Financial Statements of

COMMUNITY FUTURES CROWSNEST PASS

And Independent Auditors' Report thereon

Year ended March 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Community Futures Crowsnest Pass

Opinion

We have audited the financial statements of Community Futures Crowsnest Pass (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and its results of 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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:

- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

Lethbridge, Canada

June 14, 2019

COMMUNITY FUTURES CROWSNEST PASS

Statement of Financial Position

March 31, 2019, with comparative information for 2018

			Loan Investment Funds				
	Administration Fund	Tourism Growth Innovation Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Total	2019 Total	2018 Total
Assets							
Current assets:							
Cash and short-term investments (note 2)	$ 184,611	$ 44,678	$ 544,946	$ 326,889	$ 336,502	$1,437,626	$ 1,428,244
Accounts receivable	48,037	--	--	--	46	48,083	28,008
Interest receivable	--	--	39,120	--	--	39,120	35,689
Prepaid expenses	6,372	--	--	--	--	6,372	6,498
Current portion of loans receivable (note 3)	--	--	524,619	--	--	524,619	571,338
	239,020	44,678	1,108,685	326,889	336,548	2,055,820	2,069,777
Capital assets (note 4)	5,275	--	--	--	--	5,275	6,023
Loans receivable, net of allowance for loan impairment (note 3)	--	--	1,729,558	--	--	1,729,558	1,544,375
	$ 244,295	$ 44,678	$ 2,838,243	$ 326,889	$ 336,548	$3,790,653	$ 3,620,175

	Administration Fund	Tourism Growth Innovation Fund	Loan Investment Funds: Investment Fund	Loan Investment Funds: Conditionally Repayable Investment Fund	Loan Investment Funds: Entrepreneurs with Disabilities Fund	2019 Total	2018 Total
Liabilities and Fund Balances							
Current liabilities:							
Accounts payable and accrued liabilities	$ 19,491	$ --	$ --	$ --	$ --	$ 19,491	$ 13,251
Deferred contributions	--	--	--	--	--	--	--
	19,491	--	--	--	--	19,491	13,251
Unamortized deferred capital contributions	207	--	--	--	--	207	310
Deferred contributions (note 10)	24,129	44,665	--	--	--	68,794	--
Net assets:							
Fund balances (note 11)	200,468	13	2,838,243	326,889	336,548	3,702,161	3,606,614
	$ 244,295	$ 44,678	$2,838,243	$ 326,889	$ 336,548	$3,790,653	$ 3,620,175

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Director

______________________________ Director

COMMUNITY FUTURES CROWSNEST PASS

Statement of Operations

Year ended March 31, 2019, with comparative information for 2018

			Loan Investment Funds				
	Administration Fund	Tourism Growth Innovation Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Fund	2019 Total	2018 Total
Revenue:							
Interest on loans receivable	$ --	$ --	$ 120,614	$ --	$ --	$ 120,614	$ 133,235
Investment income	623	13	5,955	8,740	8,968	24,299	19,299
Contributions (note 6)	289,550	11,085	--	--	--	300,635	289,550
Recovery of bad debts	--	--	41,637	--	--	41,637	33,454
Amortization of deferred capital contributions	103	--	--	--	--	103	155
Other	118	--	--	--	--	118	--
	290,394	11,098	168,206	8,740	8,968	487,406	475,693
Expenses (schedule)	307,961	11,085	72,813	--	--	391,859	484,972
Excess (deficiency) of revenue over expenses	$ (17,567)	$ 13	$ 95,393	$ 8,740	$ 8,968	$ 95,547	$ (9,279)

See accompanying notes to financial statements.

COMMUNITY FUTURES CROWSNEST PASS

Statement of Changes in Fund Balances

Year ended March 31, 2019, with comparative information for 2018

			Loan Investment Funds				
	Administration Fund	Tourism Growth Innovation Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Fund	2019 Total	2018 Total
Net assets:							
Invested in capital assets, beginning of year	$ 6,023	$ --	$ --	$ --	$ --	$ 6,023	$ 8,102
Deficiency of revenue over expenses	(748)	--	--	--	--	(748)	(2,079)
Net assets invested in capital assets, end of year	5,275	--	--	--	--	5,275	6,023
Externally restricted funds, beginning of year	--	--	2,742,850	318,149	327,580	3,388,579	3,392,378
Excess (deficiency) of revenue over expenses	--	--	95,393	8,740	8,968	113,101	(3,799)
Externally restricted funds, end of year	--	--	2,838,243	326,889	336,548	3,501,680	3,388,579
Unrestricted funds, beginning of year	212,012	--	--	--	--	212,012	215,413
Deficiency of revenue over expenses	(16,819)	13	--	--	--	(16,806)	(3,401)
Unrestricted funds, end of year	195,193	13	--	--	--	195,206	212,012
	$ 200,468	$ 13	$ 2,838,243	$ 326,889	$ 336,548	$ 3,702,161	$ 3,606,614

See accompanying notes to financial statements.

