

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

INDEX TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

INDEX

	<u>Page</u>
Independent Auditor's Report	3-5
Non-Consolidated Statement of Financial Position	6-7
Non-Consolidated Statement of Operations and Changes in Fund Balance	8
Non-Consolidated Statement of Cash Flow	9
Notes to the Non-Consolidated Financial Statements	10-21
Schedules	
1 - Non-Consolidated Expenditures - Operating Fund	22
2 - Non-Consolidated Expenditures - Project Reserve Fund	23
3 - Non-Consolidated Operations - Loan Investments Fund	24
4 - Non-Consolidated Assets - Loan Investment Funds	25
5 - Non-Consolidated Cash Flow - Loan Investment Funds	26



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Futures Development Corporation of the North Cariboo

Opinion

We have audited the financial statements of Community Futures Development Corporation of the North Cariboo (the Entity), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Non-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 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 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.

Comparative Information

The financial statements of the Entity for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on June 17, 2019.

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 Non-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.

Partners
Allison Beswick CPA, CA
Norm Hildebrandt CPA, CA
Robin Lund CPA, CGA

Beswick Hildebrandt Lund CPA
556 North Nechako Road, Suite 10,
Prince George BC, Canada V2K 1A1
T: +1 250 564 2515, F: +1 250 562 8722

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.

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:

- 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 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 Entity to cease to continue as a going concern.



CHARTERED PROFESSIONAL ACCOUNTANTS

- 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.

Beswick Hildebrandt Lund

Chartered Professional Accountants

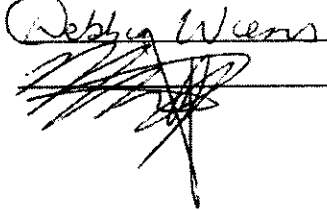
Prince George, British Columbia

July 20, 2020

COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended March 31, 2020

	Unrestricted Fund		Restricted Funds		2020 Total	2019 Total
	General Operating	Project Reserve	Equipment	Loan Investment Funds (Schedule 4)		
CURRENT ASSETS						
Cash	\$ 87,988	\$ 408,273	\$ -	\$ 621,958	\$ 1,118,219	\$ 1,136,589
Accounts receivable	31,603	-	-	16	31,619	9,639
Prepaid expenses	3,013	-	-	-	3,013	2,361
	122,604	408,273	-	621,974	1,152,851	1,148,589
INVESTMENT IN NORTH CARIBOO BUSINESS DEVELOPMENT CENTRE INC.	1	-	-	-	1	1
TANGIBLE CAPITAL ASSETS (Note 3)	-	-	30,472	-	30,472	37,043
LOANS RECEIVABLE (Note 4)	-	339,740	-	2,966,407	3,306,147	3,429,398
DUE FROM OTHER FUNDS (Note 5)	-	-	-	250,000	250,000	252,432
	<u>\$ 122,605</u>	<u>\$ 748,013</u>	<u>\$ 30,472</u>	<u>\$ 3,838,381</u>	<u>\$ 4,739,471</u>	<u>\$ 4,867,463</u>

Approved by the Directors



**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended March 31, 2020

	Unrestricted Fund	Restricted Funds			2020 Total	2019 Total
	General Operating	Project Reserve	Equipment	Loan Investment Funds (Schedule 4)		
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	\$ 45,260	\$ -	\$ -	\$ -	\$ 45,260	\$ 22,329
Unearned revenue (Note 6)	25,548	-	-	-	25,548	25,548
Province of British Columbia (Note 7)	-	-	-	250,000	250,000	250,000
Current portion of long-term debt (Note 8)	-	-	-	110,631	110,631	117,065
	<u>70,808</u>	<u>-</u>	<u>-</u>	<u>360,631</u>	<u>431,439</u>	<u>414,942</u>
REPAYABLE CONTRIBUTIONS (Note 9)	-	-	-	800,000	800,000	954,785
LONG-TERM DEBT (Note 8)	-	-	-	923,838	923,838	1,089,495
DUE TO OTHER FUNDS (Note 5)	-	-	-	250,000	250,000	252,432
	<u>70,808</u>	<u>-</u>	<u>-</u>	<u>2,334,469</u>	<u>2,405,277</u>	<u>2,711,654</u>
CONTINGENCY (Note 10)						
SUBSEQUENT EVENT (Note 15)						
	FUND BALANCES					
RESTRICTED FUNDS						
Loan investment fund	-	-	-	1,503,912	1,503,912	1,476,922
Internally restricted	-	748,013	-	-	748,013	596,310
Investment in equipment	-	-	30,472	-	30,472	37,043
UNRESTRICTED FUNDS	<u>51,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,797</u>	<u>45,534</u>
	<u>51,797</u>	<u>748,013</u>	<u>30,472</u>	<u>1,503,912</u>	<u>2,334,194</u>	<u>2,155,809</u>
	<u>\$ 122,605</u>	<u>\$ 748,013</u>	<u>\$ 30,472</u>	<u>\$ 3,838,381</u>	<u>\$ 4,739,471</u>	<u>\$ 4,867,463</u>

