

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Financial Statements

Year Ended March 31, 2020

(See Independent Auditor's Report)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

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Year Ended March 31, 2020

(See Independent Auditor's Report)

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Futures Development Corporation of Peace Liard

Report on the Financial Statements

Opinion

We have audited the financial statements of Community Futures Development Corporation of Peace Liard (the Organization), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, 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 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 Financial Statements* section of our report. We are independent of the Organization 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 those 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 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)



Member, Chartered Professional Accountants of British Columbia and Alberta

* Denotes Professional Corporations

Independent Auditor's Report to the Directors of Community Futures Development Corporation of Peace Liard (continued)

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 Organization'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 Organization'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 Organization 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.

Dawson Creek, BC
June 23, 2020

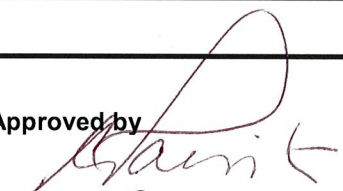
Sander Rose Bone Grindle CPA
CHARTERED PROFESSIONAL ACCOUNTANTS

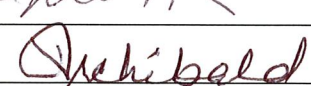
COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Financial Position
March 31, 2020

	Restricted Loan Fund (Note 15)	General Operating Fund	Total 2020	Total 2019
ASSETS				
CURRENT				
Cash				
- externally restricted (Note 4)	\$ 2,062,696	\$ -	\$ 2,062,696	\$ 1,620,141
- unrestricted	-	210,114	210,114	187,762
Receivables (Note 6)	405	2,931	3,336	8,238
Prepaid expenses	-	5,511	5,511	2,638
Loan advances (Note 8)	2,804,447	-	2,804,447	3,152,945
	4,867,548	218,556	5,086,104	4,971,724
DUE FROM RELATED PARTY	-	-	-	17,593
TANGIBLE CAPITAL ASSETS (Note 7)				
	-	16,545	16,545	22,145
	\$ 4,867,548	\$ 235,101	\$ 5,102,649	\$ 5,011,462

LIABILITIES AND NET ASSETS				
CURRENT				
Payable (Note 9)	\$ 745	\$ 27,125	\$ 27,870	\$ 26,723
Deferred revenue	-	54,793	54,793	75,187
Repayable fund contribution (Note 10)	1,300,000	-	1,300,000	1,300,000
	1,300,745	81,918	1,382,663	1,401,910
NET ASSETS				
Invested in Capital Assets	-	16,545	16,545	22,145
Externally restricted (Note 11)	3,566,803	-	3,566,803	3,474,730
Unrestricted	-	136,638	136,638	112,677
	3,566,803	153,183	3,719,986	3,609,552
	\$ 4,867,548	\$ 235,101	\$ 5,102,649	\$ 5,011,462

Approved by


 _____ Director


 _____ Director

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Revenues and Expenditures
Year Ended March 31, 2020

	Restricted Loan Funds (Note 15)	General Operating Fund	2020 Total	2019 Total
REVENUE				
Contributions - W.D.	\$ -	\$ 330,955	\$ 330,955	\$ 330,955
Expo	-	-	-	23,450
Export Navigator	-	25,000	25,000	-
Fee for service	-	52,542	52,542	62,410
Interest				
- loans	284,641	-	284,641	270,465
- bank	28,497	1,503	30,000	22,637
Other	-	17,932	17,932	32,304
Projects				
- Rural dividend fund	-	-	-	217,751
- Other	-	20,393	20,393	80,593
	313,138	448,325	761,463	1,040,565
EXPENSES				
Accounting and legal	14,175	3,683	17,858	20,785
Advertising and promotion	-	42,938	42,938	36,135
Amortization	-	8,288	8,288	8,862
Bad debts (recovery)	68,684	195	68,879	(56,284)
Bank charges	453	4,367	4,820	4,836
Collection fees	2,055	-	2,055	854
Contract fees	-	12,479	12,479	13,970
Expo	-	3,436	3,436	25,000
Export Navigator	-	20,386	20,386	-
Insurance	-	4,168	4,168	7,189
Meetings	-	2,393	2,393	2,358
Office	-	10,692	10,692	9,910
Participation interest	35,698	-	35,698	42,128
Projects				
- Rural dividend fund	-	-	-	217,751
- other	-	23,393	23,393	80,593
Rent	-	36,486	36,486	32,013
Repairs and Maintenance	-	3,543	3,543	2,642
Subscriptions and memberships	-	5,705	5,705	5,790
Telephone and postage	-	11,238	11,238	11,755
Training and education	-	26,076	26,076	21,023
Travel and conferences	-	10,547	10,547	9,677
Wages and benefits	-	299,951	299,951	325,280
	121,065	529,964	651,029	822,267
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES				
	\$ 192,073	\$ (81,639)	\$ 110,434	\$ 218,298