COMMUNITY FUTURES CROWSNEST PASS

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

			Loan Investment Funds				
	Administration Fund	Tourism Growth Innovation Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Fund	2019 Total	2018 Total
Cash provided by (used in):							
Operations:							
Excess (deficiency) of revenue over expenses	$ (17,567)	$ 13	$ 95,393	$ 8,740	$ 8,968	$ 95,547	$ (9,279)
Items not involving cash:							
Provision for credit losses	--	--	72,312	--	--	72,312	188,963
Amortization of deferred capital contributions	(103)	--	--	--	--	(103)	(155)
Amortization	2,005	--	--	--	--	2,005	2,543
Change in non-cash operating working capital (note 8)	10,250	44,665	(3,261)	--	--	51,654	(19,755)
	(5,415)	44,678	164,444	8,740	8,968	221,415	162,317
Investments:							
Increase in short-term investments	(567)	--	--	--	--	(567)	(396)
Change in loan portfolio	--	--	(210,776)	--	--	(210,776)	53,193
Acquisition of capital assets	(1,257)	--	--	--	--	(1,257)	53,193
	(1,824)	--	(210,776)	--	--	(212,600)	52,797
Increase (decrease) in cash and cash equivalents	(7,239)	44,678	(46,332)	8,740	8,968	8,815	215,114
Cash and cash equivalents, beginning of year	92,181	--	591,278	318,149	327,534	1,329,142	1,114,028
Cash and cash equivalents, end of year (note 2)	$ 84,942	$ 44,678	$ 544,946	$ 326,889	$ 336,502	$ 1,337,957	$ 1,329,142

See accompanying notes to financial statements.

Community Futures Crowsnest Pass, a Community Futures Development Corporation (the "Corporation"), is a community-based organization that provides community economic development and strategic planning, business advisory services, access to financial assistance (loan funds) and delivery of special economic adjustment programs as required within the Municipality of Crowsnest Pass, Alberta. The Corporation was incorporated under the Alberta Companies Act as a non-profit organization in October 1998. It is exempt from income taxes under the Income Tax Act as a non-profit organization.

1. Summary of significant accounting policies:

The significant accounting policies adopted by the Corporation include:

(a) Fund accounting:

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

Administration fund:

The administration fund is charged with providing administration services to other funds within the control of the Corporation.

The administration fund accounts for the Corporation's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

Investment fund:

The investment fund is charged with providing financing to qualifying businesses in the Crowsnest Pass.

Conditionally Repayable Investment fund:

The conditionally repayable investment fund is charged with providing loan financing to qualifying youth to start business ventures in the Crowsnest Pass.

Entrepreneurs with Disabilities fund:

The entrepreneurs with disabilities fund ("EDP") is charged with providing loan financing to businesses who are starting up or expanding in the Crowsnest Pass and whose owners have a disability.

1. Summary of significant accounting policies (continued):

(b) Revenue recognition:

Restricted contributions where a restricted fund exists are recognized in the year received as revenue if the amount to be received is reasonably estimated and collection is reasonably assured.

Restricted contributions where a restricted fund does not exist are recognized as revenue of the administration fund in the year in which the related expenses are incurred.

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.

(c) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a declining balance basis at the following annual rates:

Asset	Rate
Furniture and fixtures	20%
Computer equipment	30%
General equipment	20%
Leasehold improvements	20%
Website	30%

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Corporation. Any such impairment is measured by a comparison of the carrying amount of an asset to estimated residual value.

(d) Donated materials:

Donated goods and services that are not capital in nature are included in other revenues. The Corporation does not recognize the value of donated office space. There were no other donated materials in the current or prior year.

