

**Community Futures
Development Corporation of
Central Interior First Nations
Financial Statements
For the Year Ended March 31, 2021**

Contents

Management's Responsibility for Financial Reporting	3
Independent Auditor's Report	4 - 6
Financial Information	
Exhibit A - Statement of Financial Position	7
Exhibit B - Statement of Operations and Net Assets	8
Exhibit C - Statement of Changes in Net Assets	9
Exhibit D - Statement of Cash Flows	10
Notes to Financial Statements	11 - 20
Unaudited Supplementary Financial Information	
Operating Fund	
Exhibit E - Statement of Financial Position	21
Exhibit F - Statement of Operations and Net Assets	22
Exhibit G - Combined Schedule of Operations and Net Assets	23
Exhibit H - Schedule of Operations and Net Deficiency - Core Fund	24
Exhibit I - Schedule of Operations and Net Assets - Employment and Training Program Fund	25
Exhibit J - Schedule of Operations and Net Assets - Special Projects Funds	26
Exhibit K - Schedule of Operations and Net Assets - JABC Funding	27

**Community Futures
Development Corporation of
Central Interior First Nations
Financial Statements
For the year ended March 31, 2021**

Contents

Operating Fund (continued)

Exhibit L - Schedule of Operations and Net Assets - STEP **28**

Exhibit M - Schedule of Operations and Net Assets - Other Projects **29**

Investment Fund

Exhibit N - Statement of Financial Position **30**

Exhibit O - Statement of Operations and Net Assets **31**

Management's Responsibility for Financial Reporting

The accompanying financial information of the Community Futures Development Corporation of Central Interior First Nations and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors on behalf of the Corporation.

The financial information has been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Financial information is not precise since it includes certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial information is presented fairly, in all material respects.

The Corporation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and the Corporation's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial information.

The Board of Directors reviews the Corporation's financial information and recommend their approval. The Board of Directors meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial information, and the external auditor's report. The Board of Directors takes this information into consideration when approving the financial information for issuance to the Corporation. The Board of Directors also consider the engagement of the external auditors.

The financial information has been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Board of Directors and management.

DocuSigned by:

Keith Matthew

DF40E713C15A4BD...

Director

DocuSigned by:

Dr. Atosun

C3B9DDA0D811486

Director



Tel: 250-372-9505
Fax: 250-374-6323
Toll-Free: 1-800-482-4531
www.bdo.ca

BDO Canada LLP
300 - 275 Lansdowne Street
Kamloops, BC V2C 6J3

Independent Auditor's Report

To the Board of Directors of Community Futures Development Corporation of Central Interior First Nations

Qualified Opinion

We have audited the financial statements of Community Futures Development Corporation of Central Interior First Nations ("the Corporation"), which comprise the statement of financial position as at March 31, 2021, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2021, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As disclosed in Note 1, loans receivable and promissory notes payable are initially recorded at face value which may not be the fair value of the financial instruments at inception. This constitutes a departure from Canadian accounting standards for not-for-profit organizations. This is the result of a decision taken by management at the start of the 2018 financial year.

As disclosed in Note 11, management is unable to estimate the collectability of loans receivable as a result of economic uncertainty brought on by COVID-19.

The impact of the departure of Canadian accounting standards for not-for-profit organizations and scope limitation on estimating the impact of COVID-19 on the financial statements has not been determined. Therefore, we were not able to determine whether any adjustments might be necessary to loans receivable, promissory notes payable, and excess of revenues over expenses for the year ended March 31, 2021, and net assets as at April 1 and March 31 for the 2021 year.

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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matters

We draw attention to the fact that the supplementary information included in Exhibits E to O does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.



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 Corporation'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 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 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 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 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 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.

BDO Canada LLP

**Chartered Professional Accountants
Kamloops, British Columbia
January 17, 2022**

**Community Futures Development Corporation
of Central Interior First Nations
Exhibit A - Statement of Financial Position**

As at March 31 **2021** **2020**

Assets**Current**

Cash and bank	\$ 2,613,182	\$ 998,486
Accounts receivable (Note 2)	26,451	26,532
Prepaid expenses & other current assets	1,400	3,675
Loans receivable (Note 3)	<u>3,217,207</u>	<u>1,352,988</u>
	5,858,240	2,381,681

Long-term investments (Note 4)**1,000** **1,000****Capital assets** (Note 5)**83,316** **21,693****\$ 5,942,556** **\$ 2,404,374****Liabilities and Net Assets****Current**

Accounts payable & accruals	\$ 136,240	\$ 99,761
Deferred revenue (Note 7)	193,358	50,281
Promissory notes due on demand (Note 9)	<u>305,607</u>	<u>305,607</u>
	635,205	455,649

Conditionally repayable contributions due on demand (Note 6)

810,000 **810,000**

Due to NACCA - Emergency Loan Program

3,000,000 **-****4,445,205** **1,265,649****Net Assets**

Net assets invested in capital assets	35,316	21,693
Externally restricted net assets	650,000	650,000
Unrestricted net assets	<u>812,035</u>	<u>467,032</u>
	1,497,351	1,138,725

\$ 5,942,556 **\$ 2,404,374****Commitments** (Note 10)

Approved on behalf of the Board:

DocuSigned by:



Director

DF46E713C15A4BD...

