

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT

FINANCIAL STATEMENTS

For the year ended March 31, 2021

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Futures - Entre-Corp Business Development

Opinion

We have audited the financial statements of Community Futures - Entre-Corp Business Development, which comprise the statement of financial position as at March 31, 2021, and the statement of operations, changes in fund balances and statement 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 the organization as at March 31, 2021, and its financial performance 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 organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the 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 the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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 organization'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 organization'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 organization 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.

Avail LLP

Lethbridge, Alberta
June 23, 2021

Chartered Professional Accountants

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
As at March 31, 2021

	Loan investment funds							2021 Total	2020 Total
	General Fund	WD Non- Repayable Investment Fund	WD Conditionally Repayable Investment Fund	WD Conditionally Repayable EDP Fund	City Investment Fund	CFLIP Investment Fund	Regional Relief and Recovery Fund		
ASSETS									
Current assets									
Cash	\$ 988,165	\$ 823,228	\$ 313,890	\$ 106,968	\$ 38,221	\$ -	\$ 307,000	\$ 2,577,472	\$ 1,860,952
Accounts receivable	2,657	25	-	-	-	-	-	2,682	118
GST receivable	3,535	-	-	-	-	-	-	3,535	-
Interest receivable	-	36,738	1,521	783	441	-	-	39,483	29,176
Advances to other funds	9,169	122,655	-	7,406	-	-	-	139,230	144,331
Prepaid expenses	2,528	-	-	-	-	-	-	2,528	2,659
Current portion of loans receivable	-	197,208	43,152	5,220	48,000	-	-	293,580	263,756
	1,006,054	1,179,854	358,563	120,377	86,662	-	307,000	3,058,510	2,300,992
Loans receivable (note 3)	-	897,288	33,950	22,020	26,325	-	4,025,153	5,004,736	1,130,325
Investments (note 4)	-	285,092	-	-	-	-	-	285,092	260,401
Capital assets (note 5)	1,006,432	-	-	-	-	-	-	1,006,432	891,874
	\$ 2,012,486	\$ 2,362,234	\$ 392,513	\$ 142,397	\$ 112,987	\$ -	\$ 4,332,153	\$ 9,354,770	\$ 4,583,592

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
As at March 31, 2021

	Loan investment funds							2021 Total	2020 Total
	General Fund	WD Non- Repayable Investment Fund	WD Conditionally Repayable Investment Fund	WD Conditionally Repayable EDP Fund	City Investment Fund	CFLIP Investment Fund	Regional Relief and Recovery Fund		
LIABILITIES AND FUND BALANCES									
Current liabilities									
Accounts payable and accrued liabilities	\$ 80,781	\$ 121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,902	\$ 30,376
GST payable	-	-	-	-	-	-	-	-	2,635
Deferred contributions (note 6)	705,805	-	-	-	-	-	-	705,805	393,411
Advances to other funds	-	-	2,860	-	36,457	99,913	-	139,230	144,331
Current portion of long-term debt	51,984	-	-	-	-	-	-	51,984	45,522
	838,570	121	2,860	-	36,457	99,913	-	977,921	616,275
Long-term debt (note 7)	45,940	-	-	-	-	-	-	45,940	199,869
Due to Government of Canada (note 8)	-	-	500,000	200,000	-	-	4,332,153	5,032,153	700,000
	884,510	121	502,860	200,000	36,457	99,913	4,332,153	6,056,014	1,516,144
Fund balances									
Share capital (note 9)	100	-	-	-	-	-	-	100	100
Invested in capital assets	908,508	-	-	-	-	-	-	908,508	646,483
Externally restricted	-	2,362,113	(110,347)	(57,603)	76,530	(99,913)	-	2,170,780	2,126,857
Unrestricted	219,368	-	-	-	-	-	-	219,368	294,008
	1,127,976	2,362,113	(110,347)	(57,603)	76,530	(99,913)	-	3,298,756	3,067,448
	\$ 2,012,486	\$ 2,362,234	\$ 392,513	\$ 142,397	\$ 112,987	\$ -	\$ 4,332,153	\$ 9,354,770	\$ 4,583,592