See notes to the non-consolidated financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

For the year ended March 31, 2020

	Unrestricted Fund	Restricted Funds			2020 Total	2019 Total
	General Operating (Schedule 1)	Project Reserve (Schedule 2)	Equipment	Loan Investment Funds (Schedule 3)		
REVENUE						
Western Economic Diversification contribution	\$ 306,572	\$ -	\$ -	\$ -	\$ 306,572	\$ 306,572
Self employment program	-	-	-	-	-	59,785
Wildfire response program	73,548	-	-	-	73,548	99,536
Projects and events	59,272	-	-	-	59,272	-
Fees for service - contracts	2,400	-	-	-	2,400	2,400
Fees for service - operations	645	-	-	-	645	1,969
CBEST	3,517	-	-	-	3,517	8,440
Interest income	835	8,293	-	-	9,128	6,613
Interest on loans	-	23,827	-	148,586	172,413	161,109
Interest on funds not disbursed	-	-	-	11,977	11,977	8,177
Loan processing and administration fees	6,802	-	-	-	6,802	7,559
	<u>453,591</u>	<u>32,120</u>	<u>-</u>	<u>160,563</u>	<u>646,274</u>	<u>662,160</u>
EXPENDITURES						
Operating Fund - Schedule 1	446,961	-	-	-	446,961	464,376
Project Reserve Fund - Schedule 2	-	16,054	-	-	16,054	165
Loan Investment Funds - Schedule 3	-	-	-	(3,845)	(3,845)	119,315
Gain on disposal of capital assets	-	-	-	-	-	75
Amortization	-	-	8,719	-	8,719	9,570
	<u>446,961</u>	<u>16,054</u>	<u>8,719</u>	<u>(3,845)</u>	<u>467,889</u>	<u>593,501</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	6,630	16,066	(8,719)	164,408	178,385	68,659
FUND BALANCES AT BEGINNING OF THE YEAR	45,534	596,310	37,043	1,476,922	2,155,809	2,087,150
INTERFUND TRANSFERS						
Acquisition of tangible capital assets	(2,148)	-	2,148	-	-	-
Interfund transfers	1,781	135,637	-	(137,418)	-	-
FUND BALANCES AT END OF THE YEAR	<u>\$ 51,797</u>	<u>\$ 748,013</u>	<u>\$ 30,472</u>	<u>\$ 1,503,912</u>	<u>\$ 2,334,194</u>	<u>\$ 2,155,809</u>

See notes to the non-consolidated financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended March 31, 2020

