

**COMMUNITY FUTURES DEVELOPMENT CORPORATION  
OF THE PACIFIC NORTHWEST**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**MARCH 31, 2021**

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
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MARCH 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Community Futures Development Corporation of the Pacific Northwest

### *Opinion*

We have audited the financial statements of Community Futures Development Corporation of the Pacific Northwest (the "Corporation"), which comprise the statement of financial position as at March 31, 2021, and the statement of operations, statement of changes in net assets and statement of 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 Corporation as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

See accompanying notes to these financial statements

## **INDEPENDENT AUDITOR'S REPORT, continued**

### *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 ASNPO, 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.

See accompanying notes to these financial statements

## INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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.

DMC Chartered Professional  
Accountants Inc.

Prince George, B.C.

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2021**

|  | General<br>operating fund | Tangible capital<br>asset fund | Externally<br>restricted fund | Total 2021 | Total<br>2020<br>(restated) |
|--|---------------------------|--------------------------------|-------------------------------|------------|-----------------------------|
|  | (Schedule 1)              |                                | (Schedule 2)                  |            |                             |
| <b>REVENUE</b>   |                           |                                |                               |            |                             |
| Western Economic<br>Diversification Contributions                              | \$ 320,955                | \$ -                           | \$ -                          | \$ 320,955 | \$ 320,955                  |
| Other contributions  | 194,909                   | -                              | -                             | 194,909    | 875,744                     |
| Investment Income  | 73,171                    | -                              | 36,149                        | 109,320    | 128,181                     |
| Regional Relief and Recovery<br>Fund   | -                         | -                              | 77,791                        | 77,791     | -                           |
| Rent   | 26,100                    | -                              | -                             | 26,100     | 31,348                      |
| Loan administration fees   | 9,333                     | -                              | -                             | 9,333      | 11,818                      |
| Project fees   | 5,126                     | -                              | -                             | 5,126      | 19,500                      |
| Bank Interest  | 20                        | -                              | -                             | 20         | 1,419                       |
| Other revenue (repayment)  | -                         | -                              | -                             | -          | (192)                       |
|  | 629,614                   | -                              | 113,940                       | 743,554    | 1,388,773                   |
| <b>EXPENDITURES</b>  |                           |                                |                               |            |                             |
| Advertising and promotion  | 41,031                    | -                              | 7,443                         | 48,474     | 11,747                      |
| Amortization   | 850                       | 1,434                          | -                             | 2,284      | 8,405                       |
| Bad debts (recovery) (Note 13)   | 12,257                    | -                              | -                             | 12,257     | (79,338)                    |
| Consulting fees  | 89,286                    | -                              | 10,000                        | 99,286     | 814,233                     |
| IT Support   | 10,898                    | -                              | 7,456                         | 18,354     | 7,950                       |
| Insurance  | 3,886                     | -                              | -                             | 3,886      | 3,632                       |
| Interest and bank charges  | 407                       | -                              | 55                            | 462        | 2,893                       |
| Interest on long-term debt   | 11,306                    | -                              | -                             | 11,306     | 14,646                      |
| Licenses and dues  | 2,002                     | -                              | -                             | 2,002      | 2,160                       |
| Loan administration  | 2,345                     | -                              | 1,025                         | 3,370      | 1,958                       |
| Meetings   | 2,490                     | -                              | -                             | 2,490      | 45,506                      |
| Office   | 6,880                     | -                              | 17,049                        | 23,929     | 9,700                       |
| Professional fees  | 16,994                    | -                              | -                             | 16,994     | 15,252                      |
| Rent   | 53,376                    | -                              | 52                            | 53,428     | 57,873                      |
| Telephone and utilities  | 13,203                    | -                              | 247                           | 13,450     | 12,783                      |
| Training and development   | 5,427                     | -                              | 6,009                         | 11,436     | 4,334                       |
| Travel and accommodation   | 5,119                     | -                              | 1,729                         | 6,848      | 21,516                      |
| Wages and benefits   | 328,382                   | -                              | 26,742                        | 355,124    | 267,689                     |
|  | 606,139                   | 1,434                          | 77,807                        | 685,380    | 1,222,939                   |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUE OVER EXPENSES<br/>BEFORE OTHER ITEMS</b> |                           |                                |                               |            |                             |
|  | 23,475                    | (1,434)                        | 36,133                        | 58,174     | 165,834                     |

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2021**

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|  | General<br>operating fund | Tangible capital<br>asset fund | Externally<br>restricted fund | Total 2021 | Total<br>2020<br>(restated) |
|--|---------------------------|--------------------------------|-------------------------------|------------|-----------------------------|
|  | (Schedule 1)              |                                | (Schedule 2)                  |            |                             |
| <b>OTHER ITEMS</b>   |                           |                                |                               |            |                             |
| Loan Forgiveness Revenue<br>(Note 5)                               | -                         | -                              | (10,000)                      | (10,000)   | -                           |
| Debt forgiveness (Note 5)  | -                         | -                              | 10,000                        | 10,000     | -                           |
| Loss on disposal of capital<br>assets                              | -                         | 6,927                          | -                             | 6,927      | -                           |
| Transfer of assets purchased to<br>statement of financial position | -                         | -                              | (8,226)                       | (8,226)    | -                           |
|  | -                         | 6,927                          | (8,226)                       | (1,299)    | -                           |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER<br/>EXPENDITURES</b>   |                           |                                |                               |            |                             |
|  | \$ 23,475                 | \$ (8,361)                     | \$ 44,359                     | \$ 59,473  | \$ 165,834                  |