1. Summary of significant accounting policies (continued):

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

1. Summary of significant accounting policies (continued):

(f) Capital disclosures:

The Corporation defines Capital as follows:

- For operating purposes, the Corporation defines capital as working capital, unrestricted funds and internally restricted funds restricted for operating purposes.
- For capital purposes, the Corporation defines capital as deferred capital contributions, unrestricted funds and internally restricted funds restricted for capital purposes.
- For lending purposes, the Corporation defines capital as externally restricted funds.

The Corporation's objectives for managing capital are as follows:

- To safeguard the Corporation's ability to continue to provide an appropriate level of services to its stakeholders.
- To create and maintain an appropriate level of funds to provide loans where appropriate.
- To provide an appropriate return on capital employed to continue to build capacity for the future.

The Corporation must maintain capital to ensure that its externally restricted funds are available to provide loans as appropriate. A portion of the Corporation's capital is also restricted in that it is required to meet certain requirements to utilize the funding included in deferred contributions and deferred capital contributions.

Unless otherwise disclosed, the Corporation does not have any other external restrictions on its capital. The Corporation has processes in place to ensure that restrictions are met prior to the utilization of any restricted capital.

Management and the Board of Directors monitor financial performance and the capital requirements of the Corporation to ensure that it will be able to meet its capital objectives.

1. Summary of significant accounting policies (continued):

(g) Impaired loans and allowances for loan impairment:

Loans are stated at principal amounts including accrued interest receivable, net of allowance for loan impairment. Interest on loans is recorded as income on an accrual basis except for loans that are considered impaired.

Loans are classified as impaired when there is deterioration in credit quality to the extent that the Corporation no longer has reasonable assurance that the full amount of principal and interest will be collected. When a loan becomes impaired, recognition of interest income ceases and any previously accrued interest that is unpaid is reversed against interest income. Any interest received on impaired loans is applied to the carrying amount of the loan unless the loan is fully secured and does not require a specific allowance, in which case interest income is recognized on a cash basis.

For impaired loans measured on the basis of expected future cash flows, as explained under allowance for loan impairment, the increase in present value attributable to the passage of time is recorded as interest income.

(h) Allowance for loan impairment:

The allowance for loan impairment is maintained at a level considered adequate to absorb the credit losses existing in the Corporation's portfolio. It reflects management's best estimate of losses existing in the loan portfolio at the balance sheet 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.

The allowance for loan impairment comprises specific allowances.

Specific allowances are established on a loan-by-loan basis for impaired loans. The carrying amount of an impaired loan is reduced to its estimated realizable value by discounting the expected future cash flows at the effective interest rate inherent in the loan or, if cash flows cannot be reasonably determined, by using the estimated fair value of any underlying security, net of realization costs. Initial allowances as well as subsequent changes thereto are recorded through the provision for credit losses as an adjustment to the specific allowance.

(i) Foreclosed assets:

Foreclosed assets held for sale are recorded at the lower of cost and estimated net realizable value. Cost is comprised of the balance of the loan plus interest accrued to the date on which the Corporation first determines the loan to be impaired, plus subsequent disbursements related to the property less any revenues or lease payments received.

1. Summary of significant accounting policies (continued):

(j) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to estimates and assumptions include the carrying value of short-term investments, loan portfolio and capital assets. Actual results could differ from those estimates.

2. Cash and short-term investments:

Cash and short-term investments consist of:

	2019	2018
Cash	$ 497,960	$ 392,673
Guaranteed Investment Certificates	99,669	99,102
Funds on deposit with the Community Futures Lending and Investment Pool ("CFLIP")	839,997	936,469
Cash and short-term investments	$ 1,437,626	$ 1,428,244

CFLIP is a professionally managed pooled investment and lending fund, where Community Futures Development Corporations in Alberta may deposit funds in excess of current needs. The Fund invests in a diverse mixture of high quality fixed income securities. The CFLIP investments are recorded at fair value.

Cash and cash equivalents are defined as cash and investments with original maturity dates of less than 90 days.

Cash and cash equivalents consist of:

	2019	2018
Cash and short-term investments	$ 1,437,626	$ 1,428,244
Less short-term investments with original maturities greater than 90 days	(99,669)	(99,102)
Cash and cash equivalents	$ 1,337,957	$ 1,392,142

3. Loans receivable:

Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 6.0% to 8.5% and are comprised of flexible lines of credit which require interest to be paid monthly and term loans which require monthly blended principal and interest repayments amortized between 12 to 180 months. The flexible lines of credit are reviewed periodically for credit worthiness. 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.

