

**Community Futures
Development Corporation of
Central Interior First Nations
Financial Statements
For the year ended March 31, 2020**

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**Community Futures
Development Corporation of
Central Interior First Nations
Financial Statements
For the year ended March 31, 2020**

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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.

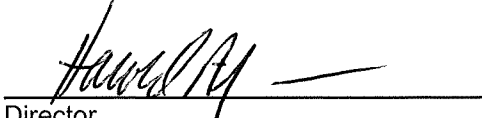
The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial information.

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.



Director



Director



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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, 2020, 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, 2020, 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, 2020, and net assets as at April 1 and March 31 for the 2020 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**

November 25, 2020

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

As at March 31 2020 2019

Assets

Current

| | | | | |
|---|----|-----------|----|-----------|
| Cash and bank | \$ | 998,486 | \$ | 1,055,696 |
| Accounts receivable (Note 2) | | 26,532 | | 41,412 |
| Prepaid expenses & other current assets | | 3,675 | | 8,077 |
| Loans receivable (Note 3) | | 1,352,988 | | 1,225,859 |
| | | 2,381,681 | | 2,331,044 |

Long-term investments (Note 4)

Capital assets (Note 5) 1,000 1,000

21,693 7,166

\$ 2,404,374 \$ 2,339,210

Liabilities and Net Assets

Current

| | | | | |
|-----------------------------|----|---------|----|--------|
| Accounts payable & accruals | \$ | 99,761 | \$ | 34,828 |
| Deferred revenue (Note 7) | | 50,281 | | 53,674 |
| | | 150,042 | | 88,502 |

| | | |
|--|-----------|-----------|
| Conditionally repayable contributions due on demand (Note 6) | 810,000 | 810,000 |
| Promissory notes due on demand (Note 8) | 305,607 | 338,120 |
| | 1,265,649 | 1,236,622 |

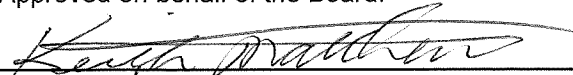
Net Assets

| | | |
|---------------------------------------|-----------|-----------|
| Net assets invested in capital assets | 21,693 | 7,166 |
| Externally restricted net assets | 650,000 | 650,000 |
| Unrestricted net assets | 467,032 | 445,422 |
| | 1,138,725 | 1,102,588 |

\$ 2,404,374 \$ 2,339,210

Commitments (Note 9)

Approved on behalf of the Board:

 _____ Director

 _____ Director

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

| For the year ended March 31 | 2020 | 2019 |
|---|------------------|-----------------|
| Revenue | | |
| Western Economic Diversification Province of B.C. | \$ 307,517 | \$ 307,517 |
| ASETS | - | 20,118 |
| Indigenous Business Development | 6,278 | 21,268 |
| Interest | 12,500 | 15,000 |
| Shuswap Training & Employment Program | 99,895 | 99,781 |
| National Aboriginal Capital Corporation Association | 23,418 | - |
| Training and mentoring contracts | 39,345 | - |
| Urban Aboriginal Program | 3,941 | - |
| New Relationship Trust | - | 19,214 |
| Canada Summer Jobs | 25,000 | 25,000 |
| Other income | - | 6,809 |
| | 163,501 | 303,381 |
| | 681,395 | 818,088 |
| Expenditures | | |
| Administration fees - external | 1,762 | 1,689 |
| Administration fees - internal | 3,941 | - |
| Advertising and marketing | 25,579 | 16,205 |
| Amortization | 10,748 | 9,945 |
| Bad debts (recovery) | (3,733) | 44,025 |
| Benefits | 21,083 | 37,054 |
| Client non-repayable contributions - NRT | 20,000 | 15,000 |
| Contract services | 67,226 | 61,118 |
| Honoraria | - | 950 |
| Loss on program investments (BMO) | 12,500 | 12,693 |
| Materials and supplies | 23,370 | 30,898 |
| Office rental | 22,149 | 24,273 |
| Office supplies and sundry | 20,919 | 17,010 |
| Photocopy, telephone and sundry | 9,058 | 19,327 |
| Travel | 65,699 | 84,260 |
| Wages | 269,518 | 395,280 |
| Workshops and training | 75,439 | 46,090 |
| | 645,258 | 815,817 |
| Excess of revenue over expenditures | \$ 36,137 | \$ 2,271 |