	Unrestricted	Restricted Funds			2020 Total	2019 Total
	Fund			Loan		
	General	Project	Equipment	Investment		
	Operating	Reserve		Funds		
				(Schedule 5)		
Cash provided by (used in)						
OPERATING ACTIVITIES						
Cash received from						
Western Economic Diversification contributions	\$ 306,572	\$ -	\$ -	\$ -	\$ 306,572	\$ 332,120
Self employment program	-	-	-	-	-	59,785
Wildfire response program	73,548	-	-	-	73,548	99,536
Projects and events	59,272	-	-	-	59,272	-
Fees for service - contracts	2,400	-	-	-	2,400	2,400
Fees for service - operations	(17,802)	-	-	-	(17,802)	17,280
Interest	835	8,293	-	-	9,128	6,613
Interest on loans	-	23,827	-	153,226	177,053	161,109
Interest on funds not disbursed	-	-	-	11,977	11,977	8,177
Loan processing fees	6,802	-	-	-	6,802	7,559
Loans repaid	-	59,461	-	1,016,028	1,075,489	769,091
Cash paid for						
Salaries and benefits	(238,655)	-	-	-	(238,655)	(214,823)
Materials and services	(181,768)	(15,738)	-	(524)	(198,030)	(261,130)
Bank charges and interest	(1,923)	(316)	-	(4,454)	(6,693)	(7,336)
Loan administration	(2,345)	-	-	-	(2,345)	(2,026)
Loans disbursed	-	(238,988)	-	(709,074)	(948,062)	(973,097)
	6,936	(163,461)	-	467,179	310,654	5,258
INVESTING ACTIVITIES						
Proceeds on disposal of tangible capital assets	-	-	-	-	-	125
Purchases of equipment	-	-	(2,148)	-	(2,148)	(8,618)
	-	-	(2,148)	-	(2,148)	(8,493)
FINANCING ACTIVITIES						
Proceeds of long-term debt	-	-	-	-	-	204,314
Loan payment	-	-	-	(326,876)	(326,876)	(184,707)
	-	-	-	(326,876)	(326,876)	19,607
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	6,936	(163,461)	(2,148)	140,303	(18,370)	16,372
CASH AT BEGINNING OF THE YEAR	83,341	436,487	-	616,761	1,136,589	1,120,217
INTERFUND ADJUSTMENTS	(2,289)	135,247	2,148	(135,106)	-	-
CASH AT END OF THE YEAR	\$ 87,988	\$ 408,273	\$ -	\$ 621,958	\$ 1,118,219	\$ 1,136,589

See notes to the non-consolidated financial statements

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

1. DESCRIPTION OF THE CORPORATION

Community Futures Development Corporation of the North Cariboo (the "Corporation") was incorporated without any share capital under the Canada Corporations Act – Part II. Upon incorporation, the assets and undertakings of the North Cariboo Community Futures Association, the North Cariboo Business Development Centre Inc., and the North Cariboo Economic Development Association were transferred and assigned to the Corporation. The Corporation commenced operations on April 1, 1995.

The Corporation was formed to study and identify the North Cariboo region's labour market problems, assess the potential for change and recovery, identify the immediate and long-term employment adjustment needs of the community and based on its findings develop a strategic plan to address and overcome these problems. The Corporation is also to provide counselling, advisory services and financing in the form of loans, loan guarantees and equity investments to promote small businesses in the community. The majority of the funding for these services is provided by the Minister of Western Economic Diversification (the "Minister").

2. SIGNIFICANT ACCOUNTING POLICIES

Basis for Presentation

The Corporation applies the Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund Accounting

The Corporation follows the restricted fund method of accounting for contributions.

The General Operating Fund accounts for the Corporation's internal programs, projects and administration activities. This fund reports unrestricted resources and restricted operating contributions received for the purpose of operating the organization.

The Project Reserve Fund represents only internally restricted resources that are to be used at the discretion of the Board of Directors.

The Equipment Fund reports the assets, liabilities, revenues and expenses related to the tangible capital assets of the Corporation.

All of the other funds report only the restricted contributions and interest income that is to be used by the individual fund.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Loans are provided for financing for eligible persons starting up new businesses or in need of financing for growth or working capital for existing businesses under one of the following Loan Investment Funds:

- a) The Non-Repayable Loan Investment Fund provides loans to eligible small and medium sized businesses. This fund includes syndicated loans which consist of the Corporation's share of loans made under loan syndication agreements with other Community Futures Corporations in the Province of British Columbia.
- b) The Repayable Community Business Loan Investment Fund, (formerly the Forestry Loan Investment Fund) provides loans to eligible small and medium sized businesses in one or more of the following sectors of the economy: the forest sector, aquaculture, manufacturing, tourism and another prescribed sector of the economy that develops or uses clean and renewable energy.
- c) The Repayable WED Loan Investment Fund provides loans to eligible small and medium sized businesses.
- d) The Repayable Disabled Entrepreneur Loan Investment Fund provides loans to businesses owned and operated by disabled entrepreneurs.
- e) The Repayable BC Futures Loan Investment Fund provides loans to eligible businesses.

The above descriptions are summaries only. More information on eligibility is available from the Corporation.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Operating 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 Operating Fund in the year received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assured.

