

**COMMUNITY FUTURES DEVELOPMENT  
CORPORATION OF NADINA**

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

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EDMISON MEHR  
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Directors of  
Community Futures Development Corporation of Nadina  
Smithers, BC

Qualified Opinion

We have audited the accompanying non-consolidated financial statements of Community Futures Development Corporation of Nadina, which comprise the Statement of Financial Position as at March 31, 2022, and the Statements of Changes in Fund Balances, Operations and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not for Profit Entities.

Basis for Qualified Opinion

Note 2 states that the corporation has adopted the policy of expensing tangible capital assets in the year of acquisition, rather than capitalizing and amortizing them over their useful life. The non-consolidated financial statement effect of not amortizing the assets is often less than the cumulative capital assets being expensed. Note 2 indicates that the corporation is a wholly owned subsidiary which is not being recorded on the consolidated basis. The effect on the non-consolidated statements has not been quantified. These treatments do not conform to Canadian accounting standards for not-for-profit organizations.

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 non-consolidated Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 non-consolidated financial statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian Accounting Standards for Not for Profit Entities and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

## Auditor's Responsibilities for the Audit of the non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatements, 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 errors 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 non-consolidated financial statements. As part of an audit in accordance with Canadian auditing standards, we exercise professional judgement and maintain professional skepticism through the audit.

We also:

- Identify and assess the risks of material misstatement of the non-consolidated 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the Society'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 Society'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 non-consolidated 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including disclosure, 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.

## Report on Other Legal and Regulatory Requirement

As required by the British Columbia Societies Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Smithers, BC  
June 21, 2022

  
Edmison Mehr

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2022**

	Operating Fund 2022	Conditionally Repayable Fund 2022	Non-Repayable Fund 2022	DEIP Conditionally Repayable Fund 2022	RRRF Fund 2022	Total 2022	Total 2021
<b>ASSETS</b>							
<b>CURRENT</b>							
Cash	\$ 57,815	\$ 80,074	\$ 5,515	\$ 3,435	\$ 296,948	\$ 443,787	\$ 575,883
Accounts receivable	30,992	-	-	-	-	30,992	75,314
Accounts receivable - GST	1,126	-	-	-	-	1,126	675
Prepaid expenses	<u>13,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,532</u>	<u>3,032</u>
	103,465	80,074	5,515	3,435	296,948	489,437	654,904
LOANS RECEIVABLE, Note 12	-	1,948,600	325,752	43,338	1,293,600	3,611,290	2,716,641
TANGIBLE CAPITAL ASSETS, Note 4	1	-	-	-	-	1	1
INVESTMENT, Note 3	2	-	-	-	-	2	2
INTERFUND RECEIVABLE DUE TO WHOLLY OWNED SUBSIDIARY, Note 6	<u>2,517</u>	<u>50,000</u>	<u>84,000</u>	<u>-</u>	<u>-</u>	<u>136,517</u>	<u>98,000</u>
	<u>103,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,230</u>	<u>88,500</u>
	<u>105,750</u>	<u>1,998,600</u>	<u>409,752</u>	<u>43,338</u>	<u>1,293,600</u>	<u>3,851,040</u>	<u>2,903,144</u>
	<u>\$ 209,215</u>	<u>\$ 2,078,674</u>	<u>\$ 415,267</u>	<u>\$ 46,773</u>	<u>\$ 1,590,548</u>	<u>\$ 4,340,477</u>	<u>\$ 3,558,048</u>
<b>LIABILITIES</b>							
<b>CURRENT</b>							
Accounts payable	\$ 11,699	\$ -	\$ -	\$ -	\$ -	\$ 11,699	\$ 19,781
Source deductions payable	14,367	-	-	-	-	14,367	-
Wages and benefits payable	8,760	-	-	-	-	8,760	37,297
Deferred revenue, Note 2	27,495	-	-	-	-	27,495	315
Loan payable, Note 5	-	-	-	-	1,587,887	1,587,887	1,429,000
Current portion of long term debt, Note 13	<u>-</u>	<u>45,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>62,321</u>	<u>45,251</u>	<u>-</u>	<u>-</u>	<u>1,587,887</u>	<u>1,650,208</u>	<u>1,486,393</u>
LONG TERM DEBT, Note 13	-	1,997,220	-	200,000	-	2,242,471	1,790,000
INTERFUND PAYABLE	<u>-</u>	<u>65,000</u>	<u>-</u>	<u>69,000</u>	<u>2,517</u>	<u>136,517</u>	<u>98,000</u>
	<u>-</u>	<u>2,062,220</u>	<u>-</u>	<u>269,000</u>	<u>2,517</u>	<u>2,378,988</u>	<u>1,888,000</u>
	<u>62,321</u>	<u>2,107,471</u>	<u>-</u>	<u>269,000</u>	<u>1,590,404</u>	<u>4,029,196</u>	<u>3,374,393</u>
<b>NET ASSETS</b>							
EXTERNALLY RESTRICTED NET ASSETS	<u>146,894</u>	<u>(28,797)</u>	<u>415,267</u>	<u>(222,227)</u>	<u>144</u>	<u>311,281</u>	<u>183,655</u>
	<u>\$ 209,215</u>	<u>\$ 2,078,674</u>	<u>\$ 415,267</u>	<u>\$ 46,773</u>	<u>\$ 1,590,548</u>	<u>\$ 4,340,477</u>	<u>\$ 3,558,048</u>