DocuSigned by:



Director

C3B9DDA0D811486...

**Community Futures Development Corporation
of Central Interior First Nations
Exhibit B - Statement of Operations and Net Assets**

For the year ended March 31	2021	2020
Revenue		
Western Economic Diversification	\$ 347,891	\$ 307,517
Aboriginal Business Service Network	6,900	-
ASETS	7,972	6,278
Indigenous Business Development	25,000	12,500
Interest	87,389	99,895
Emergency Loan Program	358,493	-
Shuswap Training & Employment Program	-	23,418
National Aboriginal Capital Corporation Association	-	39,345
Training and mentoring contracts	-	3,941
Kweseltken Kitchen	101,030	-
New Relationship Trust	-	25,000
Other income	105,324	163,501
	1,039,999	681,395
Expenditures		
Administration fees - external	2,906	1,762
Administration fees - internal	-	3,941
Advertising and marketing	34,478	25,579
Amortization	25,236	10,748
Bad debts (recovery)	1,904	(3,733)
Bad loans provision	47,736	-
Benefits	19,858	21,083
Client non-repayable contrib - NRT	5,000	20,000
Contract services	148,467	67,226
Honoraria	2,800	-
Loss on program investments (BMO)	-	12,500
Materials and supplies	27,005	23,370
Office rental	23,056	22,149
Office supplies and sundry	18,063	20,919
Photocopy, telephone and sundry	4,362	9,058
Travel	8,588	65,699
Wages	244,437	269,518
Workshops and training	56,748	75,439
Loss due to fraud	10,729	-
	681,373	645,258
Excess of revenue over expenditures	\$ 358,626	\$ 36,137

**Community Futures Development Corporation
of Central Interior First Nations
Exhibit C - Statement of Changes in Net Assets**

For the year ended March 31	Invested in capital assets	Unrestricted	Restricted	2021	2020
Balance , beginning of year	\$ 21,693	\$ 467,032	\$ 650,000	\$ 1,138,725	\$ 1,102,588
Excess of revenue over expenditures for the year	-	358,626	-	358,626	36,137
Add:					
Purchase of capital assets	86,859	(86,859)	-	-	-
Amortization of deferred capital contributions	12,000	(12,000)	-	-	-
Deduct:					
Amortization of capital assets	(25,236)	25,236	-	-	-
Deferred capital contributions	(60,000)	60,000	-	-	-
Balance , end of year	\$ 35,316	\$ 812,035	\$ 650,000	\$ 1,497,351	\$ 1,138,725

**Community Futures Development Corporation
of Central Interior First Nations
Exhibit D - Statement of Cash Flows**

For the year ended March 31	2021	2020
Operating activities		
Cash received from all sources	\$ 961,984	\$ 596,379
Cash paid to suppliers and employees	2,516,400	(568,567)
Interest received	87,389	99,895
Collection of operating loans receivable	174,157	163,568
Issuance of operating loans receivable	<u>(2,038,375)</u>	<u>(290,697)</u>
Cash flows from (used in) operating activities	<u>1,701,555</u>	<u>578</u>
Financing activity		
Payments of long-term debt	-	(32,513)
Investing activities		
Purchase of capital assets	<u>(86,859)</u>	<u>(25,275)</u>
Cash flows from investing activities	<u>(86,859)</u>	<u>(25,275)</u>
Increase (decrease) in cash	1,614,696	(57,210)
Cash, beginning of year	<u>998,486</u>	<u>1,055,696</u>
Cash, end of year	<u>\$ 2,613,182</u>	<u>\$ 998,486</u>

Community Futures Development Corporation of Central Interior First Nations Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Nature of Operations

The Corporation was incorporated under the *Canada Corporations Act* on March 31, 1995 as a not-for-profit organization. The Community Futures Development Corporation of Central Interior First Nations (the "Corporation") promotes and provides community economic development support services to First Nations persons, businesses, and communities in the Thompson-Shuswap-Nicola-Fraser Canyon-Lillooet-North Okanagan area. Through the provision of advisory, co-ordination, information, financial, and program objectives, the Board will facilitate improved economic self-reliance of First Nations people in this area.