See accompanying notes to these financial statements

**Community Futures Development Corporation of the Pacific  
Northwest**  
**Statement of Changes In Net Assets**  
**For the year ended March 31, 2021**

|  | General<br>operations fund<br>(Restated) | Tangible capital<br>asset fund | Externally<br>restricted fund | Total<br>2021       | Total<br>2020<br>(Restated) |
|--|--|--------------------------------|-------------------------------|---------------------|-----------------------------|
| <b>Balance, beginning of<br/>year (as previously<br/>stated)</b> | \$ 819,672                               | \$ 9,042                       | \$ 1,020,049                  | \$ 1,848,763        | \$ 1,789,804                |
| <b>Prior period adjustment<br/>(Note 15)</b>                     | 26,670                                   | -                              | -                             | 26,670              | -                           |
| <b>Balance as restated</b>                                       | 846,342                                  | 9,042                          | 1,020,049                     | 1,875,433           | 1,789,804                   |
| <b>Balance, beginning of<br/>year (as restated)</b>              | 846,342                                  | 9,042                          | 1,020,049                     | 1,875,433           | 1,789,804                   |
| Excess of revenues<br>over expenditures                          | 23,475                                   | (8,361)                        | 44,359                        | 59,473              | 165,834                     |
| Net transfer of assets   | 306,421                                  | -                              | (306,421)                     | -                   | -                           |
| Purchase of tangible<br>capital assets                           | -  | 3,975                          | (8,225)                       | (4,250)             | -                           |
| Purchase of intangible<br>capital assets                         | 4,250                                    | -                              | -                             | 4,250               | -                           |
| Transfer of amounts<br>repayable to<br>Lax'Kwlaams               | -  | -                              | -                             | -                   | (80,205)                    |
| <b>Balance, ending of year</b>                                   | <b>\$ 1,180,488</b>                      | <b>\$ 4,656</b>                | <b>\$ 749,762</b>             | <b>\$ 1,934,906</b> | <b>\$ 1,875,433</b>         |

See accompanying notes to these financial statements



**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2021**

|   | General<br>operating fund | Tangible capital<br>asset fund | Externally<br>restricted fund<br>(Schedule 3) | Total<br>2021 | Total<br>2020<br>(Restated) |
|---|---------------------------|--------------------------------|---|---------------|-----------------------------|
| <b>ASSETS</b>                                   |                           |                                |   |               |                             |
| <b>CURRENT ASSETS</b>                           |                           |                                |   |               |                             |
| Cash  | \$ 267,519                | \$ -                           | \$ -  | \$ 267,519    | \$ 186,667                  |
| Restricted cash (Note 3)                        | 975,433                   | -                              | 269,431                                       | 1,244,864     | 1,052,011                   |
| Government remittances                          | 3,205                     | -                              | -   | 3,205         | 5,996                       |
| Accounts receivable                             | 37,391                    | -                              | -   | 37,391        | 6,605                       |
| Prepaid expenses                                | 3,043                     | -                              | -   | 3,043         | 3,094                       |
| Current portion of loans<br>receivable (Note 4) | 228,805                   | -                              | 121,075                                       | 349,880       | 447,959                     |
|   | 1,515,396                 | -                              | 390,506                                       | 1,905,902     | 1,702,332                   |
| <b>LOANS RECEIVABLE<br/>(Note 4)</b>            |                           |                                |   |               |                             |
|   | 968,189                   | -                              | 1,670,276                                     | 2,638,465     | 1,375,745                   |
| <b>INTANGIBLE CAPITAL<br/>ASSETS (Note 5)</b>   |                           |                                |   |               |                             |
|   | 3,400                     | -                              | -   | 3,400         | -                           |
| <b>TANGIBLE CAPITAL<br/>ASSETS (Note 6)</b>     |                           |                                |   |               |                             |
|   | -                         | 4,656                          | -   | 4,656         | 9,041                       |
|   | 971,589                   | 4,656                          | 1,670,276                                     | 2,646,521     | 1,384,786                   |
|   | \$ 2,486,985              | \$ 4,656                       | \$ 2,060,782                                  | \$ 4,552,423  | \$ 3,087,118                |