APPROVED BY THE BOARD:

 DIRECTOR  DIRECTOR

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA  
STATEMENT OF CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2022**

	Operating Fund 2022	Conditionally Repayable Fund 2022	Non-Repayable Fund 2022	DEIP Conditionally Repayable Fund 2022	RRRF Fund 2022	Total 2022	Total 2021
NET ASSETS, beginning of year \$	162,305	\$ (108,745)	\$ 393,708	\$ (263,643)	\$ 27	\$ 183,655	\$ 242,981
EXCESS OF REVENUE OVER EXPENSES FOR THE year	<u>(15,411)</u>	<u>79,948</u>	<u>21,559</u>	<u>41,416</u>	<u>117</u>	<u>127,629</u>	<u>(59,326)</u>
NET ASSETS, end of year	<u>\$ 146,894</u>	<u>\$ (28,797)</u>	<u>\$ 415,267</u>	<u>\$ (222,227)</u>	<u>\$ 144</u>	<u>\$ 311,281</u>	<u>\$ 183,655</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	Operating Fund 2022	Conditionally Repayable Fund 2022	Non-Repayable Fund 2022	DEIP Conditionally Repayable Fund 2022	RRRF Fund 2022	Total 2022	Total 2021
<b>REVENUE</b>							
Government funding	\$ 413,942	\$ -	\$ -	\$ -	\$ -	\$ 413,942	\$ 492,337
Rental Income	47,858	-	-	-	-	47,858	51,885
Fee for service	33,001	-	-	-	20,013	53,014	19,507
Interest	88	171	73	65	117	514	539
Loan interest	-	98,528	21,486	35,756	-	155,770	89,316
Other revenue	<u>3,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,455</u>	<u>825</u>
	<u>498,344</u>	<u>98,699</u>	<u>21,559</u>	<u>35,821</u>	<u>20,130</u>	<u>674,553</u>	<u>654,409</u>
<b>EXPENSES</b>							
Administration - internal	-	-	-	-	20,013	20,013	-
Advertising and promotion	3,257	-	-	-	-	3,257	1,894
Bad debts (recovery)	-	-	-	(5,595)	-	(5,595)	164,235
Bank charges and interest	2,362	832	-	-	-	3,194	2,450
Capital expenditures	27,494	-	-	-	-	27,494	18,473
Community economic development	-	-	-	-	-	-	6,000
Insurance	3,930	-	-	-	-	3,930	3,881
Interest - long term	-	17,919	-	-	-	17,919	95
Licenses	2,017	-	-	-	-	2,017	2,981
Meals and entertainment	193	-	-	-	-	193	331
Office	30,739	-	-	-	-	30,739	28,246
Professional fees	8,284	-	-	-	-	8,284	20,665
Rent	73,428	-	-	-	-	73,428	78,828
Repairs and maintenance	11,937	-	-	-	-	11,937	16,351
Subcontractor	-	-	-	-	-	-	11,150
Telephone and Internet	7,347	-	-	-	-	7,347	7,983
Travel and training	15,464	-	-	-	-	15,464	12,819
Wages and benefits	<u>327,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,303</u>	<u>337,353</u>
	<u>513,755</u>	<u>18,751</u>	<u>-</u>	<u>(5,595)</u>	<u>20,013</u>	<u>546,924</u>	<u>713,735</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ (15,411)</u>	<u>\$ 79,948</u>	<u>\$ 21,559</u>	<u>\$ 41,416</u>	<u>\$ 117</u>	<u>\$ 127,629</u>	<u>\$ (59,326)</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	Operating Fund 2022	Conditionally Repayable Fund 2022	Non-Repayable Fund 2022	DEIP Conditionally Repayable Fund 2022	RRRF Fund 2022	Total 2022	Total 2021
<b>OPERATING ACTIVITIES</b>							
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</b>							
for the year	\$ (15,411)	\$ 79,948	\$ 21,559	\$ 41,416	\$ 117	\$ 127,629	\$ (59,326)
Net change in non-cash working capital							
Net (increase) decrease in:							
Accounts receivable	44,322	-	-	-	-	44,322	(46,862)
GST receivable	(451)	-	-	-	-	(451)	294
Prepaid expenses	(10,500)	-	-	-	-	(10,500)	(743)
	<u>33,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,371</u>	<u>(47,311)</u>
Net increase (decrease) in:							
Accounts payable	(8,085)	-	-	-	-	(8,085)	(725)
Source deductions payable	14,367	-	-	-	-	14,367	-
Salaries payable	(28,537)	-	-	-	-	(28,537)	19,710
Deferred revenue	27,180	-	-	-	-	27,180	(27,495)
	<u>4,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,925</u>	<u>(8,510)</u>
Cash flows from (used in) operating activities	<u>22,885</u>	<u>79,948</u>	<u>21,559</u>	<u>41,416</u>	<u>117</u>	<u>165,925</u>	<u>(115,147)</u>
<b>FINANCING ACTIVITIES</b>							
Advances (repayment) to wholly owned subsidiary	(14,730)	-	-	-	-	(14,730)	(3,500)
Proceeds from long term debt	-	560,000	-	-	233,900	793,900	1,429,000
Repayment of long term debt	-	(107,529)	-	-	(20,013)	(127,542)	(21,287)
Forgiveness of grant	-	-	-	-	(55,000)	(55,000)	-
Interfund transfers	(2,517)	113,000	(84,000)	(29,000)	2,517	-	-
	<u>(17,247)</u>	<u>565,471</u>	<u>(84,000)</u>	<u>(29,000)</u>	<u>161,404</u>	<u>596,628</u>	<u>1,404,213</u>
<b>INVESTING ACTIVITIES</b>							
Investment in loans receivable	-	(1,914,147)	(171,486)	(63,412)	(188,000)	(2,337,045)	(1,769,340)
Repayment of loan receivables	-	1,055,384	87,134	34,477	265,400	1,442,395	599,778
	<u>-</u>	<u>(858,763)</u>	<u>(84,352)</u>	<u>(28,935)</u>	<u>77,400</u>	<u>(894,650)</u>	<u>(1,169,562)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>5,638</b>	<b>(213,344)</b>	<b>(146,793)</b>	<b>(16,519)</b>	<b>238,921</b>	<b>(132,097)</b>	<b>119,504</b>
CASH, beginning of year	52,177	293,418	152,308	19,954	58,027	575,883	456,379
CASH, end of year, Note 2	<u>\$ 57,815</u>	<u>\$ 80,074</u>	<u>\$ 5,515</u>	<u>\$ 3,435</u>	<u>\$ 296,948</u>	<u>\$ 443,787</u>	<u>\$ 575,883</u>



