

**Community Futures Development
Corporation of Revelstoke
Client Information Package
For the Year Ended March 31, 2021**

Contact Information

Angie Spencer, CPA, CA
BDO Canada LLP
Chartered Professional Accountants
Ph: 250-832-7171 Fax: 250-832-2429
Email: aspencer@bdo.ca

**Community Futures Development
Corporation of Revelstoke
Non-Consolidated Financial Statements
For the Year Ended March 31, 2021**

	Contents
Independent Auditor's Report	1-2
Non-Consolidated Financial Statements	
Non-Consolidated Statement of Financial Position	3
Non-Consolidated Statement of Changes in Net Assets	4
Non-Consolidated Statement of Financial Activities	5
Non-Consolidated Statement of Cash Flows	6
Notes to Non-Consolidated Financial Statements	7-15
Community Business Loans Program	
Statement of Financial Position	16
Statement of Financial Activities	17
Business Development Loan Fund	
Statement of Financial Position	18
Statement of Financial Activities	19
Youth Entrepreneur Investment Fund	
Statement of Financial Position	20
Statement of Financial Activities	21
Disabled Entrepreneur Loan Fund	
Statement of Financial Position	22
Statement of Financial Activities	23
Western Diversification Loan Fund	
Statement of Financial Position	24
Statement of Financial Activities	25
Regional Relief and Recovery Fund	
Statement of Financial Position	26
Statement of Financial Activities	27
Operating Fund	
Statement of Financial Position	28
Statement of Financial Activities	29
Schedule - Administration and Projects Expenses	30

Independent Auditor's Report

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, 2021, 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, 2021, 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
June 24, 2021

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

March 31

2021

2020

Assets

Current

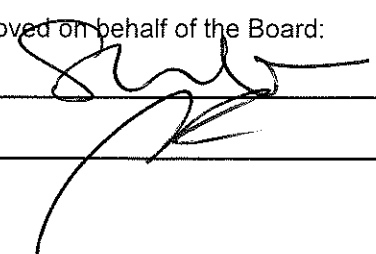
Cash - restricted (Note 2)	\$ 3,065,893	\$ 1,527,341
Cash (Note 2)	28,297	17,215
Accounts receivable	51,594	31,230
Accrued interest receivable	361,463	366,180
Current portion of loans receivable (Note 3)	<u>1,075,911</u>	<u>1,101,089</u>
	<u>4,583,158</u>	<u>3,043,055</u>
Loans receivable (Note 3) and (Note 10)	3,737,416	4,004,118
Long term investment	500	500
Investment in controlled entity (Note 4)	<u>93,099</u>	<u>83,503</u>
	<u>3,831,015</u>	<u>4,088,121</u>
	<u>\$ 8,414,173</u>	<u>\$ 7,131,176</u>

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 19,855	\$ 19,855
Contributions repayable (Note 5)	600,000	600,000
Deferred revenues (Note 6)	<u>37,955</u>	<u>22,790</u>
	<u>657,810</u>	<u>642,645</u>
Long-term debt (Note 7)	1,151,840	-
Net Assets		
Restricted	6,481,520	6,390,004
Unrestricted	<u>123,003</u>	<u>98,527</u>
	<u>6,604,523</u>	<u>6,488,531</u>
	<u>\$ 8,414,173</u>	<u>\$ 7,131,176</u>

Approved on behalf of the Board:


 _____ Director
 _____ Director

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

For the year ended March 31

	Unrestricted	Restricted	2021	2020
Balance , beginning of year	\$ 98,527	\$ 6,390,004	\$ 6,488,531	\$ 6,323,043
Interfund transfers	76,500	(76,500)	-	-
Excess (deficiency) of revenues over expenses	(52,024)	168,016	115,992	165,488
Balance , end of year	\$ 123,003	\$ 6,481,520	\$ 6,604,523	\$ 6,488,531

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

For the year ended March 31	2021	2020
Revenues		
Government funding	\$ 273,482	\$ 273,482
Interest earned - loans	305,890	355,930
Interest earned - deposits	14,309	35,862
Project revenue	10,185	10,904
Other income	169,604	109,312
Loan administration revenue	32,034	4,000
	<u>805,504</u>	<u>789,490</u>
Expenses		
Administration and projects expenses (Schedule)	546,004	455,004
Bad debts (recovery) (Note 3)	153,104	180,717
	<u>699,108</u>	<u>635,721</u>
Excess of revenues over expenses from operations	106,396	153,769
Income from controlled entity (Note 11)	<u>9,596</u>	<u>11,719</u>
Excess of revenues over expenses	115,992	165,488
Net Assets, beginning of year	<u>6,488,531</u>	<u>6,323,043</u>
Net Assets, end of year	<u>\$ 6,604,523</u>	<u>\$ 6,488,531</u>

