Community Futures Development Corporation of the Shuswap
Non-Consolidated Financial Statements
For the Year Ended March 31, 2026

Contents

Independent Auditor's Report	1-2
Non-Consolidated Financial Statements	
Non-Consolidated Statement of Financial Position	3
Non-Consolidated Statement of Changes in Net Assets	4
Non-Consolidated Statement of Financial Activities	5
Non-Consolidated Statement of Cash Flows	6
Notes to Non-Consolidated Financial Statements	7-18
Community Futures Loan Fund	
Statement of Financial Position	19
Statement of Financial Activities	20
Forest Community Business Loan Fund	
Statement of Financial Position	21
Statement of Financial Activities	22
Youth Entrepreneur Investment Fund	
Statement of Financial Position	23
Statement of Financial Activities	24
Disabled Entrepreneur Loan Fund	
Statement of Financial Position	25
Statement of Financial Activities	26
Regional Relief and Recovery Loan Fund	
Statement of Financial Position	27
Statement of Financial Activities	28
Administration and Projects Fund	
Statement of Financial Position	29
Statement of Financial Activities	30
Schedule - Administration and Projects Expenses	31

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Independent Auditor's Report

To the Directors of Community Futures Development Corporation of the Shuswap

Opinion

We have audited the non-consolidated financial statements of Community Futures Development Corporation of the Shuswap (the Corporation), which comprise the non-consolidated statement of financial position as at March 31, 2026, and the non-consolidated statements of changes in net assets, financial activities and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK District limited by guarantee, and forms part of the international BDO network of independent member firms.

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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Salmon Arm, British Columbia
June 19, 2026

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Community Futures Development Corporation of the Shuswap
Non-Consolidated Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash - restricted (Note 2)	$ 2,116,447	$ 1,990,110
Cash - unrestricted (Note 2)	198,651	366,311
Accounts receivable	71,651	17,757
Short-term investments (Note 3)	1,314,498	1,380,404
Prepaid expenses	8,757	10,418
Current portion of loans receivable (Note 4)	616,925	469,503
	4,326,929	4,234,503
Loans receivable (Note 4)	2,505,612	2,199,743
Equipment and leasehold improvements (Note 5)	17,199	24,252
Investment in subsidiary (Note 6)	267,119	248,023
	$ 7,116,859	$ 6,706,521
Liabilities, Project Reserve and Surplus		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 126,030	$ 153,338
Deferred revenue (Note 8)	41,376	79,861
Contributions repayable (Note 9)	400,000	400,000
	567,406	633,199
Contributions repayable (Note 9)	58,851	65,993
	626,257	699,192
Net Assets		
Invested in capital assets	17,199	24,251
Restricted	6,070,203	5,507,118
Unrestricted	403,200	475,960
	6,490,602	6,007,329
	$ 7,116,859	$ 6,706,521

Approved on behalf of the Board:

Signed by: 59F23000DEEA4FF... Director

DocuSigned by: Ron Langridge F54DAF7AB77742E... Director

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

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

For the year ended March 31

	Invested in Capital Assets	Unrestricted	Restricted	2026	2025
Balance, beginning of year	$ 24,251	$ 475,960	$ 5,507,118	$6,007,329	$ 5,707,940
Excess (deficiency) of revenues over expenses	(6,481)	(183,383)	673,137	483,273	299,389
Investment in capital assets	(571)	571	-	-	-
Transfer to (from) unrestricted fund	-	110,052	(110,052)	-	-
Balance, end of year	$ 17,199	$ 403,200	$ 6,070,203	$6,490,602	$ 6,007,329

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

Community Futures Development Corporation of the Shuswap
Non-Consolidated Statement of Financial Activities

