (Note 2)</b>	<b>1,460,662</b>	<b>1,403,806</b>
	<u>2,480,662</u>	<u>2,423,806</u>
	<u>\$ 2,480,662</u>	<u>\$ 2,423,806</u>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF FINANCIAL POSITION - WED INVESTMENT FUND/YOUTH**  
 As at March 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 394,063	\$ 435,429
Accrued interest	19,034	10,560
Current portion of loans receivable (Note 8)	86,000	56,800
Due from Administration	122	
	<u>499,219</u>	<u>502,789</u>
<b>LOANS RECEIVABLE (Note 8)</b>	<b>377,658</b>	<b>372,612</b>
<b>COMMUNITY FUTURES INVESTMENT FUND (Note 2)</b>	<b>277,067</b>	<b>269,578</b>
	<u><b>\$ 1,153,944</b></u>	<u><b>\$ 1,144,979</b></u>
<b>LIABILITIES</b>		
<b>REPAYABLE TO WED (Note 9)</b>	<b>\$ 424,352</b>	<b>\$ 424,352</b>
<b>FUND BALANCES</b>		
<b>INTERNALLY RESTRICTED FUND (Note 2)</b>	<b>729,592</b>	<b>720,627</b>
	<u><b>\$ 1,153,944</b></u>	<u><b>\$ 1,144,979</b></u>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF FINANCIAL POSITION - WED DISABILITY**  
 As at March 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 66,097	\$ 60,059
Accrued interest	6,784	1,575
Current portion of loans receivable (Note 8)	6,300	6,350
	<u>79,181</u>	<u>67,984</u>
<b>LOANS RECEIVABLE (Note 8)</b>	<b>156,225</b>	<b>180,490</b>
<b>COMMUNITY FUTURES INVESTMENT FUND (Note 2)</b>	<b>103,955</b>	<b>101,869</b>
	<u>\$ 339,361</u>	<u>\$ 350,343</u>
<b>LIABILITIES</b>		
<b>REPAYABLE TO WED - DISABILITY LOAN (Note 9)</b>	<b>\$ 199,744</b>	<b>\$ 199,744</b>
<b>FUND BALANCES</b>		
<b>INTERNALLY RESTRICTED FUND (Note 2)</b>	<b>139,617</b>	<b>150,599</b>
	<u>\$ 339,361</u>	<u>\$ 350,343</u>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - CONSOLIDATED INVESTMENT FUND**  
**For the year ended March 31, 2019**

	2019	2018
<b>REVENUE</b>		
Interest earned - loans	\$ 81,957	\$ 104,196
Interest earned - bank	65,528	37,923
Recovery of bad debts	19,401	43
Credit life insurance 5% commission	17	30
	<u>166,903</u>	<u>142,192</u>
<b>EXPENSES</b>		
Administration fund allocation (Note 13)	30,000	45,034
Credit life insurance premiums	1,397	2,193
Interest and bank charges	34	48
Legal	18,874	
Provision for doubtful loans (Note 8)	61,759	67,698
	<u>112,064</u>	<u>114,973</u>
<b>EXCESS OF REVENUES OVER EXPENSES (Schedule 2)</b>	<b>54,839</b>	<b>27,219</b>
<b>INTERNALLY RESTRICTED FUND, BEGINNING OF YEAR</b>	<b>2,275,032</b>	<b>2,247,813</b>
<b>INTERNALLY RESTRICTED FUND, END OF YEAR</b>	<b>\$ 2,329,871</b>	<b>\$ 2,275,032</b>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF CASH FLOWS - ADMINISTRATION**  
 For the year ended March 31, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from clients	\$ 88,966	\$ 36,706
Cash paid to suppliers and employees	(342,492)	(339,222)
Grants received	295,321	295,321
Interest paid	(1,266)	(1,317)
Change in due to/from Regular Investment Fund	948	
<b>CHANGE IN CASH</b>	<b>41,477</b>	<b>(8,512)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>17,164</b>	<b>25,676</b>
<b>CASH, END OF YEAR</b>	<b>\$ 58,641</b>	<b>\$ 17,164</b>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF CASH FLOWS - CONSOLIDATED INVESTMENT FUND**  
For the year ended March 31, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from clients	\$ 182,007	\$ 35,116
Cash paid to suppliers	(112,060)	(114,975)
Interest received	147,485	142,119
Commissions received	17	30
Change in due to/from Administration	(948)	
	<u>216,501</u>	<u>62,290</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in loans receivable	109,010	785
Change in Community Futures Investment Fund	(20,913)	84,210
	<u>88,097</u>	<u>84,995</u>
<b>CHANGE IN CASH</b>	<b>304,598</b>	<b>147,285</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>1,375,078</b>	<b>1,227,793</b>
<b>CASH, END OF YEAR</b>	<b>\$ 1,679,676</b>	<b>\$ 1,375,078</b>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF CASH FLOWS - REGULAR INVESTMENT FUND**  
 For the year ended March 31, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from clients	\$ 137,114	\$ (28,944)
Cash paid to suppliers	(53,138)	(47,067)
Interest received	90,576	88,845
Commissions received	17	30
Change in due to/from administration	(826)	
	<u>173,743</u>	<u>12,864</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in loans receivable	177,521	31,173
Change in Community Futures Investment Fund	(11,338)	(8,745)
	<u>166,183</u>	<u>22,428</u>
<b>CHANGE IN CASH</b>	<b>339,926</b>	<b>35,292</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>879,590</b>	<b>844,298</b>
<b>CASH, END OF YEAR</b>	<b>\$ 1,219,516</b>	<b>\$ 879,590</b>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF CASH FLOWS - WED INVESTMENT FUND / YOUTH**  
 For the year ended March 31, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from clients	\$ 25,644	\$ 47,020
Cash paid to suppliers	(34,463)	(50,079)
Interest received	43,432	42,527
Change in due to/from administration	(122)	
	34,491	39,468
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in loans receivable	(68,368)	58,178
Change in Community Futures Investment Fund	(7,489)	(5,399)
	(75,857)	52,779
<b>CHANGE IN CASH</b>	(41,366)	92,247
<b>CASH, BEGINNING OF YEAR</b>	435,429	343,182
<b>CASH, END OF YEAR</b>	\$ 394,063	\$ 435,429