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

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

For the year ended March 31	2021	2020
Cash flows from operating activities		
Cash received from governments and other sources	\$ 449,574	\$ 371,331
Cash paid to suppliers and employees	(546,005)	(455,218)
Interest received	293,584	386,177
Bad debt (expense) recovery	(124,998)	(180,717)
Net increase (decrease) in loans and interest receivable	1,477,479	(239,277)
Increase (decrease) in cash during the year	1,549,634	(117,704)
Cash, beginning of year	1,544,556	1,662,260
Cash, end of year	\$ 3,094,190	\$ 1,544,556
Represented by:		
Cash - restricted	\$ 3,065,893	\$ 1,527,341
Cash - unrestricted	28,297	17,215
	\$ 3,094,190	\$ 1,544,556

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

Community Futures Development Corporation of Revelstoke

Notes to Non-Consolidated Financial Statements

March 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Business 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.

Basis of Accounting The non-consolidated financial statements have been prepared by management using Canadian accounting standards for not-for-profit organizations.

Fund Accounting 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. Each fund is presented in a separate statement following the notes to the financial statements.

The Community Business Loan Fund, Business Development Loan Fund, Youth Entrepreneur Investment Fund, Disabled Entrepreneur Loan Fund, Western Diversification Loan Fund and Regional Relief and Recovery Loan Fund each present the assets and liabilities, revenues and expenses related to their respective loan activities. They are externally restricted for assisting small businesses and entrepreneurs in the form of loans, loan guarantees or equity participation.

The Community Business Loan Fund is a non-repayable fund representing the year over year growth of initial dollars that were invested by the Government of Canada for the purposes of providing financial assistance to individuals or companies planning to start, grow or purchase a business.

The Business Development Loan Fund, Youth Entrepreneur Investment Fund, Disabled Entrepreneur Loan Fund and Western Diversification Loan Fund are funds that are conditionally repayable to the Western Economic Diversification (Note 5).

The Regional Relief and Recovery Fund (RRRF) is a conditionally repayable contribution from Western Economic Diversification to be provided to businesses with up to \$60,000 each to finance qualifying expenses during COVID (Note 7). As the Corporation records financial liabilities at fair value, the balance has been recorded net of the forgivable portion of the loans receivable expected to reduce this balance owing.

The Operating Fund records the amounts related to program delivery and administration. It includes the operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

Continued...

Community Futures Development Corporation of Revelstoke

Notes to Non-Consolidated Financial Statements

March 31, 2021

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

Revenue Recognition 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.

Interest income on loans is recorded on the accrual method using the effective interest rates.

Loan negotiation fees and income recorded on prepayment and renegotiation of fixed-term loans are recognized when received.

Allowance for Impaired Loans

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.

Investment in Controlled Entity

Investment in controlled entity is accounted for using the equity method.

Other Investments

Investment in equity loans and other long term investments are accounted for at cost.

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.

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

March 31, 2021

2. Cash

Cash balances are held in multiple accounts with one Credit Union and bear interest at prime minus 1.75% (2020 - prime minus 1.75%) calculated daily and paid monthly. Prime at March 31, 2021, was 2.45% (2020 - 2.45%). Community Futures Development Corporation of Revelstoke has an unused line of credit of \$ 50,000 (2020 - \$ 50,000), bearing interest at prime rate, for each of the operating and the business development loan fund accounts.

Restricted cash of \$ 3,065,893 (2020 - \$ 1,527,341) represents amounts to be used to provide loans in the future under various loan funds.

3. Loans Receivable

	2021	2020
Business Development Loan Fund	\$ 3,275,633	\$ 4,016,069
Community Business Loan Fund	981,576	1,139,595
Youth Entrepreneur Investment Fund	324,922	434,238
Disabled Entrepreneur Loan Fund	95,131	134,880
Western Diversification Loan Fund	174,764	182,456
Regional Relief and Recovery Fund	1,026,651	-
Write-down to fair value - forgivable portion of RRRF	(256,663)	-
	5,622,014	5,907,238
Allowance for impaired loans	(808,687)	(802,031)
	4,813,327	5,105,207
Current portion	1,075,911	1,101,089
	\$ 3,737,416	\$ 4,004,118

Continued...

