

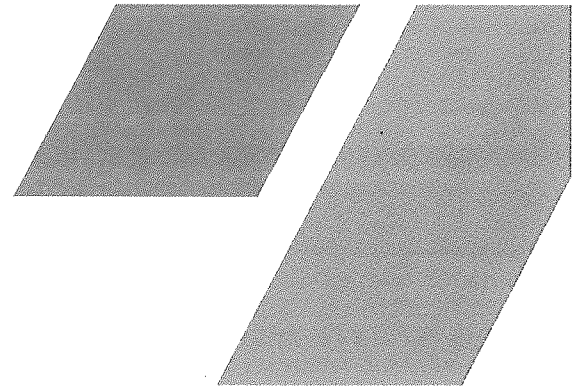
**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF THE PACIFIC NORTHWEST**

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

MARCH 31, 2023

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
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MARCH 31, 2023**

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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, 2023, 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, 2023, 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.

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.

See accompanying notes to these financial statements

INDEPENDENT AUDITOR'S REPORT, continued

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.

Prince George, B.C.
June 29, 2023

DMC Chartered Professional
Accountants Inc.

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023**

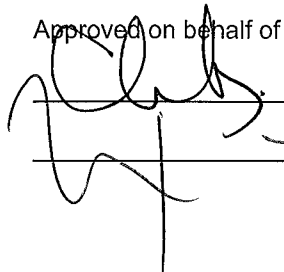

	General operating fund	Tangible capital asset fund	Externally restricted fund (Schedule 3)	2023	2022
ASSETS					
CURRENT ASSETS					
Cash	\$ 785,873	\$ -	\$ 46,400	\$ 832,273	\$ 449,254
Restricted cash (Note 3)	433,936	-	379,753	813,689	1,065,928
Government remittances	2,722	-	-	2,722	2,652
Accounts receivable	2,204	-	-	2,204	5,394
Prepaid expenses	4,495	-	-	4,495	5,519
Current portion of loans receivable (Note 4)	315,198	-	195,522	510,720	401,653
	<u>1,544,428</u>	<u>-</u>	<u>621,675</u>	<u>2,166,102</u>	<u>1,930,400</u>
 INTER-FUND RECEIVABLE	 23,435	 -	 168,429	 191,864	 194,919
INVESTMENTS (Note 5)	311,665	-	-	311,665	301,432
 LOANS RECEIVABLE (Note 4)	 1,018,359	 -	 1,672,287	 2,690,646	 3,173,153
 INTANGIBLE CAPITAL ASSETS (Note 6)	 1,700	 -	 -	 1,700	 2,550
 TANGIBLE CAPITAL ASSETS (Note 7)	 -	 1,715	 -	 1,715	 3,114
	<u>1,355,159</u>	<u>1,715</u>	<u>1,840,716</u>	<u>3,197,590</u>	<u>3,675,168</u>
	<u>\$ 2,899,587</u>	<u>\$ 1,715</u>	<u>\$ 2,462,391</u>	<u>\$ 5,363,692</u>	<u>\$ 5,605,568</u>

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023**

	General operating fund	Tangible capital asset fund	Externally restricted fund (Schedule 3)	2023	2022
LIABILITIES					
CURRENT LIABILITIES					
Bank indebtedness (Note 8)	\$ 1,245,231	\$ -	\$ -	\$ 1,245,231	\$ 1,147,693
Accounts payable and accrued liabilities	23,144	-	-	23,144	38,064
Government remittances	821	-	-	821	6,544
Deferred revenue (Note 9)	408,447	-	95,105	503,552	581,278
Current portion of long term debt (Note 10)	-	-	48,898	48,898	23,701
	1,677,643	-	144,003	1,821,646	1,797,280
LONG-TERM DEBT (Note 10)					
	-	-	1,237,656	1,237,656	1,550,630
LOAN PAYABLE (Note 11)	-	-	82,478	82,478	81,704
INTER-FUND PAYABLE	1,058	-	190,806	191,864	194,919
	1,058	-	1,510,940	1,511,998	1,827,253
COMMITMENT (Note 12)					
NET ASSETS					
	1,220,886	1,715	807,448	2,030,048	1,981,035
	\$ 2,899,587	\$ 1,715	\$ 2,462,391	\$ 5,363,692	\$ 5,605,568

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 OPERATIONS
YEAR ENDED MARCH 31, 2023**

