

**Community Futures Development
Corporation of Central Island
Non-Consolidated Financial Statements**

March 31, 2021

Community Futures Development Corporation of Central Island

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For the year ended March 31, 2021

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To the Board of Community Futures Development Corporation of Central Island:

Qualified Opinion

We have audited the non-consolidated financial statements of Community Futures Development Corporation of Central Island (the "Corporation"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in fund balances, cash flows and the related schedules for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

During the year, the Corporation issued loans as part of the Regional Relief and Recovery Fund ("RRRF") program. Due to the associated terms and conditions, the valuation of the RRRF loans is not susceptible to satisfactory audit verification. Accordingly, verification of the RRRF loans was limited to their existence based on the amounts recorded in the records of the Corporation. Therefore, we were not able to determine whether any adjustments might be necessary to loan impairment provision and excess of revenues over expenses for the year ended March 31, 2021, and loans receivable, repayable contributions, and net assets as at March 31, 2021.

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 Corporation 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 qualified 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 the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 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 non-consolidated 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 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 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 non-consolidated 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.

Nanaimo, British Columbia

July 22, 2021

MNP **LLP**
Chartered Professional Accountants

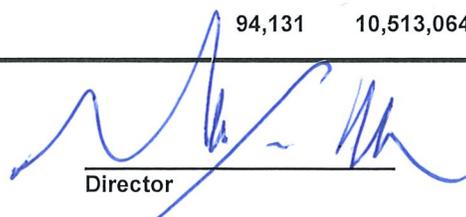
Community Futures Development Corporation of Central Island
Non-Consolidated Statement of Financial Position

As at March 31, 2021

	Operating Fund	Investment Fund	2021	2020
Assets				
Current				
Cash	77,780	2,464,021	2,541,801	508,531
Accounts receivable (Note 4)	11,361	38	11,399	9,273
Accrued interest	-	30,515	30,515	40,043
Marketable securities	-	-	-	715,242
Prepaid expenses and deposits	4,990	132	5,122	5,757
Current portion of long-term notes receivable (Note 5)	-	668,809	668,809	681,961
	94,131	3,163,515	3,257,646	1,960,807
Investments (Note 6)	-	50,100	50,100	50,100
Loans receivable (Note 5)	-	7,299,449	7,299,449	3,765,520
	94,131	10,513,064	10,607,195	5,776,427
Liabilities				
Current				
Accounts payable and accruals	35,806	-	35,806	34,679
Deferred contributions	102,705	-	102,705	40,290
Repayable contributions (Note 7)	-	983,905	983,905	1,015,093
Current portion of long term debt (Note 8)	-	-	-	9,951
	138,511	983,905	1,122,416	1,100,013
Long term repayable contributions (Note 7)	-	4,213,500	4,213,500	-
Long term debt (Note 8)	-	-	-	22,040
	138,511	5,197,405	5,335,916	1,122,053
Significant event (Note 12)				
Fund Balances				
Externally restricted	-	4,119,525	4,119,525	3,694,735
Unrestricted	(44,380)	1,196,134	1,151,754	959,639
	(44,380)	5,315,659	5,271,279	4,654,374
	94,131	10,513,064	10,607,195	5,776,427

Approved on behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these non-consolidated financial statements

Community Futures Development Corporation of Central Island

Non-Consolidated Statement of Operations

For the year ended March 31, 2021

	Operating Fund	Investment Fund	2021	2020
Revenue				
Western Economic Diversification contribution	273,482	-	273,482	273,482
Loan interest	-	260,534	260,534	313,751
Fee income	-	17,213	17,213	56,782
Miscellaneous income	56,914	3,348	60,262	15,130
Bank interest	4	18,351	18,355	28,834
Grants	-	-	-	13,137
Rental income	4,574	-	4,574	7,860
Regional Relief and Recovery Fund	162,036	-	162,036	-
	497,010	299,446	796,456	708,976
Expenses				
Advertising	7,479	-	7,479	25,764
Bad debts (recovery) (Note 9)	-	(223,427)	(223,427)	183,302
Bank charges and interest	2,454	160	2,614	1,178
Collection costs	5,000	1,672	6,672	2,361
Hosted events	609	-	609	5,322
Insurance	3,942	1,570	5,512	13,516
Interest on long-term debt	1,378	-	1,378	1,473
Licences and fees	2,411	572	2,983	4,162
Office	24,996	653	25,649	22,724
Professional fees and consulting	69,651	-	69,651	28,534
Rent (Note 6)	35,792	-	35,792	38,939
Salaries and benefits	266,406	-	266,406	245,972
Supplies	5,317	-	5,317	10,567
Telephone	6,384	-	6,384	6,935
Training and education	3,097	-	3,097	7,570
Travel and conference	4,825	-	4,825	8,494
Utilities	992	-	992	1,564
	440,733	(218,800)	221,933	608,377
Excess of revenue over expenses before other items	56,277	518,246	574,523	100,599
Other items				
Interest transfers (Note 3)	(41,000)	41,000	-	-
Change in fair value of marketable securities	-	42,382	42,382	(42,382)
	(41,000)	83,382	42,382	(42,382)
Excess of revenue over expenses	15,277	601,628	616,905	58,217