**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 | 2020 | 2019 |
|---|-------------------------------|-------------------|-------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 7,166 | \$ 445,422 | \$ 650,000 | \$ 1,102,588 | \$ 1,100,317 |
| Excess of revenue over expenditures for the year | - | 36,137 | - | 36,137 | 2,271 |
| Add: | | | | | |
| Purchase of capital assets | 25,275 | (25,275) | - | - | - |
| Deduct: | | | | | |
| Amortization of capital assets | (10,748) | 10,748 | - | - | - |
| Balance, end of year | \$ 21,693 | \$ 467,032 | \$ 650,000 | \$ 1,138,725 | \$ 1,102,588 |

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

| For the year ended March 31 | 2020 | 2019 |
|---|-------------------|---------------------|
| Operating activities | | |
| Cash received from all sources | \$ 596,379 | \$ 840,634 |
| Cash paid to suppliers and employees | (568,567) | (1,024,574) |
| Interest received | 99,895 | 99,781 |
| Collection of operating loans receivable | 163,568 | 107,290 |
| Issuance of operating loans receivable | (290,697) | (290,697) |
| Cash flows from (used in) operating activities | 578 | (267,566) |
| Financing activity | | |
| Proceeds of long term debt | - | 21,777 |
| Payments of long-term debt | (32,513) | - |
| Cash flows from financing activities | (32,513) | 21,777 |
| Investing activities | | |
| Purchase of capital assets | (25,275) | (11,149) |
| Decrease in marketable securities | - | 307,862 |
| Cash flows from investing activities | (25,275) | 296,713 |
| Increase (decrease) in cash | (57,210) | 50,924 |
| Cash, beginning of year | 1,055,696 | 1,004,772 |
| Cash, end of year | \$ 998,486 | \$ 1,055,696 |

Community Futures Development Corporation of Central Interior First Nations

Notes to Financial Statements

March 31, 2020

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, 2020

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, 2020

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, 2020

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

| | <u>2020</u> | <u>2019</u> |
|-----------------|------------------|------------------|
| NACCA Workshops | \$ - | \$ 3,363 |
| Miscellaneous | <u>26,532</u> | <u>35,981</u> |
| | <u>\$ 26,532</u> | <u>\$ 39,344</u> |

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

March 31, 2020

3. Loans Receivable

| | Loans receivable | Allowance for doubtful loans | Net 2020 | Net 2019 |
|-------------------------------------|---------------------|---------------------------------|---------------------|---------------------|
| Loans | \$ 986,441 | \$ 57,000 | \$ 929,441 | \$ 750,954 |
| Community Business Loans Program | 463,547 | 40,000 | 423,547 | 474,905 |
| | \$ 1,449,988 | \$ 97,000 | \$ 1,352,988 | \$ 1,225,859 |

(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, 2020

5. Loans Receivable (continued)

(b) 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.

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

4. Long-term Investments

| | 2020 | 2019 |
|---|----------|----------|
| 0.0062% of common shares in All Nations Trust Company | \$ 1,000 | \$ 1,000 |

5. Capital Assets

| | 2020 | | 2019 | |
|----------------------------------|------------------|-----------------------------|-----------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Investing: | | | | |
| Furniture and fixtures | \$ 31,925 | \$ 31,925 | \$ 31,925 | \$ 31,925 |
| Operating: | | | | |
| Computer equipment | 148,787 | 147,896 | 147,005 | 143,022 |
| Furniture, fixtures and vehicles | 79,648 | 58,846 | 56,154 | 52,971 |
| | 260,360 | 238,667 | 235,084 | 227,918 |
| Net book value | \$ 21,693 | | \$ 7,166 | |

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

March 31, 2020

6. Investment Contributions and Loans

| | 2020 | 2019 |
|---|------------|------------|
| (a) Contributions | \$ 650,000 | \$ 650,000 |
| (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 | 160,000 | 160,000 |
| | \$ 810,000 | \$ 810,000 |

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.

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.

| | 2020 | 2019 |
|--|-----------|-----------|
| Wildfire Transition | \$ - | \$ 20,000 |
| Unearned Administrative fees on promissory notes | 24,655 | 28,048 |
| Western Economic Diversification | 25,626 | 25,626 |
| | \$ 50,281 | \$ 73,674 |

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

March 31, 2020

8. Promissory Notes Payable

The Corporation holds promissory notes owing to the National Aboriginal Capital Corporations Association in the amount of \$305,607 (2019 - \$338,120). The promissory notes are due on demand, interest free, and unsecured.

