

**Community Futures Development  
Corporation of Revelstoke  
Client Information Package  
For the Year Ended March 31, 2020**

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**Community Futures Development  
Corporation of Revelstoke  
Non-Consolidated Financial Statements  
For the Year Ended March 31, 2020**

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## Independent Auditor's Report

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### To the Directors of Community Futures Development Corporation of Revelstoke

#### Opinion

We have audited the non-consolidated financial statements of Community Futures Development Corporation of Revelstoke, which comprise the non-consolidated statement of financial position as at March 31, 2020, and the non-consolidated statements of changes in net assets, financial activities and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, 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.

#### 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 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 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 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 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.

*BDO Canada LLP*

Chartered Professional Accountants

Revelstoke, British Columbia  
July 16, 2020

**Community Futures Development Corporation of Revelstoke  
Non-Consolidated Statement of Financial Position**

**March 31** **2020** **2019**

**Assets**

**Current**

|  |              |              |
|--|--------------|--------------|
| Cash - restricted (Note 2)                   | \$ 1,527,341 | \$ 1,615,211 |
| Cash (Note 2)                                | 17,215       | 47,049       |
| Accounts receivable                          | 31,230       | 14,906       |
| Accrued interest receivable                  | 366,180      | 350,520      |
| Current portion of loans receivable (Note 3) | 1,101,089    | 1,098,565    |

**3,043,055** **3,126,251**

|  |           |           |
|--|-----------|-----------|
| Loans receivable (Note 3) and (Note 9)   | 4,004,118 | 3,707,366 |
| Investment in equity loans               | -         | 60,000    |
| Long term investment                     | 500       | 500       |
| Investment in controlled entity (Note 4) | 83,503    | 71,784    |

**4,088,121** **3,839,650**

**\$ 7,131,176** **\$ 6,965,901**

**Liabilities and Net Assets**

**Current**

|  |           |           |
|--|-----------|-----------|
| Accounts payable and accrued liabilities | \$ 19,855 | \$ 20,068 |
| Contributions repayable (Note 5)         | 600,000   | 600,000   |
| Deferred revenues (Note 6)               | 22,790    | 22,790    |

**642,645** **642,858**

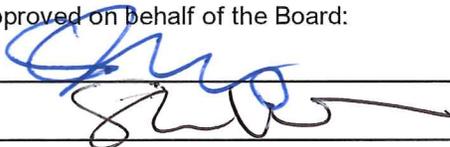
**Net Assets**

|              |           |           |
|--------------|-----------|-----------|
| Restricted   | 6,390,004 | 6,218,599 |
| Unrestricted | 98,527    | 104,444   |

**6,488,531** **6,323,043**

**\$ 7,131,176** **\$ 6,965,901**

Approved on behalf of the Board:

  
 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

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**Community Futures Development Corporation of Revelstoke**  
**Non-Consolidated Statement of Changes in Net Assets**

**For the year ended March 31**

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|  | Unrestricted | Restricted   | <b>2020</b>         | 2019         |
|--|--------------|--------------|---------------------|--------------|
| <b>Balance</b> , beginning of year               | \$ 104,444   | \$ 6,218,599 | <b>\$ 6,323,043</b> | \$ 5,951,643 |
| Interfund transfers                              | 52,500       | (52,500)     | -                   | -            |
| Excess (deficiency) of revenues<br>over expenses | (58,417)     | 223,905      | <b>165,488</b>      | 371,400      |
| <b>Balance</b> , end of year                     | \$ 98,527    | \$ 6,390,004 | <b>\$ 6,488,531</b> | \$ 6,323,043 |

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

**Community Futures Development Corporation of Revelstoke**  
**Non-Consolidated Statement of Financial Activities**

| <b>For the year ended March 31</b>                      | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
|   |                     | (Note 13)           |
| <b>Revenues</b>   |                     |                     |
| Government funding                                      | \$ 273,482          | \$ 273,482          |
| Interest earned - loans                                 | 355,930             | 294,733             |
| Interest earned - deposits                              | 35,862              | 32,156              |
| Project revenue   | 10,904              | 26,900              |
| Other income  | 109,312             | 108,881             |
| Loan administration revenue                             | 4,000               | 4,700               |
|   | <u>789,490</u>      | <u>740,852</u>      |
| <b>Expenses</b>   |                     |                     |
| Administration and projects expenses (Schedule)         | 455,004             | 454,952             |
| Bad debts (recovery) (Note 3)                           | 180,717             | (78,972)            |
|   | <u>635,721</u>      | <u>375,980</u>      |
| <b>Excess of revenues over expenses from operations</b> | <b>153,769</b>      | <b>364,872</b>      |
| <b>Income from controlled entity</b> (Note 10)          | <u>11,719</u>       | <u>6,528</u>        |
| <b>Excess of revenues over expenses</b>                 | <b>165,488</b>      | <b>371,400</b>      |
| <b>Net Assets</b> , beginning of year                   | <u>6,323,043</u>    | <u>5,951,643</u>    |
| <b>Net Assets</b> , end of year                         | <u>\$ 6,488,531</u> | <u>\$ 6,323,043</u> |