Approved on behalf of the board

Director _____

Director _____

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
STATEMENT OF OPERATIONS
For the year ended March 31, 2021

	Loan investment funds							2021 Total	2020 Total
	General Fund	WD Non- Repayable Investment Fund	WD Conditionally Repayable Investment Fund	WD Conditionally Repayable EDP Fund	City Investment Fund	CFLIP Investment Fund	Regional Relief and Recovery Fund		
Revenue									
WD contribution (schedule 1)	\$ 498,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,018	\$ 308,493
Other government contributions	326,047	-	-	-	-	-	-	326,047	359,957
Program revenues	300,720	-	-	-	-	-	-	300,720	104,764
Rental	218,840	-	-	-	-	-	-	218,840	289,974
Loan interest	-	69,992	9,246	2,802	6,721	225	-	88,986	135,791
Administration fees	77,821	-	-	-	-	-	-	77,821	65,060
Unrealized gain (loss) on investment	-	18,306	-	-	-	-	-	18,306	(8,988)
Recovery of bad debts	-	11,225	-	-	-	-	-	11,225	35,356
Bank and investment interest	3,783	6,384	-	-	-	-	-	10,167	28,178
Loan fees	1,295	-	-	-	-	-	-	1,295	4,405
	1,426,524	105,907	9,246	2,802	6,721	225	-	1,551,425	1,322,990
Expenses									
Wages and benefits	549,238	-	-	-	-	-	-	549,238	440,023
Project costs	230,533	-	-	-	-	-	-	230,533	22,230
Repairs and maintenance	98,465	-	-	-	-	-	-	98,465	73,809
Bad debts	-	14,336	55,016	9,592	2,034	-	-	80,978	149,450
Consulting fees	40,500	-	-	-	-	-	-	40,500	125,059
Advertising and promotion	38,586	-	-	-	-	-	-	38,586	10,103
Utilities	33,171	-	-	-	-	-	-	33,171	37,451
Rent	28,319	-	-	-	-	-	-	28,319	18,419
Contractor fees	21,826	-	-	-	-	-	-	21,826	65,340
Office and supplies	18,745	-	-	-	-	-	-	18,745	11,405
Property taxes	17,465	-	-	-	-	-	-	17,465	35,351
Professional fees	17,112	-	-	-	-	-	-	17,112	16,180
Non-refundable GST	10,355	-	-	-	-	-	-	10,355	3,408
Insurance	9,352	-	-	-	-	-	-	9,352	11,023
Telephone	8,297	-	-	-	-	-	-	8,297	6,625
Interest on term debt	7,154	-	-	-	-	-	-	7,154	11,117
Licenses, dues and memberships	5,235	-	-	-	-	-	-	5,235	13,766
Administration	4,628	-	-	-	-	-	-	4,628	5,000
Staff expenses	2,621	-	-	-	-	-	-	2,621	10,532
Interest and bank charges	1,990	-	-	-	-	-	-	1,990	1,747
Seminars	1,758	-	-	-	-	-	-	1,758	3,672
Travel	569	-	-	-	-	-	-	569	7,868
Amortization	93,220	-	-	-	-	-	-	93,220	88,629
	1,239,139	14,336	55,016	9,592	2,034	-	-	1,320,117	1,168,207
Excess (deficiency) of revenue over expenses	\$ 187,385	\$ 91,571	\$ (45,770)	\$ (6,790)	\$ 4,687	\$ 225	\$ -	\$ 231,308	\$ 154,783