The Corporation is a registered charity for income tax purposes.

Fund Accounting

The Community Futures Development Corporation of Central Interior First Nations records accounting transactions using the restricted fund method of accounting for contributions. A fund is determined for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The Operating Fund reports the administrative, operating, and investing activities of the Corporation.

The Invested in Capital Asset Fund reports the capital assets of the Corporation, together with their related financing.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the appropriate Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate Fund. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.

Unrestricted contributions are recognized as revenue of the appropriate Fund in the received or receivable under the terms of applicable funding agreements if the amount to be received can be reasonably estimated and collection is reasonably assured.

Administrative fees revenue on promissory notes are deferred and taken into income over the term of the loan. Interest revenue is recognized as it is earned.

**Community Futures Development Corporation
of Central Interior First Nations
Notes to Financial Statements**

March 31, 2021

1. Significant Accounting Policies (continued)

Capital Assets

Capital assets acquired are valued at cost and are recorded in the Invested in Capital Asset Fund. When a capital asset no longer has any long-term service potential to the Corporation, it is written down to its residual value, if any. The acquisition costs of capital assets and payments on capital debt, which are not funded from capital financing sources are recorded as interfund transfers from the applicable fund to the Invested in Capital Asset Fund in the year of expenditure. These expenditures are also recorded as an addition to assets of the Invested in Capital Asset Fund.

Amortization is based on the estimated useful life of the assets. Amortization is charged at the following rates and methods:

Furniture and fixtures	4 years	straight-line
Computer equipment	2 years	straight-line
Vehicles	20%	declining balance

Capital assets are written down to net realizable value at the point they no longer contribute to the Corporation's ability to provide services.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make assumption and estimates that have an effect on the reported amounts of assets and liabilities and disclosure at the date of the financial statements and the reported amounts of revenue and expenses during the period. Estimates in the financial statements include the valuation of loans receivable and amortization of capital assets. Actual results could be different from those estimates.

Community Futures Development Corporation of Central Interior First Nations Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

Financial Instruments

Except for loans receivable and promissory notes payable, financial instruments are recorded at fair value at initial recognition. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

The Corporation's financial instruments consist of cash, temporary investments, loans receivable, long-term investments, and accounts payable. The carrying values of cash and temporary investments approximate their fair value due to the relatively short periods to maturity of these items. The carrying value of long-term investments is cost.

Loans receivable and promissory notes payable are recorded at inception at their face value rather than at fair value. Face value may not reflect fair value due to preferential terms which may not reflect market values. The carrying value of these items is amortized cost.

The Corporation is exposed to financial risk that arises from the credit quality of the entities to which it provides loans. Credit risk arises from the possibility that these entities may experience financial difficulty and be unable to fulfill their obligations. The Corporation performs ongoing credit evaluations of the entities' financial condition and maintains provisions for potential credit losses.

It is management's opinion that the corporation is not exposed to significant interest or currency risks arising from these financial instruments.

**Community Futures Development Corporation
of Central Interior First Nations
Notes to Financial Statements**

March 31, 2021

1. Significant Accounting Policies (continued)

Impairment of Long-lived Assets

In the event that facts and circumstances indicate that the Corporation's long lived assets may be impaired, a test of recoverability would be performed.

Such a test entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required.

For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

2. Accounts Receivable

	2021	2020
Miscellaneous	\$ 26,451	\$ 26,532

Community Futures Development Corporation of Central Interior First Nations Notes to Financial Statements

March 31, 2021

3. Loans Receivable

	Loans receivable	Allowance for doubtful loans	Net 2021	Net 2020
Loans	\$ 915,901	\$ 101,292	\$ 814,609	\$ 929,441
Community Business Loans Program	407,286	40,000	367,286	423,547
Emergency Loan Program	2,035,312	-	2,035,312	-
	\$ 3,358,499	\$ 141,292	\$ 3,217,207	\$ 1,352,988

(a) Loans receivable:

Loans receivable are advanced pursuant to agreements with the Community Futures Program of Western Economic Diversification and Community Business Loans Program. The programs are aimed to provide funding to assist Aboriginal entrepreneurs in business ventures within a defined region of the Central Interior of British Columbia. Most loans are term loans with rates between 8% to 12% compounded monthly. Any exception to this is by board resolution. The Corporation makes available an annual interest rate rebate of 25% of the total interest paid on an individual loan for borrowers who have met all of the loan terms and repayment conditions. The average annual yield on the loans was 6.18% (2019 - 6.99%). As of March 31, 2020, 35 loans (2019 - 29) are outstanding. Generally, loans are supported by charges against tangible property. The Corporation's loans have maturities ranging between one and five years.

