

COMMUNITY FUTURES LLOYDMINSTER AND REGION

DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDING MARCH 31, 2020

INDEX

	Page
Auditor's Report on Compliance with Agreement	1
Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Fund Balance	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-13
Schedule of Operating Expenses	14



JMD Group LLP

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AUDITOR'S REPORT
ON COMPLIANCE WITH AGREEMENT

To Western Economic Diversification

We have audited Community Futures Lloydminster and Region Development Corporation's compliance as at March 31, 2020 with the criteria established in the Contribution Agreement between Western Economic Diversification and Community Futures Lloydminster and Region Development Corporation dated March 31, 2018. Compliance with the criteria established by the provisions of the agreement is the responsibility of the Board of Directors of Community Futures Lloydminster and Region Development Corporation. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether Community Futures Lloydminster and Region Development Corporation complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, Community Futures Lloydminster and Region Development Corporation is in compliance, in all material respects, with the criteria established by the Contribution Agreement.

ST. PAUL, ALBERTA
July 7, 2020

JMD Group LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Lloydminster
and Region Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Futures Lloydminster and Region Development Corporation, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and a schedule of operating expenses.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Corporation 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 those 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibility 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 the audit in accordance with Canadian generally accepted auditing standards, we exercise 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 Corporation'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 Corporation'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 disclosure 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 Corporation 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.

JMD Group LLP

ST. PAUL, ALBERTA
July 7, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	General Fund	Loan Investment Funds			2020	2019
		Non-Repayable	Repayable	Disabled		
ASSETS						
Current assets	\$ 388,545	\$ 383,787	\$ 144,446	\$ 43,099	\$ 959,877	\$ 974,759
Cash in bank	6,966	--	--	--	6,966	3,551
GST receivable	1,870	786	--	--	2,656	1,758
Accounts receivable	102,474	--	--	--	102,474	--
WES receivable	--	30	--	--	30	--
Due from general fund	6,091	--	--	--	6,091	5,762
Due from investment fund	5,619	--	--	--	5,619	3,885
Prepaid expenses	--	46,462	31,982	27,063	105,507	178,417
Current portion of investment loans	511,565	431,065	176,428	70,162	1,189,220	1,168,132
Long term investments (note 3)	6,044	139,821	296,587	--	442,452	620,000
Capital assets (note 4)	34,265	--	--	--	34,265	46,552
Loans receivable - SBLA	26,640	--	--	--	26,640	31,291
Investment loans receivable (notes 5 - 7)	--	221,433	140,132	221,314	582,879	481,017
	<u>\$ 578,514</u>	<u>\$ 792,319</u>	<u>\$ 613,147</u>	<u>\$ 291,476</u>	<u>\$ 2,275,456</u>	<u>\$ 2,346,992</u>

LIABILITIES AND FUND BALANCES

Current liabilities	\$ 53,210	\$ --	\$ --	\$ --	\$ 53,210	\$ 81,933
Payables and accrued liabilities	4,420	--	--	--	4,420	1,355
Government remittances	--	(18,435)	23,930	596	6,091	5,762
Due to general fund	30	(326,619)	2,914	323,705	30	--
Due to/from investment funds (note 12)	33,066	--	--	--	33,066	37,094
Deferred revenue	90,726	(345,054)	26,844	324,301	96,817	126,144
Loans repayable - SBLA	26,639	--	--	--	26,639	34,701
	<u>117,365</u>	<u>(345,054)</u>	<u>26,844</u>	<u>324,301</u>	<u>123,456</u>	<u>160,845</u>
Fund balances	34,265	--	--	--	34,265	46,552
Invested in capital assets	--	1,137,373	586,303	(32,825)	1,690,851	1,698,459
Externally restricted (note 8)	426,884	--	--	--	426,884	441,136
Unrestricted	461,149	1,137,373	586,303	(32,825)	2,152,000	2,186,147
	<u>\$ 578,514</u>	<u>\$ 792,319</u>	<u>\$ 613,147</u>	<u>\$ 291,476</u>	<u>\$ 2,275,456</u>	<u>\$ 2,346,992</u>

Approved on Behalf of The Board:

