

**Community Futures Development  
Corporation of Central Island  
Financial Statements**  
*March 31, 2022*

# Community Futures Development Corporation of Central Island

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For the year ended March 31, 2022

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

### Qualified Opinion

We have audited the financial statements of Community Futures Development Corporation of Central Island (the "Corporation"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, 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 (deficiency) of revenues over expenses for the years ended March 31, 2022 and March 31, 2021, and loans receivable, repayable contributions, and net assets as at March 31, 2022 and 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 Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

July 21, 2022

*MNP* LLP

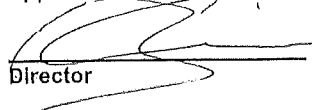
Chartered Professional Accountants

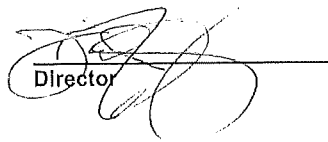
**Community Futures Development Corporation of Central Island**  
**Statement of Financial Position**

*As at March 31, 2022*

	Operating Fund	Investment Fund	2022	2021
<b>Assets</b>				
<b>Current</b>				
Cash (bank indebtedness)	(35,069)	543,756	508,687	2,541,801
Accounts receivable (Note 4)	11,280	50,000	61,280	11,399
Accrued interest	-	37,958	37,958	30,515
Marketable securities	88,489	1,785,000	1,873,489	-
Due from (to) other funds (Note 3)	20,293	(20,293)	-	-
Prepaid expenses and deposits	5,422	5	5,427	5,122
Current portion of long-term notes receivable (Note 5)	-	1,128,581	1,128,581	668,809
	<b>90,415</b>	<b>3,525,007</b>	<b>3,615,422</b>	<b>3,257,646</b>
<b>Investments (Note 6)</b>	-	28,531	28,531	50,100
<b>Loans receivable (Note 5)</b>	-	7,375,343	7,375,343	7,299,449
	<b>90,415</b>	<b>10,928,881</b>	<b>11,019,296</b>	<b>10,607,195</b>
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accruals	28,240	-	28,240	35,806
Deferred contributions	104,299	-	104,299	102,705
Repayable contributions (Note 7)	-	983,905	983,905	983,905
	<b>132,539</b>	<b>983,905</b>	<b>1,116,444</b>	<b>1,122,416</b>
<b>Long term repayable contributions (Note 7)</b>	-	5,652,980	5,652,980	4,213,500
	<b>132,539</b>	<b>6,636,885</b>	<b>6,769,424</b>	<b>5,335,916</b>
<b>Fund Balances</b>				
Externally restricted	-	4,291,996	4,291,996	4,119,525
Unrestricted	(42,124)	-	(42,124)	1,151,754
	<b>(42,124)</b>	<b>4,291,996</b>	<b>4,249,872</b>	<b>5,271,279</b>
	<b>90,415</b>	<b>10,928,881</b>	<b>11,019,296</b>	<b>10,607,195</b>

Approved on behalf of the Board

  
 Director

  
 Director

The accompanying notes are an integral part of these financial statements

# Community Futures Development Corporation of Central Island

## Statement of Operations

For the year ended March 31, 2022

	Operating Fund	Investment Fund	2022	2021
<b>Revenue</b>				
Pacific Economic Development Canada contribution	273,482	-	273,482	273,482
Loan interest	-	253,189	253,189	260,534
Miscellaneous income	132,663	-	132,663	60,262
Fee income	8,677	22,646	31,323	17,213
Regional Relief and Recovery Fund	-	19,680	19,680	162,036
Bank interest	3,303	-	3,303	18,355
Rental income	135	-	135	4,574
	<b>418,260</b>	<b>295,515</b>	<b>713,775</b>	<b>796,456</b>
<b>Expenses</b>				
Advertising	11	-	11	7,479
Bad debts (recovery) (Note 8)	-	9,295	9,295	(223,427)
Bank charges and interest	3,052	173	3,225	2,614
Collection costs	4,632	-	4,632	6,672
Hosted events	930	-	930	609
Insurance	4,609	-	4,609	5,512
Interest on long-term debt	-	-	-	1,378
Licences and fees	1,393	633	2,026	2,983
Office	15,427	4,130	19,557	25,649
Professional fees and consulting	120,037	-	120,037	69,651
Rent	36,715	-	36,715	35,792
Salaries and benefits	287,961	-	287,961	266,406
Supplies	3,519	-	3,519	5,317
Telephone	4,218	-	4,218	6,384
Training and education	63	-	63	3,097
Travel and conference	3,437	-	3,437	4,825
Utilities	-	-	-	992
	<b>486,004</b>	<b>14,231</b>	<b>500,235</b>	<b>221,933</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>(67,744)</b>	<b>281,284</b>	<b>213,540</b>	<b>574,523</b>
<b>Other items</b>				
Interest transfers (Note 3)	70,000	(70,000)	-	-
Change in fair value of marketable securities	-	-	-	42,382
Grant of funds to Growthworks (Note 11)	-	(1,234,947)	(1,234,947)	-
	<b>70,000</b>	<b>(1,304,947)</b>	<b>(1,234,947)</b>	<b>42,382</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>2,256</b>	<b>(1,023,663)</b>	<b>(1,021,407)</b>	<b>616,905</b>

The accompanying notes are an integral part of these financial statements

**Community Futures Development Corporation of Central Island**  
**Statement of Changes in Fund Balances**

*For the year ended March 31, 2022*

	<i>Operating Fund</i>	<i>Investment Fund</i>	<b>2022</b>	<b>2021</b>
Fund balances, beginning of year	(44,380)	5,315,659	5,271,279	4,654,374
Excess (deficiency) of revenue over expenses	2,256	(1,023,663)	(1,021,407)	616,905
Fund balances, end of year	(42,124)	4,291,996	4,249,872	5,271,279

*The accompanying notes are an integral part of these financial statements*