The Community Business Loans Program is a provincial program to stimulate economic development and growth in British Columbia.

Youth loans are a Western Economic Diversification program to stimulate economic development and growth to youth sector businesses in British Columbia.

Entrepreneurs with disabilities loans are a Western Economic Diversification program to stimulate economic development and growth to businesses of entrepreneurs with disabilities in British Columbia.

The Microloans Fund was established to provide loans to graduates of the Aboriginal BEST program. Loans are limited to a maximum of \$1,500.

**Community Futures Development Corporation
of Central Interior First Nations
Notes to Financial Statements**

March 31, 2021

3. Loans Receivable (continued)

(b) Emergency Loan Program

The Emergency Loan Program provides businesses with up to \$60,000 each to financing qualifying expenses during COVID. The loans are non-interest bearing with no scheduled payments until December 31, 2022. If the balance of the loan has been repaid by that date, 25% of the first \$40,000 and 50% of amounts above \$40,000 and up to \$60,000 will be forgiven. If the full amount of the loan payments have not been made by December 31, 2022, the full outstanding balance of the loan will be converted to a 5% interest bearing loan to be repaid in monthly installments over a three year period ending December 31, 2025.

As the Corporation records financial assets at fair value at inception, the loans receivable are presented net of the forgivable portion totaling \$2,035,312. There loans were financed via the conditionally payable loan from NACCA. (Note 12).

(c) Allowance for doubtful loans:

Allowance for doubtful loans is provided for on the following basis:
Specific: Management has evaluated all loans in arrears with any risk of loss. Specific loans are written off when they are identified by management as uncollectable. Management has calculated a specific provision on loans of \$44,292 for loans to be written off.

Non-specific: Management has calculated a non-specific provision on loans of \$97,000 for the overall loans receivable.

4. Long-term Investments

	2021	2020
0.0062% of common shares in All Nations Trust Company	\$ 1,000	\$ 1,000

**Community Futures Development Corporation
of Central Interior First Nations
Notes to Financial Statements**

March 31, 2021

5. Capital Assets

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Investing:				
Furniture and fixtures	\$ 31,925	\$ 31,925	\$ 31,925	\$ 31,925
Operating:				
Computer equipment	150,516	149,651	148,787	147,896
Furniture, fixtures and vehicles	164,778	82,327	79,648	58,846
	<u>347,219</u>	<u>263,903</u>	260,360	238,667
Net book value		<u>\$ 83,316</u>		<u>\$ 21,693</u>

6. Investment Contributions and Loans

	<u>2021</u>	<u>2020</u>
(a) Contributions	<u>\$ 650,000</u>	<u>\$ 650,000</u>
(b) Loans:		
Repayable loan program	200,000	200,000
Repayable youth loan program	200,000	200,000
Community Business loans program	250,000	250,000
Repayable Entrepreneurs with Disabilities loan program	<u>160,000</u>	<u>160,000</u>
	<u>\$ 810,000</u>	<u>\$ 810,000</u>

These loans are repayable over various terms under the investment agreements. In addition, \$250,000 (\$200,000 repayable loan program and \$50,000 repayable youth loan program) of the funds received from Western Economic Diversification were used as matching funds regarding the Community Business Loans program to provide a pool of \$500,000 of funds for this program.

**Community Futures Development Corporation
of Central Interior First Nations
Notes to Financial Statements**

March 31, 2021

7. Deferred Revenue

Deferred revenue includes funding received for programs/projects that were not completed at year end, and unearned administrative fees received on promissory notes. These amounts are recorded as a liability as they are unearned at year end.

	2021	2020
Unearned Administrative fees on promissory notes	\$ 19,862	\$ 24,655
Western Economic Diversification	25,626	25,626
Deferred capital contributions - Food truck	48,000	-
Salish Fire Keepers Society	9,295	-
ROF Project agreement	90,575	-
	\$ 193,358	\$ 50,281

8. Global Pandemic

Subsequent to year-end, the impact of COVID-19 in Canada and on the global economy increased significantly. This has resulted in worldwide emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown. As a result, there is significant increase in credit risks of the Corporation on loans receivable from borrowers. Given the dynamic nature of COVID 19, CFDC is not able to fully estimate the effects of the COVID-19 outbreak on the collectivity of loan receivables, its results of operations, financial condition, or liquidity at this time.

