

**Community Futures Development  
Corporation of the Shuswap  
Client Information Package  
For the Year Ended March 31, 2024**

**Contact Information**

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**Community Futures Development Corporation of the Shuswap**  
**Non-Consolidated Financial Statements**  
**For the Year Ended March 31, 2024**

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## Independent Auditor's Report

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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, 2024, 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, 2024, 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.



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*

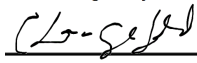
Chartered Professional Accountants

Salmon Arm, British Columbia  
June 19, 2024

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

March 31	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash - restricted (Note 2)	\$ 1,780,080	\$ 1,912,657
Cash - unrestricted (Note 2)	348,054	264,572
Accounts receivable	47,380	9,582
Short-term investments (Note 3)	590,803	1,447,378
Prepaid expenses	6,635	12,603
Current portion of loans receivable (Note 5)	472,044	620,717
	3,244,996	4,267,509
Long-term investments (Note 4)	714,150	-
Loans receivable (Note 5)	2,431,331	2,246,187
Equipment and leasehold improvements (Note 6)	14,272	16,583
Investment in subsidiary (Note 7)	241,348	211,371
	\$ 6,646,097	\$ 6,741,650
<b>Liabilities, Project Reserve and Surplus</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 109,638	\$ 78,784
Deferred revenue (Note 9)	93,648	70,412
Contributions repayable (Note 10)	400,000	400,000
	603,286	549,196
Deferred revenue (Note 9)	7,020	16,380
Contributions repayable (Note 10)	327,851	849,121
	938,157	1,414,697
<b>Net Assets</b>		
Invested in capital assets	14,271	16,583
Restricted	5,194,708	4,942,724
Unrestricted	498,961	367,646
	5,707,940	5,326,953
	\$ 6,646,097	\$ 6,741,650

Approved on behalf of the Board:

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Director

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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	2024	2023
<b>Balance, beginning of year</b>	\$ 16,583	\$ 367,646	\$ 4,942,724	<b>\$5,326,953</b>	\$ 5,048,902
Excess (deficiency) of revenues over expenses	(4,876)	29,725	356,138	<b>380,987</b>	278,051
Investment in capital assets	2,564	(2,564)	-	-	-
Transfer to (from) unrestricted fund	-	104,154	(104,154)	-	-
<b>Balance, end of year</b>	<b>\$ 14,271</b>	<b>\$ 498,961</b>	<b>\$ 5,194,708</b>	<b>\$5,707,940</b>	<b>\$ 5,326,953</b>

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**

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Government funding	\$ 342,968	\$ 292,966
Interest earned - loans	234,656	176,934
Interest earned - deposits	142,775	117,038
Project revenue	1,153	4,691
Self-employment revenue	39,221	2,639
Other revenue	112,704	61,341
Loan administration revenue	38,930	24,550
	<u>912,407</u>	<u>680,159</u>
<b>Expenses</b>		
Administration and projects (Schedule)	531,086	469,540
Bad debts (recovery)	14,665	(66,751)
Unrealized (gain) loss on investments	(11,243)	6,466
Loss on disposal of equipment	16	29
	<u>534,524</u>	<u>409,284</u>
<b>Excess of revenues over expenses from operations</b>	<b>377,883</b>	<b>270,875</b>
<b>Income in wholly-owned subsidiary (Note 16)</b>	<b>3,104</b>	<b>7,176</b>
	<u>380,987</u>	<u>278,051</u>
<b>Excess of revenues over expenses</b>	<b>380,987</b>	<b>278,051</b>
<b>Surplus, beginning of year</b>	<b>5,326,953</b>	<b>5,048,902</b>
	<u>5,707,940</u>	<u>5,326,953</u>
<b>Surplus, end of year</b>	<b>\$ 5,707,940</b>	<b>\$ 5,326,953</b>

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

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

For the year ended March 31	2024	2023
<b>Cash flows from operating activities</b>		
Cash received from governments and other sources	\$ 549,017	\$ 422,394
Cash paid to suppliers and employees	(569,542)	(517,765)
Interest received	362,100	288,742
Decrease in long-term loans receivable	(544,155)	(18,399)
	(202,580)	174,972
<b>Cash flows from investing activities</b>		
Purchase of equipment and leasehold improvements	(2,564)	(5,032)
Proceeds on disposal of temporary investments	890,000	-
Purchase of long-term investments	(714,150)	(890,000)
Reinvestment of interest in temporary investments	(19,801)	(18,667)
	153,485	(913,699)
<b>Decrease in cash during the year</b>	(49,095)	(738,727)
<b>Cash, beginning of year</b>	2,177,229	2,915,956
<b>Cash, end of year</b>	\$ 2,128,134	\$ 2,177,229
<b>Represented by:</b>		
Cash - restricted (investment funds)	\$ 1,780,080	\$ 1,912,657
Cash - unrestricted (administration)	348,054	264,572
	\$ 2,128,134	\$ 2,177,229

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



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## Community Futures Development Corporation of the Shuswap Notes to Non-Consolidated Financial Statements

March 31, 2024

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### 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 10).

