

**COMMUNITY FUTURES  
MOUNT WADDINGTON  
Financial Statements - March 31, 2024**

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 financial statements of Community Futures Mount Waddington (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### 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 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 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 ASNPO, 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 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.

### 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 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 auditors' 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 auditors' 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 Nowosad Boates Inc*

Chan Nowosad Boates Inc.  
Campbell River, BC


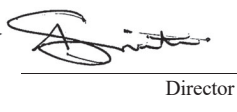
June 26, 2024

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Financial Position

	Administration Fund					March 31, 2024	March 31, 2023
	Operating (Schedule 1)	Self Employment	MWEF	Island Coastal Group	Investment Funds (Schedule 3)		
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash	\$ 72,427	\$ 99,039	\$ 90,424	\$ 35,677	\$ 1,869,807	\$ 2,167,374	\$ 1,749,643
Accounts Receivable	5,292	-	-	-	-	5,292	1,476
Prepaid Expenses	3,516	-	-	282	-	3,798	2,313
Due from Syndicate CF's	-	-	-	-	-	-	5,932
Current Portion of Loans Receivable (Note 3)	-	-	-	-	1,768,155	1,768,155	1,025,463
	<u>81,235</u>	<u>99,039</u>	<u>90,424</u>	<u>35,959</u>	<u>3,637,962</u>	<u>3,944,619</u>	<u>2,784,827</u>
Loans Receivable (Note 3)	-	-	-	-	2,021,644	2,021,644	3,325,990
Due (to) from Funds	(8,498)	54,179	6,286	(8,125)	(43,842)	-	-
Property and Equipment (Note 4)	13,127	-	-	-	-	13,127	8,114
	<u>\$ 85,864</u>	<u>\$ 153,218</u>	<u>\$ 96,710</u>	<u>\$ 27,834</u>	<u>\$ 5,615,764</u>	<u>\$ 5,979,390</u>	<u>\$ 6,118,931</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current Liabilities</b>							
Accounts Payable	\$ 4,260	\$ -	\$ -	\$ -	\$ -	\$ 4,260	\$ 2,672
Wages and Benefits	35,661	-	-	-	-	35,661	25,069
Deferred Revenue (Note 5)	-	-	-	-	12,755	12,755	14,135
Due to Syndicate CFs	-	-	-	-	84,472	84,472	-
Current Portion - Long Term Debt (Note 6)	-	-	-	-	17,011	17,011	-
Demand Debt (Note 6)	6,300	-	-	-	2,379,809	2,386,109	2,828,578
	<u>46,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,494,047</u>	<u>2,540,268</u>	<u>2,870,454</u>
Long Term Debt (Note 6)	-	-	-	-	-	-	27,540
	<u>46,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,494,047</u>	<u>2,540,268</u>	<u>2,897,994</u>
<b>Net Assets</b>							
Unrestricted Surplus	39,643	-	96,710	27,834	-	164,187	75,102
Restricted Surplus	-	153,218	-	-	3,121,717	3,274,935	3,145,835
	<u>\$ 85,864</u>	<u>\$ 153,218</u>	<u>\$ 96,710</u>	<u>\$ 27,834</u>	<u>\$ 5,615,764</u>	<u>\$ 5,979,390</u>	<u>\$ 6,118,931</u>

Approved by the Directors:

 Director
  Director

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Changes in Fund Balances

	Administration Fund					Total 2024	Total 2023
	Operating (Schedule 2)	Self Employment	MWEF	Island Coastal Group	Investment Funds		
Surplus - Beginning of the Year	\$ 364	\$ 135,379	\$ 44,597	\$ 30,141	\$ 3,010,456	\$ 3,220,937	\$ 2,896,957
Excess (Deficiency) of Revenue over Expenditures	<u>(17,989)</u> <u>(17,625)</u>	<u>17,839</u> <u>153,218</u>	<u>52,113</u> <u>96,710</u>	<u>(2,307)</u> <u>27,834</u>	<u>168,529</u> <u>3,178,985</u>	<u>218,185</u> <u>3,439,122</u>	<u>323,980</u> <u>3,220,937</u>
<b>Interfund Items</b>							
Interfund Interest Transfers (Note 8)	<u>57,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,268)</u>	<u>-</u>	<u>-</u>
Surplus - End of the Year	<u>\$ 39,643</u>	<u>\$ 153,218</u>	<u>\$ 96,710</u>	<u>\$ 27,834</u>	<u>\$ 3,121,717</u>	<u>\$ 3,439,122</u>	<u>\$ 3,220,937</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Operations

