

**COMMUNITY FUTURES  
MOUNT WADDINGTON  
Financial Statements - March 31, 2023**

Independent Auditors' Report  
Statement of Financial Position  
Statement of Changes in Fund Balances  
Statement of Operations  
Statement of Cash Flows  
Notes to Financial Statements  
Schedules 1 - 12 (Unaudited)



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Community Futures Mount Waddington

### Opinion

We have audited the accompanying financial statements of Community Futures Mount Waddington (the "Organization"), which comprise the statement of financial position as at March 31, 2023, the statements of changes in fund balances, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Organization's financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 related to going concern and using the going concern basis of accounting unless management intends for the Organization to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Organization's financial reporting process.

### Auditors' 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 auditors' 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 the users taken on the basis of these financial statements.

## **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

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.
- 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.

## **Other Matters**

The supplementary information contained in the accompanying schedules is presented for purposes of additional information to management and Pacific Economic Development Canada and does not form part of the financial statements. The schedules have not been audited other than in the course of our audit of the financial statements to the extent necessary to allow us to render an opinion thereon.

*Chan Nawrood Boatis Inc*

Chartered Professional Accountants  
Campbell River, BC

July 6, 2023


# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Financial Position

	Administration Fund							
	Operating	SE	MWEF	Jobs and	IC	Investment	March 31,	March 31,
	(Schedule 1)			Career Expo	Group	Funds	2023	2022
						(Schedule 3)		
ASSETS								
Current Assets								
Cash	\$ 47,002	\$ 94,399	\$ 39,116	\$ -	\$ 33,704	\$ 1,535,422	\$ 1,749,643	\$ 1,438,228
Accounts Receivable	1,476	-	-	-	-	-	1,476	1,920
Prepaid Expenses	2,031	-	-	-	282	-	2,313	2,378
Due from Syndicate CF's	-	-	-	-	-	5,932	5,932	-
Current Portion of Loans Receivable (Note 3)	-	-	-	-	-	1,025,463	1,025,463	1,190,649
	50,509	94,399	39,116	-	33,986	2,566,817	2,784,827	2,633,175
Loans Receivable (Note 3)	-	-	-	-	-	3,325,990	3,325,990	4,410,860
Long Term Investment (Note 4)	-	-	-	-	-	-	-	1
Due (to) from Funds	(30,518)	40,980	5,481	-	(3,845)	(12,098)	-	-
Property and Equipment (Note 5)	8,114	-	-	-	-	-	8,114	8,162
	\$ 28,105	\$ 135,379	\$ 44,597	\$ -	\$ 30,141	\$ 5,880,709	\$ 6,118,931	\$ 7,052,198
LIABILITIES AND NET ASSETS								
Current Liabilities								
Accounts Payable	\$ 2,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,672	\$ 3,435
Wages and Benefits	25,069	-	-	-	-	-	25,069	28,752
Deferred Revenue (Note 6)	-	-	-	-	-	14,135	14,135	22,378
Current Portion - Long Term Debt (Note 7)	-	-	-	-	-	-	-	39,756
Demand Debt (Note 7)	-	-	-	-	-	2,828,578	2,828,578	4,033,380
	27,741	-	-	-	-	2,842,713	2,870,454	4,127,701
Long Term Debt (Note 7)	-	-	-	-	-	27,540	27,540	27,540
	27,741	-	-	-	-	2,870,253	2,897,994	4,155,241
Net Assets								
Unrestricted Surplus	364	-	44,597	-	30,141	-	75,102	70,968
Restricted Surplus	-	135,379	-	-	-	3,010,456	3,145,835	2,825,989
	\$ 28,105	\$ 135,379	\$ 44,597	\$ -	\$ 30,141	\$ 5,880,709	\$ 6,118,931	\$ 7,052,198

Approved by the Directors:

  
Director

  
Director

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Changes in Fund Balances

	Administration Fund							
	Operating	SE	MWEF	Jobs and	IC	Investment	Total	Total
	(Schedule 2)			Career Expo	Group	Funds	2023	2022
Surplus - Beginning of the Year	\$ 20,193	\$ 120,024	\$ 19,015	\$ 2	\$ 31,758	\$ 2,705,965	\$ 2,896,957	\$ 2,546,613
Excess (Deficiency) of Revenue over Expenditures	<u>(66,011)</u> (45,818)	<u>15,355</u> 135,379	<u>25,582</u> 44,597	<u>(2)</u> -	<u>(1,617)</u> 30,141	<u>350,673</u> 3,056,638	<u>323,980</u> 3,220,937	<u>350,344</u> 2,896,957
Interfund Items								
Interfund Interest Transfers (Note 9)	<u>46,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,182)</u>	<u>-</u>	<u>-</u>
Surplus - End of the Year	<u>\$ 364</u>	<u>\$ 135,379</u>	<u>\$ 44,597</u>	<u>\$ -</u>	<u>\$ 30,141</u>	<u>\$ 3,010,456</u>	<u>\$ 3,220,937</u>	<u>\$ 2,896,957</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Operations