**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**1. PURPOSE**

The purpose of the Corporation is to operate programs aimed at stimulating community based business and employment development on a not-for-profit basis and as such are not subject to tax. The Society was incorporated by Letters Patent under the Canada Corporations Act on March 30, 1995 and was transitioned under the Canada not-for-profit Corporations Act on June 10, 2014.

**2. ACCOUNTING POLICIES**

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations in Part III of the CICA Handbook - accounting and include the following significant accounting policies:

**Non-consolidated financial statements**

Consolidated financial statements have not been prepared as required by Canadian accounting standards for non-profit organizations due to the fact that all pertinent information regarding the company and its subsidiary is available to the directors. Some users of the financial statements may require further information.

**Fund accounting**

In order to ensure observance of the limitations and restrictions placed on the Foundation's resources, the Foundation follows the restricted fund method of accounting for contributions. Accordingly, resources are classified for accounting and financial reporting purposes into funds. Certain interfund transfers may be necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. Transfers between the funds are recorded in the statement operation and changes in fund balances. The fund classifications are:

**Operating fund**

This fund accounts for the organizations program delivery and administrative activities. This fund reports the restricted operating grants and unrestricted resources available to pay for the eligible administration expenses.

**Loan Investment fund**

This fund reports only the restricted resources that are to be used for loans to small businesses.

**Cash**

Cash consists of cash and cash equivalents that are defined as cash and highly-liquid investments with major financial institutions that are readily convertible to contracted amounts of cash and with maturities of three months or less at the acquisition date.