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2021**

|   | General<br>operating fund | Tangible capital<br>asset fund | Externally<br>restricted fund<br>(Schedule 3) | Total<br>2021       | Total<br>2020<br>(Restated) |
|---|---------------------------|--------------------------------|---|---------------------|-----------------------------|
| <b>LIABILITIES</b>                              |                           |                                |   |                     |                             |
| <b>CURRENT LIABILITIES</b>                      |                           |                                |   |                     |                             |
| Bank indebtedness<br>(Note 7)                   | \$ 265,550                | \$ -                           | \$ -  | \$ 265,550          | \$ 101,500                  |
| Accounts payable and<br>accrued liabilities     | 60,069                    | -                              | -   | 60,069              | 18,894                      |
| Government remittances                          | 18,740                    | -                              | -   | 18,740              | 11,025                      |
| Deferred revenue (Note 8)                       | 614,228                   | -                              | -   | 614,228             | 397,142                     |
| Current portion of long term<br>debt (Note 9)   | 142,402                   | -                              | -   | 142,402             | 182,526                     |
| Callable portion of long-<br>term debt (Note 9) | 205,508                   | -                              | -   | 205,508             | 419,909                     |
|   | <u>1,306,497</u>          | <u>-</u>                       | <u>-</u>                                      | <u>1,306,497</u>    | <u>1,130,996</u>            |
| <b>LONG-TERM DEBT (Note 9)</b>                  | -                         | -                              | 1,230,000                                     | 1,230,000           | -                           |
| <b>LOANS PAYABLE (Note 10)</b>                  | -                         | -                              | 81,020  | 81,020              | 80,689                      |
|   | <u>-</u>                  | <u>-</u>                       | <u>1,311,020</u>                              | <u>1,311,020</u>    | <u>80,689</u>               |
| <b>COMMITMENT (Note 12)</b>                     |                           |                                |   |                     |                             |
| <b>NET ASSETS</b>                               |                           |                                |   |                     |                             |
|   | <u>1,180,488</u>          | <u>4,656</u>                   | <u>749,762</u>                                | <u>1,934,906</u>    | <u>1,875,433</u>            |
|   | <u>\$ 2,486,985</u>       | <u>\$ 4,656</u>                | <u>\$ 2,060,782</u>                           | <u>\$ 4,552,423</u> | <u>\$ 3,087,118</u>         |

Approved on behalf of the board of directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to these financial statements

**Community Futures Development Corporation of the Pacific  
Northwest  
Statement of Cash Flows  
For the year ended March 31, 2021**

|   | General<br>operations fund | Tangible capital<br>asset fund | Externally<br>restricted fund | Total<br>2021 | Total<br>2020 |
|---|----------------------------|--------------------------------|-------------------------------|---------------|---------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                            |                                |                               |               |               |
| <b>Cash received from</b>                   |                            |                                |                               |               |               |
| WED contributions                           | \$ 320,955                 | \$ -                           | \$ -                          | \$ 320,955    | \$ 320,955    |
| Other contributions and income              | 424,520                    | -                              | 67,791                        | 492,311       | 1,245,619     |
| Restricted contributions                    |                            |                                |                               |               |               |
| Investment income                           | 44,892                     | -                              | 64,429                        | 109,321       | 129,578       |
| Investment loan repayments                  | 566,075                    | -                              | 215,243                       | 781,318       | 481,431       |
| <b>Cash paid for</b>                        |                            |                                |                               |               |               |
| Loans granted                               | (427,662)                  | -                              | (1,530,551)                   | (1,958,213)   | (793,565)     |
| Materials and services                      | (132,110)                  | -                              | (127,298)                     | (259,408)     | (1,004,077)   |
| Interest paid to lenders                    | (11,306)                   | -                              | -                             | (11,306)      | (14,646)      |
| Salaries and benefits                       | (315,832)                  | -                              | (26,742)                      | (342,574)     | (261,440)     |
|   | 469,532                    | -                              | (1,337,128)                   | (867,596)     | 103,855       |
| <b>CASH FLOWS FROM INVESTING ACTIVITY</b>   |                            |                                |                               |               |               |
| Purchase of tangible capital assets         | -                          | (3,975)                        | -                             | (3,975)       | (1,468)       |
| Purchase of intangible capital assets       | -                          | (4,250)                        | -                             | (4,250)       | -             |
|   | -                          | (8,225)                        | -                             | (8,225)       | (1,468)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b> |                            |                                |                               |               |               |
| Repayment of long-term debt                 | (254,525)                  | -                              | -                             | (254,525)     | (178,855)     |
| Proceeds of long-term debt                  | -                          | -                              | 1,240,000                     | 1,240,000     | -             |
| Advances from short-term financing          | 164,050                    | -                              | -                             | 164,050       | 101,500       |
| Inter-fund transfers                        | 123,815                    | 8,225                          | (132,040)                     | -             | -             |
|   | 33,340                     | 8,225                          | 1,107,960                     | 1,149,525     | (77,355)      |
| <b>Increase (decrease) in cash</b>          | 502,872                    | -                              | (229,168)                     | 273,704       | 25,032        |
| <b>Cash, beginning of year</b>              | 740,080                    | -                              | 498,598                       | 1,238,678     | 1,213,646     |
| <b>Cash, end of year</b>                    | \$ 1,242,952               | \$ -                           | \$ 269,430                    | \$ 1,512,382  | \$ 1,238,678  |
| <b>Cash consists of:</b>                    |                            |                                |                               |               |               |
| Cash  | \$ 267,519                 | \$ -                           | \$ -                          | \$ 267,519    | \$ 186,667    |
| Restricted cash                             | \$ 975,433                 | \$ -                           | \$ 269,430                    | \$ 1,244,864  | \$ 1,052,011  |