	Administration Fund						Total 2023	Total 2022
	Operating (Schedule 2)	SE	MWEF	Jobs and Career Expo	IC Group	Investment Funds		
<b>Revenue</b>								
Federal Government Operating Grants (Note 10)	\$ 284,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,063	\$ 335,711
Other Government Funding	30,000	13,000	-	-	-	-	43,000	44,700
Projects, Recoveries and Other	80,235	-	25,000	981	1,804	45,258	153,278	80,496
Interest	1,953	2,355	582	1	836	283,902	289,629	327,317
Forgivable Portion of Demand Debt (Note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
	396,251	15,355	25,582	982	2,640	329,160	769,970	848,224
<b>Expenses (Recoveries)</b>	<u>455,846</u>	<u>-</u>	<u>-</u>	<u>984</u>	<u>4,257</u>	<u>(21,513)</u>	<u>439,574</u>	<u>432,692</u>
	(59,595)	15,355	25,582	(2)	(1,617)	350,673	330,396	415,532
Amortization of Property and Equipment	(6,175)	-	-	-	-	-	(6,175)	(4,116)
Forgiveness of Loans Receivable (Note 7)	-	-	-	-	-	-	-	(60,000)
Loss on Disposal of Property and Equipment	<u>(241)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(241)</u>	<u>(1,072)</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>\$ (66,011)</u>	<u>\$ 15,355</u>	<u>\$ 25,582</u>	<u>\$ (2)</u>	<u>\$ (1,617)</u>	<u>\$ 350,673</u>	<u>\$ 323,980</u>	<u>\$ 350,344</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Operations - Continued

	Administration Fund							
	Operating	SE	MWEF	Jobs and	IC	Investment	Total	Total
	(Schedule 2)			Career Expo	Group	Funds	2023	2022
<b>Expenses (Recoveries)</b>								
<b>Wages and Benefits</b>								
Wages and Benefits	\$ 312,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,055	\$ 317,181
Training	3,437	-	-	-	-	-	3,437	-
<b>Administration</b>								
Bad Debts (Recoveries)	990	-	-	-	-	-	990	(10,053)
Decrease in Provision for Loan Impairment	-	-	-	-	-	(71,669)	(71,669)	(39,371)
Communications	10,514	-	-	-	-	-	10,514	10,910
Community Projects	1,382	-	-	959	-	-	2,341	662
Conferences and Meetings	5,674	-	-	-	3,050	-	8,724	4,825
Dues and Subscriptions	1,642	-	-	-	1,207	-	2,849	3,234
Insurance - General	4,690	-	-	-	-	-	4,690	4,458
Interest and Bank Charges	2,992	-	-	25	-	50,098	53,115	44,138
Loan Processing Costs	2,261	-	-	-	-	58	2,319	1,680
Marketing	3,772	-	-	-	-	-	3,772	7,552
Office and Miscellaneous	30,564	-	-	-	-	-	30,564	23,304
Professional Fees	16,185	-	-	-	-	-	16,185	16,631
Rent and Utilities	37,687	-	-	-	-	-	37,687	36,878
Repairs and Maintenance	6,591	-	-	-	-	-	6,591	4,362
Travel	15,410	-	-	-	-	-	15,410	6,301
	<u>\$ 455,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 984</u>	<u>\$ 4,257</u>	<u>\$ (21,513)</u>	<u>\$ 439,574</u>	<u>\$ 432,692</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Cash Flows

Year Ended March 31, 2023

2023

2022

### Cash Flows From Operating Activities:

Cash Received from Funders and Borrowers	\$ 762,171	\$ 677,186
Cash Paid to Suppliers, Employees and Participants	(403,840)	(430,724)
Interest Paid on Long Term Debt	<u>(46,046)</u>	<u>(35,582)</u>
	<u>312,285</u>	<u>210,880</u>

### Cash Flows From Financing Activities:

Increase in (Repayment of) Long Term Debt	<u>(1,244,558)</u>	<u>31,199</u>
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### Cash Flows From Investing Activities:

Decrease in Loans Receivable	1,250,056	165,719
Purchase of Property and Equipment	<u>(6,368)</u>	<u>(3,320)</u>
	<u>1,243,688</u>	<u>162,399</u>

Net Increase in Cash	311,415	404,478
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Cash - Beginning of Year	<u>1,438,228</u>	<u>1,033,750</u>
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Cash - End of Year	<u>\$ 1,749,643</u>	<u>\$ 1,438,228</u>
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# COMMUNITY FUTURES MOUNT WADDINGTON

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## Notes to Financial Statements

March 31, 2023

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### 1. Purpose:

Community Futures Development Corporation of Mount Waddington ("CFMW") was established to promote employment and economic development in the Northern Vancouver Island area. The activities of CFMW include delivering various economic and business development and training programs on behalf of the Government of Canada, specifically for Pacific Economic Development Canada ("PacifiCan"). CFMW provides access to loans for small businesses that have difficulty receiving financing from traditional lending institutions. CFMW also operates programs to promote employment and economic development through loans and loan guarantees to qualifying local businesses.

The Corporation, incorporated without share capital under Part II of the Canada Corporations Act; which has been replaced by the Canada Not-for-Profit Corporations Act (S.C. 2009, c.23) and is a not-for-profit organization and is exempt from corporate income tax provided certain requirements of the Income Tax Act are met.