9. Promissory Notes Payable

The Corporation holds promissory notes owing to the National Aboriginal Capital Corporations Association (NACCA) in the amount of \$305,607 (2020 - \$305,607). Principal balances are repaid to NACCA as the corresponding loan receivables are collected. The promissory notes are conditionally due on demand, interest free, and unsecured, but are matched against specific loans receivable of \$305,607.

**Community Futures Development Corporation
of Central Interior First Nations
Notes to Financial Statements**

March 31, 2021

10. Commitments

The Corporation has entered into two operating leases for equipment rental and for office space. Minimum annual lease payments due over the next five years are approximately as follows:

2022	\$	25,616
2023		25,616
2024		3,468
2025		3,468
2026		289
		289
	\$	58,457

11. Capital Disclosures

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

- 1) To safeguard the Corporation's ability to carry on as a going concern so the Corporation can continue to facilitate economic self-reliance of First Nations people in the area through providing credit-worthy individuals with loans through established lending practices.
 - 2) The Board reviews active loans on a regular basis to ensure loans are collectible and no further action is required. The Board also reviews the allowance for uncollectable loans and makes revisions when necessary.
 - 3) Management maintains an investment portfolio representing cash which has not been loaned to individuals. This investment portfolio consists of low risk money market securities as the funds must remain liquid to be available for lending.
 - 4) Management ensures there is adequate available cash flow to fund ongoing operations by comparing actual results to the operating budget and monitoring funding requirements.
-

**Community Futures Development Corporation
of Central Interior First Nations
Notes to Financial Statements**

March 31, 2021

12. Due to NACCA - Emergency Loan Program

As disclosed in Note 3, the Corporation received \$3,000,000 in funding to provide emergency loans. To the extent that this amount has not been used to fund loans at the end of the application period (currently June 2021), any unused funds are to be returned to NACCA. At March 31, 2021, the unused balance on hand was \$35,500.

As of March 31, 2021, \$2,964,500 has been used to fund emergency loans, including refundable portion of \$926,125. The balance due to NACCA is non-interest bearing with no payments due until after December 31, 2022. Any loan payments received to that date will be remitted in a lump sum payment to NACCA. After that time, the remaining loan continues to be non-interest bearing and will be repayable in monthly installments over a three year period ending December 31, 2025. The balance to be repaid will be reduced to the extent that the loans receivable are forgiven (Note 3) and by any loans that are not collectible and costs associated with attempts to collect loans in arrears.

As the Corporation records financial liabilities at fair value, the balance has been recorded net of the forgivable portion of the loans receivable expected to reduce this balance owing.

**Community Futures Development Corporation
of Central Interior First Nations
Operating Fund
Exhibit E - Statement of Financial Position
(Unaudited)**

As at March 31	2021	2020
Assets		
Current		
Cash and bank	\$ 308,499	\$ 82,361
Accounts receivable	26,406	26,487
Prepaid expenses & other current assets	1,400	3,675
	<u>336,305</u>	112,523
Capital assets	<u>83,316</u>	21,693
	<u>\$ 419,621</u>	<u>\$ 134,216</u>
Liabilities and Net Assets		
Current		
Accounts payable & accruals	\$ 23,412	\$ 60,589
Deferred revenue	184,063	50,281
Due to Investment Fund	28,526	135,597
	<u>236,001</u>	<u>246,467</u>
Net Assets		
Net assets invested in capital assets	35,316	21,693
Externally restricted net deficiency - Exhibit G	173,782	(104,744)
Unrestricted net assets - Exhibit G	(25,478)	(29,200)
	<u>183,620</u>	<u>(112,251)</u>
	<u>\$ 419,621</u>	<u>\$ 134,216</u>

**Community Futures Development Corporation
of Central Interior First Nations
Operating Fund
Exhibit F - Statement of Operations and Net Assets
(Unaudited)**

For the year ended March 31	2021	2020
Revenue		
Western Economic Diversification	\$ 347,891	\$ 307,517
Aboriginal Business Service Network	6,900	-
Other income	104,248	155,220
Shuswap Training & Employment Program	-	23,418
Training and mentoring contracts	-	3,941
Indigenous Business Development	25,000	12,500
National Aboriginal Capital Corporation Association	-	39,345
ASETS	7,972	6,278
Kweseltken Kitchen	101,030	-
Emergency Loan Program	358,493	-
	951,534	548,219
Expenditures		
Administration fees - external	2,906	1,762
Administration fees - internal	-	3,941
Advertising and marketing	21,591	13,476
Amortization	25,236	10,748
Benefits	19,858	21,089
Contract services	81,263	18,922
Honoraria	2,800	-
Materials and supplies	27,005	23,370
Office rental	23,056	22,149
Office supplies and sundry	18,059	20,915
Photocopy, telephone and sundry	4,362	9,058
Professional fees	66,771	41,116
Travel	8,588	65,699
Wages	244,437	269,518
Workshops and training	56,748	75,439
	602,680	597,202
Excess (deficiency) of revenue over expenditures before the other items	348,854	(48,983)
Transfer from Investment Fund	(52,983)	18,600
Excess (deficiency) of revenue over expenditures	295,871	(30,383)
Net deficiency, beginning of the year	(112,251)	(81,868)
Net deficiency, end of year	\$ 183,620	\$ (112,251)