	General operating fund (Schedule 1)	Tangible capital asset fund	Externally restricted fund (Schedule 2)	2023	2022
REVENUE					
Western Economic Diversification Contributions	\$ 320,955	\$ -	\$ -	\$ 320,955	\$ 320,955
Other contributions	182,904	-	742	183,646	245,582
Investment income	145,823	-	53,473	199,296	130,846
Loan administration fees	13,006	-	-	13,006	26,028
Rent	16,000	-	-	16,000	18,080
Project fees	9,740	-	-	9,740	8,504
Bank interest	21	-	-	21	11
	688,449	-	54,215	742,664	750,006
EXPENDITURES					
Advertising and promotion	46,855	-	391	47,246	96,133
Amortization	850	1,399	-	2,249	2,392
Bad debts (recovery)	90,457	-	5,100	95,557	27,307
IT Support	14,949	-	-	14,949	12,521
Consulting fees	89,860	-	-	89,860	90,066
Insurance	4,671	-	-	4,671	4,275
Interest and bank charges	1,361	-	-	1,361	673
Interest on long-term debt	62,565	-	-	62,565	24,586
Loan administration	416	-	-	416	4,572
Meetings	2,980	-	-	2,980	3,752
Licenses and dues	1,393	-	-	1,393	2,237
Office	8,765	-	155	8,920	7,402
Professional fees	15,283	-	-	15,283	12,938
Rent	57,142	-	-	57,142	57,278
Telephone and utilities	13,999	-	-	13,999	15,263
Training and development	5,412	-	-	5,412	3,221
Travel and accommodation	22,837	-	-	22,837	20,524
Wages and benefits	246,811	-	-	246,811	318,736
	686,606	1,399	5,646	693,651	703,876
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	1,843	(1,399)	48,569	49,013	46,130

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023**

	General operating fund (Schedule 1)	Tangible capital asset fund	Externally restricted fund (Schedule 2)	2023	2022
OTHER ITEMS					
Loan Forgiveness Revenue	-	-	60,000	60,000	50,000
Debt forgiveness	-	-	(60,000)	(60,000)	(50,000)
	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,843	\$ (1,399)	\$ 48,569	\$ 49,013	\$ 46,130

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, 2023**

	General operations fund	Tangible capital asset fund	Externally restricted fund	2023	2022
Balance	<u>\$ 1,219,043</u>	<u>\$ 3,114</u>	<u>\$ 758,879</u>	<u>\$ 1,981,035</u>	<u>\$ 1,934,905</u>
Excess of revenues over expenditures	<u>1,843</u>	<u>(1,399)</u>	<u>48,569</u>	<u>49,013</u>	<u>46,130</u>
Balance, ending of year	<u><u>\$ 1,220,886</u></u>	<u><u>\$ 1,715</u></u>	<u><u>\$ 807,448</u></u>	<u><u>\$ 2,030,048</u></u>	<u><u>\$ 1,981,035</u></u>

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, 2023**

	General operations fund	Tangible capital asset fund	Externally restricted fund	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from					
WED contributions	\$ 320,955	\$ -	\$ -	\$ 320,955	\$ 320,955
Other contributions and income	147,878	-	-	147,878	297,257
Investment income	145,752	-	53,473	199,225	130,846
Investment loan repayments	404,248	-	503,609	907,857	1,026,130
Cash paid for					
Loans granted	(283,460)	-	(354,938)	(638,398)	(1,641,567)
Materials and services	(304,507)	-	-	(304,507)	(366,318)
Interest paid to lenders	(63,926)	-	-	(63,926)	(25,255)
Salaries and benefits	(246,811)	-	-	(246,811)	(318,736)
	120,129	-	202,144	322,273	(576,688)
CASH FLOWS FROM INVESTING ACTIVITY					
Purchase of investments	-	-	-	-	(301,432)
	-	-	-	-	(301,432)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long-term debt	(290,000)	-	(24,875)	(314,875)	(411,225)
Proceeds of long-term debt	844	-	25,000	25,844	410,000
Advances from short-term financing	97,537	-	-	97,537	882,143
Inter-fund transfers	255,060	-	(255,060)	-	-
	63,441	-	(254,935)	(191,494)	880,918
Increase (decrease) in cash	183,570	-	(52,791)	130,779	2,798
Cash, beginning of year	1,036,241	-	478,941	1,515,182	1,512,384
Cash, end of year	\$ 1,219,811	\$ -	\$ 426,150	\$ 1,645,961	\$ 1,515,182
Cash consists of:					
Cash	\$ 785,875	\$ -	\$ 46,397	\$ 832,272	\$ 449,254
Restricted cash (Note 2)	\$ 433,936	\$ -	\$ 379,753	\$ 813,689	\$ 1,065,928

See accompanying notes to these financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

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, Forest Community Business Loan (FCBL), Regional Relief & Recovery (RRRF) and Lax Kw'alaams.