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 10). 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.

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# Community Futures Development Corporation of the Shuswap

## Notes to Non-Consolidated Financial Statements

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March 31, 2024

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### 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.

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# Community Futures Development Corporation of the Shuswap

## Notes to Non-Consolidated Financial Statements

March 31, 2024

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### 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.

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## Community Futures Development Corporation of the Shuswap

### Notes to Non-Consolidated Financial Statements

March 31, 2024

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#### 2. Cash

Cash balances are held in multiple accounts with one Credit Union and bear interest from 3.20% to 5.20% (2023 - 0.20% to 5.20%) calculated daily and paid monthly.

Restricted cash of \$1,780,080 (2023 - \$1,912,657) represents amounts to be used to provide loans in the future under various loan funds.

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#### 3. Short-term Investments

	<u>2024</u>	<u>2023</u>
Investments	\$ 590,803	\$ 557,378
Term deposits	-	890,000
	<u>\$ 590,803</u>	<u>\$ 1,447,378</u>

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 \$590,803 as at March 31, 2024. The carrying amount of the investments at year end was \$574,231.

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#### 4. Long-term Investments

	<u>2024</u>	<u>2023</u>
Term deposits	\$ 714,150	\$ -

The term deposits bear interest at 5.00% and matures in September 2025.

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**Community Futures Development Corporation of the Shuswap**  
**Notes to Non-Consolidated Financial Statements**

**March 31, 2024**

**5. Loans Receivable**

	2024	2023
Community Futures Loan Fund	\$ 2,405,941	\$ 2,066,511
Forest Community Business Loan Fund	46,919	27,800
Youth Entrepreneur Investment Fund	27,932	19,039
Disabled Entrepreneur Loan Fund	163,635	26,553
Regional Relief and Recovery Fund	327,789	1,128,931
Write-down to fair value - forgivable portion of RRRF	-	(319,503)
	2,972,216	2,949,331
Accrued interest	27,904	12,573
	3,000,120	2,961,904
Allowance for impaired loans	(96,745)	(95,000)
	2,903,375	2,866,904
Current portion	472,044	620,717
	\$ 2,431,331	\$ 2,246,187

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

Balance, beginning of year	\$ 95,000	\$ 161,348
Current year provision (recovery)	14,665	(66,751)
	109,665	94,597
Loans written off (recovered)	(12,920)	403
	\$ 96,745	\$ 95,000

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 are 3 loans over \$150,000 totaling \$682,027.

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 7.00% (2023 - prime plus 2.00% to prime plus 7.00%). 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, 2024, was 7.20% (2023 - 6.70%). 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, 2024, is 5.75%. (2023 - 6.42%). 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.

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## Community Futures Development Corporation of the Shuswap

### Notes to Non-Consolidated Financial Statements

March 31, 2024

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#### 5. 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, 2025. 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, 2025, 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, 2026. It is anticipated that a portion of the RRRF loans advanced will be repaid by December 31, 2025, however, because the entity has no way of anticipating what amount will get repaid, the RRRF amount presented as current was calculated using the assumption that all RRRF loans advanced would convert to 2-year loans as of January 19, 2024 and would mature by December 31, 2026.

As the Corporation records financial assets at fair value at inception, the loans receivable are presented net of the forgivable portion totaling \$nil (2023 - \$319,503).

Their loans were financed via the conditionally repayable loan from Community Futures British Columbia (Note 10).

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#### 6. Equipment and Leasehold Improvements

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	\$ 31,594	\$ 24,360	\$ 29,817	\$ 21,259
Computer software	23,128	23,128	23,128	23,128
Equipment and furniture	33,451	30,748	33,352	30,746
Leasehold improvements	39,428	35,093	39,428	34,009
	<b>\$ 127,601</b>	<b>\$ 113,329</b>	<b>\$ 125,725</b>	<b>\$ 109,142</b>
Net book value		<b>\$ 14,272</b>		<b>\$ 16,583</b>

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#### 7. Investment in Subsidiary

	2024	2023
Future Shuswap Holdings Ltd. - 100% of shares issued	\$ 1	\$ 1
Advances to Future Shuswap Holdings Ltd.	123,043	96,169
Accumulated share of income (Note 16)	118,304	115,201
	<b>\$ 241,348</b>	<b>\$ 211,371</b>

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**Community Futures Development Corporation of the Shuswap**  
**Notes to Non-Consolidated Financial Statements**

**March 31, 2024**

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**8. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities is \$6,685 (2023 - \$8,131) in government remittances.