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

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**Community Futures Development Corporation of Revelstoke**  
**Non-Consolidated Statement of Cash Flows**

| For the year ended March 31                        | 2020                | 2019                |
|--|---------------------|---------------------|
| <b>Cash flows from operating activities</b>        |                     |                     |
| Cash received from governments and other sources   | \$ 371,331          | \$ 414,014          |
| Cash paid to suppliers and employees               | (455,218)           | (454,956)           |
| Interest received                                  | 386,177             | 312,081             |
| Bad debt (expense) recovery                        | (180,717)           | 78,972              |
| Net increase in loans and interest receivable      | (239,277)           | (45,675)            |
|  | (117,704)           | 304,436             |
| <b>Cash flows from investing activity</b>          |                     |                     |
| Investment in East Kootenay Columbia               | -                   | (500)               |
|  | -                   | (500)               |
| <b>Increase (decrease) in cash during the year</b> | <b>(117,704)</b>    | <b>303,936</b>      |
| <b>Cash, beginning of year</b>                     | <b>1,662,260</b>    | <b>1,358,324</b>    |
| <b>Cash, end of year</b>                           | <b>\$ 1,544,556</b> | <b>\$ 1,662,260</b> |
| <b>Represented by:</b>                             |                     |                     |
| Cash - restricted                                  | \$ 1,527,341        | \$ 1,615,211        |
| Cash - unrestricted                                | 17,215              | 47,049              |
|  | <b>\$ 1,544,556</b> | <b>\$ 1,662,260</b> |

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

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# Community Futures Development Corporation of Revelstoke

## Notes to Non-Consolidated Financial Statements

March 31, 2020

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### 1. Nature of Operations and Summary of Significant Accounting Policies

|   |   |
|---|---|
| <b>Nature of Business</b>   | Community Futures Development Corporation of Revelstoke (the "Corporation") was incorporated March 29, 1995 without share capital under Part 2 of the Canada Corporations Act for the purpose of providing loans, advice to regional businesses and assistance to individuals to become self-employed or start their own businesses. The corporation is a not-for-profit organization and is not subject to income tax.   |
| <b>Basis of Accounting</b>  | The non-consolidated financial statements have been prepared by management using Canadian accounting standards for not-for-profit organizations.  |
| <b>Fund Accounting</b>  | The Corporation records accounting transactions using the fund accounting method generally in use for not-for-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.  |
| <b>Revenue Recognition</b>  | <p>The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Interest income on loans is recorded on the accrual method using the effective interest rates.</p> <p>Loan negotiation fees and income recorded on prepayment and renegotiation of fixed-term loans are recognized when received.</p> |
| <b>Allowance for Impaired Loans</b>                               | The Corporation maintains an allowance for impaired loans in the amount management considers adequate to absorb losses in its loan portfolio. The allowance is determined on a loan by loan basis. This allowance is the amount required to reduce the carrying value of each loan to its estimated realizable amount. In addition to a specific allowance against identified impaired loans, the Corporation maintains a non-specific allowance to cover impairment which is inherent in the loan portfolio and is estimated based upon historical loss experience and prevailing economic conditions.   |
| <b>Investment in Controlled Entity</b>                            | Investment in controlled entity is accounted for using the equity method.   |
| <b>Investment in Equity Loans and other Long Term Investments</b> | Investment in equity loans and other long term investments are accounted for at cost.   |

Continued...