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

March 31, 2021

3. Loans Receivable (Continued)

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

Balance, beginning of year	\$ 802,031	\$ 660,439
Current year provision	<u>153,104</u>	<u>180,717</u>
	955,135	841,156
Loans written off	<u>(146,448)</u>	<u>(39,125)</u>
Balance, end of year	<u>\$ 808,687</u>	<u>\$ 802,031</u>

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. Three loans, with a total outstanding principal balance of \$224,712, 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 (2020 - 3) loans over \$150,000 totalling \$725,906 (2020 - \$725,906).

RRRF Loans:

The RRRF loans were provided to businesses with up to \$60,000 each to finance qualifying expenses during COVID. The loans are non-interest bearing with no scheduled payments until December 31, 2022. If the balance of the loan has been repaid by that date, 25% of the first \$40,000 and 50% of amounts above \$40,000 and up to \$60,000 will be forgiven. If the full amount of the loan payments have not been made by December 31, 2022, the full outstanding balance of the loan will be converted to a 5% interest bearing loan to be repaid in monthly installments over a three year period ending December 31, 2025.

As the Corporation records financial assets at fair value at inception, the loans receivable are presented net of the forgivable portion totalling \$256,663.

The loans were financed via the conditionally repayable loan from Community Futures British Columbia (CFBC) (Note 7).

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

March 31, 2021

4. Investment in Controlled Entity

	2021	2020
Revelstoke Business Development Centre - advances	\$ 10,660	\$ 10,660
Accumulated share of income	82,439	72,843
	\$ 93,099	\$ 83,503

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, 2021.

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 Economic 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, 2021. It is management's position that none of the other conditions existed as at the year ended March 31, 2021.

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 received or invoiced but are not yet earned. The balance is comprised as follows:

	2021	2020
For operations		
- Western Economic Development	\$ -	\$ 22,790
- Provincial Fall Conference	37,955	-
	\$ 37,955	\$ 22,790

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

March 31, 2021

7. Long-term Debt

The Corporation received \$1,438,503 in funding from CFBC to provide RRRF loans. To the extent that this amount has not been used to fund loans at the end of the application period (currently June 2021), any undistributed funds are to be returned to the principal CFA. At March 31, 2021, the undistributed balance on hand was \$287,752.

As of March 31, 2021, \$1,150,751 has been used to fund RRRF loans. The balance due to the provincial CFBC is non-interest bearing with no payments due until after December 31, 2022. Any loan payments received to that date will be remitted in a lump sum payment to the principal CFBC. After that time, the remaining loan continues to be non-interest bearing and will be repayable in monthly installments over a three year period ending December 31, 2025. The balance to be repaid will be reduced to the extent that the loans receivable are forgiven (Note 3) and by any loans that are not collectible and costs associated with attempts to collect loans in arrears.

As the Corporation records financial liabilities at fair value, the balance has been recorded net of the forgivable portion of the loans receivable expected to reduce this balance owing.

8. Interfund Transfers

During the year, a fee of \$ 2,500 (2020 - \$ 2,500) was charged to the Community Business Loan Program Fund (CBLP), and a fee of \$74,000 (2020 - \$50,000) was charged to the Business Development Loan Fund (BDL) for the administration of loan activities by the Operating Fund.

9. Economic Dependence

The Corporation received 53% (2020 - 39%) of its operating revenue from the federal and provincial governments and is economically dependent upon them for its continuation.

10. Related Party Transactions

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

	<u>2021</u>	<u>2020</u>
Rental expense - Revelstoke Business Development Centre Ltd	\$ 28,800	\$ 28,800
Interest revenue - Revelstoke Business Development Centre Ltd	2,567	2,780

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	\$ 199,179	\$ 214,612
---	------------	------------

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

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

March 31, 2021

11. 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, 2021, and for the year then ended, are as follows:

	2021	2020
	(Unaudited)	(Unaudited)
Financial Position		
Current assets	\$ 9,567	\$ 5,983
Property, building and equipment	349,682	362,821
	\$ 359,249	\$ 368,804
Current liabilities	\$ 1,971	\$ 688
Long-term debt	199,179	214,612
Due to related party	10,659	10,660
Deferred revenue	65,000	70,000
Share capital	1	1
Retained earnings	82,439	72,843
	\$ 359,249	\$ 368,804
Operations		
Revenues	\$ 33,800	\$ 33,800
Expenses	24,204	22,081
	\$ 9,596	\$ 11,719

Continued...

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

March 31, 2021

11. Controlled Organization Not Consolidated (Continued)

Cash Flows

Operating activities	\$ 23,296	\$ 23,792
Purchase of equipment, land and building	(4,279)	(15,498)
Net decrease in long-term debt	(15,433)	(15,220)
	<hr/>	
Increase (decrease) in cash, during the year	3,584	(6,926)
Cash, beginning of year	5,983	12,909
	<hr/>	
Cash, end of year	\$ 9,567	\$ 5,983

12. 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 13% (2020 - 9%) of the Corporation's loan receivable balance. The Corporation is exposed to credit risk arising from its loans receivable.