The accompanying notes are an integral part of these non-consolidated financial statements

Community Futures Development Corporation of Central Island
Non-Consolidated Statement of Changes in Fund Balances

For the year ended March 31, 2021

	<i>Operating Fund</i>	<i>Investment Fund</i>	2021	2020
Fund balances, beginning of year	(59,657)	4,714,031	4,654,374	4,596,157
Excess of revenue over expenses	15,277	601,628	616,905	58,217
Fund balances, end of year	(44,380)	5,315,659	5,271,279	4,654,374

The accompanying notes are an integral part of these non-consolidated financial statements

Community Futures Development Corporation of Central Island

Non-Consolidated Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	616,905	58,217
Change in fair value of marketable securities	-	42,382
	616,905	100,599
Changes in working capital accounts		
Accounts receivable	(2,126)	7,278
Accrued interest	9,527	(18,539)
Prepaid expenses and deposits	634	(2,072)
Accounts payable and accruals	1,129	(12,431)
Deferred contributions	62,415	860
	688,484	75,695
Financing		
Repayments of long term debt	(31,991)	(9,566)
Advances of repayable contributions	4,213,500	-
Reduction in repayable contributions	(31,188)	-
	4,150,321	(9,566)
Investing		
Purchase of marketable securities	-	(275,000)
Proceeds on disposal of marketable securities	715,242	1,017,990
Proceeds on disposal of investments	-	252,184
Advances of notes receivable	(4,651,465)	(2,167,194)
Repayment of notes receivable	1,130,688	1,201,892
	(2,805,535)	29,872
Increase in cash resources	2,033,270	96,001
Cash resources, beginning of year	508,531	412,530
Cash resources, end of year	2,541,801	508,531

The accompanying notes are an integral part of these non-consolidated financial statements

Community Futures Development Corporation of Central Island

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2021

1. Incorporation and nature of the organization

Community Futures Development Corporation of Central Island (the "Corporation") was established to promote employment and economic development in the Central Vancouver Island area. The activities of the Corporation include delivering various economic development programs on behalf of the Government of Canada, specifically for Western Economic Diversification ("WED") and Fisheries and Oceans Canada. The Corporation also operates programs to promote employment and economic development through loans and loan guarantees to qualifying local businesses. The Corporation, incorporated without share capital under Part II of the Canada Corporations Act, is a not-for-profit corporation and is exempt for income tax purposes.

2. Significant accounting policies

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Investment in a not-for-profit subsidiary

The Corporation's non-consolidated financial statements do not include the accounts of Colville Investments Corporation, which is controlled by the Corporation and recorded at cost. The required disclosures have been provided in Note 6.

All transactions with the subsidiary are disclosed as related party transactions.

Fund accounting

The Corporation follows the restricted fund method of accounting for contributions, and maintains two funds: the Operating Fund and the Investment Fund.

The Operating Fund provides the personnel and other facilities that enable the Corporation to deliver the Community Futures contribution agreement with WED and other related programs. It accounts for the Corporation's program delivery and administrative activities.

The Investment Fund promotes economic development in the community by providing assistance to small businesses in the form of loans or equity investments in accordance with the requirements of the agreement with WED. The assets, liabilities, revenue and expenses associated with providing these loans and equity investment are recorded in the Investment Fund.

Revenue recognition

The annual WED contribution is recognized as revenue in the year specified in the agreement with WED. Interest transfers are recognized as revenue in the period that the transfer is allowed by the agreement with WED. Interest is recognized in the period in which it is earned.

Regional Relief and Recovery Fund revenue, administration fees, rental and other revenues are recognized as revenue in the year in which the revenue is earned or the service provided, the amount is determinable and collection is reasonably assured.