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021**

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**1. DESCRIPTION OF OPERATIONS**

Community Futures Development Corporation of the Pacific Northwest is a regionally based organization whose purpose is to contribute to a diversified and sustainable economy for the Pacific Northwest Region through entrepreneurial development and participation in regional economic planning. The Corporation provides loans and financial services to entrepreneurs and small businesses, where through their best efforts have had difficulty accessing traditional sources of financing. The Corporation is incorporated under the Canada Corporations Act as a non-profit organization and as such is exempt from income tax under the Canadian Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Fund accounting**

The Corporation follows the restricted method of accounting for contributions and reports its revenue and expenditures on the accrual accounting basis. The Corporation uses funds accounting procedures which result in a self balancing set of accounts for each fund established by legal, contractual or voluntary actions. The Corporation maintains the following funds:

- (i) General operating fund - reports the Corporation's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.
- (ii) Tangible capital asset fund - reports the assets, liabilities, revenue and expenses related to the Corporation's tangible capital assets.
- (iii) Externally restricted fund - Reports the revenue and expenditures for repayable and non repayable lending programs including WED General, WED Matching, Forest Community Business Loan (FCBL), Regional Relief & Recovery (RRRF) and Other restricted funds.

**(b) Accounting estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(c) Financial instruments**

**(i) Measurement of financial instruments**

The Corporation initially measures its financial assets and liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in (excess) deficiency of revenue over expenditures in the period incurred.

Financial assets measured at amortized cost include cash, restricted cash, accounts receivable, and loans receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, loans payable and long-term debt.

**(ii) Impairment**

For financial assets measured at cost or amortized cost, the Corporation determines whether there are indications of possible impairment. When there is an indication of impairment, and the Corporation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in (excess) deficiency of revenue over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 (excess) deficiency of revenue over expenditures.

**(iii) Transaction costs**

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in (excess) deficiency of revenue over expenditures in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(d) Measurement uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**(e) Allocated expenses**

Expenses that contribute directly to the output of more than one function of program attributed on a reasonable and consistent basis to each function or program to which they apply. The basis of allocation used is determined by budgets prepared by management and approved by the Corporation's funding authorities.

**(f) Revenue recognition**

Revenue is recognized based on the classification of the revenue:

- (i) Government grants are recognized over the term of the grant
- (ii) Interest and loan administration fees are recognized as earned
- (iii) Other income is recognized when earned
- (iv) Rent revenue is recognized on a monthly basis as stipulated in the rental agreements
- (v) Regional Relief and Recovery Fund (RRLF) loan forgiveness is recognized as the Corporation's loans receivable are collected in accordance with the agreement with Community Futures Development Corporation of B.C. and forgiveness has been granted.

**(g) Capital assets**

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value on the date of contribution. The Corporation provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

|                        |         |
|------------------------|---------|
| Office equipment       | 5 years |
| Leasehold improvements | 5 years |
| Computer equipment     | 2 years |
| Computer software      | 2 years |

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
PACIFIC NORTHWEST  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(h) Intangible assets**

Intangible assets are recorded at cost. The corporation provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible asset over its estimated useful life. The annual amortization rate for the website is 5 years.

**3. RESTRICTED CASH**

Amounts included in restricted cash are held in separate, interest bearings bank accounts established for the following specific programs:

|  | 2021                | 2020                |
|--|---------------------|---------------------|
| <hr/>  |                     |                     |
| <b>General operating fund</b>                |                     |                     |
| Northwest Growth Project fund                | \$ 880,420          | \$ 553,412          |
|  | 880,420             | 553,412             |
| <b>Externally restricted fund</b>            |                     |                     |
| WED General                                  | 137,304             | 119,191             |
| Forest Community Business Loan (FCBL) fund - |                     |                     |
| WED Matching fund 50%                        | 95,013              | 160,070             |
| Forest Community Business Loan fund - 50%    | 9,258               | 117,576             |
| RRRF   | 10,000              | -                   |
| Other restricted funds                       | 112,869             | 101,762             |
|  | 364,444             | 498,599             |
|  | <u>\$ 1,244,864</u> | <u>\$ 1,052,011</u> |

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
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**4. LOANS RECEIVABLE**

An allowance for losses on investment loans is made based on expected loan default rates, potential loss ratios, and a review of loan portfolios as determined by management, which includes both the board of directors and management staff.