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.

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.

Community Futures Development Corporation of Revelstoke

Notes to Non-Consolidated Financial Statements

March 31, 2021

13. Global Pandemic

During the fiscal year and subsequently, the impact of COVID-19 in Canada and on the global economy is ongoing. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Corporation has seen significant challenges for the clients that they serve. The Corporation's ability to continue to service obligations as they come due is dependent on the continued ability to generate earnings and cash flows from interest and grants.

As at March 31, 2021, the loan portfolio was reviewed in detail to determine potential impairment from the economic consequences of the COVID-19 pandemic, with those loans considered being impaired being allowed for as doubtful. As the economic slowdown continues, the effect of the COVID-19 pandemic on the individual loans will continue to be monitored and any provision for impairment will be recorded as individual loans are considered impaired.

14. Comparative Figures

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

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

March 31	2021	2020
Assets		
Current		
Cash - restricted (Note 2)	\$ 958,902	\$ 749,628
Interest receivable	74,216	78,923
	1,033,118	828,551
Loans receivable	643,978	924,566
	\$ 1,677,096	\$ 1,753,117
Liabilities and Surplus		
Current		
Due to other funds	\$ 501,346	\$ 501,551
Restricted surplus	1,175,750	1,251,566
	\$ 1,677,096	\$ 1,753,117

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

For the year ended March 31	2021	2020
Revenues		
Interest - loans	\$ 70,676	\$ 82,778
Interest - deposits	5,675	14,870
Finance fees	200	550
	<u>76,551</u>	<u>98,198</u>
Expenses		
Bad debts	<u>149,867</u>	<u>89,802</u>
Excess (deficiency) of revenues over expenses	(73,316)	8,396
Surplus, beginning of year	1,251,566	1,245,670
Interfund transfers (Note 8)	<u>(2,500)</u>	<u>(2,500)</u>
Surplus, end of year	\$ 1,175,750	\$ 1,251,566

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

March 31	2021	2020
Assets		
Current		
Cash - restricted (Note 2)	\$ 951,717	\$ 188,678
Interest receivable	253,308	262,163
Due from other funds	495,058	494,133
	<u>1,700,083</u>	944,974
Loans receivable	<u>2,846,587</u>	3,474,724
	<u>\$ 4,546,670</u>	<u>\$ 4,419,698</u>
Liabilities and Surplus		
Restricted surplus	<u>\$ 4,546,670</u>	<u>\$ 4,419,698</u>

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

For the year ended March 31	2021	2020
Revenues		
Interest - loans	\$ 198,816	\$ 246,747
Interest - deposits	3,335	6,379
Finance fees	1,000	2,650
	<u>203,151</u>	255,776
Expenses		
Bad debts (recovery)	<u>2,179</u>	45,275
Excess of revenues over expenses	200,972	210,501
Surplus, beginning of year	4,419,698	4,259,197
Interfund transfers (Note 8)	<u>(74,000)</u>	(50,000)
Surplus, end of year	\$ 4,546,670	\$ 4,419,698

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

March 31	2021	2020
Assets		
Current		
Cash - restricted (Note 2)	\$ 190,564	\$ 66,991
Interest receivable	12,223	8,099
	<u>202,787</u>	75,090
Loans receivable	<u>324,922</u>	434,238
	<u>\$ 527,709</u>	<u>\$ 509,328</u>
Liabilities and Surplus		
Current		
Due to other funds	\$ 33,344	\$ 33,600
Contributions repayable (Note 5)	200,000	200,000
	<u>233,344</u>	233,600
Restricted surplus	<u>294,365</u>	275,728
	<u>\$ 527,709</u>	<u>\$ 509,328</u>

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

For the year ended March 31	2021	2020
Revenues		
Interest - loans	\$ 22,049	\$ 27,253
Interest - deposits	936	1,595
Fees and insurance	200	500
	23,185	29,348
Expenses		
Bad debts	4,548	-
	18,637	29,348
Excess of revenues over expenses	18,637	29,348
Surplus, beginning of year	275,728	246,380
Surplus, end of year	\$ 294,365	\$ 275,728

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

March 31	2021	2020
Assets		
Current		
Cash - restricted (Note 2)	\$ 420,262	\$ 369,552
Interest receivable	1,152	1,103
	421,414	370,655
Loans receivable	53,088	89,223
	\$ 474,502	\$ 459,878
Liabilities and Surplus		
Current		
Due to other funds	\$ 22,893	\$ 23,009
Contributions repayable (Note 5)	200,000	200,000
	222,893	223,009
Restricted surplus	251,609	236,869
	\$ 474,502	\$ 459,878