9. 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:

| | | |
|------|----|---------------|
| 2021 | \$ | 25,616 |
| 2022 | | 25,616 |
| 2023 | | 3,468 |
| 2024 | | 3,468 |
| 2025 | | <u>289</u> |
| | \$ | <u>58,457</u> |

10. 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 uncollectible 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, 2020

11. 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.

12. Economic Dependence

The Community Futures Development Corporation of Central Interior First Nations received a major portion of its revenue pursuant to a funding arrangement with Western Economic Diversification.

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

| As at March 31 | 2020 | 2019 |
|--|-------------------|-------------|
| Assets | | |
| Current | | |
| Cash and bank | \$ 82,361 | \$ 85,994 |
| Accounts receivable | 26,487 | 28,912 |
| Prepaid expenses & other current assets | 3,675 | 8,077 |
| | <u>112,523</u> | 122,983 |
| Capital assets | <u>21,693</u> | 7,166 |
| | <u>\$ 134,216</u> | \$ 130,149 |
| Liabilities and Net Assets | | |
| Current | | |
| Accounts payable & accruals | \$ 60,591 | \$ 22,746 |
| Deferred revenue | 50,281 | 53,674 |
| Due to Investment Fund | 135,597 | 135,597 |
| | <u>246,469</u> | 212,017 |
| Net Assets | | |
| Net assets invested in capital assets | 21,693 | 7,166 |
| Externally restricted net deficiency - Exhibit G | (104,745) | (64,040) |
| Unrestricted net assets - Exhibit G | (29,201) | (24,994) |
| | <u>(112,253)</u> | (81,868) |
| | <u>\$ 134,216</u> | \$ 130,149 |

**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 | 2020 | 2019 |
|---|---------------------|--------------------|
| Revenue | | |
| Western Economic Diversification | \$ 307,517 | \$ 307,517 |
| Province of B.C. | - | 20,118 |
| Other income | 155,220 | 298,011 |
| Shuswap Training & Employment Program | 23,418 | - |
| Training and mentoring contracts | 3,941 | - |
| Indigenous Business Development | 12,500 | 15,000 |
| National Aboriginal Capital Corporation Association | 39,345 | - |
| ASETS | 6,278 | 21,268 |
| Urban Aboriginal Program | - | 19,214 |
| Canada Summer Jobs | - | 6,809 |
| | 548,219 | 687,937 |
| Expenditures | | |
| Administration fees - external | 1,762 | 1,689 |
| Administration fees - internal | 3,941 | - |
| Advertising and marketing | 13,476 | 6,954 |
| Amortization | 10,748 | 9,945 |
| Benefits | 21,089 | 37,052 |
| Contract services | 18,922 | 20,956 |
| Honoraria | - | 950 |
| Materials and supplies | 23,370 | 30,898 |
| Office rental | 22,149 | 24,273 |
| Office supplies and sundry | 20,917 | 17,010 |
| Photocopy, telephone and sundry | 9,058 | 19,327 |
| Professional fees | 41,116 | 38,559 |
| Travel | 65,699 | 84,260 |
| Wages | 269,518 | 395,280 |
| Workshops and training | 75,439 | 46,090 |
| | 597,204 | 733,243 |
| Deficiency of revenue over expenditures before the other items | (48,985) | (45,306) |
| Transfer from Investment Fund | 18,600 | 40,840 |
| Excess (deficiency) of revenue over expenditures | (30,385) | (4,466) |
| Net deficiency, beginning of the year | (81,868) | (77,402) |
| Net deficiency, end of year | \$ (112,253) | \$ (81,868) |

