

**COMMUNITY FUTURES
DEVELOPMENT CORPORATION
OF OKANAGAN SIMILKAMEEN**

**Non-Consolidated Financial Statements
March 31, 2022**

<u>Index</u>	<u>Page</u>
Independent Auditors' Report to the Directors	1 – 2
Non-Consolidated Financial Statements	
Non-Consolidated Statement of Financial Position	3
Non-Consolidated Statement of Receipts, Expenditures and Reserves	4
Non-Consolidated Statement of Cash Flows	5
Notes to Non-Consolidated Financial Statements	6 – 12
Non-Consolidated Schedule of Investment Funds – Financial Position	13
Non-Consolidated Schedule of Investment Funds – Receipts, Expenditures and Reserves	14
Non-Consolidated Schedule of Administrative and Office Expenditures	15

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF COMMUNITY FUTURES DEVELOPMENT CORPORATION OF OKANAGAN SIMILKAMEEN

Opinion

We have audited the non-consolidated financial statements of Community Futures Development Corporation of Okanagan Similkameen (the "Corporation"), which comprise:

- the non-consolidated statement of financial position as at March 31, 2022;
- the non-consolidated statement of receipts, expenditures and reserves for the year then ended;
- the non-consolidated statement of cash flows for the year then ended; and
- the 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, 2022, 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 *Auditors' Responsibilities for the Audit of the Non-Consolidated 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 the 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.

VANCOUVER

1700-475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

1

LANGLEY

600-19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO

201-1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Auditors' 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 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 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 auditors' 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 auditors' 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.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 4, 2022

VANCOUVER

1700-475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

2

LANGLEY

600-19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO

201-1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF OKANAGAN
SIMILKAMEEN**
Non-Consolidated Statement of Financial Position
March 31

	Operating Fund	Investment Funds	Total 2022	Total 2021
		(Schedule 1)		
Assets (note 8)				
Current				
Cash	\$ 87,180	\$ 4,025,869	\$ 4,113,049	\$ 3,139,856
Accounts receivable	31,992	-	31,992	27,488
Due from related party (note 12)	-	-	-	7,042
Prepaid expenses	6,509	-	6,509	6,817
	125,681	4,025,869	4,151,550	3,181,203
Loans receivable (note 6)	-	7,146,887	7,146,887	7,144,501
CFLIP investment fund	-	100,000	100,000	-
Investment in subsidiary (note 11)	1	-	1	1
	1	7,246,887	7,246,888	7,144,502
	\$ 125,682	\$ 11,272,756	\$ 11,398,438	\$ 10,325,705
Liabilities				
Current				
Accounts payable and accrued liabilities (note 5)	\$ 37,530	\$ -	\$ 37,530	\$ 33,608
Deferred income	56,739	132,200	188,939	6,706
Current portion of syndicated loans payable (note 8)	-	161,386	161,386	144,736
Inter-fund balances payable	(39)	39	-	-
	94,230	293,625	387,855	185,050
Long-term syndicated loans payable (note 8)	-	495,310	495,310	367,205
Loan payable (note 7)	-	4,392,680	4,392,680	3,796,842
	94,230	5,181,615	5,275,845	4,349,097
Reserves				
Restricted				
Restricted investment funds	-	6,091,141	6,091,141	5,943,970
Unrestricted	31,452	-	31,452	32,638
	31,452	6,091,141	6,122,593	5,976,608
	\$ 125,682	\$ 11,272,756	\$ 11,398,438	\$ 10,325,705

Commitment (note 9)

Approved on behalf of the Board:

Director

Director

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF OKANAGAN
SIMILKAMEEN**

**Non-Consolidated Statement of Receipts, Expenditures and Reserves
Year Ended March 31**

	Operating Fund	Investment Funds	Total 2022	Total 2021
		(Schedule 2)		
Receipts				
Operating contributions – Pacific Economic Development Canada (note 2)	\$ 284,306	\$ -	\$ 284,306	\$ 284,306
Operating contributions - Self Employment Program	163,877	-	163,877	105,020
Grant and membership revenue	75,632	-	75,632	-
Administration fees and other	26,794	-	26,794	89,788
Rental	19,500	-	19,500	21,325
Interest from loans	-	229,572	229,572	285,835
Interest from bank	318	4,939	5,257	5,492
Loan forgiveness – RRRF	-	33,250	33,250	-
	570,427	267,761	838,188	791,766
Expenditures				
Wages and benefits	465,588	-	465,588	375,607
Rent	52,262	-	52,262	52,915
Administration and office (schedule 3)	49,680	-	49,680	38,735
Professional fees	25,773	-	25,773	13,018
Advertising and promotion	17,310	-	17,310	7,479
Bad debts (recovery)	-	(1,299)	(1,299)	(116,172)
Interest transfers (note 10)	(39,000)	39,000	-	-
Interest on syndicated loans payable	-	49,639	49,639	42,434
Amortization	-	-	-	720
Loan forgiveness	-	33,250	33,250	-
	571,613	120,590	692,203	414,736
Excess of Receipts over Expenditures for Year	(1,186)	147,171	145,985	377,030
Reserves, Beginning of Year	32,638	5,943,970	5,976,608	5,599,578
Reserves, End of Year	\$ 31,452	\$ 6,091,141	\$ 6,122,593	\$ 5,976,608