Contributed services

Contributions of services are recognized both as contributions and expenses in the non-consolidated statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Corporation's operations and would otherwise have been purchased.

Committee volunteers contribute many hours of time to the Corporation. Because of the difficulty of determining the fair value, these contributed services are not recognized in the non-consolidated financial statements.

Community Futures Development Corporation of Central Island

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies (Continued from previous page)

Measurement uncertainty (use of estimates)

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 disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accrued interest receivable, accounts receivable and loans receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Provision is made for a decline in fair value of long-term investments when the decline is not considered to be temporary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue and expenses in the periods in which they become known.

Financial instruments

The Corporation recognizes its financial instruments when the Corporation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook - Accounting Section 3840 *Related Party Transactions*.

At initial recognition, the Corporation may irrevocably elect to subsequently measure any financial instrument at fair value. The Corporation has not elected to subsequently measure repayable contributions at their fair value.

The Corporation subsequently measures investments in equity instruments quoted in an active market at fair value. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. With the exception of those financial instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Corporation assesses impairment of all of its financial assets measured at cost or amortized cost. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Corporation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Corporation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Corporation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Investments

Long-term investments are investments not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

Marketable securities

Marketable securities are short term deposits that mature within 12 months.

Community Futures Development Corporation of Central Island

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2021

3. Interfund transactions

The Operating Fund reimbursed interest transfers of \$41,000 (2020 - received \$50,000) to the non-repayable Investment Fund and \$nil (2020 - \$65,000) from the conditionally repayable Impact Investment Fund. The Corporation was able to reimburse interest transfers of prior years due to the current year, one-time RRRF administration funding of \$162,036.

There were no other transfers between funds during the year.

The balances due from (to) other funds are non-interest bearing, unsecured and have no fixed terms of repayment.

4. Accounts receivable

	2021	2020
Accounts receivable	9,216	7,415
Goods and Services Tax receivable	2,183	1,858
	11,399	9,273

5. Loans receivable

Loans receivable are repayable monthly at varying amounts including interest ranging from prime plus 2.00% to prime plus 8.55% and have maturities from May 27, 2021 to March 27, 2027. The interest rate on some loans are adjusted based on the bank prime rate, which was 2.45% at March 31, 2021 (2020 - 2.45%).

As of March 31, 2021 there are seven (2020 - six) loans receivable with a balance greater than \$150,000.

	2021	2020
Loans in excess of \$150,000	1,665,128	1,396,085
Remaining loans receivable	2,905,980	3,248,536
RRRF loans receivable	3,718,862	-
Less: allowance for doubtful accounts	(115,000)	(197,140)
Less: syndication loans	(206,712)	-
Less: current portion of loans receivable	(668,809)	(681,961)
	7,299,449	3,765,520

Principal repayments on loans receivable in each of the next five years are estimated as follows:

2022	\$668,809
2023	\$928,636
2024	\$1,954,595
2025	\$1,954,947
2026	\$1,548,729

Community Futures Development Corporation of Central Island

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2021

6. Investment in not-for-profit subsidiary and transactions with subsidiary

Unconsolidated not-for-profit subsidiary

The Corporation is the sole shareholder of Colville Investments Corporation (the "Company"). The Company is a not-for-profit corporation incorporated under the B.C. Company Act and is an exempt corporation for income tax purposes.

Summary financial information of Colville Investments Corporation as at March 31, 2021 and March 31, 2020 is as follows:

	2021	2020
Financial Position		
Total assets	352,064	319,566
Total liabilities	3,166	1,941
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Total net assets	348,898	317,625
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Results of Operations		
Total revenue	71,714	48,868
Total expenses	40,440	35,402
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Excess of revenue over expenses	31,274	13,466
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Cash Flows		
Operating activities	32,498	14,011
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Increase in cash	32,498	14,011

Included in rent expense is \$35,717 (2020 - \$31,143) paid to Colville Investments Corporation. The expense is measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Community Futures Development Corporation of Central Island

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2021

7. Repayable contributions

The Corporation has received repayable contributions from the Government of Canada and the Province of British Columbia. These contributions provided the capital through which loans, loan guarantees and equity investments can be made in businesses owned and operated by applicants eligible under the programs being managed by the Corporation.