**Community Futures Development Corporation
of Central Interior First Nations
Operating Fund
Exhibit G - Combined Schedule of Operations and Net Assets
(Unaudited)**

For the year ended March 31	Net assets (deficiency) 2020	Revenue	Expenditures	Change in net assets for the year	Capital purchases	Interfund transfers	Net assets (deficiency) 2021
H. Core Fund	\$ (85,548)	\$ 357,140	\$ 371,355	\$ (14,215)	-	\$ (52,983)	\$ (152,746)
I. Employment and Training Program Fund	(8,001)	7,972	7,936	36	-	6,279	(1,686)
J. Special Projects Fund	(29,200)	25,000	-	25,000	-	(21,278)	(25,478)
L. Trans Mtn Pipeline Workshop	(1,314)	-	-	-	-	-	(1,314)
M. Other Projects	11,812	561,423	223,391	338,032	-	15,000	364,844
Total	\$ (112,251)	\$ 951,535	\$ 602,682	\$ 348,853	\$ -	\$ (52,982)	\$ 183,620

For the year ended March 31	Net assets (deficiency) 2020	Revenue	Expenditures	Change in net assets for the year	Capital purchases	Interfund transfers	Deferred capital contributions	Net assets (deficiency) 2021
Unrestricted net assets (deficiency)	(29,200)	25,000	-	25,000	-	(21,278)	-	(25,478)
Restricted net assets (deficiency)	(104,744)	926,535	577,446	349,089	(86,859)	(31,704)	48,000	173,782
Invested in capital assets	21,693	-	25,236	(25,236)	86,859	-	(48,000)	35,316
Total	\$ (112,251)	\$ 951,535	\$ 602,682	\$ 348,853	\$ -	\$ (52,982)	\$ -	\$ 183,620

**Community Futures Development Corporation
of Central Interior First Nations
Operating Fund
Exhibit H - Schedule of Operations and Net Deficiency
Core Fund
(Unaudited)**

For the year ended March 31	2021	2020
Revenue		
Western Economic Diversification	\$ 347,891	\$ 307,517
Other income	9,159	43,955
Interest	90	1,265
	<u>357,140</u>	<u>352,737</u>
Expenditures		
Administration fees - external	2,906	1,762
Advertising and marketing	18,341	12,095
Benefits	19,039	15,477
Materials and supplies	17,328	19,479
Office rental	17,956	15,053
Office supplies and sundry	18,063	20,919
Photocopy, telephone and sundry	4,362	8,240
Professional fees	66,771	41,116
Travel	7,288	46,488
Wages	165,126	155,141
Workshops and training	8,939	54,031
Amortization	25,236	10,748
	<u>371,355</u>	<u>400,549</u>
Deficiency of revenue over expenditures	(14,215)	(47,812)
Deficiency, beginning of year	(85,548)	(48,479)
Transfer from other funds:		
Transfer from other funds	(52,983)	10,743
Capital purchase	(8,059)	-
	<u>(61,042)</u>	<u>10,743</u>
Deficiency, end of year	\$ (160,805)	\$ (85,548)

Community Futures Development Corporation of Central Interior First Nations
Operating Fund
Exhibit I - Schedule of Operations and Net Assets (Deficiency)
Employment and Training Program Fund
(Unaudited)

For the year ended March 31	Admin Assistant	ISEPTS (ASETS)	Emergency Preparedness – Agri. BC	Minister of agriculture federal career focus program	2021	2020
Revenue						
Province of B.C.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,854
Indig.Skills & Train.Prog	-	-	-	-	-	23,418
Minister of agriculture	7,972	-	-	-	7,972	6,278
	7,972	-	-	-	7,972	40,550
Expenditures						
Benefits	818	-	-	-	818	2,282
Materials and supplies	-	-	-	-	-	2,139
Photocopy and telephone	-	-	-	-	-	818
Travel	-	-	-	-	-	5,429
Wages	7,118	-	-	-	7,118	33,937
Workshop	-	-	-	-	-	3,946
	7,936	-	-	-	7,936	48,551
Excess (deficiency) of revenue over expenditures	36	-	-	-	36	(8,001)
Net assets (deficiency), beginning of year	(1,404)	173	(491)	(6,279)	(8,001)	(2,553)
Transfers from other funds	-	-	-	6,279	6,279	2,553
Net assets (deficiency), end of year	\$ (1,368)	\$ 173	\$ (491)	\$ -	\$ (1,686)	\$ (8,001)