Interest income earned on restricted contributions is reported as income of the applicable restricted fund in the year earned. Unrestricted interest income, fees and sundry revenues are reported in the year earned.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

Cash is comprised of cash and cash equivalents. Cash equivalents are investments in cashable terms and are valued at cost plus accrued interest. The carrying value approximates fair value as they have maturity dates within 1-3 years. Management has classified these as cash equivalents as they can be cashed at the Corporation's discretion.

Contributions Receivable

Contributions are not recorded as receivable until the related expenses have been approved by the contributor or if the contributor has contracted to contribute a fixed amount.

Tangible Capital Assets and Amortization

Tangible capital assets, if purchased, is recorded at cost, and if donated, is recorded at its estimated fair value at the time of donation. Amortization is computed on the straight-line basis at the following annual rates:

Equipment	5 years
Furniture and fixtures	10 years
Office and computer equipment	3 - 5 years
Software	4 years

Loans Receivable

Loans are carried at amortized cost which represents the unpaid principal balance plus accrued interest, less allowance for doubtful loans. Loans considered uncollectible are written off.

Allowance for Doubtful Loans

The allowance for doubtful loans is maintained at a level considered adequate to absorb anticipated credit losses. The amount provided for anticipated credit losses is determined by reference to specific impaired loans and by the judgement of management based on previous experience and current economic conditions.

Contributed Goods and Services

Volunteers contribute their time to assist the corporation in carrying out its service delivery activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Presentation of Controlled Company

The Corporation is the sole shareholder of the North Cariboo Business Development Centre Inc. Consolidated financial statements have not been prepared, as financial statements for each company are prepared and presented to the Board of Directors who are the same for both companies. Consolidated financial statements would not provide any further useful information.

Investment in the wholly owned subsidiary is recorded at cost.

Measurement of Uncertainty

The preparation of financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Estimations included in the financial statements include the collectability of accounts receivable and loans receivable as well as the useful life of tangible capital assets.

Financial Instruments

Measurement of financial instruments

The Company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Company subsequently measures all its financial assets and financial liabilities at cost.

Financial assets measured at cost include cash, accounts receivable, investment in wholly owned subsidiary (North Cariboo Business Development Centre Inc.) loans receivable and amounts due to other funds.

Financial liabilities measured at cost include accounts payable, long-term debt and amounts due to other funds.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Company recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

3. TANGIBLE CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General				
Equipment	\$ 4,099	\$ 2,389	\$ 1,710	\$ 2,138
Furniture and fixtures	29,742	20,137	9,605	10,673
Office and computer equipment	59,863	44,206	15,657	19,783
Software	4,397	3,983	414	591
	<u>98,101</u>	<u>70,715</u>	<u>27,386</u>	<u>33,185</u>
Projects				
Office and computer equipment	5,359	2,273	3,086	3,858
Software	6,472	6,472	-	-
	<u>11,831</u>	<u>8,745</u>	<u>3,086</u>	<u>3,858</u>
	<u>\$ 109,932</u>	<u>\$ 79,460</u>	<u>\$ 30,472</u>	<u>\$ 37,043</u>

4. LOANS RECEIVABLE

	2020		2019	
	Loans Receivable	Allowance for Doubtful Loans	Net Carrying Amount	Net Carrying Amount
Project Reserve	\$ 339,740	\$ -	\$ 339,740	\$ 160,213
Non-Repayable	2,805,859	224,358	2,581,501	2,677,511
Repayable Community Business	180,891	91,407	89,484	68,328
Repayable WED	308,600	136,992	171,608	233,986
Repayable Disabled Entrepreneur	189,548	65,734	123,814	50,043
Repayable BC Futures	-	-	-	239,317
	<u>3,484,898</u>	<u>518,491</u>	<u>2,966,407</u>	<u>3,269,185</u>
	<u>\$ 3,824,638</u>	<u>\$ 518,491</u>	<u>\$ 3,306,147</u>	<u>\$ 3,429,398</u>

Interest on the above loans is charged at fixed rates at a minimum of 2% above the prime rate of the Royal Bank of Canada. The loans are being repaid over various lengths of time and may be paid at any time by the borrower and repayment may be demanded at any time by the Corporation.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