Impaired loans included in loans receivable and the related allowance for loan impairment are as follows:

			2019	2018
	Recorded loan	General allowance	Net carrying value	Net carrying value
Loans to small business:				
Investment Fund	$ 2,323,894	$ (69,717)	$ 2,254,177	$ 2,115,713
Current portion	524,619	--	524,619	571,338
	$ 1,799,275	$ (69,717)	$ 1,729,558	$ 1,544,375

The breakdown of the loan portfolio is as follows:

	2019	2018
Flexible lines of credit	$ 138,765	$ 110,129
Term loans	2,185,129	2,005,584
General allowance	(69,717)	--
	$ 2,254,177	$ 2,115,713

4. Capital assets:

				2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Administration fund:				
Furniture and fixtures	$ 91,756	$ 90,398	$ 1,358	$ 1,696
Computer equipment	90,554	87,525	3,029	4,327
Leasehold improvement	2,607	2,607	--	--
Website	6,296	5,408	888	--
	$ 191,213	$ 185,938	$ 5,275	$ 6,023

5. Externally restricted net assets:

These net assets are restricted by Western Economic Diversification and are required to be maintained in the particular fund where they have been generated so these funds are available solely for the mandate of each fund.

In prior years, Western Economic Diversification provided two contributions of $200,000 to improve access to capital for qualifying businesses. These amounts are included in the fund balances of the Conditionally Repayable Investment Fund and the EDP fund in the amount of $200,000 each. Upon notice of the Minister of Western Economic Diversification (the “Minister”), the Corporation must repay the lesser of the uncommitted cash balance within each of these funds and $200,000. As of March 31, 2019, no such notice has been given by the Minister.

6. Grants and other contributions:

	2019	2018
Operating funding from Western Economic Diversification	$ 289,550	$ 289,550
Tourism Growth Innovation Fund (TGIF) Contributions	11,085	--
	300,635	289,550

The Corporation is economically dependent on Western Economic Diversification for its operating funding. The Corporation is currently party to an agreement with Western Economic Diversification to provide services through to March 31, 2021.

Operating funding from Western Economic Diversification are grants to fund community economic development, marketing and visibility, general administration and governance expenses to operate the Corporation.

The TGIF represents funding received from the Province of Alberta to develop a Destination Management Organization strategy for the Castle Region in Southern Alberta.

7. Nature and extent of risks arising from financial instruments:

The Corporation has exposure resulting from its financial instruments: credit risk, liquidity risk and interest rate risk.

a) Risk management:

The Corporation has established policies and procedures for managing exposure to each of the above risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors have the overall responsibility for the establishment and oversight of the Corporations risk management.

b) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the loans receivable. For risk management purposes, the Corporation considers all elements of credit risk exposure.

8. Change in non-cash operating working capital:

			Loan Investment Funds				
	Administration Fund	Tourism Growth Innovation Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Fund	2019 Total	2018 Total
Accounts receivable	$ (20,244)	$ --	$ (4,117)	$ --	$ --	$ (24,361)	$ (330)
Interest receivable	--	--	856	--	--	856	4,813
Deferred contributions	24,129	44,665	--	--	--	68,794	(24,129)
Accounts payable and accrued liabilities	6,240	--	--	--	--	6,240	(373)
Prepaid expenses	125	--	--	--	--	125	264
	$ 10,250	$ 44,665	$ (3,261)	$ --	$ --	$ 51,654	$ (19,755)

7. Nature and extent of risks arising from financial instruments (continued):

c) Management of credit risk:

The Board of Directors is responsible for the management of credit risk. Management works with the Board of Directors to provide oversight on the Corporations credit risk including the approval of all loans and the review of risk related to each loan.

d) Liquidity risk:

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations arising from financial liabilities.

e) Management of liquidity risk:

The Corporation's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation. The Corporation utilizes its cash and its short-term investments to manage its liquidity position.

f) Market risk:

Market risk is the risk that changes in market prices, such as interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures where possible and to optimize return.