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Changes in Net Assets

Year Ended March 31, 2020

	Restricted Loan Funds (Note 15)	General Operating Fund		Total 2020	Total 2019
		Unrestricted	Invested in Capital Assets		
NET ASSETS - BEGINNING OF YEAR	\$ 3,474,730	\$ 112,677	\$ 22,145	\$ 3,609,552	\$ 3,391,254
Excess of revenue over expenses	192,073	(81,639)	-	110,434	218,298
Amortization	-	8,291	(8,291)	-	-
Purchase of capital assets	-	(2,691)	2,691	-	-
Interfund transfers	(100,000)	100,000	-	-	-
NET ASSETS - END OF YEAR	\$ 3,566,803	\$ 136,638	\$ 16,545	\$ 3,719,986	\$ 3,609,552

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Cash Flows
Year Ended March 31, 2020

	Restricted Loan Funds						2020 Total	2019 Total
	General Operating	General Loan	Disability Loan	Youth Loan	Community Business Loan	Investment Loan		
OPERATING ACTIVITIES								
Excess (deficiency) of revenue over expenses	\$ (81,639)	\$ 100,763	\$ 7,120	\$ 1,349	\$ 76,583	\$ 6,258	\$ 218,298	
Items not affecting cash:								
Amortization	8,291	-	-	-	-	-	8,291	
	(73,348)	100,763	7,120	1,349	76,583	6,258	227,160	
Change in non-working capital:								
Receivables - decrease (increase)	3,660	519	-	-	-	-	4,179	
Accrued interest receivable - decrease (increase)	-	2,491	(145)	(4)	242	(801)	1,783	
Prepays - (increase) decrease	(2,873)	-	-	-	-	-	(2,873)	
Payables - increase	405	-	-	-	-	741	1,146	
Deferred revenue - (decrease)	(20,394)	-	-	-	-	-	(20,394)	
	(19,202)	3,010	(145)	(4)	242	(60)	(16,159)	
	(92,550)	103,773	6,975	1,345	76,825	6,198	128,664	
Cash flow from operating activities	(92,550)	103,773	6,975	1,345	76,825	6,198	128,664	
INVESTING ACTIVITY								
Acquisition of tangible capital assets	(2,691)	-	-	-	-	-	(2,691)	
FINANCING ACTIVITIES								
Changes in due to/from	17,593	(10,583)	(13,382)	156	(26,936)	50,745	-	
Loans advanced	-	(292,590)	(98,175)	(53,429)	(322,149)	(110,722)	(1,191,492)	
Loans recovered	-	819,037	14,314	45,500	311,013	34,639	1,006,795	
Interfund transfers	100,000	(50,000)	-	-	(50,000)	-	-	
	117,593	465,864	(97,243)	(7,773)	(88,072)	(25,338)	(184,697)	
Cash flow from (used by) financing activities	117,593	465,864	(97,243)	(7,773)	(88,072)	(25,338)	(184,697)	
INCREASE (DECREASE) IN CASH								
Cash and cash equivalents - beginning of year	22,352	569,637	(90,268)	(6,428)	(11,247)	(19,140)	(56,033)	
	187,762	203,048	177,406	78,569	1,094,767	66,351	1,863,936	
CASH AND CASH EQUIVALENTS - END OF YEAR	210,114	772,685	87,138	72,141	1,083,520	47,211	1,807,903	
CASH CONSISTS OF:								
Unrestricted cash	\$ 210,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,114	
Externally restricted cash	-	772,685	87,138	72,141	1,083,520	47,211	2,062,695	
	\$ 210,114	\$ 772,685	\$ 87,138	\$ 72,141	\$ 1,083,520	\$ 47,211	\$ 2,272,809	