4. LOANS RECEIVABLE, continued

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

	<u>2020</u>			<u>2019</u>	
	<u>Balance Beginning</u>	<u>Provision</u>	<u>Allowance Reversals for write-offs</u>	<u>Total</u>	<u>Total</u>
Non-Repayable Investment Fund Community loans	\$ 341,831	\$ 75,223	\$ 192,696	\$ 224,358	\$ 341,831
Repayable Community Business Fund	100,078	-	8,671	91,407	100,078
Repayable Disabled Entrepreneur Investment Fund	-	-	-	-	-
Repayable WED Investment Fund	174,164	33,901	71,073	136,992	174,164
Repayable Disabled Investment Fund	19,731	53,268	7,265	65,734	19,731
Repayable PAL Investment Fund	-	-	-	-	-
	<u>\$ 635,804</u>	<u>\$ 162,392</u>	<u>\$ 279,705</u>	<u>\$ 518,491</u>	<u>\$ 635,804</u>

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

5. DUE TO (FROM) FUNDS

The due from other funds were comprised of the following amounts:

	2020	2019
The following funds had amounts due from the General Operating Fund:		
Loan Investment Funds - Non Repayable Fund	<u>\$ -</u>	<u>\$ 2,432</u>
The following funds had amounts due from Repayable Business Community Fund:		
Repayable WED	<u>250,000</u>	<u>250,000</u>
Total due to other funds	<u><u>\$ 250,000</u></u>	<u><u>\$ 252,432</u></u>

The above inter fund advancements have no specific terms of repayment are non-interest bearing, and unsecured.

6. UNEARNED REVENUE

	2020	2019
Federal contributions WED funding	<u>\$ 25,548</u>	<u>\$ 25,548</u>

7. PROVINCE OF BRITISH COLUMBIA

A contribution of \$250,000 that was originally made by Forest Renewal BC. Forest Renewal BC has ceased operations; therefore, the agreement has been transferred to the Province of British Columbia ("the Province") represented by the Minister of Community and Rural Development.

Upon termination of the agreement between the Province and the Corporation, 50% of the balance of the Repayable Forestry Investment Fund not lent out is to be repaid. If the corporation continues operations, 50% of the loan payments received after the termination date will be paid to the Province. If the Corporation discontinues operations, the Province will be given first assignment and security interest in 50% of the outstanding loans and a 50% undivided beneficial interest in all securities obtained for such loans.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

8. LONG-TERM DEBT

	2020	2019
Community Futures Development Corporation of Cariboo Chilcotin has agreed to purchase a 25% participation in an investment loan, monthly payment of \$1,172.11 including interest at 7% , maturing 2034 (1)	135,188	\$ 137,433
Community Futures Development Corporation of Stuart Nechako has agreed to purchase a 25% participation in an investment loan, monthly payment of \$1,172.11 including interest at 7% , maturing 2034 (1)	135,188	137,433
Community Futures Development Corporation of Alberni Clayoquot has agreed to purchase a 25% participation in an investment loan, monthly payment of \$1,172.11 including interest at 7%, maturing 2034 (1)	135,188	137,433
Community Futures Development Corporation of Fraser Fort George has agreed to purchase a 50% participation in an investment loan, monthly payment of \$1,265.76 including interest at 6%, maturing in 2020 (2)	-	67,433
Community Futures Development Corporation of Cariboo Chilcotin has agreed to purchase a 33% participation in an investment loan, monthly payment of \$538.73 including interest at 4.7%, maturing in 2031 (3)	56,182	59,917
Community Futures Development Corporation of Sun Country has agreed to purchase a 24.71% participation in an investment, monthly payment of \$1,581 including interest at 5.7%, maturing in 2022 (4)	111,334	123,616
Community Futures Development Corporation of Cariboo Chilcoltin has agreed to purchase a 24.71% participation in an investment, monthly payment of \$1,581 including interest at 5.7%, maturing in 2022 (4)	111,333	123,616
Subtotal	\$ 684,413	\$ 786,881