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended March 31, 2021

	Loan investment funds							2021	2020
	General Fund	WD Non-Repayable Investment Fund	WD Conditionally Repayable Investment Fund	WD Conditionally Repayable EDP Fund	City Investment Fund	CFLIP Investment Fund	Regional Relief and Recovery Fund		
Invested in capital assets									
Beginning of year	\$ 646,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 646,483	\$ 691,382
Amortization	(93,220)	-	-	-	-	-	-	(93,220)	(88,629)
Purchase of capital assets	207,778	-	-	-	-	-	-	207,778	-
Repayment of long-term debt	147,467	-	-	-	-	-	-	147,467	43,730
End of year	908,508	-	-	-	-	-	-	908,508	646,483
Externally restricted									
Beginning of year	-	2,270,542	(64,577)	(50,813)	71,842	(100,138)	-	2,126,856	2,092,588
Excess (deficiency) of revenue over expenses	-	91,571	(45,770)	(6,790)	4,687	225	-	43,923	34,269
End of year	-	2,362,113	(110,347)	(57,603)	76,529	(99,913)	-	2,170,779	2,126,857
Unrestricted									
Beginning of year	294,008	-	-	-	-	-	-	294,008	128,594
Amortization	93,220	-	-	-	-	-	-	93,220	88,629
Purchase of capital assets	(207,778)	-	-	-	-	-	-	(207,778)	-
Repayment of long-term debt	(147,467)	-	-	-	-	-	-	(147,467)	(43,730)
Excess of revenue over expenses	187,385	-	-	-	-	-	-	187,385	120,515
End of year	219,368	-	-	-	-	-	-	219,368	294,008
	\$ 1,127,876	\$ 2,362,113	\$ (110,347)	\$ (57,603)	\$ 76,529	\$ (99,913)	\$ -	\$ 3,298,655	\$ 3,067,348

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2021

	Loan investment funds							2021	2020
	General Fund	WD Non-Repayable Investment Fund	WD Conditionally Repayable Investment Fund	WD Conditionally Repayable EDP Fund	City Investment Fund	CFLIP Investment Fund	Regional Relief and Recovery Fund		
Cash flows from operating activities									
Excess (deficiency) of revenue over expenses	\$ 187,385	\$ 91,571	\$ (45,770)	\$ (6,790)	\$ 4,687	\$ 225	\$ -	\$ 231,308	\$ 154,783
Items not involving cash									
Amortization	93,220	-	-	-	-	-	-	93,220	88,629
Provision for credit losses	-	14,336	55,016	9,592	2,034	-	-	80,978	149,450
Unrealized (gain) loss on investment	-	(18,306)	-	-	-	-	-	(18,306)	8,988
	280,605	87,601	9,246	2,802	6,721	225	-	387,200	401,850
Net change in non-cash working capital items									
Accounts receivable	(2,567)	-	-	-	-	-	-	(2,567)	43,382
GST	(6,170)	-	-	-	-	-	-	(6,170)	827
Interest receivable	-	(10,353)	(811)	842	14	-	-	(10,308)	(9,470)
Prepaid expenses	131	-	-	-	-	-	-	131	(449)
Accounts payable and accrued liabilities	50,405	121	-	-	-	-	-	50,526	(4,836)
Deferred contributions	312,395	-	-	-	-	-	-	312,395	(33,230)
Advances to other funds	(2,444)	7,564	(24)	(20)	(4,851)	(225)	-	-	-
	632,355	84,933	8,411	3,624	1,884	-	-	731,207	398,074
Cash flows from lending activities									
Loan payments	-	331,506	40,111	2,442	43,338	-	41,000	458,397	844,737
Loan advances	-	(314,400)	-	-	(48,000)	-	(4,066,153)	(4,428,553)	(751,882)
Allowance for doubtful accounts, net of provision for credit losses	-	(12,460)	(2,210)	(385)	-	-	-	(15,055)	(6,259)
	-	4,646	37,901	2,057	(4,662)	-	(4,025,153)	(3,985,211)	86,596
Cash flows from investing activities									
Purchase of investments	-	(6,384)	-	-	-	-	-	(6,384)	(7,759)
Purchase of capital assets	(207,778)	-	-	-	-	-	-	(207,778)	-
Cash flows from financing activities									
Repayment of long-term debt	(147,467)	-	-	-	-	-	-	(147,467)	(43,730)
Advances from Government of Canada	-	-	-	-	-	-	4,362,153	4,362,153	-
Repayment to Government of Canada	-	-	-	-	-	-	(30,000)	(30,000)	-
Increase (decrease) in cash	277,110	83,195	46,312	5,681	(2,778)	-	307,000	716,520	433,181
Cash, beginning of year	711,055	740,033	267,578	101,288	40,999	-	-	1,860,953	1,427,771
Cash, end of year	\$ 988,165	\$ 823,228	\$ 313,890	\$ 106,969	\$ 38,221	\$ -	\$ 307,000	\$ 2,577,473	\$ 1,860,952