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# Community Futures Development Corporation of Revelstoke

## Notes to Non-Consolidated Financial Statements

March 31, 2020

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### 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Financial Instruments** Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to endowment funds. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recorded directly in net assets. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs, on the acquisition, sale or issue of financial instruments, are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

**Use of 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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Community Futures Development Corporation of Revelstoke

### Notes to Non-Consolidated Financial Statements

**March 31, 2020**

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#### 2. Cash

Cash balances are held in multiple accounts with one Credit Union and bear interest at prime minus 1.75% (2019 - prime minus 1.75%) calculated daily and paid monthly. Prime at March 31, 2020, was 2.45% (2019 - 3.95%). Community Futures Development Corporation of Revelstoke has an unused line of credit of \$ 50,000 (2019 - \$ 50,000), bearing interest at prime rate, for each of the operating and the business development loan fund accounts.

Restricted cash of \$ 1,527,341 (2019 - \$ 1,615,211) represents amounts to be used to provide loans in the future under various loan funds.

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#### 3. Loans Receivable

|                                    | 2020         | 2019         |
|------------------------------------|--------------|--------------|
| Business Development Loan Fund     | \$ 4,016,069 | \$ 3,486,196 |
| Community Business Loan Fund       | 1,139,595    | 1,374,149    |
| Youth Entrepreneur Investment Fund | 434,238      | 405,034      |
| Disabled Entrepreneur Loan Fund    | 134,880      | 10,955       |
| Western Diversification Loan Fund  | 182,456      | 190,036      |
|                                    | 5,907,238    | 5,466,370    |
| Allowance for impaired loans       | (802,031)    | (660,439)    |
|                                    | 5,105,207    | 4,805,931    |
| Current portion                    | 1,101,089    | 1,098,565    |
|                                    | \$ 4,004,118 | \$ 3,707,366 |

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## Community Futures Development Corporation of Revelstoke Notes to Non-Consolidated Financial Statements

**March 31, 2020**

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### 3. Loans Receivable (Continued)

The activity, in the allowance for impaired loans, is as follows:

|                                   |                   |              |
|-----------------------------------|-------------------|--------------|
| Balance, beginning of year        | <b>\$ 660,439</b> | \$ 1,127,853 |
| Current year provision (recovery) | <b>180,717</b>    | (78,972)     |
|                                   | <b>841,156</b>    | 1,048,881    |
| Loans written off                 | <b>(39,125)</b>   | (388,442)    |
| Balance, end of year              | <b>\$ 802,031</b> | \$ 660,439   |

With the exception of certain loans, the mortgages and notes receivable are at variable rates of interest of prime plus 3.0% or a minimum effective annual interest rate of 6.5% for terms between one and five years and are generally repayable in monthly blended payments of principal and interest. Five loans, with a total outstanding principal balance of \$261,555, have interest rates ranging from 1.25 - 1.45% approved by Western Economic Development. The rate offered to a client varies with the term of the loan, type of security offered and client's credit worthiness.

There are 3 (2019 - 2) loans over \$150,000 totalling \$725,906 (2019 - \$441,116).

The Corporation issued 7 emergency COVID-19 loans, of which 3 have been repaid as of the report date and 4 remain outstanding, totalling \$57,963. These loans have an interest rate of prime plus 1% and are due on demand.

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## Community Futures Development Corporation of Revelstoke Notes to Non-Consolidated Financial Statements

**March 31, 2020**

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### 4. Investment in Controlled Entity

|   | <u>2020</u>      | <u>2019</u>      |
|---|------------------|------------------|
| Revelstoke Business Development Centre - advances | \$ 10,660        | \$ 10,660        |
| Accumulated share of income                       | <u>72,843</u>    | <u>61,124</u>    |
|   | <u>\$ 83,503</u> | <u>\$ 71,784</u> |

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### 5. Contributions Repayable

Under the agreement with the Government of Canada, these investment funds are conditionally repayable in the event that any of the following conditions occur: 1) the funds are not administered according to the terms and conditions specified in the agreement; 2) the funds are not providing a satisfactory level of benefits in terms of employment creation, the development of community-owned or controlled businesses, and strengthening of the western Canadian economy; 3) in the opinion of the Minister, the funds are no longer necessary or relevant to the development of the western Canadian economy; 4) the agreement is terminated per the termination specifications in the agreement; 5) an event of default occurs as described in the agreement; or 6) the Minister does not approve terms and conditions to extend the project beyond March 31, 2020.

Upon notice by the Minister, the Corporation agrees to immediately 1) repay the lessor of: i) the uncommitted cash balance of the Conditionally Repayable Investment Fund, or ii) the total amount paid by Western Diversification to the Corporation for the establishment and maintenance of the Conditionally Repayable Investment Fund; 2) take steps to assign all of its interest in all debts owing to it, to the Minister; 3) liquidate all debts owing to it via sale to a third party satisfactory to the Minister and to remit the proceeds of liquidation to the Minister.