For the year ended March 31	2026	2025
Revenues		
Government funding	$ 742,966	$ 292,964
Grant revenue	117,930	54,446
Interest earned - loans	212,687	246,736
Interest earned - deposits	81,988	101,275
Project revenue	8,050	51,598
Self-employment revenue	17,480	8,109
Other revenue	13,992	16,609
Loan administration revenue	19,470	21,093
	1,214,563	792,830
Expenses		
Administration and projects (Schedule 1)	659,189	556,986
Bad debts (recovery)	61,674	(45,405)
Unrealized (gain) loss on investments	4,314	(22,793)
Loss on disposal of equipment	1,083	1,323
	726,260	490,111
Excess of revenues over expenses from operations	488,303	302,719
Income in wholly-owned subsidiary (Note 15)	(5,030)	(3,330)
Excess of revenues over expenses	483,273	299,389
Surplus, beginning of year	6,007,329	5,707,940
Surplus, end of year	$ 6,490,602	$ 6,007,329

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

Community Futures Development Corporation of the Shuswap
Non-Consolidated Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Cash received from governments and other sources	$ 826,394	$ 636,832
Cash paid to suppliers and employees	(685,437)	(698,105)
Interest received	292,327	340,724
Increase (decrease) in long-term loans receivable	(538,086)	61,792
	(104,802)	341,243
Cash flows from investing activities		
Purchase of equipment and leasehold improvements	(1,312)	(19,952)
Proceeds on disposal of equipment and leasehold improvements	800	-
Proceeds on disposal of long-term investments	749,858	714,150
Reinvestment of long-term investments	(657,344)	(789,601)
Reinvestment of interest in temporary investments	(28,523)	(17,553)
	63,479	(112,956)
Decrease in cash during the year	(41,323)	228,287
Cash, beginning of year	2,356,421	2,128,134
Cash, end of year	$ 2,315,098	$ 2,356,421
Represented by:		
Cash - restricted (investment funds)	$ 2,116,447	$ 1,990,110
Cash - unrestricted (administration)	198,651	366,311
	$ 2,315,098	$ 2,356,421

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

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Business

Community Futures Development Corporation of the Shuswap (Corporation) was incorporated March 31, 1995 without share capital under Part 2 of the Canada Corporations Act for the purpose of providing loans, advice to regional businesses and assistance to individuals to become self-employed or start their own business in the Shuswap and surrounding areas. The corporation is a not-for-profit organization and is not subject to income tax.

Basis of Accounting

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

Fund Accounting

The Corporation records accounting transactions using the fund accounting method generally in use for not-for-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund is presented in a separate statement following the notes to the financial statements.

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

The Community Futures Loan Fund and the Forest Community Business Loan Fund are non-repayable funds representing the year over year growth of initial dollars that were invested by the Government of Canada for the purposes of providing financial assistance to individuals or companies planning to start, grow or purchase a business in the Shuswap Region. The Forest Community Business Loan Fund is specifically restricted for businesses operating in the Forest Sector.

The Youth Entrepreneur Investment Fund and Disabled Entrepreneur Loan Fund are restricted to businesses owned and operated by youth and disabled entrepreneurs respectively. They are funds that are conditionally repayable to the Pacifican (Note 9).

The Regional Relief and Recovery Fund (RRRF) is a conditionally repayable contribution from Pacifican to be provided to businesses with up to $60,000 each to finance qualifying expenses during COVID (Note 9). As the Corporation records financial liabilities at fair value, the balance has been recorded net of the forgivable portion of the loans receivable expected to reduce this balance owing.

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

Continued...

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

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Unrestricted donation and grant revenue is recognized as revenue of the Administration and Projects Fund when contributions are received or can be reasonably estimated and ultimate collection is assured. Restricted contributions are recognized as revenue of the appropriate fund when received or when contributions are reasonably estimated and collection assured. Restricted funding that is not associated with a restricted fund is recognized in the Administration and Projects Fund in accordance with the deferred method. Revenue received specifically for the purchase of capital assets is deferred and amortized on the same basis as the related capital assets.