|  | Opening<br>balance | New loans<br>granted | Repayments   | Provision for<br>Credit (Loss)<br>Recovery | Total<br>2021 |
|--|--------------------|----------------------|--------------|--|---------------|
| <b>General operating fund</b>                      |                    |                      |              |  |               |
| Community loan fund                                | \$ 698,906         | \$ 255,700           | \$ (369,724) | \$ (12,257)                                | \$ 572,625    |
| Fisheries Legacy (Fish<br>II)                      | 523,719            | -                    | (97,439)     | -  | 426,280       |
| Forest Community<br>Business Loan<br>Matching Fund | 101,485            | 132,725              | (36,123)     | -  | 198,087       |
|  | 1,324,110          | 388,425              | (503,286)    | (12,257)                                   | 1,196,992     |
| <b>Externally restricted fund</b>                  |                    |                      |              |  |               |
| WED General  | 373,837            | 171,963              | (186,351)    | -  | 359,449       |
| Forest Community<br>Business loan fund             | 101,485            | 132,725              | (36,123)     | -  | 198,087       |
| Regional Relief and<br>Recovery Fund               | -                  | 1,260,000            | (40,000)     | -  | 1,220,000     |
| Other restricted loan<br>fund                      | 24,273             | 5,100                | (15,556)     | -  | 13,817        |
|  | 1,823,705          | 1,958,213            | (781,316)    | (12,257)                                   | 2,988,345     |
|  | 1,025,865          | 1,958,213            | (781,316)    | (12,257)                                   | 2,988,345     |
| Less current portion                               | (349,880)          | -                    | -            | -  | (349,880)     |
| Due beyond one year                                | \$ 1,375,745       | \$ 1,958,213         | \$ (781,316) | \$ (12,257)                                | \$ 2,638,465  |



**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
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**4. LOANS RECEIVABLE, continued**

Outstanding loans to entrepreneurs are interest bearing at various fixed rates, with monthly blended principal and interest repayments amortized up to 60 months. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and buildings.

Amounts written off, net of recoveries, are deducted from the allowance for credit losses. During the year, a net loss of \$12,257 (2020 - net recovery \$79,338) was written off and deducted from the allowance for credit losses. Further details are available in Note 13.

Included in the repayments under the RRRF fund of \$40,000 is forgiveness of debt of \$10,000 in accordance with the Community Futures Development Corporation of B.C.'s loan agreement. As part of this agreement, the corresponding loan from Community Futures Development Corporation of B.C. to the Corporation has also been reduced by \$10,000 recognized as loan forgiveness revenue.

**5. INTANGIBLE ASSETS**

|         | Cost     | Accumulated<br>Amortization | 2021<br>Net Book<br>Value | 2020<br>Net Book<br>Value |
|---------|----------|-----------------------------|---------------------------|---------------------------|
| Website | \$ 4,250 | \$ 850                      | \$ 3,400                  | \$ -                      |

**6. TANGIBLE CAPITAL ASSETS**

|                        | Cost             | Accumulated<br>Amortization | 2021<br>Net Book<br>Value | 2020<br>Net Book<br>Value |
|------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Office equipment       | \$ 3,930         | \$ 643                      | \$ 3,287                  | \$ 8,145                  |
| Leasehold improvements | 62,880           | 62,880                      | -                         | -                         |
| Computer equipment     | 3,523            | 2,154                       | 1,369                     | 805                       |
| Computer software      | 321              | 321                         | -                         | 91                        |
|                        | <u>\$ 70,654</u> | <u>\$ 65,998</u>            | <u>\$ 4,656</u>           | <u>\$ 9,041</u>           |

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
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**7. BANK INDEBTEDNESS**

The Corporation has a line of credit available up to \$500,000 with an interest rate of prime, it is secured by a Demand Promissory Note, a General Security Agreement giving the lender first specific fixed charge on the Corporation's loan accounts receivable and a Certificate of Borrowing Resolution, all signed by the Corporation. At the year end date, \$265,550 (2020- \$101,500) of the line of credit was in use.

**8. DEFERRED REVENUE**

|   | Opening<br>balance<br>(restated) | Deferred          | Used               | Closing<br>balance |
|---|----------------------------------|-------------------|--------------------|--------------------|
| WED   | \$ 26,746                        | \$ -              | \$ (26,746)        | \$ -               |
| Northwest Growth projects                           | 30,991                           | -                 | -                  | 30,991             |
| Rupert Redesign 2.0                                 | 132                              | -                 | (23)               | 109                |
| Rupert Redesign 3.0                                 | 1,400                            | -                 | (280)              | 1,120              |
| 2030 Community Plan                                 | 20,807                           | 69                | -                  | 20,876             |
| Province of BC Labour Market<br>Study               | 2,825                            | -                 | -                  | 2,825              |
| Recruitment Brand Development                       | 310,024                          | -                 | (33,564)           | 276,460            |
| Export Navigator 3.0 and 4.0                        | 4,217                            | 7,525             | -                  | 11,742             |
| Province of BC Rural Resident<br>Attraction Project | -                                | 175,000           | -                  | 175,000            |
| Province of BC Rural Dividend<br>Fund               | -                                | 95,105            | -                  | 95,105             |
|   | <u>\$ 397,142</u>                | <u>\$ 277,699</u> | <u>\$ (60,613)</u> | <u>\$ 614,228</u>  |