Based on condition (4) above, the investment funds have been classified as current. However, management expects the term to be extended beyond March 31, 2020. It is management's position that none of the other conditions existed as at the year ended March 31, 2020.

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## Community Futures Development Corporation of Revelstoke Notes to Non-Consolidated Financial Statements

**March 31, 2020**

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### 6. Deferred Revenues

Deferred revenues consist of funds specifically received for capital assets and operations. Funds received for capital assets are taken into income on the same basis as the amortization of the related capital assets. Funds received for operations are for the Self-Employment Employment Benefit, Targeted Wage Subsidy programs, and Western Economic Development but are not yet earned. The balance is comprised as follows:

|   | 2020             | 2019      |
|---|------------------|-----------|
| For operations - Western Economic Development | <b>\$ 22,790</b> | \$ 22,790 |

\$ 273,482 (2019 - \$ 273,482) of prior year deferred revenue was recognized as revenue during the year.

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### 7. Interfund Transfers

During the year, a fee of \$ 2,500 (2019 - \$ 2,500) was charged to the Community Business Loan Program Fund (CBLF), and a fee of \$50,000 (2019 - \$50,000) was charged to the Business Development Loan Fund (BDL) for the administration of loan activities by the Operating Fund.

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### 8. Economic Dependence

The Corporation received 39% (2019 - 42%) of its operating revenue from the federal and provincial governments and is economically dependent upon them for its continuation.

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### 9. Related Party Transactions

The following table summarizes the Corporation's related party transactions for the year:

|   | 2020             | 2019      |
|---|------------------|-----------|
| Rental expense - Revelstoke Business Development Centre Ltd   | <b>\$ 28,800</b> | \$ 28,800 |
| Interest revenue - Revelstoke Business Development Centre Ltd | <b>2,780</b>     | 2,718     |

These transactions are measured at the exchange value, (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value.

At the end of the year, the amounts due from a related party are as follows:

|   |                   |            |
|---|-------------------|------------|
| Revelstoke Business Development Centre Ltd. - Loan receivable | <b>\$ 214,612</b> | \$ 229,832 |
|---|-------------------|------------|

The loan is unsecured, bears interest at 1.25%, repayable in monthly installments of \$ 1,500, due February 2034.

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## Community Futures Development Corporation of Revelstoke Notes to Non-Consolidated Financial Statements

**March 31, 2020**

### 10. Controlled Organization Not Consolidated

Community Futures Development Corporation of Revelstoke controls Revelstoke Business Development Centre Limited (the "subsidiary"), a controlled entity. In 2016, \$ 169,462 was advanced to the subsidiary to purchase a building in Revelstoke, British Columbia. The Corporation was on title for the ownership of the property, building and equipment as at March 31, 2015, however a bare trust agreement was signed in 2016 which clarifies the intent that the subsidiary has ownership of the assets. As such the assets have been recorded in the subsidiary as at March 31, 2015. The Corporation is not subject to tax under section 149(2)(l) of the *Income Tax Act*. The building is rented to the Corporation to carry out its day-to-day operations.

The subsidiary has been accounted for under the equity method in the non-consolidated financial statements of Community Futures Development Corporation of Revelstoke. Unaudited financial statements of Business Development Centre Ltd. are available on request. Financial summaries of this unconsolidated entity as at March 31, 2020, and for the year then ended, are as follows:

|                                  | 2020        | 2019        |
|----------------------------------|-------------|-------------|
|                                  | (Unaudited) | (Unaudited) |
| <b>Financial Position</b>        |             |             |
| Current assets                   | \$ 5,983    | \$ 12,989   |
| Property, building and equipment | 362,821     | 364,620     |
|                                  | \$ 368,804  | \$ 377,609  |
| <br>                             |             |             |
| Current liabilities              | \$ 688      | \$ 993      |
| Long-term debt                   | 214,612     | 229,832     |
| Due to related party             | 10,660      | 10,659      |
| Deferred revenue                 | 70,000      | 75,000      |
| Share capital                    | 1           | 1           |
| Retained earnings                | 72,843      | 61,124      |
|                                  | \$ 368,804  | \$ 377,609  |
| <br>                             |             |             |
| <b>Operations</b>                |             |             |
| Revenues                         | \$ 33,800   | \$ 33,800   |
| Expenses                         | 22,081      | 27,272      |
|                                  | \$ 11,719   | \$ 6,528    |

Continued...