Community Futures Development Corporation of Central Interior First Nations
Operating Fund
Exhibit J - Schedule of Operations and Net Assets
Special Projects Fund
(Unaudited)

For the year ended March 31	IBDS Contribution	Special Projects Fund	Wildfire Outreach	2021	2020
Revenue					
Other income	\$ -	\$ -	\$ -	\$ -	\$ 3,941
IBDS	25,000	-	-	25,000	12,500
Community Futures Cariboo Chilcotin	-	-	-	-	15,000
	25,000	-	-	25,000	31,441
Expenditures					
Benefits	-	-	-	-	1,152
Travel (recovery)	-	-	-	-	5,681
Wages	-	-	-	-	28,815
	-	-	-	-	35,648
Excess (deficiency) of revenue over expenditures	25,000	-	-	25,000	(4,207)
Net deficiency, beginning of year	(8,121)	(18,794)	(2,286)	(29,200)	(24,993)
Transfer from other funds	(15,000)	(6,278)	-	(21,278)	-
Net deficiency, end of year	\$ 1,879	\$ (25,072)	\$ (2,286)	\$ (25,478)	\$ (29,200)

**Community Futures Development Corporation
of Central Interior First Nations
Operating Fund
Exhibit K - Schedule of Operations and Net Assets
Policy and Planning
(Unaudited)**

For the year ended March 31	2021	2020
Expenditures		
Workshops and training	\$ -	\$ 5,975
	<u>-</u>	<u>5,975</u>
Excess (deficiency) of revenue over expenditures	-	(5,975)
Net assets, beginning of year	<u>-</u>	<u>5,975</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>

**Community Futures Development Corporation
of Central Interior First Nations
Operating Fund
Exhibit L - Schedule of Operations and Net Assets
Trans Mtn Pipeline Workshop
(Unaudited)**

For the year ended March 31	2021	2020
Revenue		
Dept of Natural Resources	\$ -	\$ 13,491
Expenditures		
Administration fees - internal	-	3,941
Contract services	-	2,502
Office rental	-	496
Travel	-	324
Wages	-	254
Workshops and training	-	7,288
	-	14,805
Excess (deficiency) of revenue over expenditures	-	(1,314)
Net deficiency, beginning of year	(1,314)	-
Net deficiency, end of year	\$ (1,314)	\$ (1,314)

**Community Futures Development Corporation of
Central Interior First Nations
Operating Fund
Exhibit M - Schedule of Operations and Net Assets
Other Projects
(Unaudited)**

For the year ended March 31	Export Navigator	Wildfire Transfer	Kweseltken Kitchen	Fee for Service Contracts - Agri Assessment	NACCA IRP	NACCA ELDP Admin	2021	2020
Revenue								
Small Business PROV BC	\$ 95,000	\$ -	\$ 40,430	\$ -	\$ -	\$ 358,493	\$ 493,923	\$ 90,000
Province of BC	-	-	60,600	-	-	-	60,600	20,000
Other income	-	-	-	6,900	-	-	6,900	-
	<u>95,000</u>	<u>-</u>	<u>101,030</u>	<u>6,900</u>	<u>-</u>	<u>358,493</u>	<u>561,423</u>	<u>110,000</u>
Expenditures								
Benefits	-	-	-	-	-	-	-	2,173
Contract services	56,702	-	8,351	6,900	9,310	-	81,263	16,420
Honoraria	-	-	2,800	-	-	-	2,800	-
Materials and supplies	279	-	9,397	-	-	-	9,676	1,752
Office rental	-	-	5,100	-	-	-	5,100	6,600
Travel	-	-	1,299	-	-	-	1,299	7,777
Wages	-	-	-	-	21,980	50,213	72,193	51,371
Workshops and training	-	-	20,577	-	-	27,233	47,810	4,202
Advertising and marketing	738	-	2,512	-	-	-	3,250	1,381
	<u>57,719</u>	<u>-</u>	<u>50,036</u>	<u>6,900</u>	<u>31,290</u>	<u>77,446</u>	<u>223,391</u>	<u>91,676</u>
Excess of revenue over expenditures	37,281	-	50,994	-	(31,290)	281,047	338,032	18,324
Net assets, beginning of year	25,617	(13,804)	-	-	-	-	11,812	(10,322)
Transfers from other funds	-	-	15,000	-	-	-	15,000	3,810
Capital purchases	-	-	(78,800)	-	-	-	(78,800)	-
Net assets (deficiency), end of year	\$ 62,898	\$ (13,804)	\$ (12,806)	\$ -	\$ (31,290)	\$ 281,047	\$ 286,044	\$ 11,812