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
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**9. LONG-TERM DEBT**

|   | 2021         | 2020    |
|---|--------------|---------|
| Regional Relief and Recovery Fund bearing interest at 0% per annum. The loan does not required payment until the loan matures on December 31, 2025.   | \$ 1,230,000 | \$ -    |
| Grenville Community Futures demand loan bearing interest at 2.06% per annum, repayable in monthly payments of \$8,759 including interest. The loan is secured by a promissory note and a general security agreement in favour of the lender and matures on August 15, 2021.   | 153,814      | 346,610 |
| Community Futures Development Association of B.C. demand loan bearing interest at 2.33% per annum, repayable in monthly payments of \$7,386 including interest. The loan is secured by a general security agreement in favour of the lender and matures on December 21, 2022. | 194,096      | 255,825 |
|   | 1,577,910    | 602,435 |
| Less callable portion   | 205,508      | 419,909 |
| Less current portion  | 142,402      | 182,526 |
| Due beyond one year   | \$ 1,230,000 | \$ -    |

Due to the demand feature, demand loans have been recorded as current. If the demand feature is not used, principal repayments in the next 4 years are estimated to be as follows:

|      |                     |
|------|---------------------|
| 2022 | \$ 142,402          |
| 2023 | 144,610             |
| 2024 | 60,898              |
| 2025 | 1,230,000           |
|      | <u>\$ 1,577,910</u> |

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE  
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**10. LOANS PAYABLE**

|  | March 31<br>2021 |
|--|------------------|
| Lax Kw'alaams Fish For Community                       | \$ 29,223        |
| Lax Kw'alaams Fish For Community - interest 50%        | 1,454            |
| Lax Kw'alaams Entrepreneurial Loan fund                | 50,000           |
| Lax Kw'alaams Entrepreneurial Loan fund - interest 50% | 343              |
|  | <u>\$ 81,020</u> |

Loans payable are restricted for the purposes of lending to eligible enterprises in accordance with the agreements set by Lax Kw'alaams. The loans are forgivable and 50% of interest earned on the funds are to be retained to ensure future growth.

**11. EXTERNALLY RESTRICTED FUND BALANCES**

The Corporation has been operating under a contribution agreement with the Department of Western Economic Diversification that covers the period April 1, 2018 to March 31, 2021. Under the terms and conditions of the agreement as set out by the Department of Western Economic Diversification, the Conditionally Repayable Loan Funds are repayable if any of the following conditions occur:

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

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**11. EXTERNALLY RESTRICTED FUND BALANCES, continued**

Externally imposed restrictions on net assets are as follows:

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| <b>GENERAL RESTRICTED LOAN INVESTMENT FUNDS:</b>                                  |                     |                     |
| Loan Investment Funds restricted to loans and equity investments to entrepreneurs |                     |                     |
| General   | \$ 839,024          | \$ 800,988          |
|   | -                   | -                   |
| Forest Community Business Loan fund 50% (Schedule 3)                              | 207,345             | 219,061             |
|   | <u>\$ 1,046,369</u> | <u>\$ 1,020,049</u> |

The conditionally repayable loan funds consist of the following:

|   | 2021              | 2020              |
|---|-------------------|-------------------|
| <b>CONDITIONALLY REPAYABLE CONTRIBUTIONS:</b> |                   |                   |
| WED General                                   | <u>\$ 385,000</u> | <u>\$ 385,000</u> |

**12. COMMITMENTS**

The Corporation leases its premises under a three year term term that commenced September 1, 2019. The base lease rate for the first year is \$32,500, increasing to \$33,313, and \$34,125 in each consecutive year. In addition to the base rent, an additional rent of 30% of the annual property tax, water, sewer, and garbage collection costs is charged.

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**13. BAD DEBTS**

The bad debt expense includes the current year's allowance for loan principal deemed uncollectible, less collection or recovery of principal on loans written off in prior years.

|                                     | Bad debt<br>2021 | Net bad debt<br>(recovery)<br>2020 |
|-------------------------------------|------------------|------------------------------------|
| <b>General operating fund</b>       |                  |                                    |
| Community Loan                      | \$ 7,044         | \$ -                               |
| Fisheries Legacy (Fish II)          | 5,213            | (4,125)                            |
| <b>Externally restricted fund</b>   |                  |                                    |
| WED General                         | -                | (17,154)                           |
| FCBL fund - WED Matching fund 50%   | -                | (24,208)                           |
| Forest Community Business loan fund | -                | (24,208)                           |
| Other restricted funds              | -                | (9,643)                            |
|                                     | <u>\$ 12,257</u> | <u>\$ (79,338)</u>                 |

**14. COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations.

The extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated at this time.

**15. PRIOR PERIOD ADJUSTMENT**

The comparative figures have been retroactively restated for an adjustment in deferred revenue relating to the Export Navigator program. As a result net assets as at March 31, 2020 has increased by \$26,670.