	Administration Fund					Total 2024	Total 2023
	Operating (Schedule 2)	Self Employment	MWEF	Island Coastal Group	Investment Funds		
<b>Revenue</b>							
Federal Government Operating Grants (Note 10)	\$ 335,712	\$ -	\$ -	\$ -	\$ -	\$ 335,712	\$ 284,063
Other Government Funding	40,529	13,200	-	-	-	53,729	43,000
Projects, Recoveries and Other	57,896	-	50,000	2,075	86,467	196,438	153,278
Interest	3,050	4,634	2,107	1,665	304,162	315,618	289,629
	<u>437,187</u>	<u>17,834</u>	<u>52,107</u>	<u>3,740</u>	<u>390,629</u>	<u>901,497</u>	<u>769,970</u>
<b>Expenses (Recoveries)</b>	<u>448,195</u>	<u>(5)</u>	<u>(6)</u>	<u>6,047</u>	<u>222,100</u>	<u>676,331</u>	<u>439,574</u>
	(11,008)	17,839	52,113	(2,307)	168,529	225,166	330,396
Amortization of Property and Equipment	(6,880)	-	-	-	-	(6,880)	(6,175)
Loss on Disposal of Property and Equipment	<u>(101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101)</u>	<u>(241)</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>\$ (17,989)</u>	<u>\$ 17,839</u>	<u>\$ 52,113</u>	<u>\$ (2,307)</u>	<u>\$ 168,529</u>	<u>\$ 218,185</u>	<u>\$ 323,980</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Operations - Continued

	Administration Fund					Total 2024	Total 2023
	Operating (Schedule 2)	Self Employment	MWEF	Island Coastal Group	Investment Funds		
<b>Expenses (Recoveries)</b>							
<b>Wages and Benefits</b>							
Wages and Benefits	\$ 306,388	\$ 1	\$ -	\$ -	\$ -	\$ 306,389	\$ 312,055
Training	492	-	-	-	-	492	3,437
<b>Administration</b>							
Bad Debts	-	-	-	-	4,058	4,058	990
Increase (Decrease) in Provision for Loan Impairment	-	-	-	-	206,409	206,409	(71,669)
Communications	9,276	-	-	-	-	9,276	10,514
Community Projects	3,433	-	-	-	-	3,433	2,341
Conferences and Meetings	4,095	-	-	4,925	-	9,020	8,724
Dues and Subscriptions	2,050	-	-	1,128	-	3,178	2,849
Insurance - General	4,850	-	-	-	-	4,850	4,690
Interest and Bank Charges (Recovery)	2,991	(6)	(6)	(6)	11,633	14,606	53,115
Loan Processing Costs	1,380	-	-	-	-	1,380	2,319
Marketing	7,208	-	-	-	-	7,208	3,772
Office and Miscellaneous	30,414	-	-	-	-	30,414	30,564
Professional Fees	16,626	-	-	-	-	16,626	16,185
Rent and Utilities	37,852	-	-	-	-	37,852	37,687
Repairs and Maintenance	6,691	-	-	-	-	6,691	6,591
Travel	14,449	-	-	-	-	14,449	15,410
	<u>\$ 448,195</u>	<u>\$ (5)</u>	<u>\$ (6)</u>	<u>\$ 6,047</u>	<u>\$ 222,100</u>	<u>\$ 676,331</u>	<u>\$ 439,574</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Statement of Cash Flows

Year Ended March 31, 2024

2024

2023

### Cash Flows From Operating Activities:

Cash Received from Funders and Borrowers	\$ 896,301	\$ 762,171
Cash Paid to Suppliers, Employees and Participants	(566,325)	(403,840)
Interest Paid on Long Term Debt	<u>(8,906)</u>	<u>(46,046)</u>
	<u>321,070</u>	<u>312,285</u>

### Cash Flows From Financing Activities:

Repayment of Long Term Debt	<u>(452,998)</u>	<u>(1,244,558)</u>
-----------------------------	------------------	--------------------