### 2. Significant Accounting Policies:

#### Basis of Presentation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

CFMW follows the restricted fund method of accounting for contributions. Accordingly, the resources received for each of the specific programs managed by CFMW and the expenditures incurred in the delivery of those programs are segregated for accounting and reporting purposes into the following specific funds:

#### Operating Fund:

Provides the personnel and other facilities that enable CFMW to deliver the Community Futures Contribution Agreement with PacifiCan and other related programs.

#### Self-Employment Fund (SE):

The Self-Employment program is a subcontract with North Island Employment Foundations Society (NIEFS) funded by British Columbia Ministry of Social Development and Poverty Reduction. This program provides assistance, training and support to individuals (who were previously unemployed and qualify under the Ministry guidelines) in the start-up phase of a business.

#### Mount Waddington Economic Fund (MWEF):

For economic development activities carried on by CFMW.

#### Jobs and Career Expo Fund (JCE):

Eight organizations collaborated to plan and host a Jobs and Career Expo in April 2015 in Port Hardy. The Expo was hosted in April 2015.

CFMW has been selected to hold the funds allocated by each participating organization to the Jobs and Career Expo for future events. This fund was terminated during the year ending March 31, 2023.

#### Island Coastal Group (IC Group):

Eleven Community Futures offices serving Vancouver Island, Power River, the Sunshine Coast, Howe Sound, and the Fraser Valley comprise a regional network known as the Island Coastal Group. Collaborative initiatives such as marketing are undertaken to achieve economies of scale and branding reinforcement.

CFMW has been selected to hold the funds allocated by each participating CF to the Island Coastal Group for joint initiatives.

# COMMUNITY FUTURES MOUNT WADDINGTON

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## Notes to Financial Statements

March 31, 2023

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### 2. Significant Accounting Policies (Continued):

#### Investment Funds:

Promotes economic development in the community by providing assistance to small businesses in the form of loans, guarantees or equity investments. CFMW is restricted in the types of loans that can be made, according to its agreements with the federal government.

#### Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year received and 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.

Grant revenue is recognized when received or receivable. Management fee revenue is recognized when received. Interest revenue is recognized when received or receivable. Interest is not accrued on loans which have been classified as impaired. Contributions received as a non-repayable portion of a debt instrument are recognized as revenue when received.

#### Property and Equipment

Property and equipment are recorded at cost. Amortization is recorded using methods and rates intended to amortize the cost of assets over their estimates useful lives. Amortization is taken when an asset is determined to have been placed into use by CFMW. The estimated useful lives of property and equipment is calculated on a declining balance basis at the following rates:

Office Furniture	20%
Office Equipment	40%
Computer Equipment	50%
Leasehold Improvements	40%

#### Investments

CFMW follows the cost method of accounting for its investment in the share of Venture Connect Inc., an incorporated company that carries on the business of providing regional training, education and succession planning.

#### Financial Instruments

Financial instruments are recorded at fair value on initial recognition. CFMW's financial instruments consist of cash and term deposits, accrued interest and accounts receivable, loans receivable, trade accounts payable, wages and benefits payable and repayable contributions from PacifiCan and the BC Ministry of Forests. CFMW subsequently measures all its financial assets and financial liabilities at amortized cost unless otherwise disclosed.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CFMW determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount CFMW expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2023

### 2. Significant Accounting Policies (Continued):

#### 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period.

Significant measurement uncertainty exists surrounding the valuation of loans receivable due to the variance of economic conditions on North Vancouver Island and the nature of loan recipients. Loans receivable are evaluated by management as to their collectability and an appropriate allowance for loan impairment is provided where considered necessary.

### 3. Loans Receivable:

	Loans Receivable	Less: Allowance for Doubtful Accounts	2023	2022
<b>Investment Funds</b>				
PacificCan Conditionally Repayable EDP	\$ 273,345	\$ (24,947)	\$ 248,398	\$ 222,372
PacificCan Non-repayable Investment	387,521	(7,370)	380,151	828,526
PacificCan Conditionally Repayable Investment	199,832	(23,337)	176,495	239,047
PacificCan RRRF Investment	483,578	-	483,578	588,380
Fishing	991,559	(13,534)	978,025	1,022,342
Forestry Community Business	566,871	(46,335)	520,536	599,794
Micro	4,591	(2,495)	2,096	3,948
Mount Waddington	<u>1,564,991</u>	<u>(2,817)</u>	<u>1,562,174</u>	<u>2,097,100</u>
	<u>\$ 4,472,288</u>	<u>\$ (120,835)</u>	<u>4,351,453</u>	<u>5,601,509</u>
Less: Current Portion of Loans Receivable			<u>(1,025,463)</u>	<u>(1,190,649)</u>
			<u>\$ 3,325,990</u>	<u>\$ 4,410,860</u>

CFMW has provided for credit risk, as defined in Note 11, by establishing allowances for impaired loans and netting the allowances against the carrying value of certain impaired loans.