**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) 2019 | Revenue | Expenditures | Change in net assets for the year | Capital purchases | Interfund transfers | Net assets (deficiency) 2020 |
|---|---|-------------------|---------------------|--|------------------------------|--------------------------------|---|
| H. Core Fund | \$ (48,479) | \$ 352,737 | \$ 400,549 | \$ (47,812) | - | \$ 10,743 | \$ (85,548) |
| I. Employment and Training Program Fund | (4,048) | 40,550 | 48,551 | (8,001) | - | 4,047 | (8,002) |
| J. Special Projects Fund | (24,994) | 31,441 | 35,648 | (4,207) | - | - | (29,201) |
| K. Policy and Planning | 5,975 | - | 5,975 | (5,975) | - | - | - |
| L. Trans Mtn Pipeline Workshop | - | 13,491 | 14,805 | (1,314) | - | - | (1,314) |
| M. Other Projects | (10,322) | 110,000 | 91,676 | 18,324 | - | 3,810 | 11,812 |
| Total | \$ (81,868) | \$ 548,219 | \$ 597,204 | \$ (48,985) | - | \$ 18,600 | \$ (112,253) |
| Unrestricted net assets (deficiency) | (24,994) | 31,441 | 35,648 | (4,207) | - | - | (29,201) |
| Restricted net assets (deficiency) | (64,040) | 516,778 | 550,808 | (34,030) | (25,275) | 18,600 | (104,745) |
| Invested in capital assets | 7,166 | - | 10,748 | (10,748) | 25,275 | - | 21,693 |
| Total | \$ (81,868) | \$ 548,219 | \$ 597,204 | \$ (48,985) | - | \$ 18,600 | \$ (112,253) |

**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 | 2020 | 2019 |
|--|--------------------|--------------------|
| Revenue | | |
| Western Economic Diversification | \$ 307,517 | \$ 307,517 |
| Other income | 43,955 | 28,655 |
| Interest | 1,265 | 2,649 |
| | <u>352,737</u> | <u>338,821</u> |
| Expenditures | | |
| Administration fees - external | 1,762 | 1,689 |
| Advertising and marketing | 12,095 | 1,718 |
| Benefits | 15,477 | 18,459 |
| Materials and supplies | 19,479 | 21,717 |
| Office rental | 15,053 | 14,023 |
| Office supplies and sundry | 20,919 | 17,010 |
| Photocopy, telephone and sundry | 8,240 | 16,222 |
| Professional fees | 41,116 | 38,559 |
| Travel | 46,488 | 51,540 |
| Wages | 155,141 | 166,255 |
| Workshops and training | 54,031 | 13,580 |
| Amortization | 10,748 | 9,945 |
| | <u>400,549</u> | <u>370,717</u> |
| Deficiency of revenue over expenditures | (47,812) | (31,896) |
| Deficiency, beginning of year | (48,479) | (68,573) |
| Transfer from other funds: | | |
| Transfer from other funds | 10,743 | 40,840 |
| Capital purchase | - | 11,150 |
| | <u>10,743</u> | <u>51,990</u> |
| Deficiency, end of year | \$ (85,548) | \$ (48,479) |

**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)**

| ended March 31 | Admin Assistant | ISEPTS | Emergency Preparedness - Agri. BC | Student Intern | Administrative Assistance | Minister of agriculture federal career focus program | 2020 | 2019 |
|--------------------------------|--------------------|--------|---|----------------|------------------------------|---|------------|------------|
| of B.C. | - | - | 10,854 \$ | - | - | - | 10,854 \$ | - |
| ills & Train.Prog | 16,488 | 6,930 | - | - | - | - | 23,418 | - |
| come | - | - | - | - | - | - | - | 6,809 |
| of agriculture | - | - | - | - | - | 6,278 | 6,278 | 21,268 |
| | 16,488 | 6,930 | 10,854 | - | - | 6,278 | 40,550 | 28,077 |
| is | 1,058 | 426 | - | - | - | 798 | 2,282 | 2,839 |
| s and supplies | - | - | 2,139 | - | - | - | 2,139 | - |
| py and telephone | - | - | 818 | - | - | - | 818 | - |
| | - | - | 5,429 | - | - | - | 5,429 | 832 |
| op | 15,847 | 6,331 | - | - | - | 11,759 | 33,937 | 27,626 |
| | 987 | - | 2,959 | - | - | - | 3,946 | - |
| | 17,892 | 6,757 | 11,345 | - | - | 12,557 | 48,551 | 31,297 |
| of revenue over expenditures | (1,404) | 173 | (491) | - | - | (6,279) | (8,001) | (3,220) |
| deficiency), beginning of year | - | - | - | (2,553) | (1,494) | - | (4,047) | (588) |
| om other funds | - | - | - | 2,553 | 1,494 | - | 4,047 | (240) |
| deficiency), ear | \$ (1,404) | \$ 173 | \$ (491) | - | - | \$ (6,279) | \$ (8,001) | \$ (4,048) |