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**9. Deferred Revenues**

Deferred revenues consist of funds specifically received for capital assets and operations. Funds received for capital assets are taken into income on the same basis as the amortization of the related capital assets. Funds received for operations are for Pacifican or projects but are not yet earned. The balance is comprised as follows:

	2023		2024	
	Opening balance	Contributions received	Revenue Recognized	Ending Balance
Indigenous Tourism Strategy Implementation	\$ 52,745	\$ -	\$ (1,153)	\$ 51,592
COVID Relief	8,307	-	(23)	8,284
Pacifican	-	367,380	(342,968)	24,412
RRRF Admin Management	25,740	-	(9,360)	16,380
	<b>\$ 86,792</b>	<b>\$ 367,380</b>	<b>\$ (353,504)</b>	<b>\$ 100,668</b>

The current portion of deferred revenue is \$ 93,648 (2023 - \$ 70,412).

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## Community Futures Development Corporation of the Shuswap Notes to Non-Consolidated Financial Statements

March 31, 2024

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### 10. 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 (2023 - \$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 (2023 - \$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, 2024.

Upon notice by the Minister, the Corporation agrees to immediately: 1) repay the lesser 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, 2024, the Minister has approved terms and conditions to extend the project until March 31, 2027. It is management's position that none of the other conditions existed as at the year ended March 31, 2024.



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**Community Futures Development Corporation of the Shuswap  
Notes to Non-Consolidated Financial Statements**

**March 31, 2024**

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**10. 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, 2024, there is no unused balance on hand to be repaid.

As of March 31, 2024, \$327,789 (2023 - \$1,128,931) 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, 2025. 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, 2025. The balance to be repaid will be reduced to the extent that the loans receivable are forgiven (Note 5) 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, 2025, however, because the entity has no way of anticipating what amount will get repaid, the RRRF loan amount presented as current was calculated using the assumption that all RRRF loans advanced would convert to 2 year loans as of January 19, 2024 and would mature by December 31, 2026.

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.

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**Community Futures Development Corporation of the Shuswap  
Notes to Non-Consolidated Financial Statements**

**March 31, 2024**

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**11. Administration Costs**

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

	<u>2024</u>	<u>2023</u>
Forest Community Business Loan Fund	<u>\$ 15,090</u>	<u>\$ 13,315</u>

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**12. 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 \$19,620 (not including triple net charges), expiring March 2025 (see Note 15).

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**13. 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 2026. The amount of the loan at March 31, 2024 is \$64,835 (2023 - \$79,615).

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**14. Economic Dependence**

The Corporation received 38% (2023 - 45%) of its operating revenue from the federal and provincial governments and is economically dependent upon them for its continuation.

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**15. Related Party Transactions**

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

	<u>2024</u>	<u>2023</u>
Rental expense - Future Shuswap Holdings Ltd.	<u>\$ 37,020</u>	<u>\$ 35,400</u>

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.	<u>\$ 123,043</u>	<u>\$ 96,169</u>
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**Community Futures Development Corporation of the Shuswap  
Notes to Non-Consolidated Financial Statements**

**March 31, 2024**

**16. 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, 2024, and for the year then ended, are as follows:

	2024	2023
	(Unaudited)	(Unaudited)
<b>Financial Position</b>		
Current assets	\$ 15,399	\$ 9,284
Property, building and equipment	293,664	287,207
	\$ 309,063	\$ 296,491
Current liabilities	\$ 18,781	\$ 21,205
Long-term liabilities	171,978	160,084
Net assets	118,304	115,202
	\$ 309,063	\$ 296,491
	2024	2023
	(Unaudited)	(Unaudited)
<b>Operations</b>		
Revenues	\$ 37,020	\$ 35,400
Expenses	33,916	28,224
Net income for the year	\$ 3,104	\$ 7,176
<b>Cash Flows</b>		
Operating activities	\$ 5,851	\$ 16,800
Net decrease in investing activity	(12,629)	-
Net decrease in long-term debt	(14,780)	(14,670)
Net increase in due to related party	26,874	433
Decrease in cash, during the year	5,316	2,563
Cash, beginning of year	5,175	2,612
Cash, end of year	\$ 10,491	\$ 5,175

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**Community Futures Development Corporation of the Shuswap  
Notes to Non-Consolidated Financial Statements**

**March 31, 2024**

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**17. 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.