CFMW has also established a general allowance based on management's estimates of collectability of loans as well as based on the application of a five year historical review of actual write-offs as a percentage of loan balances, with that percentage being applied to the outstanding balance of Loans Receivable not already allowed for.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2023

### 3. Loans Receivable (Continued):

Loans are considered impaired as soon as collection of the full principle and interest on the loan becomes doubtful. Each impaired loan is evaluated separately and written down to the fair market value of any security held. Various forms of security are taken on loans ranging from promissory notes and personal guarantees of principals to chattel mortgages and mortgages over real property. The carrying values of specifically identified impaired loans included in loans receivable is as follows:

	<u>2023</u>	<u>2022</u>
<b>Investment Funds</b>		
Gross Impaired Loans	\$ 152,346	\$ 159,243
Allowance	<u>(114,041)</u>	<u>(104,193)</u>
Carrying Value	<u>\$ 38,305</u>	<u>\$ 55,050</u>

During the year ended March 31, 2023 there were the following changes in allowance for doubtful accounts:

	Beginning Balance	Provisions	Write-Offs	Reversals	2023	2022
<b>Investment Funds</b>						
PacifiCan Conditionally Repayable EDP	\$ 28,251	\$ -	\$ -	\$ (3,304)	\$ 24,947	\$ 28,251
PacifiCan Non-Repayable Investment	20,726	717	-	(14,073)	7,370	20,726
PacifiCan Conditionally Repayable Investment	21,835	6,616	-	(5,114)	23,337	21,835
Fishing	25,763	4,178	-	(16,407)	13,534	25,763
Forestry Community Business	55,593	-	-	(9,258)	46,335	55,593
Micro	2,983	-	-	(488)	2,495	2,983
Mount Waddington	<u>37,353</u>	<u>-</u>	<u>-</u>	<u>(34,536)</u>	<u>2,817</u>	<u>37,353</u>
	<u>\$ 192,504</u>	<u>\$ 11,511</u>	<u>\$ -</u>	<u>\$ (83,180)</u>	<u>\$ 120,835</u>	<u>\$ 192,504</u>

### RRRF Loans

During the year ended March 31, 2021, PacifiCan introduced the Regional Relief and Recovery Fund (RRRF) in response to the COVID-19 pandemic for the purpose of providing financial relief to small and medium-sized enterprises (SMEs). Under the RRRF program, qualifying SMEs were provided loans up to \$60,000 of which 25% is forgivable on the first \$40,000, and 50% is forgivable on the additional \$20,000 if the loans are repaid by December 31, 2023.

CFMW recognized \$Nil of the forgivable portion of the loans receivable as an expense in the current year (2022 - \$60,000), and reduced the loans receivable balance by that amount, due to the uncertainty surrounding repayment of that loan balance and lack of control of the forgivable amount.

No allowance has been recognized on the RRRF loans receivable due to uncertainty surrounding collection of the outstanding balance on those loans. The loans did not require adherence to CFMW's standard lending procedures.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2023

### 3. Loans Receivable (Continued):

#### Loans in Excess of \$150,000:

	<u>2023</u>	<u>2022</u>
# of Loans in Excess of \$150,000	8	11
Loan Balance Outstanding	\$1,868,899	\$1,920,047

#### Interest Rates:

CFMW is required to follow the PaciFiCan policy bulletin - Interest Rates for Community Futures Organizations. CFMW has not made any loans outside of normal interest rates described in the Policy Bulletin in the year ended March 31, 2023.

### 4. Long Term Investment:

	<u>2023</u>	<u>2022</u>
Venture Connect Inc. - shares at cost	\$ <u>-</u>	\$ <u>1</u>

Shares representing 16.67% of the issued shares of Venture Connect Inc. were sold during the year ended March 31, 2023 to another shareholder.

### 5. Property and Equipment:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Furniture and Equipment	\$ 33,714	\$ 33,203	\$ 33,822	\$ 33,156
Computer Equipment	45,115	37,580	43,355	35,973
Leasehold Improvements	<u>19,068</u>	<u>19,000</u>	<u>19,068</u>	<u>18,954</u>
	\$ <u>97,897</u>	\$ <u>89,783</u>	\$ <u>96,245</u>	\$ <u>88,083</u>
Unamortized Cost	\$ <u>8,114</u>		\$ <u>8,162</u>	

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2023

### 6. Deferred Revenue:

	<u>Opening Balance</u>	<u>Receipts</u>	<u>Recognized</u>	<u>Ending Balance</u>
Jobs and Career Expo	\$ 981	\$ -	\$ (981)	\$ -
Investment Funds	<u>21,397</u>	<u>4,889</u>	<u>(12,151)</u>	<u>14,135</u>
	<u>\$ 22,378</u>	<u>\$ 4,889</u>	<u>\$ (13,132)</u>	<u>\$ 14,135</u>

Deferred revenue reported in the Jobs and Career Expo program represents funds, for restricted program funding, received in prior years that was spent during the current year.

Deferred revenue reported in the Investment Fund represents funds received for the loan set-up fees that will be amortized over the life of the loans.