**Community Futures Development Corporation
of Central Interior First Nations
Investment Fund
Exhibit N - Statement of Financial Position
(Unaudited)**

As at March 31	General Investment Fund	Youth Investment Fund	Community Business Loans Program	Entrepreneurs with Disabilities Fund	Micro Loans	Emergency Loan Fund	2021	2020
Assets								
Cash and bank	\$ 627,453	\$ 536	\$ 877,171	\$ 93	\$ 115,049	\$ 684,380	\$ 2,304,682	\$ 916,124
Accounts receivable	-	-	45	-	-	-	45	42
Due from (to) operating	(429,588)	89,179	239,641	99,879	29,415	-	28,526	135,598
Loans receivable	814,609	-	367,286	-	-	2,035,312	3,217,207	1,352,988
Long-term investments (Note 8)	1,000	-	-	-	-	-	1,000	1,000
Inter-departmental Balances	(14,397)	141,917	(396,485)	119,423	(129,099)	278,641	-	-
	\$ 999,077	\$ 231,632	\$ 1,087,658	\$ 219,395	\$ 15,365	\$ 2,998,333	\$ 5,551,460	\$ 2,405,752
Liabilities and Net Assets								
Liabilities								
Accounts payable & accruals	\$ 87,554	\$ -	\$ 25,287	\$ -	\$ -	\$ 3,000,000	\$ 3,112,841	\$ 39,185
Investment fund contributions and loans	-	150,000	500,000	160,000	-	-	810,000	810,000
Deferred revenue	9,295	-	-	-	-	-	9,295	-
Promissory notes	-	-	305,607	-	-	-	305,607	305,607
	96,849	150,000	830,894	160,000	-	3,000,000	4,237,743	1,154,792
Net Assets								
Externally restricted net assets	650,000	-	-	-	-	-	650,000	650,000
Unrestricted net assets	252,228	81,632	256,764	59,395	15,365	(1,667)	663,717	600,960
	902,228	81,632	256,764	59,395	15,365	(1,667)	1,313,717	1,250,960
	\$ 999,077	\$ 231,632	\$ 1,087,658	\$ 219,395	\$ 15,365	\$ 2,998,333	\$ 5,551,460	\$ 2,405,752

**Community Futures Development Corporation
of Central Interior First Nations
Investment Fund
Exhibit O - Statement of Operations and Net Assets
(Unaudited)**

For the year ended March 31	General Investment Fund	Youth Investment Fund	Community Business Loans Program	Entrepreneurs with Disabilities Fund	Micro Loans	Emergency Loan Fund	2021	2020
Revenue								
Loan interest	\$ 62,633	\$ -	\$ 22,416	\$ -	\$ -	\$ 48	\$ 85,097	\$ 83,600
Investment interest	1,259	-	1,032	-	-	-	2,291	16,295
Miscellaneous income	1,000	-	75	-	-	-	1,075	8,281
New Relationship Trust	-	-	-	-	-	-	-	25,000
	64,892	-	23,523	-	-	48	88,463	133,176
Expenditures								
Advertising and sundry	10,954	-	136	-	90	1,708	12,888	12,103
Audit	425	-	-	-	-	7	432	7,188
Bad debt	-	-	1,904	-	-	-	1,904	(3,733)
Bad loans provision and write-off	44,292	-	3,444	-	-	-	47,736	-
Loss due to fraud	10,729	-	-	-	-	-	10,729	-
Client non-repayable contrib - NRT	5,000	-	-	-	-	-	5,000	20,000
Loss on program investments (BMO)	-	-	-	-	-	-	-	12,500
	71,400	-	5,484	-	90	1,715	78,689	48,058
Excess (deficiency) of revenue over expenditures	(6,508)	-	18,039	-	(90)	(1,667)	9,774	85,118
Net assets, beginning of year	857,280	81,632	237,198	59,395	15,455	-	1,250,960	1,184,443
Transfer	51,456	-	1,527	-	-	-	52,983	(18,600)
Net assets, end of year	\$ 902,228	\$ 81,632	\$ 256,764	\$ 59,395	\$ 15,365	\$ (1,667)	\$ 1,313,717	\$ 1,250,961