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

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

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost less accumulated amortization. When a capital asset no longer has any long-term service potential to the Corporation, it is written down to its residual value, if any. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer hardware	- 30% declining balance basis
Computer software	- 100% declining balance basis
Equipment and furniture	- 20% declining balance basis
Leasehold improvements	- 20% declining balance basis

A full year of amortization is taken in the year of acquisition.

Allowance for Impaired Loans

The Corporation maintains an allowance for impaired loans in the amount management considers adequate to absorb losses in its loan portfolio.

The allowance is determined on a loan by loan basis. This allowance is the amount required to reduce the carrying value of each loan to its estimated realizable amount.

Investment in Subsidiary

Investment in subsidiary is accounted for under the equity method.

Continued...

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

Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to endowment funds. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recorded directly in net assets. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs, on the acquisition, sale or issue of financial instruments, are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.
Use of Estimates	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include valuation of loans receivable, amortization of equipment and leasehold improvements, and completion of accounts payable. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash

Cash balances are held in multiple accounts with one Credit Union and bear interest from 2.90% to 3.10% (2025 - 3.00% to 5.00%) calculated daily and paid monthly.

Restricted cash of $2,116,447 (2025 - $1,990,110) represents amounts to be used to provide loans in the future under various loan funds.

3. Short-term Investments

	2026	2025
Investments	$ 657,154	$ 630,547
Term deposits	657,344	749,857
	$ 1,314,498	$ 1,380,404

Investments are deposited with Community Futures Lending and Investment Pool of British Columbia according to the Cash Pooling Agreement. The investments are recorded at fair value which was $657,154 as at March 31, 2026. The carrying amount of the investments at year end was $622,102.15.

The term deposits with interest rate of 3.10% will mature in March 2027.

4. Loans Receivable

	2026	2025
Community Futures Loan Fund	$ 2,627,899	$ 2,241,360
Forest Community Business Loan Fund	320,922	178,968
Youth Entrepreneur Investment Fund	20,373	26,092
Disabled Entrepreneur Loan Fund	152,400	137,777
Regional Relief and Recovery Fund	57,978	64,431
	3,179,572	2,648,628
Accrued interest	17,965	20,618
	3,197,537	2,669,246
Allowance for impaired loans	(75,000)	-
	3,122,537	2,669,246
Current portion	616,925	469,503
	$ 2,505,612	$ 2,199,743

4. Loans Receivable (Continued)

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

Balance, beginning of year	$ -	$ 96,745
Current year provision (recovery)	61,674	(45,405)
	61,674	51,340
Loans written off (recovered)	13,326	(51,340)
Balance, end of year	$ 75,000	$ -

Client loans can either have a variable rate or a fixed rate of interest with terms of up to five years and are repayable in monthly blended payments of principal and interest.

Included in the Community Futures Investment Loan Fund is 1 loan over $150,000 totaling $163,000.

With the exception of certain loans in the Youth Entrepreneur Investment Fund, variable rate loans are based on an increment to the prime rate, ranging from prime plus 2.00% to prime plus 4.45% (2025 - prime plus 2.00% to prime plus 4.75%). The applicable rate is determined by the client's credit worthiness and security. The Corporation uses the Central 1 Credit Union's prime which, at March 31, 2026, was 4.45% (2025 - 4.95%). Certain loans in the Youth Entrepreneur Investment Fund are charged an upfront fee in lieu of interest.

The average interest rate offered on fixed rate loans, being advanced as at March 31, 2026, is 6.90%. (2025 - 6.90%). The rate offered to a client is determined based on the term of the loan, type of security offered and the client's credit worthiness.

4. Loans Receivable (Continued)

RRRF Loans:

The RRRF loans were provided to businesses with up to $60,000 each to finance qualifying expenses during COVID. The loans are non-interest bearing with no scheduled payments until December 31, 2026. If the balance of the loan has been repaid by that date, 25% of the first $40,000 and 50% of amounts above $40,000 and up to $60,000 will be forgiven. If the full amount of the loan payments have not been made by December 31, 2026, the full outstanding balance of the loan will be converted to a 5% interest bearing loan to be repaid in monthly installments over a two year period ending December 31, 2028.