### 7. Long Term Debt:

	<u>2023</u>	<u>2022</u>
Long Term Debt Due on Demand:		
PacifiCan - Conditionally Repayable Investment Fund	\$ 350,000	\$ 350,000
PacifiCan - Conditionally Repayable EDP Fund	200,000	200,000
PacifiCan - Forestry Community Business Fund	500,000	500,000
PacifiCan - Fishing Investment Fund Fisheries		
Legacy Trust	420,000	420,000
Province of BC Loan Contribution	500,000	500,000
K'awat'si Fund Loan Contribution	75,000	75,000
Community Futures BC RRRF Fund	483,578	588,380
Community Futures Development Association of BC	<u>300,000</u>	<u>1,400,000</u>
	<u>\$ 2,828,578</u>	<u>\$ 4,033,380</u>
Long Term Debt:		
Community Futures BC Loan Contribution	\$ -	\$ 39,756
Community Futures BC RRRF Fund	27,540	27,540
Less: Current Portion	<u>-</u>	<u>(39,756)</u>
	<u>\$ 27,540</u>	<u>\$ 27,540</u>

The Conditionally Repayable Contributions for Investment, EDP, Forestry Community Business and Fishing Investment Fisheries Legacy Trust made by PacifiCan are non-interest bearing, unsecured, and repayable upon 60 days notice in the event of default, as defined in the contribution agreement. PacifiCan Conditionally Repayable Contributions are subject to certain conditions as stipulated in the contribution agreement.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2023

### 7. Long Term Debt (Continued):

The loan balance of the Fishing Investment Fund contributions is repayable on demand.

The Province of BC Loan Contribution was formerly owed to Forest Renewal BC under the terms of the Forest Community Business Program. These funds are still repayable at 100% of the unloaned fund at termination (plus interest from that date until repaid) and 100% of all loan payments received, net of costs, up to 15% of the balance of funds as at date of termination. Balances are due on 90 days notice or on demand if in default under the terms of the agreement.

The K'awat'si Investment Fund contribution carries no interest and no terms of repayment. It is not anticipated the loan will be called in the next fiscal period.

The loan from Community Futures BC Futures Fund was a five year loan at an annual interest rate of 2.75% with annual loan payments of \$39,756. This loan was repaid during the year.

The repayable contributions for the RRRF Fund from Community Futures BC are non-interest bearing, unsecured and due on demand. All RRRF funds remaining or recovered from SME RRRF loan repayments must be returned to the RRRF Provincial CF Association Loan Pool. The portion of this loan that is not repayable due to forgiveness of the related RRRF loans receivable described in Note 3 has been recognized as revenue in the appropriate period and is not included in the outstanding loan balance as the amount is unlikely to be repaid in accordance with the loan agreement. The amount recognized in revenue in the year ending March 31, 2023 is \$Nil (2022 - \$60,000). The long term repayable contribution is a non-interest bearing unsecured term loan repayable on December 31, 2025. The repayable balance of the loan is the principal amount in advance less any portion of the loan used for operating costs related to RRRF loan aftercare and assisting SMEs in the community in response to COVID-19.

The loan from Community Futures Development Association of BC is from the Community Futures BC Lending and Investment Pool (CFLIP) and is a line of credit with an authorized limit of \$2,000,000, at an annual interest rate of 6.70% (RBC commercial lending rate floating) and is repayable upon demand.

### 8. Commitments:

#### Lease Commitments

CFMW leases its premises in Port McNeill under an operating lease expiring March 31, 2026. Future minimum lease payments in the Administration Fund are estimated to be as follows:

2024	\$32,634
2025	33,146
2026	33,659

#### Other Commitments

CFMW retired its line of credit with a limit of \$200,000 during the year ended March 31, 2023. CFMW also has a Visa with a limit of \$8,000 (2022 - \$15,000). The Visa is unsecured.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2023

### 9. Interfund Transactions:

During the year ended March 31, 2023, certain loan, bank and term deposit interest amounting to \$46,182 (2022 - \$32,611) was transferred from the Investment Fund to the Administration Fund.

	<u>2023</u>	<u>2022</u>
Fishing	\$ 22,584	\$ 32,611
Forestry Community	<u>23,598</u>	<u>-</u>
	\$ <u>46,182</u>	\$ <u>32,611</u>

### 10. Federal Government Operating Grants:

Federal government operating grants consists of operating funding received from PacifiCan for operating costs associated with supporting SMEs. The total revenue in the current year includes \$284,063 (2022 - \$309,887) of funding for operating costs incurred in the year ending March 31, 2023. During the year ending March 31, 2022, \$25,824 of funding was paid in advance for operating costs that were incurred in the year ending March 31, 2023.

### 11. Financial Risks and Concentration of Credit Risk:

#### *Credit Risk*

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. CFMW is exposed to credit risk with respect to its outstanding loans receivable. CFMW assesses, on a continuous basis, loans receivable and provides for any amounts that are not collectible in the allowance for impaired loans. Further details about the allowance and basis for the allowance are included in Note 3.

#### *Liquidity Risk*

Liquidity risk is the risk that CFMW will be unable to fulfil its obligations on a timely basis or at a reasonable cost. CFMW manages its liquidity risk by monitoring its operating requirements. CFMW derives the cash required to fulfill its operating requirements through collections of its loans receivable from borrowers as well as annual government funding. There has been no change to the risk exposures from 2022.