Management is responsible for monitoring market risks and mitigating them as they arise.

g) Interest rate risk:

Interest rate risk arises from the possibility that the value of, or cash flows related to a financial instrument will fluctuate as a result of changes in market interest rates. The Corporation is exposed to financial risk arising from interest rates as a result of its loans receivable and its short term investments.

h) Loans receivable:

The loans receivable all have a fixed rate of return and as such the interest rate specific to the loan portfolio is limited. The average yield for the loans receivable for the year was 5.4% (2018 – 5.9%)

i) Short-term investments:

The short-term investments consist of guaranteed investment certificates with a fixed rate of return and the CFLIP investment which provides a variable rate of return. The average yield for the short-term investments for the year was 1.7% (2018 – 3.3%).

9. Related party:

i) In 2013, the Crowsnest Pass Economic Development Board became the sole shareholder of the Community Futures Crowsnest Pass.

Included in the accounts receivable of the Corporation as at March 31, 2019 is $26,250 (2018 - $26,250) receivable from the Crowsnest Pass Economic Development Board for costs incurred on their behalf.

ii) In the year ended March 31, 2015, the Corporation provided a line of credit of $100,000 and a term loan of $150,000 with interest rates of 6% to an entity in which employees have a financial interest. As at March 31, 2019, there are two employees who are members out of a total of 37 shareholders of the entity, therefore their ability to exercise significant influence is minimal. At March 31, 2019, the aggregate outstanding balance of the loans were $125,275 (2018 - $149,380). Both loans were in good standing at March 31, 2019. These transactions were carried out in the normal course of operations and were measured at fair value.

10. Deferred contributions:

	Administration Fund	Tourism Growth Initiative Fund	2019	2018
Deferred contributions, beginning of year	$ --	$ --	$ --	$ --
Funding received during the year	24,129	55,750	79,879	--
Amounts recognized during the year	--	(11,085)	(11,085)	--
Deferred contributions, end of year	$ 24,129	$ 44,665	$ 68,794	$ --

Deferred contributions in the Administration Fund are funds received from WED relating to the 2020 year end.

Deferred contributions in the Tourism Growth Initiative Fund were received from various sources with restrictions on how the funds are spent.

11. Fund balances:

Fund balances consist of the following:

			Loan Investment Funds			
	Administration Fund	Tourism Growth Innovation Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Fund	2019 Total
Invested in capital assets	$ 5,275	$ --	$ --	$ --	$ --	$ 5,275
Externally restricted funds	--	--	2,838,243	326,889	336,548	3,501,680
Unrestricted funds	195,193	13	--	--	--	195,206
	$ 200,468	$ 13	$ 2,838,243	$ 326,889	$ 336,548	$ 3,702,161

		Loan Investment Funds			
	Administration Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Fund	2018 Total
Invested in capital assets	$ 6,023	$ --	$ --	$ --	$ 6,023
Externally restricted funds	--	2,742,850	318,149	336,548	3,388,579
Unrestricted funds	212,012	--	--	--	212,012
	$ 218,035	$ 2,742,850	$ 318,149	$ 336,548	$ 3,606,614

COMMUNITY FUTURES CROWSNEST PASS

Schedule of Expenses

Year ended March 31, 2019, with comparative information for 2018

			Loan Investment Funds				
	Administration Fund	Tourism Growth Innovation Fund	Investment Fund	Conditionally Repayable Investment Fund	Entrepreneurs with Disabilities Fund	2019 Total	2018 Total
Provision for credit losses	$ --	--	$ 72,312	$ --	$ --	$ 72,312	$ 188,963
Salaries and benefits	235,619	--	--	--	--	235,619	228,198
Travel	13,930	--	--	--	--	13,930	9,379
Office	12,611	--	--	--	--	12,611	11,220
Professional fees	10,051	--	93	--	--	10,144	9,807
Telephone and internet	1,910	--	--	--	--	1,910	1,769
Business development	12,102	--	--	--	--	12,102	10,764
Training and board development	6,594	--	--	--	--	6,594	8,653
Insurance	2,370	--	--	--	--	2,370	2,339
Advertising and promotion	3,303	--	--	--	--	3,303	3,229
Dues and memberships	834	--	--	--	--	834	616
Interest and bank charges	242	--	408	--	--	650	818
Consulting	4,500	11,085	--	--	--	15,585	4,784
Other	1,890	--	--	--	--	1,890	1,890
Amortization	2,005	--	--	--	--	2,005	2,543
	$ 307,961	$ 11,085	$ 72,813	$ --	$ --	$ 391,859	$ 484,972