### Cash Flows From Investing Activities:

Decrease in Loans Receivable	561,654	1,250,056
Purchase of Property and Equipment	<u>(11,995)</u>	<u>(6,368)</u>
	<u>549,659</u>	<u>1,243,688</u>

<b>Net Increase in Cash</b>	417,731	311,415
<b>Cash - Beginning of Year</b>	<u>1,749,643</u>	<u>1,438,228</u>
<b>Cash - End of Year</b>	<u>\$ 2,167,374</u>	<u>\$ 1,749,643</u>



# COMMUNITY FUTURES MOUNT WADDINGTON

---

## Notes to Financial Statements

March 31, 2024

---

### 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 was 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

---

## Notes to Financial Statements

March 31, 2024

---

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

#### Investment Funds:

CFMW 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%

#### 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, 2024

### 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	2024	2023
<b>Investment Funds</b>				
PacifiCan Conditionally Repayable EDP	\$ 199,868	\$ (65,971)	\$ 133,897	\$ 248,398
PacifiCan Non-repayable Investment	688,806	(8,320)	680,486	380,151
PacifiCan Conditionally Repayable Investment	194,541	(56,608)	137,933	176,495
PacifiCan RRRF Investment	288,749	(114,327)	174,422	483,578
Fishing	667,383	(50,790)	616,593	978,025
Forestry Community Business	664,402	(26,643)	637,759	520,536
Micro	1,854	(1,780)	74	2,096
Mount Waddington	<u>1,411,440</u>	<u>(2,805)</u>	<u>1,408,635</u>	<u>1,562,174</u>
	<u>\$ 4,117,043</u>	<u>\$ (327,244)</u>	<u>3,789,799</u>	<u>4,351,453</u>
Less: Current Portion of Loans Receivable			<u>(1,768,155)</u>	<u>(1,025,463)</u>
			<u>\$ 2,021,644</u>	<u>\$ 3,325,990</u>

CFMW has provided for credit risk, as defined in Note 10, 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, 2024

### 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>2024</u>	<u>2023</u>
<b>Investment Funds</b>		
Gross Impaired Loans	\$ 483,536	\$ 152,346
Allowance	<u>(320,119)</u>	<u>(114,041)</u>
Carrying Value	<u>\$ 163,417</u>	<u>\$ 38,305</u>

During the year ended March 31, 2024 there were the following changes in allowance for doubtful accounts:

	Beginning						
	Balance	Provisions	Write-Offs	Reversals	2024	2023	
<b>Investment Funds</b>							
PacifiCan Conditionally Repayable EDP	\$ 24,947	\$ 41,024	\$ -	\$ -	\$ 65,971	\$ 24,947	
PacifiCan Non-Repayable Investment	7,370	950	-	-	8,320	7,370	
PacifiCan Conditionally Repayable Investment	23,337	29,213	4,058	-	56,608	23,337	
PacifiCan RRRF Investment	-	114,327	-	-	114,327	-	
Fishing	13,534	37,256	-	-	50,790	13,534	
Forestry Community Business	46,335	-	-	(19,692)	26,643	46,335	
Micro	2,495	-	-	(715)	1,780	2,495	
Mount Waddington	<u>2,817</u>	<u>-</u>	<u>-</u>	<u>(12)</u>	<u>2,805</u>	<u>2,817</u>	
	<u>\$ 120,835</u>	<u>\$ 222,770</u>	<u>\$ 4,058</u>	<u>\$ (20,419)</u>	<u>\$ 327,244</u>	<u>\$ 120,835</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 were repaid by January 18, 2024.