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

8. LONG-TERM DEBT, continued

Carryforward	\$ 684,413	\$ 786,881
Community Futures Development Corporation of Fraser Fort George has agreed to purchase a 24.71% participation in an investment, monthly payment of \$1,581 including interest at 5.7%, maturing in 2022 (4)	111,347	123,629
Community Futures Development Corporation of Cariboo Chilcotin has agreed to purchase a 50% participation in an investment, monthly payment of \$1,741 including interest at 5.2%, maturing in 2022 (5)	81,509	91,040
Community Futures Development Corporation of Pacific Northwest has agreed to purchase a 28.81% participation in an investment, monthly payment of \$2,057.04 including interest at 6.95%, maturing in 2024 (6)	78,600	102,505
Community Futures Development Corporation of Cariboo Chilcotin has agreed to purchase a 28.81% participation in an investment, monthly payment of \$2,057.04 including interest at 6.95%, maturing in 2024 (6)	78,600	102,505
	1,034,469	1,206,560
Less: Current portion	110,631	117,065
	\$ 923,838	\$ 1,089,495

(1) Investment loans are to assist a client in purchasing land and building. Each monthly payment paid by the client will be split 25% between each Community Futures Development Corporations. Any additional payments made by the client are also split 25% each.

(2) Investment loan is to assist a client in purchasing an inn and RV park. Each monthly payment paid by the client will be split 50% between each Community Futures Development Corporation. Any additional payments made by the client are also split 50% each.

(3) Investment loan is to assist a client in purchasing land a building for heavy duty mechanical work. Each monthly payment paid by the client will be split 33% between each Community Futures Development Corporations. Any additional payments made by the client are also split 33% each.

(4) Investment loan is to assist a client in purchasing equipment and property. Each monthly payment paid by the client will be split 24.71% to the syndication partners and 25.87% to Community Futures Development Corporation of the North Cariboo. Any additional payments

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

8. LONG-TERM DEBT, continued

(5) Investment loan is to assist a client in purchasing equipment and property. Each monthly payment paid by the client will be split 24.71% to the syndication partners and 25.87% to Community Futures Development Corporation of the North Cariboo. Any additional payments made by the client are also split 24.71% to the syndication partners and 25.87% to Community Futures Development Corporation of the North Cariboo.

(6) Investment loan is to assist a client in purchasing a business franchise. Each monthly payment paid by the client will be split 50% between each Community Futures Development Corporation. Any additional payments made by the client are also split 50% each.

The scheduled principal repayments on the long-term debt for the next five years are as follows:

2021		\$ 110,631
2022		117,475
2023		124,749
2024		119,120
2025		90,402

9. REPAYABLE CONTRIBUTIONS

	2020	2019
Western Economic Diversification (1)		
Repayable Loan Investment Fund	\$ 600,000	\$ 600,000
Repayable Disabled Entrepreneur Loan Investment Fund	200,000	200,000
Community Futures of British Columbia (2)	-	154,785
	\$ 800,000	\$ 954,785

(1) The Corporation will continue to administer the loan portfolios in the above mentioned funds until terminated by the Minister.

If the Corporation breaches any terms of the contract, both parties mutually consent to the termination of the contract or the Minister provides 30 days written notice to the Corporation, then the following will occur:

- a) The Corporation will repay immediately the lesser of the uncommitted cash balance or the amount of the contribution repayable.
- b) The Corporation will assign all of its interest in all debts to the Minister.
- c) The Corporation will liquidate all debts in a manner satisfactory to the Minister.

(2) Loan repayable in monthly instalments of \$8,709.30 bearing interest at RBC prime minus 2.25% or a minimum of 1.5 % calculated monthly and payable on the last business day of each month, maturing October 1, 2020. As at March 31, 2020, the total contribution has been repaid.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

10. CONTINGENCY

The Corporation, if directed by the Minister, shall repay to the Minister any overpayments or unexpended balances of the general operating contribution.

11. RELATED PARTY TRANSACTIONS

The Corporation is the sole shareholder of North Cariboo Business Development Centre Inc.

The Corporation rents its office space from North Cariboo Business Development Centre Inc. The annual rent payments consist of \$12,000.

12. CONTROLLED COMPANY THAT IS NOT CONSOLIDATED

The financial summary of the wholly-owned subsidiary, North Cariboo Business Development Centre Inc., as at March 31, 2020 and for the year then ended, from unaudited financial statements is as follows:

	2020	2019
Financial position		
Total assets	\$ 552,740	\$ 553,487
Total liabilities	\$ 6,820	\$ 7,168
Net assets	545,920	546,319
	\$ 552,740	\$ 553,487
Result of operations		
Total revenue	\$ 54,477	\$ 56,875
Total expenses	(55,336)	(57,001)
Other income	459	412
Excess revenue for the year	\$ (400)	\$ 286

13. ECONOMIC DEPENDENCE

Western Economic Diversification has provided 47% (2019 – 46%) of the Corporation's total revenue for the year.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE NORTH CARIBOO**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020

14. FINANCIAL INSTRUMENT

Risks and concentrations

The corporation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the company's risk exposure as at March 31, 2020.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect to its accounts payable and loan payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Corporation's main credit risk relates to its accounts receivable and loan receivable.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Corporation to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the Corporation to related cash flow risk.