#### *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with certain financial assets and liabilities.

CFMW had the potential to be exposed to interest rate risk due its operating line of credit and CFLIP line of credit. At September 30, 2022, the operating line of credit was eliminated (2022 - \$Nil), and the CFLIP line of credit has a balance of \$300,000 (2022 - \$1,400,000) at March 31, 2023. Interest rate risk is considered to be low since rates are based on commercial prime.

CFMW is also exposed to interest rate risk with respect to its loans receivable since most rates are based on commercial prime.



# COMMUNITY FUTURES MOUNT WADDINGTON

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## Notes to Financial Statements

March 31, 2023

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### **12. Economic Dependence:**

CFMW receives a significant portion of its revenues from PacifiCan as a result of an operating agreement that expires on March 31, 2026. The ability of CFMW to continue operations is dependent upon PacifiCan's continued financial commitments as guaranteed by the agreement.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 1 - Operating Fund Statement of Financial Position (Unaudited)

	<u>Operating Fund</u>			
	PacifiCan Core Operating	General	March 31, 2023	March 31, 2022
<hr/>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$ -	\$ 47,002	\$ 47,002	\$ 58,491
Accounts Receivable	-	1,476	1,476	1,920
Prepaid Expenses	<u>-</u>	<u>2,031</u>	<u>2,031</u>	<u>2,017</u>
	-	50,509	50,509	62,428
<b>Property and Equipment</b>	<u>-</u>	<u>8,114</u>	<u>8,114</u>	<u>8,162</u>
	<u>\$ -</u>	<u>\$ 58,623</u>	<u>\$ 58,623</u>	<u>\$ 70,590</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ -	\$ 2,672	\$ 2,672	\$ 3,435
Due to Funds	-	30,518	30,518	18,210
Wages and Benefits	<u>-</u>	<u>25,069</u>	<u>25,069</u>	<u>28,752</u>
	-	58,259	58,259	50,397
<b>Net Assets</b>				
Unrestricted Surplus (Deficit)	<u>-</u>	<u>364</u>	<u>364</u>	<u>20,193</u>
	<u>\$ -</u>	<u>\$ 58,623</u>	<u>\$ 58,623</u>	<u>\$ 70,590</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 2 - Operating Fund Statement of Operations (Unaudited)

	Operating Fund			Total	Total
	PacifiCan Core Operating	General	RRRF	2023	2022
<b>Revenue</b>					
Federal Government Grants	\$ 284,063	\$ -	\$ -	\$ 284,063	\$ 335,711
Other Government Grants	-	30,000	-	30,000	30,000
Projects, Recoveries and Other	-	80,235	-	80,235	69,907
Interest	-	1,953	-	1,953	102
	<u>284,063</u>	<u>112,188</u>	<u>-</u>	<u>396,251</u>	<u>435,720</u>
<b>Expenses</b>	<u>309,887</u>	<u>145,959</u>	<u>-</u>	<u>455,846</u>	<u>435,409</u>
	(25,824)	(33,771)	-	(59,595)	311
Amortization of Capital Assets	-	(6,175)	-	(6,175)	(4,116)
Loss on Disposal of Equipment	-	(241)	-	(241)	(1,072)
<b>Surplus (Deficiency) of Revenue Over Expenditures</b>	(25,824)	(40,187)	-	(66,011)	(4,877)
<b>Surplus (Deficit) - Beginning of Year</b>	25,824	(5,631)	-	20,193	(7,541)
<b>Interfund Transfers</b>	-	46,182	-	46,182	32,611
<b>Surplus (Deficit) - End of Year</b>	\$ -	\$ 364	\$ -	\$ 364	\$ 20,193

Federal government operating grants consists of operating funding received from PacifiCan for operating costs associated with supporting SMEs. The total revenue in the current year includes \$284,063 (2022 - \$309,887) of funding for operating costs incurred in the year ending March 31, 2023. During the year ending March 31, 2022, \$25,824 of funding was paid in advance for operating costs that were incurred in the year ending March 31, 2023.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 2 - Operating Fund Statement of Operations - Continued (Unaudited)

	Operating Fund			Total	Total
	PacifiCan Core			2023	2022
	Operating	General	RRRF		
<b>Expenses</b>					
<b>Wages and Benefits</b>					
Wages and Benefits	\$ 223,271	\$ 88,784	\$ -	\$ 312,055	\$ 316,806
Training	1,366	2,071	-	3,437	-
<b>Administration</b>					
Bad Debts (Recovery)	-	990	-	990	(53)
Communications	7,434	3,080	-	10,514	10,910
Community Projects	-	1,382	-	1,382	662
Conferences and Meetings	3,341	2,333	-	5,674	1,446
Dues and Subscriptions	1,177	465	-	1,642	2,209
Insurance - General	4,364	326	-	4,690	4,458
Interest and Bank Charges	34	2,958	-	2,992	4,927
Loan Processing Costs	-	2,261	-	2,261	1,666
Marketing	55	3,717	-	3,772	4,902
Office and Miscellaneous	18,500	12,064	-	30,564	23,304
Professional Fees	16,185	-	-	16,185	16,631
Rent and Utilities	23,539	14,148	-	37,687	36,878
Repairs and Maintenance	6,443	148	-	6,591	4,362
Travel	4,178	11,232	-	15,410	6,301
	<u>\$ 309,887</u>	<u>\$ 145,959</u>	<u>\$ -</u>	<u>\$ 455,846</u>	<u>\$ 435,409</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 3 - Investment Funds