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 | 2020 | 2019 |
|---|----------------------|-----------------------------|----------------------|--------------------|--------------------|
| Revenue | | | | | |
| Other income | - | \$ 3,941 | - | \$ 3,941 | - |
| IBDS | 12,500 | - | - | 12,500 | 15,000 |
| Community Futures Caribou Chilcotin | - | - | 15,000 | 15,000 | - |
| | 12,500 | 3,941 | 15,000 | 31,441 | 15,000 |
| Expenditures | | | | | |
| Advertising and marketing | - | - | - | - | 5,237 |
| Benefits | 1,152 | - | - | 1,152 | 322 |
| Contract services | - | - | - | - | 1,000 |
| Photocopy, telephone and sundry | - | - | - | - | 212 |
| Travel (recovery) | 5,681 | - | - | 5,681 | - |
| Wages | 11,529 | - | 17,286 | 28,815 | 6,240 |
| Workshops and training | - | - | - | - | 3,708 |
| | 18,362 | - | 17,286 | 35,648 | 16,719 |
| Excess (deficiency) of revenue over expenditures | <u>(5,862)</u> | <u>3,941</u> | <u>(2,286)</u> | <u>(4,207)</u> | <u>(1,719)</u> |
| Net deficiency, beginning of year | (2,258) | (22,735) | - | (24,994) | (41,703) |
| Transfer from other funds | - | - | - | - | 18,428 |
| Net deficiency, end of year | <u>\$ (8,120)</u> | <u>\$ (18,794)</u> | <u>\$ (2,286)</u> | <u>\$ (29,201)</u> | <u>\$ (24,994)</u> |

**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 | 2020 | 2019 |
|--|---------------------|------------------------|
| Expenditures | | |
| Benefits | \$ - | \$ 320 |
| Contract services | - | 4,000 |
| Workshops and training | 5,975 | - |
| Wages | - | 4,967 |
| | <u>5,975</u> | <u>9,287</u> |
| Deficiency of revenue over expenditures | (5,975) | (9,287) |
| Net assets, beginning of year | <u>5,975</u> | <u>15,262</u> |
| Net assets, end of year | <u>\$ -</u> | <u>\$ 5,975</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 | 2020 | 2019 |
|---|-------------------|-------------|
| 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 | - |
| | <u>14,805</u> | <u>-</u> |
| Excess (deficiency) of revenue over expenditures | (1,314) | - |
| Net deficiency, beginning of year | - | 949 |
| Transfers from other funds | | |
| Transfers | - | (949) |
| Net deficiency, end of year | \$ (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 | Urban Aboriginal Program | Aboriginal Agri Forum | Shared Costs | 2020 | 2019 |
|---|---------------------|----------------------|-----------------------------|--------------------------|--------------|----------------|----------------|
| Revenue | | | | | | | |
| Small Business PROV BC | \$ 90,000 | \$ - | \$ - | \$ - | \$ - | \$ 90,000 | \$ - |
| Province of BC | - | 20,000 | - | - | - | 20,000 | 275,774 |
| Other income | - | - | - | - | - | - | 11,050 |
| CFBC | - | - | - | - | - | - | 19,214 |
| | <u>90,000</u> | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>110,000</u> | <u>306,038</u> |
| Expenditures | | | | | | | |
| Benefits | - | 2,173 | - | - | - | 2,173 | 15,113 |
| Contract services | 16,420 | - | - | - | - | 16,420 | 15,956 |
| Honoraria | - | - | - | - | - | - | 950 |
| Materials and supplies | 733 | 1,019 | - | - | - | 1,752 | 9,181 |
| Office rental | 6,600 | - | - | - | - | 6,600 | 10,250 |
| Photocopy & telephone | - | - | - | - | - | - | 2,892 |
| Travel | 7,202 | 576 | - | - | - | 7,778 | 31,888 |
| Wages | 28,346 | 23,025 | - | - | - | 51,371 | 190,191 |
| Workshops and training | 3,701 | 500 | - | - | - | 4,201 | 28,801 |
| Advertising and marketing | 1,381 | - | - | - | - | 1,381 | - |
| | <u>64,383</u> | <u>27,293</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>91,676</u> | <u>305,222</u> |
| Excess of revenue over expenditures | 25,617 | (7,293) | - | - | - | 18,324 | 816 |
| Net assets, beginning of year | - | - | 288 | (1,383) | (2,715) | (10,322) | 17,953 |
| Transfers from other funds | - | (6,511) | (288) | 1,383 | 2,715 | 3,810 | (17,941) |
| Capital purchases | - | - | - | - | - | - | (11,150) |
| Net assets (deficiency), end of year | \$ 25,617 | \$ (13,804) | \$ - | \$ - | \$ - | \$ 11,812 | \$ (10,322) |