15. SUBSEQUENT EVENTS

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. Subsequent to March 31, 2020, the situation continues to be dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Corporation is not known at this time. The current challenging economic climate may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the operating results and financial position of the Corporation in the future.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED EXPENDITURES - OPERATING FUND

For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Operating expenses:		
Wages and benefits	\$ 237,516	\$ 215,125
Professional fees	14,745	14,720
Rent	12,000	12,000
Advertising and promotion	8,251	16,529
Computer	8,213	2,096
Forums, seminars and conferences	6,699	5,184
Office supplies and general	5,497	6,782
Committee	4,584	1,640
Training	4,507	6,332
Insurance, dues and fees	4,374	4,047
Repairs and maintenance	4,215	2,071
Goods and service tax	2,562	2,065
Library	2,407	2,026
Telephone and internet	2,345	2,667
Bank charges and interest	1,923	1,875
Loan administration	1,727	1,502
Staff wellness	1,147	2,333
Sponsorships and support	-	19,979
	<u>322,712</u>	<u>318,973</u>
Other expenses:		
Wildfire response program	71,314	99,451
Projects and events	49,604	5,579
CBEST	3,331	7,953
Self employment program	-	32,128
Training workshop	-	292
	<u>-</u>	<u>292</u>
	<u>\$ 446,961</u>	<u>\$ 464,376</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED EXPENDITURES - PROJECT RESERVE FUND

For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Conference Expense	\$ -	\$ -
CED Project Funding	15,734	-
GST Expense	4	-
Bank charges and interest	<u>316</u>	<u>165</u>
	<u>\$ 16,054</u>	<u>\$ 165</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED OPERATIONS - LOAN INVESTMENT FUNDS

For the year ended March 31, 2020

	Non- Repayable	Repayable Community Business	Repayable WED	Repayable Disabled Entrepreneur	Repayable BC Futures	2020 Total	2019 Total
REVENUE							
Interest on loans	\$ 110,913	\$ 4,917	\$ 24,671	\$ 8,085	\$ -	\$ 148,586	\$ 150,008
Interest on funds not disbursed	5,338	802	2,511	2,494	832	11,977	8,177
	<u>116,251</u>	<u>5,719</u>	<u>27,182</u>	<u>10,579</u>	<u>832</u>	<u>160,563</u>	<u>158,185</u>
EXPENDITURES							
Bank charges and interest	545	346	491	481	2,591	4,454	5,296
Loan administration	478	-	-	46	-	524	1,376
Provision for doubtful loans (net of recoveries)	(8,982)	(8,671)	(37,173)	46,003	-	(8,823)	112,643
	<u>(7,959)</u>	<u>(8,325)</u>	<u>(36,682)</u>	<u>46,530</u>	<u>2,591</u>	<u>(3,845)</u>	<u>119,315</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	124,210	14,044	63,864	(35,951)	(1,759)	164,408	38,870
FUNDS BALANCES AT BEGINNING OF THE YEAR	1,684,443	(343,930)	(3,930)	3,321	137,018	1,476,922	1,438,052
INTERFUND TRANSFERS	(2,110)	(6)	(39)	(4)	(135,259)	(137,418)	-
FUND BALANCES AT END OF THE YEAR	<u>\$ 1,806,543</u>	<u>\$ (329,892)</u>	<u>\$ 59,895</u>	<u>\$ (32,634)</u>	<u>\$ -</u>	<u>\$ 1,503,912</u>	<u>\$ 1,476,922</u>

See notes to the non-consolidated financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED ASSETS - LOAN INVESTMENT FUNDS