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to Financial Statements

Year Ended March 31, 2020

1. PURPOSE OF THE ORGANIZATION

The Community Futures Development Corporation of Peace Liard is a federally funded, not-for-profit organization which was established to provide loans, loan guarantees and equity investments in small businesses. The Community Futures Development Corporation of Peace Liard's mandate also provides business consulting and training for small and medium-sized enterprises. The Corporation is incorporated under the Canada Corporations Act as a Not for Profit Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO); accordingly these financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit and short term deposits with maturity dates of less than 90 days net of cheques issued and outstanding at the reporting date.

Prepaid expenses

Prepaid expenses consist of prepaid operating expenses which will be expensed in the periods expected to benefit from them.

Tangible capital assets

Tangible capital assets are stated at cost, or if donated, at estimated fair market value at the time of donation. Amortization is recorded using the straight-line basis at the following annual rates:

Computers	33%
Office Equipment	20%
Website	20%
Software	20%

Expenditures for maintenance and repairs are charged to operating expenses as incurred. Significant expenditures for improvements are capitalized.

Gains or losses realized on the disposal of major tangible capital assets are reflected in the respective fund in the year of disposition.

The carrying amount of an item of tangible capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the assets carrying amount is not recoverable and exceeds its fair value.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to Financial Statements

Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

Community Futures Development Corporation of Peace Liard follows the restricted fund method of accounting for contributions.

The General Operating Fund accounts for the corporation's program delivery and administrative activities. The fund reports unrestricted resources and restricted operating grants.

The Restricted Loan Funds report the assets, liabilities, revenues and expenses related to the activities of the respective funds as follows:

The General Loan Fund was established to provide loans, loan guarantees or equity participation to small business. The assistance must be used for the purpose of local investment in the community including development and diversification of the local economy, creating and maintaining employment, or to help entrepreneurs to create new local business.

The Western Youth Entrepreneur Investment Fund was established to help develop job opportunities by providing funding assistance, in the form of loans, loan guarantees or equity participation, to entrepreneurs in Western Canada.

The Community Business Fund may provide loans, business consulting and training to businesses in rural communities outside of the Capital Regional District and Greater Vancouver Regional District in British Columbia.

The Disabled Entrepreneur Investment Fund's purpose is to assist the disabled in overcoming barriers to self-employment and entrepreneurship. Assistance can be provided by way of loans, loan guarantees or equity participation to disabled entrepreneurs in Western Canada.

The Investment Fund assists small business through loans, loan guarantees, equity participation and other means. The purpose of the assistance is to develop and diversify the economy by assisting entrepreneurs to create new businesses or to stabilize or expand existing businesses.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenues earned from the loan funds are recognized as revenue of the respective Loan Fund on an accrual basis.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to Financial Statements

Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Community Futures initially measures its financial assets and financial liabilities at fair value. Community Futures subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, receivables and loan advances.

Financial liabilities measured at amortized cost include payables, deferred revenue, and repayable fund contributions.

Use of estimates

The preparation of these financial statements is in conformity with Canadian accounting standards for Not-for-Profit Organizations which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the current period. Significant estimates include those used when accounting for receivables, loans receivable, useful life of tangible capital assets, payables, and deferred revenue. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

3. COMPARATIVE FIGURES

Some of the comparative figures have been restated and classified to conform to the current year's presentation.

4. CASH - EXTERNALLY RESTRICTED

Externally restricted cash consists of funds available for loans, loan guarantees, equity investments, and business counselling and training. These funds are subject to the various restrictions mandated by their fund contributors.

5. OPERATING LINE OF CREDIT

Under the terms of Community Futures' credit agreement, the Corporation has an operating line of credit available to a maximum of \$50,000, bearing interest at the bank's prime interest rate, with the renewal date of December 31, 2019. The line of credit is secured by a general security agreement. As at year end the Corporation has no amount outstanding under this facility (2019 - \$NIL).