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

1. Nature of operations

Community Futures - Entre-Corp Business Development is a community based not-for-profit organization that was incorporated under the Companies Act of Alberta.

The mission of the organization is to support community economic development, diversify the economy, support the creation and expansion of small and medium sized enterprises, maintain and create new employment and maintain the Minister's capacity to deliver business services to rural communities in Western Canada. The organization operates in South East Alberta.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the general fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes interest income as well as realized investment gains and losses.

(b) Impaired loans and allowances for loan impairment

Loans receivable are classified as impaired when, in the opinion of management, there is reasonable doubt as to the timely collection of principal and interest. The carrying amount of a loan receivable classified as impaired is reduced to its estimated fair value.

The allowance for loan impairment is maintained at a level considered adequate to absorb the credit losses existing in the organization's portfolio. It reflects management's best estimate of losses existing in the loan portfolio at the statement of financial position date. The allowance is increased by an annual provision for credit losses, which is charged against income and reduced by write-offs, net of recoveries.

(c) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	20 years
Furniture and fixtures	5 years
Computer equipment	3 years

One-half the normal rate of amortization is recorded in the year of acquisition.

(d) Investments

Investments are recorded at fair value. Changes in fair value are recognized in the statement of operations.

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

2. Significant accounting policies, continued

(e) Fund accounting

The organization follows the restricted fund method of accounting for contributions and uses the following funds:

The General Fund is used to account for all revenues and expenses related to program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The WD Non-repayable Investment Fund is used to account for non-repayable investment funds the organization received from Western Economic Diversification to be used for loans, loan guarantees, and equity investments in new businesses or expansion of an existing business.

The WD Conditionally Repayable Investment Fund is used to account for repayable investment funds the organization received from Western Economic Diversification to be used for loans, loan guarantees, and equity investments in new businesses or expansion of an existing business.

The WD Conditionally Repayable EDP Investment Fund is used to account for repayable investment funds the organization received from Western Economic Diversification to be used for loans, loan guarantees, and equity investments in businesses owned by persons with disabilities.

The City Investment Fund is used to account for repayable investment funds the organization received from a credit facility previously guaranteed by the City of Medicine Hat to be used for loans, loan guarantees, and equity investments in new businesses or expansion of an existing business.

The Community Futures Lending Investment Pool of Alberta (CFLIP) Investment Fund is used to account for repayable investment funds the organization received from CFLIP to be used for loans, loan guarantees, and equity investments in new businesses or expansion of an existing business.

The Regional Relief and Recovery Fund is used to account for repayable investment funds the organization received from the Government of Canada to provide loans for small and medium-sized enterprises to enable their recovery from economic disruptions caused by the COVID-19 pandemic.

(f) Equity in capital assets

The organization has chosen to continue to treat equity in capital assets as a separate component of fund balances.

(g) Financial instruments

The organization initially measures all of its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

2. Significant accounting policies, continued

- (h) Income taxes
The organization is operated exclusively for not-for-profit purposes and accordingly will be exempted from income taxes as long as it complies with the requirements of section 149(1)(l) of the Income Tax Act.
- (i) Contributed materials and services
Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined, are used in the normal course of the organization's operations and would otherwise have been purchased.
- (j) Measurement uncertainty
The preparation of financial statements in conformity with Canadian accounting standards for not-for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Loans receivable and foreclosed assets are reported after management's evaluation as to their collectibility and estimated net realizable value.