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## Community Futures Development Corporation of Revelstoke Notes to Non-Consolidated Financial Statements

**March 31, 2020**

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### 10. Controlled Organization Not Consolidated (Continued)

#### Cash Flows

|  |           |           |
|--|-----------|-----------|
| Operating activities                         | \$ 23,792 | \$ 23,170 |
| Purchase of equipment, land and building     | (15,498)  | (5,633)   |
| Net decrease in long-term debt               | (15,220)  | (15,282)  |
|  | <hr/>     |           |
| Increase (decrease) in cash, during the year | (6,926)   | 2,255     |
|  |           |           |
| Cash, beginning of year                      | 12,909    | 10,654    |
|  | <hr/>     |           |
| Cash, end of year                            | \$ 5,983  | \$ 12,909 |
|  | <hr/>     |           |

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### 11. Financial Instrument Risk

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of loans receivable.

#### Credit Risk

Credit risk is the risk that one 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 from customers. In order to reduce its credit risk, the Corporation reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. The Corporation is exposed to credit risk as one of the borrowers holds 9% (2019 - 9%) of the Corporation's loan receivable balance. The Corporation is exposed to credit risk arising from its accounts and contributions repayable.

#### Liquidity Risk

Liquidity risk is the risk that the Corporation encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Corporation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable, accrued liabilities and contributions repayable.

There is an increase in the credit risk exposure to the Corporation over prior year due to the economic recession resulting from the COVID-19 global pandemic as borrowers may not be able to make scheduled payments on their loans to the Corporation.

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## **Community Futures Development Corporation of Revelstoke**

### **Notes to Non-Consolidated Financial Statements**

**March 31, 2020**

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#### **12. Subsequent Events**

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. In response to the current economic impact, Community Futures has provided an option to borrowers to defer principal and interest payments on loans outstanding for up to 5 months. As at the report date, 44 loans with a loan receivable value of \$3,051,188 have taken the deferral option. Interest on these loans continues to accrue and will increase the repayment period when the deferral period ends and regular payments resume. In May 2020, it was announced that Western Economic Development would provide additional funding for local Community Futures to borrow up to \$1,000,000 in funds to support local businesses with COVID related small business loans up to \$40,000 each. The Corporation has applied to access \$500,000 of this funding which has been received and is being disbursed to approved applicants. Western Development also provided the corporation with an additional \$66,000 in operating funding in fiscal 2021 to enhance support and services to small and medium sized businesses impacted by the COVID-19 pandemic. Any unspent funds by March 31, 2021 will be repaid.

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#### **13. Comparative Figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.

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**Community Futures Development Corporation of Revelstoke  
Community Business Loans Program  
Statement of Financial Position**

| <b>March 31</b>                | <b>2020</b>             | <b>2019</b>             |
|--------------------------------|-------------------------|-------------------------|
| <b>Assets</b>                  |                         |                         |
| <b>Current</b>                 |                         |                         |
| Cash - restricted (Note 2)     | \$ 749,628              | \$ 534,832              |
| Interest receivable            | <u>78,923</u>           | <u>66,332</u>           |
|                                | <b>828,551</b>          | <b>601,164</b>          |
| <b>Loans receivable</b>        | <u><b>924,566</b></u>   | <u><b>1,230,072</b></u> |
|                                | <b>\$ 1,753,117</b>     | <b>\$ 1,831,236</b>     |
| <b>Liabilities and Surplus</b> |                         |                         |
| <b>Current</b>                 |                         |                         |
| Due to other funds             | \$ 501,551              | \$ 585,566              |
| <b>Restricted surplus</b>      | <u><b>1,251,566</b></u> | <u><b>1,245,670</b></u> |
|                                | <b>\$ 1,753,117</b>     | <b>\$ 1,831,236</b>     |