**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**STATEMENT OF CASH FLOWS - WED DISABILITY**  
 For the year ended March 31, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from clients	\$ 19,249	\$ 17,040
Cash paid to suppliers	(24,459)	(17,829)
Interest received	13,477	10,747
	<u>8,267</u>	<u>9,958</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in loans receivable	(143)	(88,566)
Change in Community Futures Investment Fund	(2,086)	98,354
	<u>(2,229)</u>	<u>9,788</u>
<b>CHANGE IN CASH</b>	<b>6,038</b>	<b>19,746</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>60,059</b>	<b>40,313</b>
<b>CASH, END OF YEAR</b>	<b>\$ 66,097</b>	<b>\$ 60,059</b>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended March 31, 2019

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**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 organization 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 as well as a portion of the investment fund transfer which relates to future periods. The amounts 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 organization'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, 2019

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**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, 2019

<b>3. ACCOUNTS RECEIVABLE</b>	<b>2019</b>	<b>2018</b>
GST	\$ 3,395	\$ 1,944
Province of MB		2,500
RM of Grahamdale		3,000
Trade		592
	<u>\$ 3,395</u>	<u>\$ 8,036</u>
<b>4. ACCOUNTS PAYABLE</b>	<b>2019</b>	<b>2018</b>
Trade	\$ 10,806	\$ 11,898
Accrued audit fee	4,170	4,170
	<u>\$ 14,976</u>	<u>\$ 16,068</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 83% (2018 - 82%) 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, 2019

**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 2019 fiscal year total \$0 (2018 - \$0).

**8. LOANS RECEIVABLE**

	Regular Investment Fund	WED Investment Fund/Youth	WED Disability	2019 Total	2018 Total
Loans Current portion	\$ 861,040 (157,600)	\$ 587,190 (86,000)	\$ 207,102 (6,300)	1,655,332 (249,900)	\$ 1,764,341 (606,150)
	703,440	501,190	200,802	1,405,432	1,158,191
Allowance for doubtful loans (Note 7)	(18,450)	(123,532)	(44,577)	(186,559)	(124,799)
	\$ 684,990	\$ 377,658	\$ 156,225	1,218,873	\$ 1,033,392

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, 2019**

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**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.

	<b>WED Investment Fund / Youth</b>	<b>WED Disability</b>	<b>2019 Total</b>	<b>2018 Total</b>
Principal	\$ 525,000	\$ 200,000	\$ 725,000	\$ 725,000
Accumulated loss realized	(100,648)	(256)	(100,904)	(100,904)
	<b>\$ 424,352</b>	<b>\$ 199,744</b>	<b>\$ 624,096</b>	<b>\$ 624,096</b>

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 had transactions with WED, a sub-division of the federal government which has significant influence over the organization, in the amount of \$295,321 (2018 - \$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.