Patricia Mudgeley Chairman

Treasurer

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2020

	Financing and Investing Loan Investment Funds					
	Operating General Fund	Non-Repayable	Repayable	Disabled		2020
Revenue						
Federal contracts	\$ 294,963	\$ --	\$ --	\$ --	\$ 294,963	\$ 294,963
Loan interest	329	17,336	11,233	18,869	47,767	49,579
Other revenue	5,563	--	--	--	5,563	7,851
Bank interest	5,715	6,896	1,563	1,690	15,864	13,495
CFLIP investment income	4,869	3,868	8,837	--	17,574	18,525
CFLIP unrealized gain (loss)	1,043	(4,481)	(10,237)	--	(13,675)	(2,368)
Self-employment contract	545	--	--	--	545	950
WES project	197,674	--	--	--	197,674	--
WES -- in kind contributions	<u>55,086</u>	--	--	--	<u>55,086</u>	--
	<u>565,787</u>	<u>23,619</u>	<u>11,396</u>	<u>20,559</u>	<u>621,361</u>	<u>382,995</u>
Expenses						
Operating expenses (schedule)	334,062	--	--	--	334,062	314,440
Provision for investment losses	--	13,907	--	49,275	63,182	131,714
Loss on sale of assets	266	--	--	--	266	47
WES project	202,912	--	--	--	202,912	--
WES -- in kind expenditures	<u>55,086</u>	--	--	--	<u>55,086</u>	--
	<u>592,326</u>	<u>13,907</u>	--	<u>49,275</u>	<u>655,508</u>	<u>446,201</u>
Excess (deficiency) of revenue over expenses	<u>\$ (26,539)</u>	<u>\$ 9,712</u>	<u>\$ 11,396</u>	<u>\$ (28,716)</u>	<u>\$ (34,147)</u>	<u>\$ (63,206)</u>

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Operating</u>	<u>Financing and Investing</u>		
	<u>General Fund</u>	<u>Non-Repayable</u>	<u>Repayable</u>	<u>Disabled</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
Equity in capital assets, beginning of year	\$ 46,552	\$ --	\$ --	\$ 60,328
Purchase of capital assets	4,808	--	--	2,754
Amortization	(16,829)	--	--	(16,443)
Loss on disposal of capital assets	(266)	--	--	(47)
Proceeds on sale of capital assets	--	--	--	(40)
Equity in capital assets, end of year	<u>34,265</u>	--	--	<u>46,552</u>
Externally restricted funds, beginning of year	--	1,127,661	574,907	1,758,841
Excess (deficiency) of revenue over expenses	--	<u>9,712</u>	<u>11,396</u>	<u>(7,608)</u>
Externally restricted funds, end of year	--	<u>1,137,373</u>	<u>586,303</u>	<u>1,698,459</u>
Unrestricted funds, beginning of year	441,136	--	--	430,184
Excess (deficiency) of revenue over expenses	(26,539)	--	--	(2,824)
Purchase of capital assets	(4,808)	--	--	(2,754)
Amortization	16,829	--	--	16,443
Loss on disposal of capital assets	266	--	--	47
Proceeds on sale of capital assets	--	--	--	40
Unrestricted funds, end of year	<u>426,884</u>	--	--	<u>441,136</u>
	<u>\$ 461,149</u>	<u>\$ 1,137,373</u>	<u>\$ 586,303</u>	<u>\$ 2,186,147</u>
			<u>\$ (32,825)</u>	<u>\$ 2,152,000</u>
				<u>\$ 2,186,147</u>

COMMUNITY FUTURES LLOYDMINSTER AND REGION DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Operating</u>		<u>Financing and Investing</u>		
	<u>General Fund</u>	<u>Non-Repayable</u>	<u>Loan Investment Funds</u>	<u>Disabled</u>	
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	
Sources of cash					
Federal contracts	\$ 293,029	\$ --	\$ --	\$ 293,029	\$ 329,563
Investment income	187,785	23,364	13,674	244,117	62,909
Other	5,562	--	--	5,562	7,901
Investment loan repayments	--	53,192	56,107	157,910	413,312
SBLA loans collected	4,708	--	--	4,708	23,120
Proceeds on sale of capital assets	--	--	--	--	40
WES project	<u>95,200</u>	<u>--</u>	<u>--</u>	<u>95,200</u>	<u>--</u>
	<u>586,284</u>	<u>76,556</u>	<u>69,781</u>	<u>800,526</u>	<u>836,845</u>
Uses of cash					
Salaries and benefits	117,507	--	--	117,507	83,479
Materials and services	244,473	--	--	244,473	173,369
Self-employment contract	1,549	--	--	1,549	556
Purchase of capital assets	4,808	--	--	4,808	2,755
Investment loan advances	--	167,722	8,000	74,500	523,202
Repayment of SBLA loans	8,061	--	--	8,061	32,416
WES project	<u>188,788</u>	<u>--</u>	<u>--</u>	<u>188,788</u>	<u>--</u>
	<u>565,186</u>	<u>167,722</u>	<u>8,000</u>	<u>815,408</u>	<u>815,777</u>
Net increase (decrease) in cash	21,098	(91,166)	61,781	(14,882)	21,068
Cash, beginning of year	<u>367,447</u>	<u>474,953</u>	<u>82,665</u>	<u>974,759</u>	<u>953,691</u>
Cash, end of year	<u>\$ 388,545</u>	<u>\$ 383,787</u>	<u>\$ 144,446</u>	<u>\$ 959,877</u>	<u>\$ 974,759</u>