**Community Futures Development Corporation of Revelstoke  
Community Business Loans Program  
Statement of Financial Activities**

| <b>For the year ended March 31</b>      | <b>2020</b>                | <b>2019</b>                |
|---|----------------------------|----------------------------|
| <b>Revenues</b>                         |                            |                            |
| Interest - loans                        | \$ 82,778                  | \$ 97,618                  |
| Interest - deposits                     | 14,870                     | 7,155                      |
| Finance fees                            | 550                        | 600                        |
|   | <u>98,198</u>              | 105,373                    |
| <b>Expenses</b>                         |                            |                            |
| Bad debts                               | <u>89,802</u>              | -                          |
| <b>Excess of revenues over expenses</b> | <b>8,396</b>               | <b>105,373</b>             |
| <b>Surplus, beginning of year</b>       | <b>1,245,670</b>           | <b>1,142,797</b>           |
| <b>Interfund transfers (Note 7)</b>     | <u><b>(2,500)</b></u>      | <u><b>(2,500)</b></u>      |
| <b>Surplus, end of year</b>             | <u><b>\$ 1,251,566</b></u> | <u><b>\$ 1,245,670</b></u> |

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**Community Futures Development Corporation of Revelstoke  
Business Development Loan Fund  
Statement of Financial Position**

| March 31                       | 2020                | 2019                |
|--------------------------------|---------------------|---------------------|
| <b>Assets</b>                  |                     |                     |
| <b>Current</b>                 |                     |                     |
| Cash - restricted (Note 2)     | \$ 188,678          | \$ 449,083          |
| Interest receivable            | 262,163             | 267,998             |
| Due from other funds           | 463,752             | 551,102             |
|                                | 914,593             | 1,268,183           |
| <b>Loans receivable</b>        | <b>3,474,724</b>    | <b>2,970,928</b>    |
|                                | <b>\$ 4,389,317</b> | <b>\$ 4,239,111</b> |
| <b>Liabilities and Surplus</b> |                     |                     |
| <b>Restricted surplus</b>      | <b>\$ 4,389,317</b> | <b>\$ 4,239,111</b> |

**Community Futures Development Corporation of Revelstoke  
Business Development Loan Fund  
Statement of Financial Activities**

| <b>For the year ended March 31</b>      | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
| <b>Revenues</b>                         |                     |                     |
| Interest - loans                        | \$ 236,452          | \$ 167,025          |
| Interest - deposits                     | 6,379               | 10,616              |
| Finance fees                            | 2,650               | 2,850               |
|   | <u>245,481</u>      | 180,491             |
| <b>Expenses</b>                         |                     |                     |
| Bad debts (recovery)                    | <u>45,275</u>       | (8,201)             |
| <b>Excess of revenues over expenses</b> | <b>200,206</b>      | 188,692             |
| <b>Surplus, beginning of year</b>       | <b>4,239,111</b>    | 4,100,419           |
| <b>Interfund transfers (Note 7)</b>     | <u>(50,000)</u>     | (50,000)            |
| <b>Surplus, end of year</b>             | <u>\$ 4,389,317</u> | <u>\$ 4,239,111</u> |

**Community Futures Development Corporation of Revelstoke  
Youth Entrepreneur Investment Fund  
Statement of Financial Position**

| <b>March 31</b>                  | <b>2020</b>       | <b>2019</b>       |
|----------------------------------|-------------------|-------------------|
| <b>Assets</b>                    |                   |                   |
| <b>Current</b>                   |                   |                   |
| Cash - restricted (Note 2)       | \$ 66,991         | \$ 90,250         |
| Interest receivable              | 8,099             | 5,231             |
|                                  | <u>75,090</u>     | 95,481            |
| <b>Loans receivable</b>          | <u>434,238</u>    | 405,034           |
|                                  | <u>\$ 509,328</u> | <u>\$ 500,515</u> |
| <b>Liabilities and Surplus</b>   |                   |                   |
| <b>Current</b>                   |                   |                   |
| Due to other funds               | \$ 33,600         | \$ 54,135         |
| Contributions repayable (Note 5) | 200,000           | 200,000           |
|                                  | <u>233,600</u>    | 254,135           |
| <b>Restricted surplus</b>        | <u>275,728</u>    | 246,380           |
|                                  | <u>\$ 509,328</u> | <u>\$ 500,515</u> |

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**Community Futures Development Corporation of Revelstoke  
Youth Entrepreneur Investment Fund  
Statement of Financial Activities**

| <b>For the year ended March 31</b>      | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| <b>Revenues</b>                         |                   |                   |
| Interest - loans                        | \$ 27,253         | \$ 20,587         |
| Interest - deposits                     | 1,595             | 3,036             |
| Fees and insurance                      | 500               | 1,150             |
|   | <hr/>             | <hr/>             |
| <b>Excess of revenues over expenses</b> | <b>29,348</b>     | <b>24,773</b>     |
| <b>Surplus, beginning of year</b>       | <b>246,380</b>    | <b>221,607</b>    |
|   | <hr/>             | <hr/>             |
| <b>Surplus, end of year</b>             | <b>\$ 275,728</b> | <b>\$ 246,380</b> |