Other significant areas with measurement uncertainty are accounts receivable and allowance for doubtful accounts, amortization of tangible capital assets, and deferred revenue. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements of future periods could be material.

3. Loans receivable

Outstanding loans to entrepreneurs are interest bearing at fixed rates of 9.75% with monthly blended principal and interest repayments amortized for terms of between 12 and 60 months. Regional Relief and Recovery Fund loans do not bear interest and do not require payment until January 1, 2023. Security is taken on these loans as appropriate and includes personal guarantees, general security agreements covering personal and business assets, assignment of insurance, and mortgages on land and buildings.

	Recorded loan	Allowance	Carrying value	Current portion	Long-term portion
WD Non-Repayable Investment Fund	\$ 1,210,209	\$ (115,714)	\$ 1,094,495	\$ 197,208	\$ 897,288
WD Conditionally Repayable Investment Fund	94,943	(17,841)	77,102	43,152	33,950
WD Conditionally Repayable EDP Fund	36,446	(9,206)	27,240	5,220	22,020
City Investment Fund	74,325	-	74,325	48,000	26,325
Regional Relief and Recovery Fund	4,025,153	-	4,025,153	-	4,025,153
	<u>\$ 5,441,076</u>	<u>\$ (142,761)</u>	<u>\$ 5,298,315</u>	<u>\$ 293,580</u>	<u>\$ 5,004,736</u>

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

3. Loans receivable, continued

Included in the WD Non-repayable Investment Fund are five loans issued for \$150,000 or more, with initial loan advances totaling \$750,000. As at year end, these loans combined for a total balance outstanding of \$585,314.

During the year, there were the following changes in the allowance for doubtful accounts:

	Beginning balance	Provisions	Write-offs	Reversals	Ending balance
WD Non-Repayable Investment Fund	\$ 144,558	\$ 14,336	\$ (33,076)	\$ (10,104)	\$ 115,714
WD Conditionally Repayable Investment Fund	25,000	55,016	(62,094)	(81)	17,841
WD Conditionally Repayable EDP Fund	-	9,592	-	(386)	9,206
City Investment Fund	-	2,034	(2,034)	-	-
Regional Relief and Recovery Fund	-	-	-	-	-
	<u>\$ 169,558</u>	<u>\$ 80,978</u>	<u>\$ (97,204)</u>	<u>\$ (10,571)</u>	<u>\$ 142,761</u>

Included in the loan impairment provision are provisions, write-offs, and reversals of \$(26,797).

4. Investments

	2021	2020
WD Non-repayable Investment Fund (cost: \$276,568; 2020: \$270,183)	\$ 285,092	\$ 260,401

The organization has invested excess cash in the Community Futures Lending & Investment Pool (CFLIP). CFLIP funds are managed in investments which are considered by management to be highly liquid and low risk.

5. Capital assets

	Cost	Accumulated amortization	2021 Net	2020 Net
Land	\$ 150,000	\$ -	\$ 150,000	\$ 150,000
Buildings	1,875,478	1,026,003	849,475	730,277
Furniture and fixtures	55,755	48,797	6,958	11,598
Computer equipment	9,376	9,376	-	-
	<u>\$ 2,090,609</u>	<u>\$ 1,084,176</u>	<u>\$ 1,006,433</u>	<u>\$ 891,875</u>

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

6. Deferred contributions

	Opening	Received	Spent	Closing
Alberta Innovates - Technology Futures	\$ 183,950	\$ 490,850	\$ 296,104	\$ 378,696
Business Retention Expansion and Workforce Development	176,950	150,000	136,711	190,239
ShopHERE	-	229,307	100,331	128,976
Prepaid rental revenue	-	7,894	-	7,894
Western Economic Diversification	25,707	498,018	523,725	-
City of Brooks - Business Start Up	6,804	-	6,804	-
	<u>\$ 393,411</u>	<u>\$ 1,376,069</u>	<u>\$ 1,063,675</u>	<u>\$ 705,805</u>