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to Financial Statements

Year Ended March 31, 2020

6. RECEIVABLES

	Restricted Loan Fund	General Operating Fund	2020	2019
Trade	\$ -	\$ 177	\$ 177	\$ 7,248
Goods and services tax	405	2,754	3,159	990
	\$ 405	\$ 2,931	\$ 3,336	\$ 8,238

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computers	\$ 46,636	\$ 44,449	\$ 2,187	\$ 1,807
Office furniture, fixtures and equipment	72,222	62,972	9,250	13,954
Software	8,166	5,490	2,676	3,345
Website	10,295	7,863	2,432	3,039
	\$ 137,319	\$ 120,774	\$ 16,545	\$ 22,145

8. LOAN ADVANCES

Loan advances are made from the Corporation's Loan Funds in accordance with the criteria set out by the respective contributors. All loans are secured by a general security agreement. In addition certain loans have specific equipment, and real estate mortgages in place. Management has reviewed the loan advances on an individual basis to estimate the reserve for uncollectible loans; one hundred percent of the loans determined to be uncollectible are included in the reserve. Given that the uncollectible amounts are based on estimates it is reasonably possible that the disclosed amounts could change by a material amount in the next term.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to Financial Statements
Year Ended March 31, 2020

8. LOAN ADVANCES (continued)

2020						
Conditionally repayable loan investment fund						
Western Youth						
Entrepreneur Community						
	Investment Loan Fund	Disability Loan Fund	Investment Loan Fund	Business Loan Fund	General Loan Fund	Total
Loan balance	\$ 127,153	\$ 106,324	\$ 26,359	\$ 695,581	\$ 1,905,031	\$ 2,860,448
Accrued interest, fees and charges	1,077	310	92	2,286	8,918	12,683
	128,230	106,634	26,451	697,867	1,913,949	2,873,131
Less: allowance	-	-	-	-	(68,684)	(68,684)
	\$ 128,230	\$ 106,634	\$ 26,451	\$ 697,867	\$ 1,845,265	\$ 2,804,447

2019						
Conditionally repayable loan investment fund						
Western Youth						
Entrepreneur Community						
	Investment Loan Fund	Disability Loan Fund	Investment Loan Fund	Business Loan Fund	General Loan Fund	Total
Loan balance	\$ 51,070	\$ 22,463	\$ 18,431	\$ 684,445	\$ 2,362,071	\$ 3,138,480
Accrued interest, fees and charges	276	165	87	2,528	11,409	14,465
	51,346	22,628	18,518	686,973	2,373,480	3,152,945
Less: allowance	-	-	-	-	-	-
	\$ 51,346	\$ 22,628	\$ 18,518	\$ 686,973	\$ 2,373,480	\$ 3,152,945

a) Conditionally repayable loan investment fund:

Loans issued out of the Corporation's conditionally repayable loan investment fund consist of the following:

Investment fund loans consists of four loans ranging from \$1,275 to \$100,000 with terms of one to five years and interest rates varying from CIBC prime plus 3% to CIBC prime plus 5%.

Disability loan fund consists of two loans with a balances of \$17,339 and \$88,985 and repayment terms of one to four years at an interest rate of CIBC prime plus 5%.

Youth loan investment fund consists of four loans ranging from \$2,534 to \$13,861 with repayment terms of one to five years and interest rates of CIBC prime plus 5%.

(continues)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to Financial Statements

Year Ended March 31, 2020

8. LOAN ADVANCES *(continued)*

b) Community business loan investment fund:

Loans issued out of the Corporation's Community business loan investment fund consists of six loans ranging from \$55,172 to \$334,855 with terms of one to twenty years and interest rates varying from CIBC prime plus 3% to 8%.

From time to time Community Futures Development Corporation of Peace Liard will enter into syndicated loans as the lead Community Futures with other Community Futures Corporations across British Columbia. Community Futures Development Corporation of Peace Liard collects loan payments on behalf of the other Community Futures and distributes payments proportionally. An individual Community Futures Corporation is only entitled for the portion of principal initially contributed to the syndicated loan plus interest. Community Futures Development Corporation of Peace Liard is not liable to the other Community Futures for the full amount of the loan unless they are found to be negligent.