At the time of recognition, CFMW recognized the forgivable portion of the loans receivable as an expense, 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.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2024

### 3. Loans Receivable (Continued):

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

	<u>2024</u>	<u>2023</u>
# of Loans in Excess of \$150,000	7	8
Loan Balance Outstanding	\$1,573,691	\$1,868,899

#### 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, 2024.

### 4. Property and Equipment:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Furniture and Equipment	\$ 27,426	\$ 20,820	\$ 33,714	\$ 33,203
Computer Equipment	44,041	37,534	45,115	37,580
Leasehold Improvements	<u>13,566</u>	<u>13,552</u>	<u>19,068</u>	<u>19,000</u>
	<u>\$ 85,033</u>	<u>\$ 71,906</u>	<u>\$ 97,897</u>	<u>\$ 89,783</u>
Unamortized Cost	\$ <u>13,127</u>		\$ <u>8,114</u>	

### 5. Deferred Revenue:

	<u>Opening Balance</u>	<u>Receipts</u>	<u>Recognized</u>	<u>Ending Balance</u>
Investment Funds	\$ <u>14,135</u>	\$ <u>8,488</u>	\$ <u>(9,868)</u>	\$ <u>12,755</u>

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

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2024

### 6. Long Term Debt:

	<u>2024</u>	<u>2023</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	334,809	483,578
Community Futures BC Loan Contribution	6,300	-
Community Futures Development Association of BC	-	300,000
	<u>\$ 2,386,109</u>	<u>\$ 2,828,578</u>
Long Term Debt:		
Community Futures BC RRRF Fund	\$ 17,011	\$ 27,540
Less: Current Portion	<u>(17,011)</u>	<u>-</u>
	<u>\$ -</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.

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 Development Association of BC was 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 based on RBC's commercial lending rate - floating and is repayable upon demand. This line of credit was repaid during the year.

# COMMUNITY FUTURES MOUNT WADDINGTON

## Notes to Financial Statements

March 31, 2024

### 7. 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:

2025	\$33,146
2026	33,659

#### Other Commitments

CFMW has a Visa with a limit of \$8,000 (2023 - \$8,000), which is unsecured.

### 8. Interfund Transactions:

During the year ended March 31, 2024, certain loan, bank and term deposit interest amounting to \$57,268 (2023 - \$46,182) were transferred from the Investment Fund to the Administration Fund.

	<u>2024</u>	<u>2023</u>
Fishing	\$ 34,073	\$ 22,584
Forestry Community	<u>23,195</u>	<u>23,598</u>
	<u>\$ 57,268</u>	<u>\$ 46,182</u>

### 9. 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 \$335,712 (2023 - \$284,063) of funding for operating costs incurred in the year ending March 31, 2024.

### 10. 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 2023.

# COMMUNITY FUTURES MOUNT WADDINGTON

---

## Notes to Financial Statements

March 31, 2024

---

### **10. Financial Risks and Concentration of Credit Risk (continued):**

#### *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 CFLIP line of credit. At March 31, 2024, the CFLIP line of credit has a balance of \$Nil (2023 - \$300,000). 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.

### **11. 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>		<b>March 31, 2024</b>	<b>March 31, 2023</b>
	PacifiCan Core Operating	General		
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$ -	\$ 72,427	\$ 72,427	\$ 47,002
Accounts Receivable	-	5,292	5,292	1,476
Prepaid Expenses	-	3,516	3,516	2,031
	-	81,235	81,235	50,509
<b>Property and Equipment</b>	-	13,127	13,127	8,114
	<u>\$ -</u>	<u>\$ 94,362</u>	<u>\$ 94,362</u>	<u>\$ 58,623</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ -	\$ 4,260	\$ 4,260	\$ 2,672
Due to (from) Funds	(25,824)	34,322	8,498	30,518
Wages and Benefits	-	35,661	35,661	25,069
Demand Debt	-	6,300	6,300	-
	<u>(25,824)</u>	<u>80,543</u>	<u>54,719</u>	<u>58,259</u>
<b>Net Assets</b>				
Unrestricted Surplus (Deficit)	<u>25,824</u>	<u>13,819</u>	<u>39,643</u>	<u>364</u>
	<u>\$ -</u>	<u>\$ 94,362</u>	<u>\$ 94,362</u>	<u>\$ 58,623</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