As the Corporation records financial assets at fair value at inception, the loans receivable are presented net of the forgivable portion totaling $nil (2025 - $nil).

Their loans were financed via the conditionally repayable loan from Community Futures British Columbia (Note 9).

5. Equipment and Leasehold Improvements

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	$ 29,850	$ 17,628	$ 34,363	$ 16,376
Computer software	23,824	23,824	23,824	23,824
Equipment and furniture	33,426	31,223	33,748	30,951
Leasehold improvements	39,428	36,654	39,428	35,960
	$ 126,528	$ 109,329	$ 131,363	$ 107,111
Net book value		$ 17,199		$ 24,252

6. Investment in Subsidiary

	2026	2025
Future Shuswap Holdings Ltd. - 100% of shares issued	$ 1	$ 1
Advances to Future Shuswap Holdings Ltd.	157,174	133,048
Accumulated share of income (Note 15)	109,944	114,974
	$ 267,119	$ 248,023

7. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is $7,697 (2025 - $8,150) in government remittances.

8. Deferred Revenues

Deferred revenues consist of funds specifically received for capital assets and operations. Funds received for capital assets are taken into income on the same basis as the amortization of the related capital assets.

The Corporation received $450,000 non-repayable contributions from recovered RRRF funds to investment fund with PacifiCan. As of March 31, 2026, $nil has been used.

Funds received for operations are for Pacifican or projects but are not yet earned. The balance is comprised as follows:

	2025			2026
	Opening balance	Contributions received	Revenue Recognized	Ending Balance
COVID Relief	$ 8,284	$ -	$ -	$ 8,284
ETSI Funding	-	20,000	(19,358)	642
Intern Funding	14,533	-	(14,533)	-
Pathways Project	-	33,300	(850)	32,450
RRRF Admin Management	7,020	-	(7,020)	-
RCIP program	50,024	-	(50,024)	-
	$ 79,861	$ 53,300	$ (91,785)	$ 41,376

9. Contributions Repayable

a) The Government of Canada, Pacifican, has made contributions totaling $200,000 to the Youth Entrepreneur Investment Fund. The repayable loan has been adjusted to $200,000 (2025 - $200,000) by the amount of interest revenue earned, net of any bad debts expensed.

b) The Government of Canada, Pacifican, has made contributions totaling $200,000 to the Disabled Entrepreneur Loan Fund. The repayable loan has been adjusted to $200,000 (2025 - $200,000) by the amount of interest revenue earned, net of any bad debts expensed.

Under the agreement with the Government of Canada, these investment funds are conditionally repayable in the event that any of the following conditions occur: 1) the funds are not administered according to the terms and conditions specified in the agreement; 2) the funds are not providing a satisfactory level of benefits in terms of employment creation, the development of community-owned or controlled businesses, and strengthening of the western Canadian economy; 3) in the opinion of the Minister, the funds are no longer necessary or relevant to the development of the western Canadian economy; 4) the agreement is terminated per the termination specifications in the agreement; 5) an event of default occurs as described in the agreement; or 6) the Minister does not approve terms and conditions to extend the project beyond March 31, 2026.

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

Based on condition (4) above, the investment funds have been classified as current. However, as at March 31, 2026, the Minister has approved terms and conditions to extend the project until March 31, 2028. It is management's position that none of the other conditions existed as at the year ended March 31, 2026.

9. Contributions Repayable (Continued)

c) The Corporation received $1,178,807 in funding from Community Futures British Columbia to provide RRRF loans. To the extent that this amount has not been used to fund loans, any unused funds are to be returned to Community Futures British Columbia. At March 31, 2026, there is $58,851 on hand to be repaid.