7. Long-term debt

	2021	2020
Servus Credit Union		
This mortgage is repayable at \$4,533 per month including interest at 3.25%. Security pledged consists of land and a building with a carrying value of \$999,476. This loan is due in February 2023.	\$ 97,924	\$ 245,391
Less current portion	51,984	45,522
	<u>\$ 45,940</u>	<u>\$ 199,869</u>

Estimated principal repayments based on currently accepted payments are as follows:

2021	\$ 51,984
2022	45,940
	<u>\$ 97,924</u>

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

8. Due to Government of Canada

Western Economic Diversification contributions are required to be maintained in particular funds. These contributions are available solely for the mandate of each fund.

In prior years, Western Economic Diversification provided contributions totaling \$700,000 to improve access to capital for qualifying business.

Upon notice of the Minister of Western Economic Development (the "Minister"), the organization must repay the lesser of the uncommitted cash balance with each of these funds and the amount of the repayable contributions within each funds. As of March 31, 2021, no such notice has been given by the Minister.

In the current year the Government of Canada provided contributions totalling \$4,332,153 for the Regional Relief and Recovery Fund. The contributions are repayable net of any loan forgiveness, losses and loan collection fees.

9. Share capital

1,000 common voting shares

Issued

	2021	2020
100 common voting	\$ 100	\$ 100

10. Bank indebtedness

The organization has a \$25,000 operating credit facility available with Servus Credit Union of which \$0 was outstanding at year end.

11. Financial instruments

Credit risk

Credit risk arises from the potential that the entities to which the organization provides financing may experience difficulties and be unable to fulfill their obligations. The organization is exposed to financial risk that arises from the credit quality of the entities to which it provides services and loans.

Interest rate risk

The organization is exposed to interest rate price risk on its fixed rate borrowing, as the value will fluctuate as a result of changes in market rates.

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
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12. COVID-19

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Some of the key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, decline in value of financial investments, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses.

The organization's revenues increased due to receiving additional operating funding for the increased costs associated with acting as an agent to disburse the Regional Relief and Recovery Fund. Cash flows were also affected as the organization allowed clients to defer principal payments on loans for the three month period April to June, 2020. The organization is following Government guidelines and has developed policies to ensure the safety of employees is maintained. Management is not aware of any material impairments that will further impact the financial assets or liabilities of the organization due to the pandemic.

The situation is continually changing and the future impact on the entity is not readily determinable at this time.

COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT
SCHEDULE TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

Schedule of WD revenue and expenses

Schedule 1

	General Fund	Regional Relief and Recovery Fund	Total
WD contribution	\$ 308,493	\$ 189,525	\$ 498,018
Expenses			
Wages and benefits	284,310	61,070	345,380
Repairs and maintenance	56,960	33,441	90,401
Project costs	21,200	15,500	36,700
Utilities	33,171	-	33,171
Property taxes	17,465	-	17,465
Professional fees	17,112	-	17,112
Office and supplies	6,187	9,138	15,325
Advertising and promotion	319	14,020	14,339
Insurance	9,352	-	9,352
Non-refundable GST	8,827	-	8,827
Interest on term debt	7,154	-	7,154
Telephone	2,734	3,288	6,022
Staff expenses	2,602	-	2,602
Interest and bank charges	1,988	-	1,988
Administration	928	-	928
Travel	469	-	469
Seminars	300	-	300
	471,078	136,457	607,535
Excess (deficiency) of revenue over expenses	(162,585)	53,068	(109,517)
Other cash outflows			
Capital asset purchases	-	57,000	57,000
	\$ (162,585)	\$ (3,932)	\$ (166,517)