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**15. PRIOR PERIOD ADJUSTMENT, continued**

|                                   | March 31,<br>2020 as<br>previously<br>reported | Adjustment  | March 31,<br>2020<br>restated |
|-----------------------------------|--|-------------|-------------------------------|
| Deferred revenue                  | \$ 423,811                                     | \$ (26,670) | \$ 397,141                    |
| General operating fund net assets | 819,672  | 26,670      | 846,342                       |
|                                   | <u>\$ 1,243,483</u>                            | <u>\$ -</u> | <u>\$ 1,243,483</u>           |

**16. FINANCIAL INSTRUMENTS**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

**(a) Credit risk**

Credit risk is the risk that on party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk in accounts receivable and loans receivable. The Corporation provides credit to its clients in the normal course of its operations. In order to reduce its credit risk, the Corporation limits the amount of credit extended to clients, performs credit checks on all loan applicants and ensures adequate security is provided. An allowance for credit loss is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

**(b) Interest rate risk**

The Corporation is exposed to interest rate risk. Interest rate risk is the risk that the Corporation has interest rate exposure on its financial instruments, which are variable based on the maturity of each instrument. This exposure may have an effect on its earnings in future periods. To minimize interest rate risk, the Corporation manages exposure through its normal operating and financing activities. In addition, all restricted cash funds are invested in fixed interest bearing savings accounts.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE PACIFIC NORTHWEST**  
**SCHEDULE 1 - GENERAL OPERATING FUND STATEMENT OF OPERATIONS**  
**MARCH 31, 2021**

|   | WED<br>General   | Rupert<br>Redesign | Export<br>Navigator | Fish II          | Fish for<br>Community | FCBL        | Redesign<br>Rupert<br>(Rural<br>Dividend<br>Fund) | 2021             | 2020             |
|---|------------------|--------------------|---------------------|------------------|-----------------------|-------------|---|------------------|------------------|
| <b>REVENUE</b>                                  |                  |                    |                     |                  |                       |             |   |                  |                  |
| WED   | \$320,955        | \$ -               | \$ -                | \$ -             | \$ -                  | \$ -        | \$ -  | \$ 320,955       | \$ 320,955       |
| Other contributions                             | 97,406           | 5,099              | 92,474              | -                | -                     | -           | 4,795   | 199,774          | 875,744          |
| Rent  | 26,100           | -                  | -                   | -                | -                     | -           | -   | 26,100           | 31,348           |
| Project fees                                    | 5,126            | -                  | -                   | -                | -                     | -           | -   | 5,126            | 19,500           |
| Loan admin fees                                 | 9,308            | -                  | -                   | -                | -                     | -           | -   | 9,308            | 11,818           |
| Investment Income                               | 62,950           | -                  | -                   | 18,757           | 210                   | -           | -   | 81,917           | 87,123           |
| Bank Interest                                   | 67               | -                  | -                   | -                | -                     | -           | -   | 67               | 491              |
| Other revenue                                   | -                | -                  | -                   | -                | -                     | -           | -   | -                | (192)            |
|   | <u>521,912</u>   | <u>5,099</u>       | <u>92,474</u>       | <u>18,757</u>    | <u>210</u>            | <u>-</u>    | <u>4,795</u>                                      | <u>643,247</u>   | <u>1,346,787</u> |
| <b>EXPENDITURES</b>                             |                  |                    |                     |                  |                       |             |   |                  |                  |
| Advertising and promotion                       | 36,112           | 24                 | 100                 | -                | -                     | -           | 4,795   | 41,031           | 11,748           |
| Bad debts (recovery)                            | 12,257           | -                  | -                   | 5,213            | -                     | -           | -   | 17,470           | (28,333)         |
| Consulting fees                                 | 1,443            | -                  | 87,843              | -                | -                     | -           | -   | 89,286           | 814,233          |
| IT Support                                      | 7,880            | 280                | -                   | -                | -                     | -           | -   | 8,160            | 7,951            |
| Insurance                                       | 3,886            | -                  | -                   | -                | -                     | -           | -   | 3,886            | 3,632            |
| Interest and bank charges                       | 301              | -                  | -                   | -                | 4                     | -           | -   | 305              | 2,888            |
| Interest on long-term debt                      | -                | -                  | -                   | -                | -                     | -           | -   | -                | 14,645           |
| Licenses and dues                               | 1,882            | -                  | 121                 | -                | -                     | -           | -   | 2,003            | 2,160            |
| Loan administration                             | 2,180            | -                  | -                   | -                | -                     | -           | -   | 2,180            | 1,958            |
| Meetings  | 2,309            | -                  | 182                 | -                | -                     | -           | -   | 2,491            | 45,506           |
| Office  | 5,680            | -                  | -                   | -                | -                     | -           | -   | 5,680            | 9,506            |
| Professional fees                               | 16,994           | -                  | -                   | -                | -                     | -           | -   | 16,994           | 15,253           |
| Rent  | 53,376           | -                  | -                   | -                | -                     | -           | -   | 53,376           | 57,873           |
| Telephone and utilities                         | 13,203           | -                  | -                   | -                | -                     | -           | -   | 13,203           | 12,783           |
| Training and development                        | 4,955            | -                  | 472                 | -                | -                     | -           | -   | 5,427            | 4,334            |
| Travel and accommodation                        | 1,363            | -                  | 3,756               | -                | -                     | -           | -   | 5,119            | 21,516           |
| Wages and benefits                              | 328,382          | -                  | -                   | -                | -                     | -           | -   | 328,382          | 267,688          |
|   | <u>492,203</u>   | <u>304</u>         | <u>92,474</u>       | <u>5,213</u>     | <u>4</u>              | <u>-</u>    | <u>4,795</u>                                      | <u>594,993</u>   | <u>1,265,341</u> |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>\$ 29,709</u> | <u>\$ 4,795</u>    | <u>\$ -</u>         | <u>\$ 13,544</u> | <u>\$ 206</u>         | <u>\$ -</u> | <u>\$ -</u>                                       | <u>\$ 48,254</u> | <u>\$ 81,446</u> |