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

<b>March 31</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash - restricted (Note 2)	\$ 1,104,396	\$ 1,279,920
Short-term investment (Note 3)	590,803	1,057,378
Accounts receivable	1,560	-
	<u>1,696,759</u>	<u>2,337,298</u>
Long-term investment (Note 4)	517,500	-
Loans receivable (Note 5)	<u>2,343,051</u>	<u>1,982,920</u>
	<u>\$ 4,557,310</u>	<u>\$ 4,320,218</u>
<b>Liabilities and Surplus</b>		
Restricted surplus	<u>\$ 4,557,310</u>	<u>\$ 4,320,218</u>

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

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Interest - loans	\$ 212,799	\$ 161,450
Interest - deposits	93,939	78,398
Interest recovered - Forest Community Business Loan Fund	15,090	13,315
	<u>321,828</u>	253,163
<b>Expenses</b>		
Bad debts (recovery)	4,112	(66,348)
Unrealized gain on investments	(11,243)	6,466
	<u>(7,131)</u>	(59,882)
<b>Excess of revenues over expenses</b>	<b>328,959</b>	<b>313,045</b>
<b>Transfer to the Administration Fund</b>	<b>(91,867)</b>	<b>(76,354)</b>
	<u>237,092</u>	236,691
<b>Surplus, beginning of year</b>	<b>4,320,218</b>	<b>4,083,527</b>
<b>Surplus, end of year</b>	<b>\$ 4,557,310</b>	<b>\$ 4,320,218</b>

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

<b>March 31</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash - restricted (Note 2)	\$ 525,424	\$ 344,327
Short-term investment	-	200,000
	<u>525,424</u>	<u>544,327</u>
Loans receivable (Note 5)	<u>47,178</u>	<u>28,275</u>
	<u>\$ 572,602</u>	<u>\$ 572,602</u>
<b>Liabilities and Surplus</b>		
Restricted surplus	<u>\$ 572,602</u>	<u>\$ 572,602</u>

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

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Interest - loans	\$ 10,831	\$ 11,259
Interest - deposits	<u>19,349</u>	<u>15,371</u>
	<u>30,180</u>	<u>26,630</u>
<b>Expenses</b>		
Administration (Note 11)	15,090	13,315
Interest recovery paid to Community Futures Loan Fund	<u>15,090</u>	<u>13,315</u>
	<u>30,180</u>	<u>26,630</u>
<b>Excess of revenues over expenses</b>	-	-
<b>Surplus, beginning of year</b>	<u>572,602</u>	<u>572,602</u>
<b>Surplus, end of year</b>	<u>\$ 572,602</u>	<u>\$ 572,602</u>



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

March 31	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash - restricted (Note 2)	\$ 100,539	\$ 104,231
Short-term investment	-	\$ 90,000
Accounts receivable	281	-
Due from Administration and Projects Fund	17	-
	100,837	194,231
Long-term investment (Note 4)	93,150	-
Loans receivable (Note 5)	27,933	19,231
	\$ 221,920	\$ 213,462
<b>Liabilities and Surplus</b>		
Contributions repayable (Note 10(a))	\$ 200,000	\$ 200,000
Restricted surplus	21,920	13,462
	\$ 221,920	\$ 213,462

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

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Interest - loans	\$ 81	\$ 941
Interest - deposits	<u>8,377</u>	<u>6,218</u>
<b>Excess of revenues over expenses</b>	<b>8,458</b>	<b>7,159</b>
<b>Surplus, beginning of year</b>	<u><b>13,462</b></u>	<u><b>6,303</b></u>
<b>Surplus, end of year</b>	<u><b>\$ 21,920</b></u>	<u><b>\$ 13,462</b></u>

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

March 31	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash - restricted (Note 2)	\$ 14,349	\$ 109,392
Short-term investment	-	100,000
Accounts receivable	312	-
	<u>14,661</u>	<u>209,392</u>
Long-term investment (Note 4)	103,500	-
Loans receivable (Note 5)	154,716	27,050
	<u>\$ 272,877</u>	<u>\$ 236,442</u>
<b>Liabilities and Surplus</b>		
Due to Administration and Projects Fund	\$ 30,000	\$ -
Contributions repayable (Note 10(b))	200,000	200,000
Restricted surplus	42,877	36,442
	<u>\$ 272,877</u>	<u>\$ 236,442</u>