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

For the year ended March 31	2021	2020
Revenues		
Interest - deposits	\$ 2,681	\$ 8,659
Interest - loans	8,469	2,788
Fees and insurance	100	300
	<u>11,250</u>	<u>11,747</u>
Expenses		
Bad debts (recovery)	<u>(3,490)</u>	45,639
Excess (deficiency) of revenues over expenses	14,740	(33,892)
Surplus, beginning of year	<u>236,869</u>	<u>270,761</u>
Surplus, end of year	<u>\$ 251,609</u>	<u>\$ 236,869</u>

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

March 31	2021	2020
Assets		
Current		
Cash - restricted (Note 2)	\$ 162,596	\$ 152,491
Interest receivable	20,564	15,892
Due from other funds	45,903	45,904
	229,063	214,287
Loans receivable	174,764	182,456
	\$ 403,827	\$ 396,743
Liabilities and Surplus		
Current		
Contributions repayable (Note 5)	\$ 200,000	\$ 200,000
Restricted surplus	203,827	196,743
	\$ 403,827	\$ 396,743

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

For the year ended March 31	2021	2020
Revenues		
Interest - loans	\$ 5,980	\$ 6,408
Interest - deposits	<u>1,104</u>	<u>3,144</u>
Excess of revenues over expenses	7,084	9,552
Surplus, beginning of year	<u>196,743</u>	187,191
Surplus, end of year	<u>\$ 203,827</u>	<u>\$ 196,743</u>

**Community Futures Development Corporation of Revelstoke
Regional Relief and Recovery Fund
Statement of Financial Position**

March 31	2021	2020
Assets		
Current		
Cash - restricted (Note 2)	\$ 381,852	\$ -
Loans receivable	1,026,651	-
Write-down to fair value - forgivable portion of RRRF	(256,663)	-
	\$ 1,151,840	\$ -
Liabilities and Surplus		
Long-term Debt (Note 6)	\$ 1,151,840	\$ -

**Community Futures Development Corporation of Revelstoke
Regional Relief and Recovery Fund
Statement of Financial Activities**

For the year ended March 31	2021	2020
Operating Revenue	\$ 30,534	\$ -
Operating Expenses	<u>30,534</u>	-
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

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

March 31	2021	2020
Assets		
Current		
Cash	\$ 28,297	\$ 17,215
Accounts receivable	51,580	31,228
Due from other funds	7,337	8,726
	<u>87,214</u>	57,169
Investments	500	500
Investment in subsidiary (Note 4)	<u>93,099</u>	<u>83,503</u>
	\$ 180,813	\$ 141,172
Liabilities, Project Reserve and Surplus		
Current		
Accounts payable and accrued charges	\$ 19,855	\$ 19,855
Due to other funds	-	-
Current portion of deferred revenue (Note 6)	<u>37,955</u>	<u>22,790</u>
	57,810	42,645
Unrestricted surplus	<u>123,003</u>	<u>98,527</u>
	\$ 180,813	\$ 141,172

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

For the year ended March 31	2021	2020
Revenues		
Government funding		
- Contributions from WD	\$ 273,482	\$ 273,482
- Self-employment program	55,126	35,196
- COVID-19 funding	66,000	-
Interest income	579	1,215
Other income	48,478	64,071
Project	10,185	10,904
	<u>453,850</u>	<u>384,868</u>
Expenses (Schedule)	515,470	455,004
Income from controlled entity (Note 11)	(9,596)	(11,719)
	<u>505,874</u>	<u>443,285</u>
Deficiency of revenues over expenses	(52,024)	(58,417)
Unrestricted surplus, beginning of year	98,527	104,444
Interfund transfers (Note 8)	76,500	52,500
Unrestricted surplus, end of year	\$ 123,003	\$ 98,527

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

For the year ended March 31	2021	2020
Administration	\$ 4,872	\$ 1,371
Advertising and promotion	5,140	5,610
Bank charges and interest	35	125
Directors' expense	681	4,303
Insurance	2,752	2,935
Materials and supplies	20,152	15,423
Photocopying	3,261	4,133
Professional fees	17,794	21,221
Project costs	108,305	36,890
Rent	40,738	38,606
Staff training	1,542	4,588
Telephone and postage	3,422	3,378
Travel	-	5,538
Wages and benefits	306,776	310,883
	\$ 515,470	\$ 455,004