	2020	2019
Community Futures Development Corporation of Peace	\$ 390,634	\$ 411,073
Other Community Futures	274,798	621,154
Total syndicated loan	\$ 665,432	\$ 1,032,227

c) CFDC general loan investment fund:

Loans issued out of the Corporation's general loan investment fund consist of nineteen loans ranging from \$11,407 to \$229,397 with terms of one to twenty years and interest rates varying from CIBC prime plus 2% to CIBC prime plus 5%.

9. PAYABLES

	Restricted Loan Fund	General Operating Fund	2020	2019
Trade	\$ 4	\$ 20,589	\$ 20,593	\$ 14,191
Wages	-	6,536	6,536	12,532
Participation loans payable	741	-	741	-
	\$ 745	\$ 27,125	\$ 27,870	\$ 26,723

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to Financial Statements

Year Ended March 31, 2020

10. REPAYABLE FUND CONTRIBUTIONS

The Community Futures Development Corporation of Peace Liard has entered into agreements with the Western Economic Diversification and the Minister of Community and Rural Development. The repayable funding received from Western Economic Diversification is reported in the Western Youth Entrepreneur Investment Fund, Disabled Entrepreneur Investment Fund and the Investment Fund. On April 1, 2005 the cash and principle loan amounts were due for repayment to the Western Economic Diversification as per the contract. Western Economic Diversification has extended the contract date to March 31, 2020. Repayable funding received from the Minister of Community and Rural Development is reported in the Community Business Fund. Matching funds were also transferred from the General Loan Fund as part of the agreement. No specific date is set for the termination of the agreement and subsequent repayment of contributions. However, upon mutual agreement, or ninety days written notice by either party, the Minister of Community and Rural Development agreement can be terminated and all cash and loan principle amounts will become due as per the agreement. These amounts are not interest bearing, and have not been recalled by either funder as of March 31, 2020.

11. EXTERNALLY RESTRICTED NET ASSETS

Externally restricted net assets are subject to the restrictions mandated by the respective contributors as described in Note 4 and Note 10.

12. ECONOMIC DEPENDENCE

The Corporation's primary source of funding is from Western Economic Diversification Canada. It is management's opinion that the loss of this funding could have an adverse effect on the Corporation's operations.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to Financial Statements

Year Ended March 31, 2020

13. DISCLOSURE OF A CONTROLLED ENTITY

i) Peace Liard Ventures

Community Futures Development Corporation of Peace Liard controls Peace Liard Ventures. Peace Liard Ventures rents office space to other organizations.

Peace Liard Ventures has not been consolidated in Community Futures Development Corporation of Peace Liard's financial statements. A financial summary of Peace Liard Ventures as at March 31, 2020 and the year then ended is as follows:

	2020	2019
Financial position		
Total assets	\$ 126,009	\$ 122,548
Total liabilities	(3,010)	(21,237)
Total net assets	122,999	101,311
Results of operations		
Total revenue	51,723	54,021
Total expenses	(30,034)	(29,504)
Excess of revenue over expenses	21,689	24,517
Cash flows		
Operating activities	9,408	28,058
Increase in cash	9,408	28,058

The net assets and results from operations for Peace Liard Ventures are not consolidated in these financial statements. Separate financial statements for Peace Liard Ventures are available upon request.

During the year Community Futures Development Corporation of Peace Liard paid rent of \$23,862 (2019 - \$23,862) to Peace Liard Ventures.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Community Futures is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the enterprise's risk exposure at the statement of financial position date.

(a) Credit risk

Credit risk is the possibility that other parties may default on their financial obligations. At year end the maximum exposure of Community Futures to credit risk is the carrying value of cash, accounts receivable and loans receivable. The Corporation's cash is deposited with federally regulated credit worthy financial institutions and receivables are generally due within 30 to 60 days. The Corporation actively monitors and tracks its loans receivables as well as ensuring that sufficient collateral is used as security to ensure that the loan receivables can be extinguished in the event of a default.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to Financial Statements
Year Ended March 31, 2020

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

(b) Liquidity risk

Liquidity risk is the risk that Community Futures will not be able to meet its obligations associated with financial liabilities. Community Futures monitors its cash flows from operations by preparing and monitoring cash flows against budget and anticipated future requirements based on their needs. The available operating line of credit provides flexibility in the short term to meet operational needs. The Society's borrowing arrangements are concentrated with the Community Futures Development Association of BC.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk.