As of March 31, 2026, $57,978 (2025 - $64,431) has been used to fund RRRF loans, net of amounts repaid to-date. The balance due to Community Futures British Columbia is non-interest bearing with no payments due until after December 31, 2026. Any loan payments received to that date will be remitted in a lump sum payment to Community Futures British Columbia. After that time, the remaining loan continues to be non-interest bearing and will be repayable in monthly installments over a two year period ending December 31, 2028. The balance to be repaid will be reduced to the extent that the loans receivable are forgiven (Note 4) and by any loans that are not collectible and costs associated with attempts to collect loans in arrears. It is anticipated that a portion of the RRRF loans advanced will be repaid by December 31, 2028.

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

10. Administration Costs

The Administration and Projects Fund charges the other funds administration fees as follows:

	2026	2025
Forest Community Business Loan Fund	$ 10,135	$ 14,056

11. Commitments

The Corporation has a lease commitment with Future Shuswap Holdings Ltd., a party under common control, for the lease of office space. Minimum annual payments are $26,400 (not including triple net charges), expiring March 2028 (see Note 14). The corporation is currently in discussion with Future Shuswap Holdings Ltd. for renewal.

12. Contingent Liability

The Corporation has guaranteed the long-term debt of Future Shuswap Holdings Ltd., in the event of default, in the amount of $238,000. Future Shuswap Holdings Ltd. loan matures February 2027. The amount of the loan at March 31, 2026 is $32,056 (2025 - $49,909).

13. Economic Dependence

The Corporation received 51% (2025 - 38%) of its operating revenue from the federal and provincial governments and is economically dependent upon them for its continuation.

14. Related Party Transactions

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

	2026	2025
Rental expense - Future Shuswap Holdings Ltd.	$ 37,020	$ 37,020

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

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

Advances - Future Shuswap Holdings Ltd.	$ 157,174	$ 133,048

15. Controlled Organization Not Consolidated

Community Futures Development Corporation of the Shuswap controls Future Shuswap Holdings Ltd., a wholly-owned subsidiary. Future Shuswap Holdings Ltd. was incorporated October 11, 2005 to acquire a building in Salmon Arm, BC which, in turn, is rented to Community Futures Development Corporation of the Shuswap to carry out its operations. The Corporation is a not-for-profit organization and is not subject to income tax.

Future Shuswap Holdings Ltd. has been accounted for under the equity method in the financial statements of Community Futures Development Corporation of the Shuswap. Unaudited financial statements of Future Shuswap Holdings Ltd. are available on request. Financial summaries of this unconsolidated entity as at March 31, 2026, and for the year then ended, are as follows:

	2026	2025
	(Unaudited)	(Unaudited)
Financial Position		
Current assets	$ 20,872	$ 12,548
Property, building and equipment	281,574	287,492
	$ 302,446	$ 300,040
Current liabilities	$ 21,271	$ 21,009
Long-term liabilities	171,231	164,057
Net assets	109,944	114,974
	$ 302,446	$ 300,040

	2026	2025
	(Unaudited)	(Unaudited)
Operations		
Revenues	$ 49,320	$ 48,720
Expenses	54,350	52,050
Net income for the year	$ (5,030)	$ (3,330)
Cash Flows		
Operating activities	$ 3,287	$ 5,896
Net decrease in investing activity	-	(6,171)
Net decrease in long-term debt	(16,852)	(15,927)
Net increase in due to related party	24,127	10,005
Decrease in cash, during the year	10,562	(6,197)
Cash, beginning of year	4,294	10,491
Cash, end of year	$ 14,856	$ 4,294

16. Financial Instrument Risk

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk arising from its loans receivables.