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

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Interest - loans	\$ 8,019	\$ 3,284
Interest - deposits	<u>8,969</u>	<u>6,347</u>
	<b>16,988</b>	<b>9,631</b>
<b>Expenses</b>		
Bad debt (recovery)	<u>10,553</u>	<u>(403)</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>6,435</b>	<b>10,034</b>
<b>Surplus, beginning of year</b>	<u><b>36,442</b></u>	<u><b>26,408</b></u>
<b>Surplus, end of year</b>	<u><b>\$ 42,877</b></u>	<u><b>\$ 36,442</b></u>

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

<b>March 31</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash - restricted (Note 2)	\$ 35,381	\$ 74,793
Loans receivable (Note 5)	330,496	1,128,931
Fair value adjustment for forgivable portion of loans	-	(319,503)
	<u>\$ 365,877</u>	<u>\$ 884,221</u>
<b>Liabilities and Surplus</b>		
<b>Current</b>		
Due to Administration and Projects Fund	\$ 21,646	\$ 9,360
Current portion of deferred revenue (Note 9)	9,360	9,360
	<u>31,006</u>	<u>18,720</u>
Deferred revenues (Note 9)	7,020	16,380
Contributions repayable (Note 10(c))	327,851	849,121
	<u>\$ 365,877</u>	<u>\$ 884,221</u>

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

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
RRRF operating	\$ 17,703	\$ 13,560
Interest - loans	2,925	-
	<u>20,628</u>	<u>13,560</u>
<b>Expenses</b>		
RRRF operating	<u>8,342</u>	4,200
<b>Excess (deficiency) of revenues over expenses</b>	<b>12,286</b>	<b>9,360</b>
<b>Transfer to the Administration Fund</b>	<u>(12,286)</u>	<u>(9,360)</u>
<b>Surplus, end of year</b>	<u>\$ -</u>	<u>\$ -</u>

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

March 31	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash - unrestricted (Note 2)	\$ 348,054	\$ 264,572
Accounts receivable	45,227	9,582
Prepaid expenses	6,635	12,603
Due from other funds	51,646	9,360
	<u>451,562</u>	<u>296,117</u>
Equipment and leasehold improvements (Note 6)	14,272	16,583
Investment in subsidiary (Note 7)	241,348	211,371
	<u>\$ 707,182</u>	<u>\$ 524,071</u>
<b>Liabilities, Project Reserve and Surplus</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 109,662	\$ 78,790
Current portion of deferred revenue (Note 9)	84,288	44,672
	<u>193,950</u>	<u>123,462</u>
Deferred revenues (Note 9)	-	16,380
	<u>193,950</u>	<u>139,842</u>
Unrestricted surplus	513,232	384,229
	<u>\$ 707,182</u>	<u>\$ 524,071</u>

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

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Government funding	\$ 342,968	\$ 292,966
Administration recovery	24,753	17,388
Interest - deposits	12,142	10,704
Other revenue	111,383	57,268
Project revenue	1,153	4,691
Self-employment revenue	39,221	2,639
Loan administration revenue	21,228	15,190
	<u>552,848</u>	400,846
<b>Expenses (Schedule)</b>	<b>531,086</b>	<b>469,540</b>
Loss on disposal of equipment	16	29
	<u>21,746</u>	(68,723)
<b>Deficiency of revenues over expenses</b>	<b>21,746</b>	<b>(68,723)</b>
<b>Income in wholly-owned subsidiary (Note 16)</b>	<b>3,104</b>	<b>7,176</b>
	<u>24,850</u>	(61,547)
<b>Deficiency of revenues over expenses</b>	<b>24,850</b>	<b>(61,547)</b>
Transfer from Community Futures Loan Fund	91,867	76,354
Transfer from RRRF Fund	12,286	9,360
	<u>129,003</u>	24,167
<b>Unrestricted surplus, beginning of year</b>	<b>384,229</b>	<b>360,062</b>
<b>Unrestricted surplus, end of year</b>	<b>\$ 513,232</b>	<b>\$ 384,229</b>



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

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
Administration	\$ 1,321	\$ 1,522
Advertising and promotion	33,330	26,229
Amortization	4,861	5,675
Board and committee expense	2,246	2,446
Conference expense	14,707	8,764
Consulting fees	14,257	7,103
Insurance	6,262	5,870
Interest and bank charges	634	642
Loan administration expenses	10,401	5,357
Materials and supplies	4,289	4,622
Professional fees	22,938	22,510
Project expense	1,406	4,689
Property taxes	9,000	9,000
Rent	29,894	26,400
Staff education	-	7,464
Subscription and memberships	1,635	1,614
Telephone	4,657	4,226
Travel	11,706	4,363
Utilities and maintenance	23,107	18,818
Wages and benefits	334,435	302,226
	<b>\$ 531,086</b>	<b>\$ 469,540</b>