	2021	2020
WD Federal Repayable Contributions		
Disabled Entrepreneur Investment Fund	113,905	161,109
Under the terms of this funding agreement, loans could be made to disabled entrepreneurs until March 31, 2004. Advances to the Corporation are unsecured and do not bear interest and are repayable to WED on demand. The original amount of the loan was \$200,000.		
Conditionally Repayable Fund	200,000	200,000
Under the original terms of this funding agreement, loans could be made to qualifying youths until March 31, 2003. Advances to the Corporation are unsecured, do not bear interest and are repayable to WED on demand. The original amount of the loan was \$200,000.		
Fisheries Legacy Fund	420,000	420,000
Under the original terms of this funding agreement, loans could be made to small businesses in fishing related and ocean-based commercial ventures until March 31, 2003. This agreement was subsequently extended to March 31, 2005. Advances to the Corporation were unsecured and did not bear interest. WD 50% matched funds to DFO Fisheries Legacy Trust Contribution. No further extension has been granted and accordingly funds must be repaid to WED on demand.		
Regional Relief and Recovery Fund	4,213,500	-
Under the original terms of this funding agreement, loans can be made to qualified small and medium-sized entities. Advances to borrowers shall not exceed \$40,000 and no repayments of the principal for each loan shall be required until after December 31, 2022. The secondary loan shall bear no interest until after December 31, 2022, after which the balance will become repayable and shall bear interest at the rate of up to 5% per annum commencing from January 1, 2023 until paid in full. Provided that 75% of the principal is repaid before December 31, 2022, the remaining 25% of the loan, to the maximum of \$10,000 shall be forgiven. Expansion provisions allow for additional loans that shall not exceed \$20,000 with similar payment terms, however, provided that 50% of the principal is repaid before December 31, 2022, the remaining 50% of the loan shall be forgiven. For loans receivable issued through the RRRF program that default on their secondary loan, the same reduction will occur to the repayable loan. On December 31, 2022, any portion of the repayable loan which has not been loaned to a secondary borrower shall be repaid within 10 business days.		
Total WD Federal Repayable Contributions	4,947,405	781,109
Province of BC Repayable Contribution		
Community Business Fund	250,000	233,984
Under the terms of this restated contribution agreement, loans may be made to small businesses carrying on business in the forest, aquaculture, manufacturing or tourism sectors. Advances to the Corporation were unsecured and did not bear interest. In the event that the funding agreement is terminated, any uncommitted funds together with interest thereon must be repaid to the Province of British Columbia. Subsequent principal and interest repayments must be repaid to the Province of British Columbia in proportion to their share of such loans. The agreement can be terminated by either party with 90 days notice and accordingly is classified as a current liability. The original amount of the loan was \$250,000.		
	5,197,405	1,015,093
Less: Current portion	(983,905)	(1,015,093)
	4,213,500	-

Community Futures Development Corporation of Central Island

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2021

8. Long term debt

	2021	2020
Term loan repaid in March 2021	-	31,991
Less: current portion	-	(9,951)
	-	22,040

9. Allowance for doubtful accounts and bad debts

During the year there were the following changes to the allowance for doubtful accounts:

	2021	2020
Provisions and recoveries		
Allowance for doubtful accounts, beginning of year	197,140	-
Recoveries	(82,140)	-
Provisions	-	197,140
Allowance for doubtful accounts, end of year	115,000	197,140
Bad debts		
Reversals of prior write-offs	(197,213)	(13,838)
Provisions for doubtful accounts	20,990	197,140
Adjustment to write-off of repayable contribution	(47,204)	-
Net bad debts	(223,427)	183,302

10. Financial instruments

The Corporation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash, marketable securities, accrued interest receivable and loans receivable. The Corporation has provided for credit risks by establishing allowances against the carrying value of certain impaired loans. Loans are considered impaired as soon as collection of the full principal and interest on the loan becomes doubtful. Each impaired loan is evaluated separately and written down to the fair value of any security held. Various forms of security are taken on loans ranging from promissory notes and personal guarantees of principals to chattel mortgages and mortgages over real property. Credit risk exposure is limited for cash due to the credit quality of the financial institution where the cash is held. Credit risk exposure is limited for marketable securities as they are fully insured. The maximum credit risk exposure is \$10,540,574 (2020 - \$5,711,296).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Corporation is exposed to interest rate cash flow risk with respect to loans receivable and interest receivable, which are subject to a range of interest rates ranging from prime plus 2.00% to prime plus 8.55% (2020 - 2.0% - 8.6%).

Community Futures Development Corporation of Central Island

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2021

11. Economic dependence

The Corporation is dependent on contributions from the Government of Canada; specifically operating fund contributions from WED. At March 27, 2021 WED presented a new contract for signing to provide funding in the coming fiscal year. The Corporation and WED are currently negotiating the contract terms.