Liquidity Risk

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

Community Futures Development Corporation of the Shuswap
Community Futures Loan Fund
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash - restricted	$ 1,585,627	$ 1,407,505
Short-term investment (Note 3)	1,214,225	1,173,922
Accounts receivable	14,221	1,712
	2,814,073	2,583,139
Loans receivable (Note 4)	2,568,417	2,257,848
	$ 5,382,490	$ 4,840,987
Liabilities and Surplus		
Restricted surplus	$ 5,382,490	$ 4,840,987

Community Futures Development Corporation of the Shuswap
Community Futures Loan Fund
Statement of Financial Activities

For the year ended March 31	2026	2025
Revenues		
Government Funding	$ 450,000	$ -
Interest - loans	179,065	196,406
Interest - deposits	68,203	71,656
Interest recovered - Forest Community Business Loan Fund	10,135	14,056
	707,403	282,118
Expenses		
Bad debts (recovery)	61,674	(59,674)
Unrealized gain on investments	4,314	(22,793)
	65,988	(82,467)
Excess of revenues over expenses	641,415	364,585
Transfer to the Administration Fund	(99,912)	(80,908)
	541,503	283,677
Surplus, beginning of year	4,840,987	4,557,310
Surplus, end of year	$ 5,382,490	$ 4,840,987

Community Futures Development Corporation of the Shuswap
Forest Community Business Loan Fund
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash - restricted (Note 2)	$ 250,495	$ 390,347
Loans receivable (Note 4)	322,107	182,255
	$ 572,602	$ 572,602
Liabilities and Surplus		
Restricted surplus	$ 572,602	$ 572,602

Community Futures Development Corporation of the Shuswap
Forest Community Business Loan Fund
Statement of Financial Activities

For the year ended March 31	2026	2025
Revenues		
Interest - loans	$ 17,403	$ 19,227
Interest - deposits	2,867	8,885
	20,270	28,112
Expenses		
Administration (Note 10)	10,135	14,056
Interest recovery paid to Community Futures Loan Fund	10,135	14,056
	20,270	28,112
Excess of revenues over expenses	-	-
Surplus, beginning of year	572,602	572,602
Surplus, end of year	$ 572,602	$ 572,602

Community Futures Development Corporation of the Shuswap
Youth Entrepreneur Investment Fund
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash - restricted (Note 2)	$ 110,405	$ 104,776
Short-term investment	100,273	97,808
Accounts receivable	2,560	308
Due from Administration and Projects Fund	933	18
	214,171	202,910
Loans receivable (Note 4)	20,373	26,092
	$ 234,544	$ 229,002
Liabilities and Surplus		
Contributions repayable (Note 9(a))	$ 200,000	$ 200,000
Restricted surplus	34,544	29,002
	$ 234,544	$ 229,002

Community Futures Development Corporation of the Shuswap
Youth Entrepreneur Investment Fund
Statement of Financial Activities

For the year ended March 31	2026	2025
Revenues		
Interest - deposits	$ 5,542	$ 7,082
Excess of revenues over expenses	5,542	7,082
Surplus, beginning of year	29,002	21,920
Surplus, end of year	$ 34,544	$ 29,002

Community Futures Development Corporation of the Shuswap
Disabled Entrepreneur Loan Fund
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash - restricted (Note 2)	$ 127,281	$ 47,200
Short-term investment	-	108,675
Accounts receivable	-	342
	127,281	156,217
Loans receivable (Note 4)	153,286	138,310
	$ 280,567	$ 294,527
Liabilities and Surplus		
Due to Administration and Projects Fund	$ -	$ 30,000
Contributions repayable (Note 9(b))	200,000	200,000
Restricted surplus	80,567	64,527
	$ 280,567	$ 294,527

Community Futures Development Corporation of the Shuswap
Disabled Entrepreneur Loan Fund
Statement of Financial Activities

For the year ended March 31	2026	2025
Revenues		
Interest - loans	$ 13,098	$ 14,557
Interest - deposits	2,942	5,836
	16,040	20,393
Expenses		
Bad debt (recovery)	-	(1,257)
Excess (deficiency) of revenues over expenses	16,040	21,650
Surplus, beginning of year	64,527	42,877
Surplus, end of year	$ 80,567	$ 64,527