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**Community Futures Development Corporation of Revelstoke  
Disabled Entrepreneur Loan Fund  
Statement of Financial Position**

| <b>March 31</b>                  | <b>2020</b>           | <b>2019</b>           |
|----------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                    |                       |                       |
| <b>Current</b>                   |                       |                       |
| Cash - restricted (Note 2)       | \$ 369,552            | \$ 400,701            |
| Due from other funds             | -                     | 60,144                |
| Interest receivable              | <u>1,103</u>          | <u>56</u>             |
|                                  | <b>370,655</b>        | <b>460,901</b>        |
| <b>Loans receivable</b>          | <u><b>89,223</b></u>  | <u><b>9,860</b></u>   |
|                                  | <b>\$ 459,878</b>     | <b>\$ 470,761</b>     |
| <b>Liabilities and Surplus</b>   |                       |                       |
| <b>Current</b>                   |                       |                       |
| Due to other funds               | \$ 23,009             | \$ -                  |
| Contributions repayable (Note 5) | <u>200,000</u>        | <u>200,000</u>        |
|                                  | <b>223,009</b>        | <b>200,000</b>        |
| <b>Restricted surplus</b>        | <u><b>236,869</b></u> | <u><b>270,761</b></u> |
|                                  | <b>\$ 459,878</b>     | <b>\$ 470,761</b>     |

**Community Futures Development Corporation of Revelstoke  
Disabled Entrepreneur Loan Fund  
Statement of Financial Activities**

| <b>For the year ended March 31</b>                   | <b>2020</b>              | <b>2019</b>              |
|--|--------------------------|--------------------------|
| <b>Revenues</b>                                      |                          |                          |
| Interest - deposits                                  | \$ 8,659                 | \$ 7,079                 |
| Interest - loans                                     | 2,788                    | 3,044                    |
| Fees and insurance                                   | 300                      | 100                      |
|  | <u>11,747</u>            | <u>10,223</u>            |
| <b>Expenses</b>                                      |                          |                          |
| Bad debts (recovery)                                 | <u>45,639</u>            | <u>(70,771)</u>          |
| <b>Excess (deficiency) of revenues over expenses</b> | <b>(33,892)</b>          | <b>80,994</b>            |
| <b>Surplus, beginning of year</b>                    | <u><b>270,761</b></u>    | <u><b>189,767</b></u>    |
| <b>Surplus, end of year</b>                          | <u><b>\$ 236,869</b></u> | <u><b>\$ 270,761</b></u> |

**Community Futures Development Corporation of Revelstoke  
Western Diversification Loan Fund  
Statement of Financial Position**

| <b>March 31</b>                  | <b>2020</b>           | <b>2019</b>       |
|----------------------------------|-----------------------|-------------------|
| <b>Assets</b>                    |                       |                   |
| <b>Current</b>                   |                       |                   |
| Cash - restricted (Note 2)       | \$ 152,491            | \$ 140,347        |
| Interest receivable              | 15,892                | 10,904            |
| Due from other funds             | <u>45,904</u>         | <u>45,904</u>     |
|                                  | <b>214,287</b>        | 197,155           |
| <b>Loans receivable</b>          | <u><b>182,456</b></u> | <u>190,036</u>    |
|                                  | <b>\$ 396,743</b>     | <b>\$ 387,191</b> |
| <b>Liabilities and Surplus</b>   |                       |                   |
| <b>Current</b>                   |                       |                   |
| Contributions repayable (Note 5) | \$ 200,000            | \$ 200,000        |
| <b>Restricted surplus</b>        | <u><b>196,743</b></u> | <u>187,191</u>    |
|                                  | <b>\$ 396,743</b>     | <b>\$ 387,191</b> |

**Community Futures Development Corporation of Revelstoke  
Western Diversification Loan Fund  
Statement of Financial Activities**

| <b>For the year ended March 31</b>      | <b>2020</b>              | <b>2019</b>       |
|---|--------------------------|-------------------|
| <b>Revenues</b>                         |                          |                   |
| Interest - loans                        | \$ 6,408                 | \$ 6,459          |
| Interest - deposits                     | <u>3,144</u>             | <u>2,683</u>      |
| <b>Excess of revenues over expenses</b> | <b>9,552</b>             | <b>9,142</b>      |
| <b>Surplus, beginning of year</b>       | <u><b>187,191</b></u>    | <u>178,049</u>    |
| <b>Surplus, end of year</b>             | <u><b>\$ 196,743</b></u> | <u>\$ 187,191</u> |