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

Purpose of the Organization

Community Futures Lloydminster and Region Development Corporation is a community-based organization that provides loans and financial services to small businesses that are otherwise unable to obtain financing. The corporation is incorporated under the Alberta Companies Act as a non-profit organization. It is exempt from income taxes under the Income Tax Act as a non-profit organization.

1. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant policies:

a) Fund accounting

Community Futures Lloydminster and Region Development Corporation follows the restricted method of accounting for contributions and uses the following funds:

The General Fund accounts for the organization's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

The Loan Investment Funds report restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans, loan guarantees or equity participation. Loans from the Loan Investment Fund for the Disabled are limited to businesses owned and operated by disabled entrepreneurs.

The organization is restricted in the types of loans that can be made according to its agreement with the federal government.

b) Financial Instruments

The organizations financial instruments consist of cash, receivables, payables and accrued liabilities, and deferred revenue. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs and financial fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

c) Cash in Bank

Cash in bank is defined as cash in chequing accounts adjusted for outstanding cheques and deposits.

d) Long Term Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported in revenue. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired.

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. Significant Accounting Policies (continued)

e) Capital Assets

Purchased capital assets are recorded at cost. Amortization is provided for over the estimated useful life of the assets using the following rates and methods:

Leasehold improvements	20% straight line
Office furniture	20% declining balance
Office equipment	30% declining balance
Computer software	50% declining balance

Amortization is recorded in the general fund.

f) Revenue Recognition

Community Futures Lloydminster and Region Development Corporation follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

g) Measurement Uncertainty

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. Such estimates include the amortization of capital assets and the provision for investment losses. These estimates are reviewed periodically and as adjustments become necessary, they are reported as earnings in the period in which they become known.

2. Economic Dependence

The organization received 96.6% (2019 – 93.8%) of its operating revenue from the federal government and is economically dependent on these revenues.

3. Long Term Investments

Long-term investments consist of Credit Union Equity of \$16,045 (2019 – \$15,482) and Community Futures Lending and Investment Pool (C-Flip) Investments of \$426,407 (2019 - \$604,518). The C-Flip Investments are funds administered by the Recordkeeper Inc. and managed by Royal Trust. Of the invested funds 50% are available to be lent back to Community Development Corporations with the remaining funds invested in money market funds.

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

4. Capital Assets

	2020			2019
	Cost	Accumulated Amortization	NBV	NBV
Leasehold improvements	\$ 70,271	\$ 45,676	\$ 24,595	\$ 38,649
Office furniture	6,625	4,597	2,028	2,542
Office equipment	28,654	21,052	7,602	5,281
Computer software	<u>5,126</u>	<u>5,086</u>	<u>40</u>	<u>80</u>
	<u>\$ 110,676</u>	<u>\$ 76,411</u>	<u>\$ 34,265</u>	<u>\$ 46,552</u>

5. Impaired Loans

Impaired loans and the related allowance for credit losses are as follows:

	Gross <u>Amount</u>	General <u>Allowance</u>	Specific <u>Allowance</u>	Carrying Value	
				2020	2019
Loans to small business	\$ <u>377,227</u>	\$ <u>--</u>	\$ <u>356,180</u>	\$ <u>21,047</u>	\$ <u>102,110</u>

6. Allowance for Credit Losses

An allowance for losses on investment loans is made based on expected loan default rates, potential loss ratios and review of loans portfolio, as determined by management, as follows:

	2019 Ending <u>Balance</u>	Write offs (net of Recoveries)	Provision for Credit <u>Losses</u>	2020 Ending <u>Balance</u>
Loan Investment Fund - Non-repayable	\$ 243,203	\$ 10,205	\$ 13,907	\$ 246,905
Loan Investment Fund - Repayable	--	--	--	--
Loan Investment Fund - Disability	60,000	--	49,275	109,275
Loan Investment Fund - SBLA	<u>2,182</u>	<u>2,182</u>	<u>--</u>	<u>--</u>
	<u>\$ 305,385</u>	<u>\$ 12,387</u>	<u>\$ 63,182</u>	<u>\$ 356,180</u>

Actual write-offs, net of recoveries, are deducted from the allowance for credit losses. The provision for credit losses in the statement of income and changes in fund balances is charged with an amount sufficient to keep the balance in the allowance for credit losses adequate to absorb all credit related losses.