**Tangible capital assets**

The organization has adopted the policy to expense Tangible capital assets in the year of acquisition. Tangible capital assets are being carried on the statement of financial position at the nominal value of \$1.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**2. ACCOUNTING POLICIES CONTINUED**

Investment in subsidiaries

The organization elected to account for its investment in subsidiaries using the cost method. The investment is recorded at cost and dividends received or receivable are reported in income. Impairment of the investment is determined when events or changes in circumstances indicate that there is possible impairment. Subsequent reversals of impairment are recorded if its fair value improves.

Revenue

Government revenue is recognized as revenue in the year in which the funding contract relates.

Rental revenue is recognized over the term of the related agreement. Property taxes, insurance and other operating costs recovered from lessees are recognized as revenue in the period in which the applicable costs are incurred.

Loan interest income is recognized in the period in which is it earned and when there is persuasive evidence that an arrangement existed and collection is reasonably assured.

Deferred revenue

Deferred revenue represents monies or grants received in the current year that are related to the subsequent period.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**2. ACCOUNTING POLICIES CONTINUED**

Financial Instruments

Measurement of financial instruments

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

The organization subsequently measures all of its financial assets and financial liabilities at 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 net income.

Financial assets measured at amortized cost include cash, prepaids, accounts receivable, and GST receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, source deductions payable, wages payable and due to subsidiary.

Impairment

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

Transaction costs

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

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

**3. INVESTMENT**

	<u>2022</u>	<u>2021</u>
Investments held at cost in the operating fund;		
Skeena Nechako Communications Inc. - 100% ownership representing 2 Class 'A' common shares	\$ <u>2</u>	\$ <u>2</u>
		9.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**4. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2022</u>	<u>Net 2022</u>
Equipment	\$ 9,076	\$ -	\$ 9,076	\$ 9,076
Furniture & fixtures	36,066	-	36,066	36,066
Computer hardware	<u>26,013</u>	<u>-</u>	<u>26,013</u>	<u>26,013</u>
	71,155	-	71,155	71,155
Capital items expensed	<u>(71,154)</u>	<u>-</u>	<u>(71,154)</u>	<u>(71,154)</u>
	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**5. LOAN PAYABLE**

Funds advanced through Community Futures Development Association of British Columbia to provide a regional relief and recovery fund (RRRF) for the loan portfolio as indicated. The funds are non-secured non-interest bearing, and due on demand, repayable in any event no later than December 31, 2025. The maximum amount authorized under this portfolio is \$1,780,000. The funds advanced in 2022 are \$1,587,887 (2021 - \$1,429,000) and reported in the RRRF fund.

**6. DUE FROM WHOLLY OWNED SUBSIDIARY**

	<u>2022</u>	<u>2021</u>
Amounts due from Skeena Nechako Communications Ltd. a wholly owned subsidiary corporation, non-interest bearing unsecured with no specific terms of repayment and recorded in the operating fund.	<u>\$ 103,230</u>	<u>\$ 88,500</u>

**7. NON-REPAYABLE GRANTS**

Since the inception of Community Futures Development Corporation of Nadina the corporation has received capital grants which have been recorded as a contribution to net assets. The amounts of the capital grants received to date is \$750,000 and has been received from the following organizations:

Government of Canada (1996)	\$ 250,000
Forest Renewal British Columbia (1997)	250,000
Forest Renewal British Columbia (1999)	250,000

**8. RELATED PARTY TRANSACTIONS**

Skeena Nechako Communications Inc. is a 100% owned subsidiary and the transactions between the two parties are carried out in the normal course of operations and are measured at the exchange amount. During the year, the corporation was charged rent by Skeena Nechako Communications Inc in the amount of \$43,428 (2021-\$43,428). The corporation charged Skeena Nechako Communications Inc. \$14,400 (2021 - \$13,500) fee for services. All of these transactions are recorded in the operating fund.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**9. FINANCIAL ASSETS AND LIABILITIES**

The Foundation is not subject to significant risk from market, foreign currency, or price risk. The significant financial risks to which the Foundation is exposed include the following:

**Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Corporation to a concentration of credit risk consist primarily of cash and short-term investments. The Corporation limits its exposure to credit loss by placing its cash with major Canadian financial institutions. The Corporation's maximum exposure to credit risk for cash are the amounts disclosed in the statement of financial position. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

**Fair value**

The Corporation estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

**Liquidity Risk**

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at March 31, 2022 the Corporation had cash of \$443,787 (March 31, 2021- \$575,883) to settle current liabilities less callable loan payable of \$62,321 (March 31, 2021 - \$57,393).

**Interest rate risk**

The Corporation is exposed to interest rate risk to the extent that the cash and short-term investments maintained at the financial institutions is subject to a floating rate of interest. Floating rate instruments subject the society to a cash flow risk. The interest rate risk on cash and short-term investments is not considered significant.