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

	Operating Fund			Total 2024	Total 2023
	PacifiCan Core Operating	General	RRRF		
<b>Revenue</b>					
Federal Government Grants	\$ 335,712	\$ -	\$ -	\$ 335,712	\$ 284,063
Other Government Grants	-	30,000	10,529	40,529	30,000
Projects, Recoveries and Other	-	57,896	-	57,896	80,235
Interest	-	3,050	-	3,050	1,953
	<u>335,712</u>	<u>90,946</u>	<u>10,529</u>	<u>437,187</u>	<u>396,251</u>
<b>Expenses</b>	<u>309,888</u>	<u>127,778</u>	<u>10,529</u>	<u>448,195</u>	<u>455,846</u>
	25,824	(36,832)	-	(11,008)	(59,595)
Amortization of Capital Assets	-	(6,880)	-	(6,880)	(6,175)
Loss on Disposal of Equipment	-	(101)	-	(101)	(241)
<b>Surplus (Deficiency) of Revenue Over Expenditures</b>	25,824	(43,813)	-	(17,989)	(66,011)
<b>Surplus - Beginning of Year</b>	-	364	-	364	20,193
<b>Interfund Transfers</b>	-	57,268	-	57,268	46,182
<b>Surplus - End of Year</b>	<u>\$ 25,824</u>	<u>\$ 13,819</u>	<u>\$ -</u>	<u>\$ 39,643</u>	<u>\$ 364</u>

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 \$335,712 (2023 - \$284,063) of funding for operating costs incurred in the year ending March 31, 2024. During the year ending March 31, 2023, \$25,824 of funding was paid in advance for operating costs that were incurred in the year ending March 31, 2024.

# COMMUNITY FUTURES MOUNT WADDINGTON

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

	Operating Fund			Total 2024	Total 2023
	PacifiCan Core Operating	General	RRRF		
<b>Expenses</b>					
<b>Wages and Benefits</b>					
Wages and Benefits	\$ 227,191	\$ 68,668	\$ 10,529	\$ 306,388	\$ 312,055
Training	492	-	-	492	3,437
<b>Administration</b>					
Bad Debts	-	-	-	-	990
Communications	6,326	2,950	-	9,276	10,514
Community Projects	-	3,433	-	3,433	1,382
Conferences and Meetings	2,701	1,394	-	4,095	5,674
Dues and Subscriptions	1,645	405	-	2,050	1,642
Insurance - General	4,850	-	-	4,850	4,690
Interest and Bank Charges	279	2,712	-	2,991	2,992
Loan Processing Costs	-	1,380	-	1,380	2,261
Marketing	-	7,208	-	7,208	3,772
Office and Miscellaneous	17,329	13,085	-	30,414	30,564
Professional Fees	16,626	-	-	16,626	16,185
Rent and Utilities	23,694	14,158	-	37,852	37,687
Repairs and Maintenance	6,620	71	-	6,691	6,591
Travel	2,135	12,314	-	14,449	15,410
	<u>\$ 309,888</u>	<u>\$ 127,778</u>	<u>\$ 10,529</u>	<u>\$ 448,195</u>	<u>\$ 455,846</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, 2024	March 31, 2023
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash	\$ 152,835	\$ 445,432	\$ 499,927	\$ 178,718	\$ 318,528	\$ 91,502	\$ 17,277	\$ 84,748	\$ 80,840	\$ 1,869,807	\$ 1,535,422
Due from Syndicate CF's	-	-	-	-	-	-	-	-	-	-	5,932
Current Portion of Loans Receivable	<u>66,614</u>	<u>314,434</u>	<u>415,340</u>	<u>168,481</u>	<u>35,175</u>	<u>673,624</u>	<u>1,007</u>	<u>-</u>	<u>93,480</u>	<u>1,768,155</u>	<u>1,025,463</u>
	219,449	759,866	915,267	347,199	353,703	765,126	18,284	84,748	174,320	3,637,962	2,566,817
<b>Loans Receivable</b>	67,283	302,160	222,420	512,005	102,758	735,011	(934)	-	80,941	2,021,644	3,325,990
<b>Due (to) from Funds</b>	<u>(1,712)</u>	<u>256,023</u>	<u>113,973</u>	<u>267,905</u>	<u>221,605</u>	<u>(870,652)</u>	<u>(20,168)</u>	<u>-</u>	<u>(10,816)</u>	<u>(43,842)</u>	<u>(12,098)</u>
	\$ <u>285,020</u>	\$ <u>1,318,049</u>	\$ <u>1,251,660</u>	\$ <u>1,127,109</u>	\$ <u>678,066</u>	\$ <u>629,485</u>	\$ <u>(2,818)</u>	\$ <u>84,748</u>	\$ <u>244,445</u>	\$ <u>5,615,764</u>	\$ <u>5,880,709</u>
<b>LIABILITIES AND NET ASSETS</b>											
<b>Current Liabilities</b>											
Deferred Revenue	\$ 490	\$ 2,883	\$ 3,770	\$ 1,730	\$ 880	\$ 3,002	\$ -	\$ -	\$ -	\$ 12,755	\$ 14,135
Due to Syndicate CFs	16,204	12,121	2,531	-	-	53,616	-	-	-	84,472	-
Current Portion of Long Term Debt	-	-	-	-	-	-	-	-	17,011	17,011	-
Demand Debt	<u>200,000</u>	<u>420,000</u>	<u>1,000,000</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>334,809</u>	<u>2,379,809</u>	<u>2,828,578</u>
	216,694	435,004	1,006,301	1,730	350,880	56,618	-	75,000	351,820	2,494,047	2,842,713
<b>Long Term Debt</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,540</u>
	216,694	435,004	1,006,301	1,730	350,880	56,618	-	75,000	351,820	2,494,047	2,870,253
<b>Net Assets</b>											
Restricted Surplus (Deficit)	<u>68,326</u>	<u>883,045</u>	<u>245,359</u>	<u>1,125,379</u>	<u>327,186</u>	<u>572,867</u>	<u>(2,818)</u>	<u>9,748</u>	<u>(107,375)</u>	<u>3,121,717</u>	<u>3,010,456</u>
	\$ <u>285,020</u>	\$ <u>1,318,049</u>	\$ <u>1,251,660</u>	\$ <u>1,127,109</u>	\$ <u>678,066</u>	\$ <u>629,485</u>	\$ <u>(2,818)</u>	\$ <u>84,748</u>	\$ <u>244,445</u>	\$ <u>5,615,764</u>	\$ <u>5,880,709</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