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. Investment Loans Receivable

Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 5.2% to 9% with monthly blended principal and interest repayments amortized for terms between thirty-six months and sixty months. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and buildings.

8. Externally Restricted Funds

Major categories of externally imposed restrictions on net assets are as follows:

	<u>2020</u>	<u>2019</u>
Non-Repayable Investment	\$ 1,137,373	\$ 1,127,661
Repayable Investment	586,303	574,907
Disabled Investment	<u>(32,825)</u>	<u>(4,109)</u>
	<u>\$ 1,690,851</u>	<u>\$ 1,698,459</u>

The department of Western Economic Diversification amended the terms and conditions of its contribution agreement with the Corporation. Under the revised terms and conditions, the Conditionally Repayable Loan investment funding of \$900,000 is repayable if any of the following conditions occur:

- i) The Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in this Agreement; or
- ii) Based on reviews and evaluations of the operations and the Conditionally Repayable Investment Fund of the Corporation, the Conditionally Repayable Investment Fund is not providing a satisfactory level of benefits in terms of employment creation, the development of Community-owned or controlled businesses, and strengthening of the western Canadian economy; or
- iii) In the opinion of the Minister, the Conditionally Repayable Investment Fund is no longer necessary or relevant to the development of the western Canadian economy; or
- iv) The Agreement is terminated as described in Section 12; or
- v) An event of default occurs, as described in Section 7 of the Agreement; or
- vi) The Minister does not approve terms and conditions to extend the project beyond March 31, 2021.

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

9. Commitments

The organization signed a five-year lease for office space ending December 31, 2021 and has leased office equipment with the following annual minimum lease payments:

	Rent	Equipment
2021	\$ 31,230	\$ 4,994
2022	23,422	4,994

10. Non-Balance Sheet Items

To meet the needs of its clients and fulfill its purpose, the investment funds participate in various non-balance sheet instruments which these financial statements do not fully reflect. These instruments are subject to the investment funds normal credit and financial procedures and consist of:

- i) Loan guarantees which represent irrevocable assurances that the investment funds will pay if a client cannot meet his obligations to a third party; and
- ii) Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans.

As at March 31, 2020 the investment fund had \$103,217 (2019 - \$ Nil) of undisbursed loans.

11. Financial Instruments

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk on the loans receivable from its clients. In order to reduce such risk, the organization has adopted extensive credit and approval policies that include the regular review of client accounts and credit worthiness. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts.

b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its policy of setting loan terms of less than 60 months.

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. Financial Instruments (continued)

c) Liquidity risk

The organizations exposure to liquidity risk is dependent on the collection of accounts receivable and obligations or raising of funds to meet commitments and sustain operations. The system controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is minimal.

e) Currency risk

It is management's opinion that the organization is not exposed to significant currency risk arising from its financial instruments as they are all in Canadian dollars.

12. Interfund Transfers

The disability fund owes the non-repayable fund \$312,161 and the repayable fund \$11,544 for money advanced in prior years.

In 2020 a non-repayable loan was refinanced to a youth loan, but the money was not moved between the funds. The repayable fund owes the non-repayable fund \$14,458 at March 31, 2020.

13. Subsequent Event

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary, however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

COMMUNITY FUTURES LLOYDMINSTER AND REGION
DEVELOPMENT CORPORATION
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020

Operating expenses	<u>2020</u>	<u>2019</u>
Salaries and benefits	\$ 127,384	\$ 81,799
Contract services	45,561	61,667
Office rent and utilities	31,734	29,212
Marketing and promotion	25,279	23,107
Professional fees	17,750	18,983
Amortization expense	16,829	16,443
Staff travel	14,176	27,676
Special projects	14,052	18,088
Maintenance and repairs	8,440	3,791
Telephone and internet	8,388	7,448
Information technology	5,820	5,686
Equipment rental	5,010	4,997
Board member expenses	3,764	3,240
Insurance	3,413	3,900
Office supplies	2,385	5,029
Memberships	1,958	1,806
Meeting expenses	1,487	957
Bank charges	<u>632</u>	<u>611</u>
	<u>\$ 334,062</u>	<u>\$ 314,440</u>