**10. COMPENSATION**

According to the Society Act for years ending after November 2017 Societies should disclose any compensation paid to the board of directors and amounts paid to key employees and contractors greater than \$75,000. There was no compensation paid to the board of directors in 2022 or 2021, and one employee earns over the \$75,000 annually.

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**11. ECONOMIC DEPENDENCE**

The corporation is dependant upon continuing funding from the Government of Canada. A funding contract is in place from April 1, 2021 to March 31, 2026 which provides basic annual funding of \$329,939. The corporation's operations are also dependent on securing funds from the provincial government of British Columbia, and there are currently no contracts in place with the province to cover subsequent periods.

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**12. LOANS RECEIVABLE**

	Operating Fund 2022	Conditionally Repayable Fund 2022	Non-Repayable Fund 2022	DEIP Repayable Fund 2022	Conditionally Repayable Fund 2022	RRRF Fund 2022	Total 2022	Total 2021
Loan receivable	\$ -	\$ 1,948,600	\$ 325,752	\$ 43,338	\$ 1,293,600		\$ 3,611,290	\$ 2,716,641
Less, principal portion due within the year	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ 1,948,600</u>	<u>\$ 325,752</u>	<u>\$ 43,338</u>	<u>\$ 1,293,600</u>		<u>\$ 3,611,290</u>	<u>\$ 2,716,641</u>

Loan receivable are due from various clients and advances by the corporation as part of their mandate to create and maintain regional employment. Interest is charged between 2 and 5% over prime rate (2.70% at March 31, 2022), with maturity dates ranging from fiscal 2022 to 2027. Normal lending practices are followed and security is registered when deemed appropriate. The loans have been disclosed net of an allowance for impairment March 31, 2022 \$273,169 (March 31, 2021 - \$319,579)

Based on the terms of the loans receivable, the estimated amounts of principal portions due in subsequent years are as follows:

2023	\$ 680,135
2024	\$ 1,676,794
2025	\$ 482,051
2026	\$ 372,081
2027	\$ 262,731

The corporation has made certain loans with terms outside the usual lending limits and minimum interest rates prescribed by PacifiCan. These loans have been made according to established policies within the corporation for exceptional loans. Included in this total are two syndicated loans with other Community Futures Development Corporations accounting for \$679,569 of this total. The aggregate values of exceptional loans per borrower are:

	<u>2022</u>	<u>2021</u>
Loans in excess of \$150,000 (2022 - 5, 2021 - 1)	\$ <u>1,214,317</u>	\$ <u>227,867</u>
Loans (other than RRRF) with interest rates below prime +2% (2022 - 0, 2021 - 1)	\$ <u>-</u>	\$ <u>6,737</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA**  
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**13. LONG TERM DEBT**

	Operating Fund 2022	Conditionally Repayable Fund 2022	Non-Repayable Fund 2022	DEIP Conditionally Repayable Fund 2022	RRRF Fund 2022	Total 2022	Total 2021
Fund advanced through Western Economic Diversification to provide funding for the loan portfolio as indicated. The funds are non-secured, non-interest bearing, no terms of repayment and no maturity date	\$ -	\$ 1,590,000	\$ -	\$ 200,000	\$ -	\$ 1,790,000	\$ 1,790,000
Community Futures of Pacific Northwest, promissory note bearing interest of prime plus 4%, with monthly payments of \$1,207.	-	119,057	-	-	-	119,057	-
Community Futures Development Corporation of Cariboo-Chilcotin, promissory note bearing interest of prime plus 4%, with monthly payments of \$1,207.	-	119,057	-	-	-	119,057	-
Community Futures Development Corporation of Peace Liard, promissory note bearing interest of prime plus 4%, with monthly payments of \$1,207.	-	119,057	-	-	-	119,057	-
Community Futures Development Corporation of Central Island, promissory note bearing interest of prime plus 4%, with monthly payments of \$1,141	-	47,650	-	-	-	47,650	-
Haida Gwaii Community Futures Development Corporation, promissory note bearing interest of prime plus 4%, with monthly payments of \$1,141	-	47,650	-	-	-	47,650	-
	<u>-</u>	<u>47,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,650</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 2,042,471</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 2,242,471</u>	<u>\$ 1,790,000</u>



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**13. LONG TERM DEBT CONTINUED**

Minimum principal payments are as follows:

2023	\$ 45,251
2024	45,916
2025	48,970
2026	50,295
2027	27,363
Thereafter	<u>2,024,676</u>
	<u>\$ 2,242,471</u>