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended March 31, 2019

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**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, 2019 was 3.95% (2018 - 3.45%). 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.

**13. INTERFUND TRANSFERS**

The regular investment fund transferred \$30,000 (2018 - \$45,034) to the administrative fund for special initiatives.

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**SCHEDULE 1 - SCHEDULE OF EXPENSES - ADMINISTRATION**  
**For the year ended March 31, 2019**

	2019 Budget Unaudited (Note 12)	2019 Actual	2018 Actual
Accounting and legal	\$ 6,000	\$ 6,710	\$ 5,507
Advertising	2,700	6,865	3,561
Board member expenses	7,300	5,300	4,842
Client costs	2,200		540
Community development projects	21,550	13,038	20,588
Equipment and furniture	7,500	4,627	378
Insurance	4,750	4,101	3,677
Interest and bank charges	1,500	1,266	1,317
Office expense	13,500	17,312	12,172
Rent	7,200	6,977	6,977
Repairs and maintenance	1,700	916	1,069
Rural Municipality of Grahamdale contract services			287
Special projects - public relations	23,450	40,980	18,914
Staff appreciation			1,343
Staff expenses	9,000	7,712	8,310
Subscriptions and memberships	600	400	430
Telephone	8,500	7,461	8,375
Townfolio			4,375
Training and professional development	6,000	6,452	4,947
Utilities	2,000	1,672	1,637
Wages and benefits	227,386	216,014	244,642
	<b>\$ 352,836</b>	<b>\$ 347,803</b>	<b>\$ 353,888</b>



**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**SCHEDULE 2 - SCHEDULE OF REVENUES AND EXPENSES BY INVESTMENT FUNDS**  
 For the year ended March 31, 2019

	2019	2018
<b>REVENUE - REGULAR INVESTMENT FUND</b>		
Interest earned - loans	\$ 47,492	\$ 65,067
Interest earned - bank	43,084	23,778
Recovery of bad debts	19,401	43
Credit life insurance 5% commission	17	30
<b>TOTAL REVENUE - REGULAR INVESTMENT FUND</b>	<b>109,994</b>	<b>88,918</b>
<b>EXPENSES - REGULAR INVESTMENT FUND</b>		
Administration fund allocation	30,000	45,034
Credit life insurance premiums	1,351	2,026
Interest and bank charges	33	5
Legal	18,576	
Provision for doubtful loans	3,178	
<b>TOTAL EXPENSES - REGULAR INVESTMENT FUND</b>	<b>53,138</b>	<b>47,065</b>
<b>EXCESS OF REVENUES OVER EXPENSES - REGULAR INVESTMENT FUND</b>	<b>\$ 56,856</b>	<b>\$ 41,853</b>
<b>REVENUE - WED INVESTMENT FUND / YOUTH</b>		
Interest earned - loans	\$ 24,392	\$ 30,559
Interest earned - bank	19,040	11,968
<b>TOTAL REVENUE - WED INVESTMENT FUND / YOUTH</b>	<b>43,432</b>	<b>42,527</b>
<b>EXPENSES - WED INVESTMENT FUND / YOUTH</b>		
Credit life insurance premiums	46	167
Interest and bank charges	1	43
Legal	298	
Provision for bad debts	34,122	49,869
<b>TOTAL EXPENSES - WED INVESTMENT FUND / YOUTH</b>	<b>34,467</b>	<b>50,079</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES - WED INVESTMENT FUND/YOUTH</b>	<b>\$ 8,965</b>	<b>\$ (7,552)</b>

**COMMUNITY FUTURES WEST INTERLAKE INC.**  
**SCHEDULE 2 - SCHEDULE OF REVENUES AND EXPENSES BY INVESTMENT FUNDS - CONTINUED**  
 For the year ended March 31, 2019

	2019	2018
<b>REVENUE - WED DISABILITY</b>		
Interest earned - loans	\$ 10,073	\$ 8,570
Interest earned - bank	3,404	2,177
<b>TOTAL REVENUE - WED DISABILITY</b>	<b>13,477</b>	<b>10,747</b>
<b>EXPENSES - WED DISABILITY</b>		
Provision for doubtful loans	24,459	17,829
<b>TOTAL EXPENSES - WED DISABILITY</b>	<b>24,459</b>	<b>17,829</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES - WED DISABILITY</b>	<b>\$ (10,982)</b>	<b>\$ (7,082)</b>
<b>EXCESS OF REVENUES OVER EXPENSES - TOTAL</b>	<b>\$ 54,839</b>	<b>\$ 27,219</b>