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

Year Ended March 31, 2024	2024	2023
<b>Revenue</b>		
Loan Portfolio Interest	\$ 15,872	\$ 16,216
Interest and Other Revenue	<u>4,760</u>	<u>959</u>
	<u>20,632</u>	<u>17,175</u>
<b>Expenses</b>		
Increase (Decrease) in Provision for Loan Impairment	41,023	(3,304)
Interest and Bank Charges	<u>170</u>	<u>205</u>
	<u>41,193</u>	<u>(3,099)</u>
<b>Excess of Revenue over Expenditures</b>	(20,561)	20,274
<b>Surplus - Beginning of Year</b>	<u>88,887</u>	<u>68,613</u>
<b>Surplus - End of Year</b>	<u>\$ 68,326</u>	<u>\$ 88,887</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 5 - Fishing Investment Fund Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2024	2024	2023
<b>Revenue</b>		
Loan Portfolio Interest	\$ 77,402	\$ 69,472
Interest and Other Revenue	<u>11,238</u>	<u>3,374</u>
	<u>88,640</u>	<u>72,846</u>
<b>Expenses</b>		
Increase (Decrease) in Provision for Loan Impairment	37,257	(12,229)
Interest and Bank Charges	<u>745</u>	<u>865</u>
	<u>38,002</u>	<u>(11,364)</u>
<b>Excess of Revenue over Expenditures</b>	50,638	84,210
<b>Surplus - Beginning of Year</b>	866,480	804,854
<b>Interfund Transfers</b>	<u>(34,073)</u>	<u>(22,584)</u>
<b>Surplus - End of Year</b>	<u>\$ 883,045</u>	<u>\$ 866,480</u>

# COMMUNITY FUTURES MOUNT WADDINGTON

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

(Unaudited)

Year Ended March 31, 2024

2024

2023

### Revenue

Loan Portfolio Interest

\$ 49,020

\$ 36,860

Interest and Other Revenue

13,761

15,316

62,781

52,176

### Expenses

Decrease in Provision for Loan Impairment

(19,692)

(9,258)

Interest and Bank Charges

744

1,739

(18,948)

(7,519)

### Excess of Revenue over Expenditures

81,729

59,695

### Surplus - Beginning of Year

186,825

150,728

### Interfund Transfers

(23,195)

(23,598)