**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 | 2020 | 2019 |
|--|-------------------------------|-----------------------------|---|--|------------------|---------------------|---------------------|
| Assets | | | | | | | |
| Cash and bank | \$ 248,280 | \$ 142,453 | \$ 405,867 | \$ 119,516 | \$ 6 | \$ 916,122 | \$ 969,701 |
| Accounts receivable | - | - | 45 | - | - | 45 | 12,500 |
| Due from (to) operating | (308,550) | 89,179 | 239,641 | 99,879 | 15,449 | 135,598 | 135,598 |
| Loans receivable | 929,441 | - | 423,547 | - | - | 1,352,988 | 1,225,859 |
| Long-term investments (Note 11) | 1,000 | - | - | - | - | 1,000 | 1,000 |
| | \$ 870,171 | \$ 231,632 | \$ 1,069,100 | \$ 219,395 | \$ 15,455 | \$ 2,405,753 | \$ 2,344,658 |
| Liabilities and Net Assets | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable & accruals | \$ 12,891 | - | \$ 26,295 | - | - | \$ 39,186 | \$ 12,095 |
| Investment fund contributions and loans | - | 150,000 | 500,000 | 160,000 | - | 810,000 | 810,000 |
| Promissory notes | - | - | 305,607 | - | - | 305,607 | 338,120 |
| | 12,891 | 150,000 | 831,902 | 160,000 | - | 1,154,793 | 1,160,215 |
| Net Assets | | | | | | | |
| Externally restricted net assets / funds | 650,000 | - | - | - | - | 650,000 | 650,000 |
| Unrestricted net assets | 207,280 | 81,632 | 237,198 | 59,395 | 15,455 | 600,960 | 534,443 |
| | 857,280 | 81,632 | 237,198 | 59,395 | 15,455 | 1,250,960 | 1,184,443 |
| | \$ 870,171 | \$ 231,632 | \$ 1,069,100 | \$ 219,395 | \$ 15,455 | \$ 2,405,753 | \$ 2,344,658 |

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

| | Community | | | | | 2020 | 2019 |
|---|-------------------------|-----------------------|------------------------|--------------------------------------|-------------|--------------|--------------|
| | General Investment Fund | Youth Investment Fund | Business Loans Program | Entrepreneurs with Disabilities Fund | Micro Loans | | |
| For the year ended March 31 | | | | | | | |
| Revenue | | | | | | | |
| Loan interest | \$ 59,404 | \$ - | \$ 24,195 | \$ - | \$ - | \$ 83,599 | \$ 87,355 |
| Investment interest | 7,242 | 1,479 | 6,330 | 1,244 | - | 16,295 | 12,425 |
| Miscellaneous income | 4,895 | - | 3,386 | - | - | 8,281 | 5,370 |
| New Relationship Trust | 25,000 | - | - | - | - | 25,000 | 25,000 |
| | 96,541 | 1,479 | 33,911 | 1,244 | - | 133,175 | 130,150 |
| Expenditures | | | | | | | |
| Advertising and sundry | 11,308 | 428 | 8 | 360 | - | 12,104 | 9,251 |
| Audit | 7,188 | - | - | - | - | 7,188 | 1,604 |
| Bad debt | (2,257) | - | (1,477) | - | - | (3,734) | 44,025 |
| Client non-repayable contributions - NRT | 20,000 | - | - | - | - | 20,000 | 15,000 |
| Loss on program investments (BMO) | - | - | - | - | 12,500 | 12,500 | 12,693 |
| | 36,239 | 428 | (1,469) | 360 | 12,500 | 48,058 | 82,573 |
| Excess (deficiency) of revenue over expenditures | 60,302 | 1,051 | 35,380 | 884 | (12,500) | 85,117 | 47,577 |
| Net assets, beginning of year | 816,978 | 80,581 | 200,418 | 58,511 | 27,955 | 1,184,443 | 1,177,706 |
| Transfer | (20,000) | - | 1,400 | - | - | (18,600) | (40,840) |
| Net assets, end of year | \$ 857,280 | \$ 81,632 | \$ 237,198 | \$ 59,395 | \$ 15,455 | \$ 1,250,960 | \$ 1,184,443 |