For the year ended March 31, 2020

	Non- Repayable	Repayable Community Business	Repayable WED	Repayable Disabled Entrepreneur	Repayable BC Futures	2020 Total	2019 Total
CURRENT ASSETS							
Cash	\$ 259,495	\$ 80,624	\$ 238,287	\$ 43,552	\$ -	\$ 621,958	\$ 616,761
Accounts receivable	16	-	-	-	-	16	9
	259,511	80,624	238,287	43,552	-	621,974	616,770
LOANS RECEIVABLE (Note 4)	2,581,501	89,484	171,608	123,814	-	2,966,407	3,269,185
DUE FROM OTHER FUNDS (Note 5)	-	-	250,000	-	-	250,000	252,432
	<u>\$ 2,841,012</u>	<u>\$ 170,108</u>	<u>\$ 659,895</u>	<u>\$ 167,366</u>	<u>\$ -</u>	<u>\$ 3,838,381</u>	<u>\$ 4,138,387</u>
LIABILITIES							
CURRENT LIABILITIES							
Province of British Columbia (Note 7)	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Current portion of long-term debt (Note 8)	110,631	-	-	-	-	110,631	117,065
	110,631	250,000	-	-	-	360,631	367,065
REPAYABLE CONTRIBUTIONS (Note 9)	-	-	600,000	200,000	-	800,000	954,785
LONG-TERM DEBT (Note 8)	923,838	-	-	-	-	923,838	1,089,495
DUE TO OTHER FUNDS (Note 5)	-	250,000	-	-	-	250,000	250,120
	<u>1,034,469</u>	<u>500,000</u>	<u>600,000</u>	<u>200,000</u>	<u>-</u>	<u>2,334,469</u>	<u>2,661,465</u>
NON-CONSOLIDATED FUND BALANCE - LOAN INVESTMENT FUNDS							
RESTRICTED FUNDS							
Loan investment fund	1,806,543	(329,892)	59,895	(32,634)	-	\$ 1,503,912	\$ 1,476,922
	<u>\$ 2,841,012</u>	<u>\$ 170,108</u>	<u>\$ 659,895</u>	<u>\$ 167,366</u>	<u>\$ -</u>	<u>\$ 3,838,381</u>	<u>\$ 4,138,387</u>

See notes to the non-consolidated financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE NORTH CARIBOO**

NON-CONSOLIDATED CASH FLOW - LOAN INVESTMENT FUNDS

For the year ended March 31, 2020

	<u>Non- Repayable</u>	<u>Repayable Community Business</u>	<u>Repayable WED</u>	<u>Repayable Disabled Entrepreneur</u>	<u>Repayable BC Futures</u>	<u>2020 Total</u>	<u>2019 Total</u>
OPERATING ACTIVITIES							
Cash received from							
Interest on loans	\$ 112,392	\$ 6,090	\$ 27,218	\$ 7,526	\$ -	\$ 153,226	\$ 150,008
Interest on funds not disbursed	5,338	802	2,511	2,494	832	11,977	8,177
Loans repaid	567,771	34,919	143,504	30,517	239,317	1,016,028	755,495
Cash paid for							
Materials and services	(478)	-	-	(46)	-	(524)	(1,376)
Bank charges and interest	(545)	(346)	(491)	(481)	(2,591)	(4,454)	(5,296)
Loans disbursed	(464,265)	(48,577)	(46,500)	(149,732)	-	(709,074)	(973,097)
	<u>220,213</u>	<u>(7,112)</u>	<u>126,242</u>	<u>(109,722)</u>	<u>237,558</u>	<u>467,179</u>	<u>(66,089)</u>
FINANCING ACTIVITIES							
Proceeds of long-term debt	-	-	-	-	-	-	204,314
Loan payment	(172,091)	-	-	-	(154,785)	(326,876)	(184,707)
	<u>(172,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154,785)</u>	<u>(326,876)</u>	<u>19,607</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,122	(7,112)	126,242	(109,722)	82,773	140,303	(46,482)
CASH AT BEGINNING OF THE YEAR	211,051	87,742	112,084	153,278	52,606	616,761	663,243
INTERFUND ADJUSTMENTS	322	(6)	(39)	(4)	(135,379)	(135,106)	-
CASH AT END OF THE YEAR	<u>\$ 259,495</u>	<u>\$ 80,624</u>	<u>\$ 238,287</u>	<u>\$ 43,552</u>	<u>\$ -</u>	<u>\$ 621,958</u>	<u>\$ 616,761</u>

See notes to the non-consolidated financial statements