### Surplus - End of Year

\$ 245,359

\$ 186,825

# COMMUNITY FUTURES MOUNT WADDINGTON

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

Year Ended March 31, 2024

2024

2023

### Revenue

Loan Portfolio Interest	\$ 35,561	\$ 36,852
Interest and Other Revenue	<u>21,398</u>	<u>7,664</u>
	<u>56,959</u>	<u>44,516</u>

### Expenses

Increase (Decrease) in Provision for Loan Impairment	948	(13,355)
Interest and Bank Charges	<u>403</u>	<u>547</u>
	<u>1,351</u>	<u>(12,808)</u>

### Excess of Revenue over Expenditures

55,608 57,324

### Surplus - Beginning of Year

1,069,771 1,012,447

### Surplus - End of Year

\$ 1,125,379 \$ 1,069,771



# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 8 - PacifiCan Conditionally Repayable Investment Fund

### Statement of Operations and Changes in Fund Balances

(Unaudited)

Year Ended March 31, 2024

2024

2023

#### Revenue

Loan Portfolio Interest	\$ 11,422	\$ 15,721
Interest and Other Revenue	<u>16,770</u>	<u>3,542</u>
	<u>28,192</u>	<u>19,263</u>

#### Expenses

Bad Debts	4,058	-
Increase in Provision for Loan Impairment	33,273	1,501
Interest and Bank Charges	<u>233</u>	<u>323</u>
	<u>37,564</u>	<u>1,824</u>

#### Excess (Deficit) of Revenue over Expenditures

(9,372) 17,439

#### Surplus - Beginning of Year

336,558 319,119

#### Surplus - End of Year

\$ 327,186 \$ 336,558

# COMMUNITY FUTURES MOUNT WADDINGTON

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

Year Ended March 31, 2024

2024

2023

### Revenue

Loan Portfolio Interest	\$ 114,630	\$ 108,362
Interest and Other Revenue	<u>7,324</u>	<u>10,797</u>
	<u>121,954</u>	<u>119,159</u>

### Expenses

Decrease in Provision for Loan Impairment	(12)	(34,536)
Interest and Bank Charges	8,919	46,048
Loan Processing Fees	<u>-</u>	<u>58</u>
	<u>8,907</u>	<u>11,570</u>

### Excess of Revenue over Expenditures

113,047 107,589

### Surplus - Beginning of Year

459,820 352,231

### Surplus - End of Year

\$ 572,867 \$ 459,820

# COMMUNITY FUTURES MOUNT WADDINGTON

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

(Unaudited)

Year Ended March 31, 2024

2024

2023

### Revenue

Loan Portfolio Interest

\$ 255

\$ 419

Interest and Other Revenue

1,132

296

1,387

715

### Expenses

Decrease in Provision for Loan Impairment

(715)

(488)

Interest and Bank Charges

145

175

(570)

(313)

### Excess of Revenue over Expenditures

1,957

1,028

### Deficit - Beginning of Year

(4,775)

(5,803)

### Deficit - End of Year

\$ (2,818)

\$ (4,775)

# COMMUNITY FUTURES MOUNT WADDINGTON

## Schedule 11 - K'awat'si Investment Fund Statement of Operations and Changes in Fund Balances (Unaudited)

Year Ended March 31, 2024

2024

2023

### Revenue

Interest and Other Revenue

\$ 3,965

\$ 2,036

### Expenses

Interest and Bank Charges (Recovery)

(5)

-

**Excess of Revenue over Expenditures**

3,970

2,036

**Surplus - Beginning of Year**

5,778

3,742

**Surplus - End of Year**

\$ 9,748

\$ 5,778

# COMMUNITY FUTURES MOUNT WADDINGTON

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

Year Ended March 31, 2024	2024	2023
<b>Revenue</b>		
Interest and Other Revenue	\$ 6,119	\$ 1,274
Forgiveness of Demand Debt	-	-
	<u>6,119</u>	<u>1,274</u>
<b>Expenses</b>		
Increase in Provision for Loan Impairment	114,327	-
Interest and Bank Charges	279	196
	<u>114,606</u>	<u>196</u>
<b>Excess of Revenue over Expenditures</b>	(108,487)	1,078
<b>Surplus - Beginning of Year</b>	<u>1,112</u>	<u>34</u>
<b>Surplus - End of Year</b>	<u>\$ (107,375)</u>	<u>\$ 1,112</u>