See accompanying notes to these financial statements



**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE PACIFIC NORTHWEST**  
**SCHEDULE 2 - EXTERNALLY RESTRICTED FUND STATEMENT OF OPERATIONS**  
**MARCH 31, 2021**

|                                   | WED General | FCBL     | Regional Relief<br>and Recovery<br>Fund | Lax Kw'alaams | 2021      | 2020      |
|-----------------------------------|-------------|----------|---|---------------|-----------|-----------|
| <b>REVENUE</b>                    |             |          |   |               |           |           |
| Investment Income                 | \$ 25,796   | \$ 9,957 | \$ -                                    | \$ 396        | \$ 36,149 | \$ 41,057 |
| Bank Interest                     | -           | -        | -                                       | -             | -         | 927       |
| Regional Relief and Recovery Fund | -           | -        | 77,791                                  | -             | 77,791    | -         |
|                                   | 25,796      | 9,957    | 77,791                                  | 396           | 113,940   | 41,984    |
| <b>EXPENDITURES</b>               |             |          |   |               |           |           |
| Advertising and promotion         | -           | -        | 7,443                                   | -             | 7,443     | -         |
| Bad debts (recovery)              | -           | -        | -                                       | -             | -         | (51,004)  |
| Consulting fees                   | -           | -        | 10,000                                  | -             | 10,000    | -         |
| IT Support                        | -           | -        | 7,456                                   | -             | 7,456     | -         |
| Interest and bank charges         | -           | 3        | 41                                      | 13            | 57        | -         |
| Loan administration               | -           | -        | 1,025                                   | -             | 1,025     | -         |
| Office                            | -           | -        | 17,049                                  | -             | 17,049    | 194       |
| Rent                              | -           | -        | 52                                      | -             | 52        | -         |
| Telephone and utilities           | -           | -        | 247                                     | -             | 247       | -         |
| Training and development          | -           | -        | 6,009                                   | -             | 6,009     | -         |
| Travel and accommodation          | -           | -        | 1,729                                   | -             | 1,729     | -         |
| Wages and benefits                | -           | -        | 26,742                                  | -             | 26,742    | -         |
|                                   | -           | 3        | 77,793                                  | 13            | 77,809    | (50,810)  |
|                                   | 25,796      | 9,954    | (2)                                     | 383           | 36,131    | 92,794    |
| <b>OTHER ITEM</b>                 |             |          |   |               |           |           |
| Transfer of capital assets        | -           | -        | (8,226)                                 | -             | (8,226)   | -         |
|                                   | \$ 25,796   | \$ 9,954 | \$ 8,224                                | \$ 383        | \$ 44,357 | \$ 92,794 |

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE PACIFIC NORTHWEST**  
**SCHEDULE 3 - EXTERNALLY RESTRICTED FUND STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2021**

|                                     | WED General | FCBL       | Regional Relief<br>and Recovery<br>Fund | Lax Kw'alaams | 2021         | 2020       |
|-------------------------------------|-------------|------------|---|---------------|--------------|------------|
| <b>ASSETS</b>                       |             |            |   |               |              |            |
| <b>CURRENT ASSETS</b>               |             |            |   |               |              |            |
| Cash                                | \$ (8)      | \$ -       | \$ -                                    | \$ -          | \$ (8)       | \$ -       |
| Restricted cash                     | 137,303     | 9,258      | 10,000                                  | 112,870       | 269,432      | 338,529    |
| Current portion of loans receivable | 90,748      | 24,196     | -                                       | 6,132         | 121,076      | 131,739    |
|                                     | 228,043     | 33,454     | 10,000                                  | 119,002       | 390,500      | 470,268    |
| <b>LOANS RECEIVABLE (Note 4)</b>    | 268,701     | 173,891    | 1,220,000                               | 7,685         | 1,670,276    | 367,857    |
|                                     | 496,744     | 207,345    | 1,230,000                               | 126,687       | 2,060,776    | 838,125    |
| <b>LIABILITIES</b>                  |             |            |   |               |              |            |
| <b>LOAN PAYABLE</b>                 | -           | -          | 1,230,000                               | 81,020        | 1,311,020    | 80,689     |
| <b>NET ASSETS</b>                   | 496,744     | 207,345    | -                                       | 45,667        | 749,756      | 757,436    |
|                                     | \$ 496,744  | \$ 207,345 | \$ 1,230,000                            | \$ 126,687    | \$ 2,060,776 | \$ 838,125 |

See accompanying notes to these financial statements