(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, 2023**

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 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 . 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 .

(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.

(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.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(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) Investments

Investments are recorded at cost, earnings from investments are recognized only to the extent received or receivable.

(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

(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.

(i) 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 (RRRF) 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.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

3. RESTRICTED CASH

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

	2023	2022
General operating fund		
Northwest Growth Project fund	\$ 433,936	\$ 494,858
	<u>433,936</u>	<u>494,858</u>
Externally restricted fund		
WED General	34,186	94,164
Forest Community Business Loan (FCBL) fund - WED		
Matching fund 50%	151,936	213,477
RRRF	87,125	162,140
N'Galum Aam Wahl	90,941	88,744
Fish for Community fund	15,565	12,545
	<u>379,753</u>	<u>571,070</u>
	<u>\$ 813,689</u>	<u>\$ 1,065,928</u>

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 balance	New loans granted	Repayments	Provision for Credit loss	2023
General operating fund					
Community loan fund	\$ 1,118,325	\$ 168,730	\$ (235,643)	\$ -	\$ 1,051,412
Fisheries Legacy (Fish II)	280,430	-	(132,644)	(51,620)	96,166
Forest Community Business Loan Matching Fund	145,079	114,730	(73,830)	-	185,979
	<u>1,543,834</u>	<u>283,460</u>	<u>(442,117)</u>	<u>(51,620)</u>	<u>1,333,557</u>
Less current portion	<u>(243,956)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(315,198)</u>
	<u>1,299,878</u>	<u>283,460</u>	<u>(442,117)</u>	<u>(51,620)</u>	<u>1,018,359</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

4. LOANS RECEIVABLE, continued

	Opening balance	New loans granted	Repayments	Provision for Credit loss	2023
Externally restricted fund					
WED General	413,753	240,207	(154,847)	(64,002)	435,111
Forest Community Business loan fund	145,079	114,730	(73,831)	-	185,978
Regional Relief and Recovery Fund	1,113,500	-	(215,000)	-	898,500
N'Galum Aam Wahl	8,247	-	(1,846)	-	6,401
Fish for Community	16,062	-	(5,697)	(5,100)	5,265
Syndicated loans	334,331	25,000	(22,777)	-	336,554
	2,030,972	379,937	(473,998)	(69,102)	1,867,809
Less current portion	(157,697)	-	-	-	(195,522)
	2,231,915	404,937	(504,318)	(74,202)	2,020,507
Due beyond one year	\$ 3,173,153	\$ 663,397	\$ (916,115)	\$ (120,722)	\$ 2,690,646

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 \$99,557 (2022 - \$27,307) 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 \$215,000 is forgiveness of debt of \$60,000 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 \$60,000 recognized as loan forgiveness revenue.

5. INVESTMENTS

Investments consist of Fish II surplus funds that were deposited with the Community Futures Lending & Investment Pool of BC. Investments are recorded at cost, plus any received or receivable earnings, the rate of return varies depending on how the loan portfolio performs.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

6. INTANGIBLE ASSETS

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Website	\$ 4,250	\$ 2,550	\$ 1,700	\$ 2,550

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Office equipment	\$ 3,930	\$ 2,215	\$ 1,715	\$ 2,501
Leasehold improvements	62,880	62,880	-	-
Computer equipment	3,523	3,523	-	613
Computer software	321	321	-	-
	<u>\$ 70,654</u>	<u>\$ 68,939</u>	<u>\$ 1,715</u>	<u>\$ 3,114</u>

8. BANK INDEBTEDNESS

The Corporation has a line of credit available up to \$1,400,000 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, \$1,245,231 (2022- \$1,147,693) of the line of credit was in use.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

9. DEFERRED REVENUE

	Opening balance	Deferred	Used	Closing balance
WED	\$ 26,746	\$ -	\$ (26,746)	\$ -
Northwest Growth projects	30,991	-	-	30,991
Rural Dividend Fund (Rupert Redesign)	95,105	-	-	95,105
Rupert Redesign 3.0	894	-	(542)	352
2030 Community Plan	20,876	-	-	20,876
BC Labour Market Study	2,825	-	-	2,825
Rural Resident Attraction Project	175,000	-	-	175,000
Recruitment Brand Development	183,249	-	(45,430)	137,819
Export Navigator 3.0, 4.0, 5.0 and 6.0	7,452	100,000	(104,993)	2,459
Client repayment	2,500	-	-	2,500
RRRF	35,640	-	(15)	35,625
	<u>\$ 581,278</u>	<u>\$ 100,000</u>	<u>\$ (177,726)</u>	<u>\$ 503,552</u>