12. Significant event

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and isolation/quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause reductions in the Corporation's scheduled collections of loans receivable, staff shortages/disruptions, and increased government regulations, all of which may negatively impact the Corporation's business and financial condition. Specifically, to assist in economic relief and recovery, the Corporation has agreed to deferred payment plans from a significant portion of its loans receivable clients. This had a negative impact on the Corporation's cash flows for the year ending March 31, 2021. In addition, the reduced loan fees, loan interest and the compounding impact of these reductions on the ability of the Corporation to take interest transfers from the investment fund may impact the ability of the Corporation to fund operational activities.

In May of 2020, the Government of Canada, announced the initiation of the Regional Relief and Recovery Fund to support to small business affected by COVID-19. The Corporation has entered into an agreement with Community Futures British Columbia to borrow a total of \$4,213,500 over three rounds of funding to disburse in repayable loans up to \$60,000 per applicant.

Community Futures Development Corporation of Central Island
Schedule 1 - Statement of Financial Position by Fund
As at March 31, 2021

	WD Operating Fund	WD RRRF Operating Fund	Other Operating Funds	WD Non-repayable Investment Fund	WD Conditionally Repayable Investment Fund	WD Conditionally Repayable EDP Fund	WD RRRF Investment Fund	Other Government of Canada Fund	2021	2020
Assets										
Current										
Cash	77,780	-	-	1,217,970	129,281	55,810	494,638	566,322	2,541,801	508,531
Accounts receivable	11,361	-	-	38	-	-	-	-	11,399	9,277
Accrued interest	-	-	-	25,947	1,203	76	-	3,289	30,515	40,043
Marketable securities	-	-	-	-	-	-	-	-	-	715,242
Prepaid expenses and deposits	4,990	-	-	132	-	-	-	-	5,122	5,753
Inter-fund receivable (payable)	-	-	-	-	-	-	-	-	-	-
Current portion of long-term notes receivable	-	-	-	398,241	137,654	9,156	43,619	80,139	668,809	681,961
	94,131	-	-	1,642,328	268,138	65,042	538,257	649,750	3,257,646	1,960,807
Investments	-	-	-	-	-	-	-	50,100	50,100	50,100
Pooled asset lending	-	-	-	(206,712)	-	-	-	-	(206,712)	-
Loans receivable	-	-	-	2,921,139	170,826	9,394	3,675,243	729,559	7,506,161	3,765,520
	94,131	-	-	4,356,755	438,964	74,436	4,213,500	1,429,409	10,607,195	5,776,427
Liabilities										
Current										
Accounts payable and accruals	35,806	-	-	-	-	-	-	-	35,806	34,679
Deferred contributions	102,705	-	-	-	-	-	-	-	102,705	40,290
Repayable contributions	-	-	-	-	200,000	113,905	-	670,000	983,905	1,015,093
Current portion of long term debt	-	-	-	-	-	-	-	-	-	9,951
	138,511	-	-	0	200,000	113,905	-	670,000	1,122,416	1,100,013
Repayable contributions	-	-	-	-	-	-	4,213,500	-	4,213,500	-
Long term debt	-	-	-	-	-	-	-	-	-	22,040
Fund Balances										
Externally restricted	-	-	-	3,160,621	238,964	(39,470)	-	759,409	4,119,525	3,880,853
Unrestricted	(44,380)	-	-	1,196,134	-	-	-	-	1,151,754	773,521
	(44,380)	-	-	4,356,755	238,964	(39,470)	-	759,409	5,271,279	4,654,374
	94,131	-	-	4,356,755	438,964	74,436	-	1,429,409	10,607,195	5,776,427

Community Futures Development Corporation of Central Island
Schedule 2 - Non-Consolidated Statement of Operations by Fund