### Statement of Financial Position

(Unaudited)

	PacifiCan Conditionally Repayable EDP Fund	Fishing Investment Fund	Forestry Community Business Investment	PacifiCan Non- Repayable Investment Fund	PacifiCan Conditionally Repayable Loan Fund	Mount Waddington Fund	Micro Loan Fund	K'awat'si Fund	PacifiCan RRRF Investment Fund	March 31, 2023	March 31, 2022
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash	\$ 41,516	\$ 17,319	\$ 145,601	\$ 689,299	\$ 490,174	\$ 28,953	\$ 13,127	\$ 80,778	\$ 28,655	\$ 1,535,422	\$ 1,241,294
Due from Syndicate CF's	-	5,932	-	-	-	-	-	-	-	5,932	-
Current Portion of Loans Receivable	<u>65,691</u> 107,207	<u>230,919</u> 254,170	<u>395,305</u> 540,906	<u>76,637</u> 765,936	<u>44,736</u> 534,910	<u>79,171</u> 108,124	<u>2,809</u> 15,936	<u>-</u> 80,778	<u>130,195</u> 158,850	<u>1,025,463</u> 2,566,817	<u>1,190,649</u> 2,431,943
<b>Loans Receivable</b>	<u>182,706</u>	<u>747,106</u>	<u>125,232</u>	<u>303,513</u>	<u>131,761</u>	<u>1,483,001</u>	<u>(713)</u>	<u>-</u>	<u>353,384</u>	<u>3,325,990</u>	<u>4,410,860</u>
	<u>\$ 289,913</u>	<u>\$ 1,001,276</u>	<u>\$ 666,138</u>	<u>\$ 1,069,449</u>	<u>\$ 666,671</u>	<u>\$ 1,591,125</u>	<u>\$ 15,223</u>	<u>\$ 80,778</u>	<u>\$ 512,234</u>	<u>\$ 5,892,807</u>	<u>\$ 6,842,803</u>
<b>LIABILITIES AND NET ASSETS</b>											
<b>Current Liabilities</b>											
Deferred Revenue	\$ 988	\$ 4,512	\$ 1,547	\$ 1,351	\$ 991	\$ 4,746	\$ -	\$ -	\$ -	\$ 14,135	\$ 21,397
Current Portion of Long Term Debt	-	-	-	-	-	-	-	-	-	-	39,756
Demand Debt	<u>200,000</u> 200,988	<u>420,000</u> 424,512	<u>1,000,000</u> 1,001,547	<u>-</u> 1,351	<u>350,000</u> 350,991	<u>300,000</u> 304,746	<u>-</u> -	<u>75,000</u> 75,000	<u>483,578</u> 483,578	<u>2,828,578</u> 2,842,713	<u>4,033,380</u> 4,094,533
<b>Long Term Debt</b>	-	-	-	-	-	-	-	-	27,540	27,540	27,540
<b>Due to (from) Funds</b>	<u>38</u> 201,026	<u>(289,716)</u> 134,796	<u>(522,234)</u> 479,313	<u>(1,673)</u> (322)	<u>(20,878)</u> 330,113	<u>826,559</u> 1,131,305	<u>19,998</u> 19,998	<u>-</u> 75,000	<u>4</u> 511,122	<u>12,098</u> 2,882,351	<u>14,765</u> 4,136,838
<b>Net Assets</b>											
Restricted Surplus (Deficit)	<u>88,887</u>	<u>866,480</u>	<u>186,825</u>	<u>1,069,771</u>	<u>336,558</u>	<u>459,820</u>	<u>(4,775)</u>	<u>5,778</u>	<u>1,112</u>	<u>3,010,456</u>	<u>2,705,965</u>
	<u>\$ 289,913</u>	<u>\$ 1,001,276</u>	<u>\$ 666,138</u>	<u>\$ 1,069,449</u>	<u>\$ 666,671</u>	<u>\$ 1,591,125</u>	<u>\$ 15,223</u>	<u>\$ 80,778</u>	<u>\$ 512,234</u>	<u>\$ 5,892,807</u>	<u>\$ 6,842,803</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 4 - PacifiCan Conditionally Repayable EDP Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2023

2023

2022

### Revenue

Loan Portfolio Interest

\$ 16,216

\$ 14,412

Interest and Other Revenue

959

-

17,175

14,412

### Expenses

Decrease in Provision for Loan Impairment

(3,304)

(815)

Interest and Bank Charges

205

187

(3,099)

(628)

### Excess of Revenue over Expenditures

20,274

15,040

### Surplus - Beginning of Year

68,613

53,573

### Surplus - End of Year

\$ 88,887

\$ 68,613

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 5 - Fishing Investment Fund

### Statement of Operations and Changes in Fund Balances

(Unaudited)

Year Ended March 31, 2023

2023

2022

#### Revenue

Loan Portfolio Interest

\$ 69,472

\$ 66,969

Interest and Other Revenue

3,374

1,177

72,846

68,146

#### Expenses

Decrease in Provision for Loan Impairment

(12,229)