10. LONG-TERM DEBT

	2023	2022
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.	\$ 950,000	\$ 1,240,000
Loan participation and administration agreement cosigned with Haida Gwaii Community Futures Development Corporation and Community Futures Development Corporation Peace Liard bearing interest at 10.2% per annum, repayable in monthly payments of \$3,007 including interest, due on demand. The Loan is secured by a promissory note and personal guarantee's from the borrower. The loan matures on June 30, 2031.	200,724	215,335
Loan participation and administration agreement cosigned with Community Futures East Kootenay and Community Futures Development Corporation Peace Liard bearing interest at 12.5% per annum, repayable in monthly payments of \$2,935 including interest, due on demand. The Loan is secured by a promissory note and personal guarantee's from the borrower. The loan matures on December 31, 2039.	95,618	99,783

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

10. LONG-TERM DEBT, continued

	2023	2022
Loan participation and administration agreement cosigned with Community Futures South Fraser bearing interest at 13.5% annum, repayable in monthly payments of \$455 including interest, due on demand. The Loan is secured by a promissory note and personal vehicles. The loan matures on December 31, 2026.	16,286	19,213
Loan participation and administration agreement cosigned with Community Futures East Kootenay and Community Futures Development Corporation Peace Liard bearing interest at 12.5% per annum, repayable in monthly payments of \$598 including interest, due on demand. The Loan is secured by a promissory note and personal guarantee's from the borrower. The loan matures on July 31, 2027.	23,926	-
	1,286,554	1,574,331
Less current portion	48,898	23,701
Due beyond one year	<u>\$ 1,237,656</u>	<u>\$ 1,550,630</u>

11. LOANS PAYABLE

	2023
Lax Kw'alaams Fish For Community	\$ 29,233
Lax Kw'alaams Fish For Community - interest 50%	2,385
Lax Kw'alaams Entrepreneurial Loan fund	50,000
Lax Kw'alaams Entrepreneurial Loan fund - interest 50%	930
	<u>\$ 82,478</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.

12. COMMITMENTS

The Corporation leases its premises under a one year term term that commenced November 1, 2022. The base lease rate for each year is \$35,165. In addition to the base rent, an additional rent of 30% of the annual property tax, water, sewer, and garbage collection costs is charged.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

13. BAD DEBTS

The bad debt expense includes the current year's allowance for loan principal deemed uncollectible, less collection of principal or reversal of amounts previously deemed uncollectible by management.

	2023	2022
Bad debt		
Fish for Community Fund	\$ 5,100	\$ 3,093
General Investment	64,002	-
Fisheries Legacy (Fish II)	28,305	-
	<u>97,407</u>	<u>3,093</u>
Bad debt (recovered)		
Fisheries Legacy (Fish II)	(1,850)	-
	<u>\$ 95,557</u>	<u>\$ 3,093</u>

14. 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
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

15. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE
PACIFIC NORTHWEST
SCHEDULE 1 - GENERAL OPERATING FUND STATEMENT OF OPERATIONS
MARCH 31, 2023**

	WED General	Export Navigator	Fish II	2023	2022
REVENUE					
WED	\$ 320,955	\$ -	\$ -	\$ 320,955	\$ 320,955
Other contributions	77,912	104,993	-	182,905	244,828
Investment Income	135,701	-	10,122	145,823	108,112
Loan administration fees	13,006	-	-	13,006	26,028
Rent	16,000	-	-	16,000	18,080
Project fees	9,740	-	-	9,740	8,504
Bank Interest	21	-	-	21	11
	<u>573,335</u>	<u>104,993</u>	<u>10,122</u>	<u>688,450</u>	<u>726,518</u>
EXPENDITURES					
Advertising and promotion	46,855	-	-	46,855	95,800
Amortization	850	-	-	850	850
Bad debts (recovery)	63,202	-	27,256	90,458	13,348
Consulting fees	-	89,860	-	89,860	90,066
IT Support	14,949	-	-	14,949	12,521
Insurance	4,671	-	-	4,671	4,275
Interest and bank charges	1,358	2	-	1,360	614
Interest on long-term debt	62,565	-	-	62,565	24,586
Licenses and dues	1,393	-	-	1,393	2,237
Loan administration	416	-	-	416	4,557
Meetings	2,465	515	-	2,980	3,752
Office	8,415	350	-	8,765	7,402
Professional fees	15,283	-	-	15,283	12,938
Rent	57,142	-	-	57,142	57,278
Telephone and utilities	13,999	-	-	13,999	15,263
Training and development	5,266	147	-	5,413	3,221
Travel and accommodation	8,718	14,119	-	22,837	20,524
Wages and benefits	246,811	-	-	246,811	318,736
	<u>554,358</u>	<u>104,993</u>	<u>27,256</u>	<u>686,607</u>	<u>687,968</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 18,977</u>	<u>\$ -</u>	<u>\$ (17,134)</u>	<u>\$ 1,843</u>	<u>\$ 38,550</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, 2023