For the year ended March 31, 2021

				<i>Total Operating Fund</i>	<i>WD Non-repayable Investment Fund</i>	<i>WD Conditionally Repayable Investment Fund</i>	<i>WD Conditionally Repayable EDP Fund</i>	<i>WD RRRF Investment Fund</i>	<i>Other Government of Canada Fund</i>	<i>Total Investment Fund</i>	<i>2021</i>	<i>2020</i>
	<i>WD Operating Fund</i>	<i>WD RRRF Operating Fund</i>	<i>Other Operating Funds</i>									
Revenue												
Western Economic Diversification contribution	273,482	-	-	273,482	-	-	-	-	-	-	273,482	273,482
Loan interest	-	-	-	-	173,179	21,768	5,451	-	60,136	260,534	260,534	313,751
Fee income	-	-	-	-	10,258	5,955	-	-	1,000	17,213	17,213	56,782
Miscellaneous income	-	-	56,914	56,914	2,421	160	69	-	698	3,348	60,262	15,130
Bank interest	-	4	-	4	12,241	703	304	-	5,103	18,351	18,355	28,834
Grants	-	-	-	-	-	-	-	-	-	-	-	13,137
Rental income	-	-	4,574	4,574	-	-	-	-	-	-	4,574	7,860
Other contribution	-	162,036	-	162,036	-	-	-	-	-	-	162,036	-
	273,482	162,040	61,488	497,010	198,099	28,586	5,824	-	66,937	299,447	796,456	708,976
Expenses												
Advertising	-	6,400	1,079	7,479	-	-	-	-	-	-	7,479	25,764
Bad debts	-	-	-	-	8,591	24,497	2,023	-	(258,538)	(223,427)	(223,427)	183,302
Bank charges and interest	2,234	220	-	2,454	55	15	-	-	90	160	2,614	1,178
Collection costs	-	5,000	-	5,000	1,581	-	91	-	-	1,672	6,672	2,361
Hosted events	609	-	-	609	-	-	-	-	-	-	609	5,322
Insurance (recovery)	3,942	-	-	3,942	-	1,570	-	-	-	1,570	5,512	13,516
Interest on long-term debt	1,378	-	-	1,378	-	-	-	-	-	-	1,378	1,473
Licences and fees	2,411	-	-	2,411	491	72	-	-	9	572	2,983	4,162
Office	16,023	8,773	200	24,996	653	-	-	-	-	653	25,649	22,724
Professional fees and consulting	43,556	9,595	16,500	69,651	-	-	-	-	-	-	69,651	28,534
Rent	35,792	-	-	35,792	-	-	-	-	-	-	35,792	38,939
Salaries and benefits	136,406	124,500	5,500	266,406	-	-	-	-	-	-	266,406	245,972
Supplies	1,084	4,233	-	5,317	-	-	-	-	-	-	5,317	10,567
Telephone	5,149	1,235	-	6,384	-	-	-	-	-	-	6,384	6,935
Training and education	2,497	600	-	3,097	-	-	-	-	-	-	3,097	7,570
Travel and conference	1,900	1,500	1,425	4,825	-	-	-	-	-	-	4,825	8,494
Utilities	992	-	-	992	-	-	-	-	-	-	992	1,564
	253,973	162,056	24,704	440,733	11,371	26,154	2,114	-	(258,439)	(218,800)	221,933	608,377
Excess (deficiency) of revenue over expenses before other items	19,509	(16)	36,784	56,277	186,728	2,432	3,710	-	325,376	518,246	574,523	100,599
Other items												
Interest transfers	(41,000)	-	-	(41,000)	41,000	-	-	-	-	41,000	-	-
Change in fair value of marketable securities	-	-	-	-	42,382	-	-	-	-	42,382	42,382	(42,382)
	(41,000)	-	-	(41,000)	83,382	-	-	-	-	83,382	42,382	(42,382)
Excess (deficiency) of revenue over expenses	(21,491)	(16)	36,784	15,277	270,110	2,432	3,710	-	325,376	601,628	616,905	58,217

Community Futures Development Corporation of Central Island
Schedule 3 - Non-Consolidated Statement of Changes in Fund Balances by Fund

For the year ended March 31, 2021

	<i>WD Operating Fund</i>	<i>WD RRRF Operating Fund</i>	<i>Other Operating Funds</i>	<i>WD Non- repayable Investment Fund</i>	<i>WD Conditionally Repayable Investment Fund</i>	<i>WD Conditionally Repayable EDP Fund</i>	<i>WD RRRF Investment Fund</i>	<i>Other Government of Canada Fund</i>	2021	2020
Fund balances, beginning of year	(22,889)	16	(36,784)	4,086,645	236,532	(43,180)	-	434,033	4,654,374	4,596,157
Excess (deficiency) of revenue over expenses	(21,491)	(16)	36,784	270,110	2,432	3,710	-	325,376	616,905	58,217
Fund balances, end of year	(44,380)	-	-	4,356,755	238,964	(39,470)	-	759,409	5,271,279	4,654,374