Community Futures Development Corporation of the Shuswap
Regional Relief and Recovery Fund
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash - restricted (Note 2)	$ 42,654	$ 40,297
Loans receivable (Note 4)	58,358	64,742
	$ 101,012	$ 105,039
Liabilities and Surplus		
Current		
Due to Administration and Projects Fund	$ 42,161	$ 32,026
Current portion of deferred revenue (Note 8)	-	7,020
	42,161	39,046
Contributions repayable (Note 9(c))	58,851	65,993
	$ 101,012	$ 105,039

Community Futures Development Corporation of the Shuswap
Regional Relief and Recovery Fund
Statement of Financial Activities

For the year ended March 31	2026	2025
Revenues		
RRRF operating	$ 8,112	$ 10,195
Interest - loans	3,120	16,546
	11,232	26,741
Expenses		
Bad debt (recovery)	-	15,526
RRRF operating	1,092	835
Excess (deficiency) of revenues over expenses	10,140	10,380
Transfer to the Administration Fund	(10,140)	(10,380)
Surplus, end of year	$ -	$ -

Community Futures Development Corporation of the Shuswap
Administration and Projects Fund
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash - unrestricted (Note 2)	$ 198,651	$ 366,311
Accounts receivable	54,859	10,441
Prepaid expenses	8,757	10,418
Due from other funds	42,161	62,026
	304,428	449,196
Equipment and leasehold improvements (Note 5)	17,198	24,252
Investment in subsidiary (Note 6)	267,118	248,023
	$ 588,744	$ 721,471
Liabilities, Project Reserve and Surplus		
Current		
Accounts payable and accrued liabilities	$ 126,036	$ 153,341
Current portion of deferred revenue (Note 8)	42,311	67,919
	168,347	221,260
	168,347	221,260
Unrestricted surplus	420,397	500,211
	$ 588,744	$ 721,471

Community Futures Development Corporation of the Shuswap
Administration and Projects Fund
Statement of Financial Activities

For the year ended March 31	2026	2025
Revenues		
Government funding	$ 292,966	$ 292,964
Administration recovery	12,196	16,160
Interest - deposits	2,437	7,816
Other revenue	130,952	69,787
Project revenue	8,050	51,598
Self-employment revenue	17,478	8,107
Loan administration revenue	11,357	10,898
	475,436	457,330
Expenses (Schedule)	659,189	556,986
Loss on disposal of equipment	1,083	1,323
Deficiency of revenues over expenses	(184,836)	(100,979)
Income in wholly-owned subsidiary (Note 15)	(5,030)	(3,330)
Deficiency of revenues over expenses	(189,866)	(104,309)
Transfer from Community Futures Loan Fund	99,912	80,908
Transfer from RRRF Fund	10,140	10,380
	(79,814)	(13,021)
Unrestricted surplus, beginning of year	500,211	513,232
Unrestricted surplus, end of year	$ 420,397	$ 500,211

Community Futures Development Corporation of the Shuswap
Schedule 1 - Administration and Projects Expenses

For the year ended March 31	2026	2025
Administration	$ 969	$ 1,269
Advertising and promotion	65,061	30,745
Amortization	6,483	9,971
Board and committee expense	5,665	1,923
Conference expense	7,539	7,246
Consulting fees	28,952	7,929
Insurance	6,736	6,664
Interest and bank charges	354	307
Loan administration expenses	2,703	2,750
Materials and supplies	5,722	6,278
Professional fees	27,051	26,126
Project expense	7,136	51,598
Property taxes	12,000	11,400
Rent	39,194	39,194
Staff education	5,656	1,099
Subscription and memberships	1,806	1,820
Telephone	6,149	6,329
Travel	22,535	9,956
Utilities and maintenance	29,066	21,448
Wages and benefits	378,412	312,934
	$ 659,189	$ 556,986