	WED General	FCBL	RRRF	Lax Kw'alaams	Rupert Redesign	Fish for Community	2023	2022
REVENUE								
Investment income	\$ 32,426	\$ 20,259	\$ -	\$ 355	\$ -	\$ 433	\$ 53,473	\$ 22,734
Other revenue	200	-	-	-	543	-	743	755
	32,626	20,259	-	355	543	433	54,216	23,489
EXPENDITURES								
Advertising and promotion	-	-	-	-	391	-	391	334
Bad debts (recovery)	-	-	-	-	-	5,100	5,100	13,959
Interest and bank charges	-	-	-	-	-	-	-	59
Loan administration	-	-	-	-	-	-	-	15
Office	-	-	-	-	152	4	156	-
	-	-	-	-	543	5,104	5,647	14,367
	32,626	20,259	-	355	-	(4,671)	48,569	9,122
OTHER ITEMS								
Loan Forgiveness Revenue	-	-	60,000	-	-	-	60,000	50,000
(Deficit)	-	-	(60,000)	-	-	-	(60,000)	(50,000)
Debt forgiveness	-	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ 32,626	\$ 20,259	\$ -	\$ 355	\$ -	\$ (4,671)	\$ 48,569	\$ 9,122

See accompanying notes to these financial statements
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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE PACIFIC NORTHWEST
 SCHEDULE 3 - EXTERNALLY RESTRICTED FUND STATEMENT OF FINANCIAL POSITION
 MARCH 31, 2023**

	WED General	FCBL	RRRF	Lax Kw'alaams	Rupert Redesign	Fish for Community	2023	2022
ASSETS								
CURRENT ASSETS								
Cash	\$ -	\$ 43,001	\$ -	\$ 876	\$ -	\$ 2,523	\$ 46,400	\$ 25,350
Restricted cash	34,186	151,936	87,125	90,941	-	15,565	379,753	571,069
Current portion of loans receivable	117,800	69,873	-	1,999	-	5,850	195,522	157,697
	151,986	264,810	87,125	93,816	-	23,938	621,675	754,116
LOANS RECEIVABLE								
(Note 4)								
INTER-FUND RECEIVABLE								
	648,765	116,105	898,500	4,402	-	4,515	1,672,287	1,866,231
	60,052	-	-	13,272	95,105	-	168,429	83,535
	708,817	116,105	898,500	17,674	95,105	4,515	1,840,716	1,949,766
	860,803	380,915	985,625	111,490	95,105	28,453	2,462,391	2,703,882

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE PACIFIC NORTHWEST
SCHEDULE 3 - EXTERNALLY RESTRICTED FUND STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

	WED General	FCBL	RRRF	Lax Kw'alaams	Rupert Redesign	Fish for Community	2023	2022
LIABILITIES								
CURRENT LIABILITIES								
Deferred revenue	-	-	-	-	95,105	-	95,105	95,105
Current portion of long-term debt	48,898	-	-	-	-	-	48,898	-
LONG-TERM DEBT	271,370	16,286	950,000	-	-	-	1,237,656	1,574,331
LOAN PAYABLE	-	-	-	50,859	-	31,619	82,478	81,704
INTER-FUND PAYABLE	-	125,770	35,625	-	-	29,411	190,806	193,862
NET ASSETS	540,535	238,858	-	60,629	-	(32,574)	807,448	758,879
	<u>\$ 860,803</u>	<u>\$ 380,914</u>	<u>\$ 985,625</u>	<u>\$ 111,488</u>	<u>\$ 95,105</u>	<u>\$ 28,456</u>	<u>\$ 2,462,391</u>	<u>\$ 2,703,882</u>