(11,219)

Interest and Bank Charges

865

840

Loan Processing Costs (Recovery)

-

(26)

(11,364)

(10,405)

#### Excess of Revenue over Expenditures

84,210

78,551

#### Surplus - Beginning of Year

804,854

758,914

#### Interfund Transfers

(22,584)

(32,611)

#### Surplus - End of Year

\$ 866,480

\$ 804,854

## COMMUNITY FUTURES MOUNT WADDINGTON

### Schedule 6 - Forest Community Business Investment Fund Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2023

2023

2022

#### Revenue

Loan Portfolio Interest	\$ 36,860	\$ 48,050
Interest and Other Revenue	<u>15,316</u>	<u>(1,661)</u>
	<u>52,176</u>	<u>46,389</u>

#### Expenses

Decrease in Provision for Loan Impairment	(9,258)	(10,143)
Interest and Bank Charges	<u>1,739</u>	<u>606</u>
	<u>(7,519)</u>	<u>(9,537)</u>

#### Excess of Revenue over Expenditures

59,695 55,926

#### Surplus - Beginning of Year

150,728 94,802

#### Interfund Transfers

(23,598) -

#### Surplus - End of Year

\$ 186,825 \$ 150,728



# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 7 - PacifiCan Non-Repayable Investment Fund Statement of Operations and Changes in Fund Balance (Unaudited)

Year Ended March 31, 2023

2023

2022

### Revenue

Loan Portfolio Interest	\$ 36,852	\$ 55,825
Interest and Other Revenue	<u>7,664</u>	<u>142</u>
	<u>44,516</u>	<u>55,967</u>

### Expenses

Decrease in Provision for Loan Impairment	(13,355)	(5,706)
Interest and Bank Charges	547	452
Loan Processing Costs	<u>-</u>	<u>40</u>
	<u>(12,808)</u>	<u>(5,214)</u>

### Excess of Revenue over Expenditures

57,324 61,181

### Surplus - Beginning of Year

1,012,447 951,266

### Surplus - End of Year

\$ 1,069,771 \$ 1,012,447

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 8 - PacifiCan Conditionally Repayable Investment Fund Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2023

2023

2022

### Revenue

Loan Portfolio Interest	\$ 15,721	\$ 17,871
Interest and Other Revenue	<u>3,542</u>	<u>297</u>
	<u>19,263</u>	<u>18,168</u>

### Expenses

Increase (Decrease) in Provision for Loan Impairment	1,501	(2,000)
Interest and Bank Charges	<u>323</u>	<u>284</u>
	<u>1,824</u>	<u>(1,716)</u>

### Excess of Revenue over Expenditures

17,439 19,884

### Surplus - Beginning of Year

319,119 299,235

### Surplus - End of Year

\$ 336,558 \$ 319,119

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 9 - Mount Waddington Investment Fund Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2023

2023

2022

### Revenue

Loan Portfolio Interest	\$ 108,362	\$ 123,461
Interest and Other Revenue	<u>10,797</u>	<u>3,628</u>
	<u>119,159</u>	<u>127,089</u>

### Expenses

Decrease in Provision for Loan Impairment	(34,536)	(8,776)
Interest and Bank Charges	46,048	36,375
Loan Processing Fees	<u>58</u>	<u>-</u>
	<u>11,570</u>	<u>27,599</u>

### Excess of Revenue over Expenditures

107,589 99,490

### Surplus - Beginning of Year

352,231 252,741

### Surplus - End of Year

\$ 459,820 \$ 352,231

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 10 - Micro Loan Investment Fund Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2023

2023

2022

### Revenue

Loan Portfolio Interest

\$ 419

\$ 510

Interest and Other Revenue

296

28

715

538

### Expenses

Decrease in Provision for Loan Impairment

(488)

(712)

Interest and Bank Charges

175

177

(313)

(535)

### Excess of Revenue over Expenditures

1,028

1,073

### Deficit - Beginning of Year

(5,803)

(6,876)

### Deficit - End of Year

\$ (4,775)

\$ (5,803)

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 11 - K'awat'si Investment Fund

### Statement of Operations and Changes in Fund Balances

(Unaudited)

Year Ended March 31, 2023

2023

2022

#### Revenue

Interest and Other Revenue

\$ 2,036

\$ 157

#### Expenses

-

-

#### Excess of Revenue over Expenditures

2,036

157

#### Surplus - Beginning of Year

3,742

3,585

#### Surplus - End of Year

\$ 5,778

\$ 3,742

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 12 - PacifiCan RRRF Investment Fund Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2023

2023

2022

### Revenue

Interest and Other Revenue	\$ 1,274	\$ 284
Forgiveness of Demand Debt	-	60,000
	<u>1,274</u>	<u>60,284</u>

### Expenses

Interest and Bank Charges	196	265
Forgiveness of Loans Receivable	-	60,000
	<u>196</u>	<u>60,265</u>

### Excess of Revenue over Expenditures

1,078 19

### Surplus - Beginning of Year

34 15

### Surplus - End of Year

\$ 1,112 \$ 34