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Community Futures has very limited exposures to this type of risk.

(e) Interest rate risk

Community Futures' interest bearing assets and liabilities include cash and loans receivable.

Community Futures' cash is generally of a demand nature which minimizes the impact of fluctuations in market interest rates. These assets are held with the Toronto-Dominion Bank.

Loans receivable have a return based on a variable interest rate. As such, in the event of increased interest rates, there is a risk that borrowers could have difficulty meeting obligations.

(f) Additional risk

On March 11, 2020, the World Health Organization declared a Global Pandemic for the spread of Covid-19. Management continues to assess the actual and potential impact this global event on the operations of Community Futures Development Corporation of Peace Liard.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to Financial Statements
Year Ended March 31, 2020

15. RESTRICTED LOAN FUNDS

	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	2020 Total	2019 Total
STATEMENT OF FINANCIAL POSITION							
ASSETS							
Cash, externally restricted (Note 4)	\$ 772,686	\$ 87,138	\$ 72,141	\$ 1,083,520	\$ 47,211	\$ 2,062,696	\$ 1,620,141
Accounts receivable	405	-	-	-	-	405	1,647
Loan advances	1,845,265	106,634	26,451	697,867	128,230	2,804,447	3,152,945
Due from related fund	-	1	5	-	755	761	96,100
Due from related fund (Note 10)	661,000	-	-	-	-	661,000	661,000
	\$ 3,279,356	\$ 193,773	\$ 98,597	\$ 1,781,387	\$ 176,196	\$ 5,529,309	\$ 5,531,833
LIABILITIES							
Accounts payable	4	-	-	-	741	745	3
Due to related fund	591	-	-	170	-	761	96,100
Repayable fund contribution (Note 10)	-	200,000	200,000	1,361,000	200,000	1,961,000	1,961,000
	595	200,000	200,000	1,361,170	200,741	1,962,506	2,057,103
NET ASSETS							
Externally restricted (Note 11)	3,278,761	(6,227)	(101,403)	420,217	(24,545)	3,566,803	3,474,730
	\$ 3,279,356	\$ 193,773	\$ 98,597	\$ 1,781,387	\$ 176,196	\$ 5,529,309	\$ 5,531,833

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to Financial Statements
Year Ended March 31, 2020

15. RESTRICTED LOAN FUNDS (continued)

	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	2020 Total	2019 Total
STATEMENT OF OPERATIONS							
REVENUE							
Bank interest	\$ 8,308	\$ 1,971	\$ 1,063	\$ 16,046	\$ 1,109	\$ 28,497	\$ 21,473
Loan interest	189,068	7,436	2,807	77,441	7,889	284,641	270,466
	197,376	9,407	3,870	93,487	8,998	313,138	291,939
EXPENSES							
Accounting and legal	4,340	2,287	2,521	2,287	2,740	14,175	16,993
Bad debts (recovery)	68,684	-	-	-	-	68,684	(56,284)
Bank charges	369	-	-	84	-	453	756
Collection fees	2,055	-	-	-	-	2,055	854
Participation interest	21,165	-	-	14,533	-	35,698	42,128
	96,613	2,287	2,521	16,904	2,740	121,065	4,447
EXCESS OF REVENUE OVER EXPENSES							
	100,763	7,120	1,349	76,583	6,258	192,073	287,492
NET ASSETS, beginning of year	3,227,998	(13,347)	(102,752)	393,634	(30,803)	3,474,730	3,237,238
Interfund transfers	(50,000)	-	-	(50,000)	-	(100,000)	(50,000)
NET ASSETS, end of year	\$ 3,278,761	\$ (6,227)	\$ (101,403)	\$ 420,217	\$ (24,545)	\$ 3,566,803	\$ 3,474,730