**Community Futures Development Corporation of Revelstoke  
Operating Fund  
Statement of Financial Position**

| <b>March 31</b>                                 | <b>2020</b>          | <b>2019</b>       |
|---|----------------------|-------------------|
| <b>Assets</b>                                   |                      |                   |
| <b>Current</b>                                  |                      |                   |
| Cash  | \$ 17,215            | \$ 47,049         |
| Accounts receivable                             | 31,228               | 14,904            |
| Due from other funds                            | 8,726                | -                 |
|   | <u>57,169</u>        | 61,953            |
| <b>Investments</b>                              | <b>500</b>           | 60,500            |
| Investment in subsidiary (Note 4)               | <u>83,503</u>        | <u>71,784</u>     |
|   | <b>\$ 141,172</b>    | <b>\$ 194,237</b> |
| <b>Liabilities, Project Reserve and Surplus</b> |                      |                   |
| <b>Current</b>                                  |                      |                   |
| Accounts payable and accrued charges            | \$ 19,855            | \$ 20,068         |
| Due to other funds                              | -                    | 46,935            |
| Current portion of deferred revenue (Note 6)    | <u>22,790</u>        | <u>22,790</u>     |
|   | <b>42,645</b>        | 89,793            |
| <b>Unrestricted surplus</b>                     | <u><b>98,527</b></u> | 104,444           |
|   | <b>\$ 141,172</b>    | <b>\$ 194,237</b> |

**Community Futures Development Corporation of Revelstoke  
Operating Fund  
Statement of Financial Activities**

| <b>For the year ended March 31</b>             | <b>2020</b>             | <b>2019</b>              |
|--|-------------------------|--------------------------|
| <b>Revenues</b>                                |                         |                          |
| Government funding                             |                         |                          |
| - Contributions from WD                        | \$ 273,482              | \$ 273,482               |
| - Self-employment program                      | 35,196                  | 38,551                   |
| Interest income                                | 1,215                   | 1,587                    |
| Other income                                   | 64,071                  | 50,239                   |
| Project  | <u>10,904</u>           | <u>26,900</u>            |
|  | <u>384,868</u>          | <u>390,759</u>           |
| <b>Expenses (Schedule)</b>                     | <b>455,004</b>          | <b>454,952</b>           |
| <b>Income from controlled entity (Note 10)</b> | <u><b>(11,719)</b></u>  | <u><b>(6,528)</b></u>    |
|  | <u><b>443,285</b></u>   | <u><b>448,424</b></u>    |
| <b>Deficiency of revenues over expenses</b>    | <b>(58,417)</b>         | <b>(57,665)</b>          |
| <b>Unrestricted surplus, beginning of year</b> | <b>104,444</b>          | <b>109,609</b>           |
| <b>Interfund transfers (Note 7)</b>            | <u><b>52,500</b></u>    | <u><b>52,500</b></u>     |
| <b>Unrestricted surplus, end of year</b>       | <u><b>\$ 98,527</b></u> | <u><b>\$ 104,444</b></u> |

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**Community Futures Development Corporation of Revelstoke**  
**Schedule - Administration and Projects Expenses**

| <b>For the year ended March 31</b>   | <b>2020</b> | <b>2019</b> |
|--------------------------------------|-------------|-------------|
| Administration                       | \$ 1,371    | \$ 5,396    |
| Advertising and promotion            | 5,610       | 6,769       |
| Bank charges and interest (recovery) | 125         | (737)       |
| Directors' expense                   | 4,303       | 4,687       |
| Insurance                            | 2,935       | 2,804       |
| Materials and supplies               | 15,423      | 8,849       |
| Photocopying                         | 4,133       | 3,354       |
| Professional fees                    | 21,221      | 19,297      |
| Project costs                        | 36,890      | 48,226      |
| Rent                                 | 38,606      | 37,391      |
| Staff training                       | 4,588       | 3,968       |
| Telephone and postage                | 3,378       | 4,839       |
| Travel                               | 5,538       | 9,874       |
| Wages and benefits                   | 310,883     | 300,235     |
|                                      | <hr/>       |             |
|                                      | \$ 455,004  | \$ 454,952  |

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