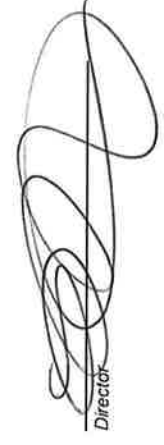


COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY
Statement of Financial Position
March 31, 2024

	Operating	Non-repayable Investment (PC)	Conditionally Repayable Invest (PC)	Conditionally Repayable EDP (PC)	RRRF Investment	Community Business Fund	2024	2023
ASSETS								
CURRENT								
Cash	\$ 340,004	\$ 9,934	\$ 213,018	\$ 148,946	\$ 349,041	\$ 218,355	\$ 1,279,298	\$ 736,789
Short term investments	149,876	-	-	-	262,746	-	412,622	359,676
Accounts receivable (Note 5)	3,952	22	-	-	-	-	3,974	13,260
Prepaid expenses	6,133	-	-	-	-	-	6,133	6,255
Pooled Asset Lending (Note 6)	-	214,824	53,706	53,706	-	214,825	537,061	516,640
	489,965	224,780	266,724	202,652	611,787	433,180	2,239,088	1,632,620
PROPERTY AND EQUIPMENT (Net) (Note 7)	46,300	-	-	-	-	-	46,300	55,790
LOANS AND NOTES RECEIVABLE (Note 8)	-	467,717	147,024	115,593	81,805	94,623	906,762	1,507,245
	\$ 546,265	\$ 692,497	\$ 413,748	\$ 318,245	\$ 693,592	\$ 527,803	\$ 3,192,150	\$ 3,195,655
LIABILITIES AND NET ASSETS								
CURRENT								
Accounts payable and accrued liabilities (Note 9)	\$ 75,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,966	\$ 37,458
Deferred income (Note 10)	73,795	-	-	-	-	-	73,795	-
Interfund loans	124,481	23,819	75,508	(9,371)	(113,621)	(100,826)	-	-
	274,252	23,819	75,508	(9,371)	(113,621)	(100,826)	149,761	37,458
LOAN CONDITIONALLY REPAYABLE (Note 11)	-	-	-	-	806,606	-	806,606	1,034,284
	274,252	23,819	75,508	(9,371)	692,985	(100,826)	956,367	1,071,742
NET ASSETS								
Equity in property and equipment	46,300	-	-	-	-	-	46,300	55,790
Externally restricted (Note 13)	-	668,678	338,240	327,616	607	628,629	1,963,770	1,909,700
Unrestricted	225,713	-	-	-	-	-	225,713	158,423
	272,013	668,678	338,240	327,616	607	628,629	2,235,783	2,123,913
	\$ 546,265	\$ 692,497	\$ 413,748	\$ 318,245	\$ 693,592	\$ 527,803	\$ 3,192,150	\$ 3,195,655


 Director


 Director

ECONOMIC DEPENDENCE (Note 3)
 LEASE COMMITMENTS (Note 12)
ON BEHALF OF THE BOARD
 See accompanying notes to financial statements



COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Statement of Operations

Year Ended March 31, 2024

	Operating	Non-repayable Investment (PC)	Conditionally Repayable Invest (PC)	Conditionally Repayable EDP (PC)	RRRF Investment	Community Business Fund	2024	2023
REVENUES								
Core Operating Funds	\$ 285,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,538	\$ 285,538
Covid-19 recovery revenue	18,284	-	-	-	208,869	-	227,153	89,580
Interest income	32,375	-	4,452	14,010	901	17,693	103,432	74,860
Project contributions	36,025	34,001	-	-	-	-	36,025	56,607
Grants and contributions	9,045	-	-	-	-	-	9,045	7,512
Recoveries	-	-	-	-	-	-	-	100
Other income	884	3,581	260	500	(30)	-	5,195	22,544
	382,151	37,582	4,712	14,510	209,740	17,693	666,388	536,741
EXPENSES								
Forgiven portion of RRRF loans	-	-	-	-	208,869	-	208,869	85,000
Wages and benefits	125,508	-	-	-	-	-	125,508	205,084
Professional fees	66,078	846	-	-	-	-	66,924	12,806
Projects	44,003	-	-	-	-	-	44,003	65,101
Office and sundry	25,490	447	-	-	-	-	25,937	24,769
Rental	25,474	-	-	-	-	-	25,474	26,253
Loan impairment provision	-	24,372	11,201	(1,864)	-	(13,902)	19,807	23,896
Amortization	8,300	-	-	-	-	-	8,300	9,009
Repairs and maintenance	5,971	-	-	-	-	-	5,971	6,979
Insurance	5,399	-	-	-	-	-	5,399	4,500
Travel	3,584	-	-	-	-	-	3,584	2,805
Interest and bank charges	3,371	87	-	10	78	5	3,569	2,559
Telephone	3,087	-	-	-	-	-	3,087	5,574
Advertising and promotion	2,852	-	-	-	-	-	2,852	8,021
Training	2,296	-	-	-	-	-	2,296	4,064
Consulting fees	1,140	-	-	-	-	-	1,140	863
Meetings	608	-	-	-	-	-	608	11,284
	323,161	25,752	11,219	(1,854)	208,947	(13,897)	553,328	498,567
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	58,990	11,830	(6,507)	16,364	793	31,590	113,060	38,174
OTHER INCOME	(1,190)	-	-	-	-	-	(1,190)	-
Gain (loss) on disposal of property and equipment								
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 57,800	\$ 11,830	\$ (6,507)	\$ 16,364	\$ 793	\$ 31,590	\$ 111,870	\$ 38,174

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Statement of Changes in Net Assets

Year Ended March 31, 2024

	Operating	Investment I	WD Conditionally Repayable Invest	Disability	RRRF	Community Business Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 214,213	\$ 656,848	\$ 344,747	\$ 311,252	\$ (186)	\$ 597,039	\$ 2,123,913	\$ 2,085,739
Excess (deficiency) of revenues over expenses	57,800	11,830	(6,507)	16,364	793	31,590	111,870	38,174
NET ASSETS - END OF YEAR	\$ 272,013	\$ 668,678	\$ 338,240	\$ 327,616	\$ 607	\$ 628,629	\$ 2,235,783	\$ 2,123,913

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Statement of Cash Flows

Year Ended March 31, 2024

	Operating	Non-repayable Invest (PC)	Conditionally Repayable Invest (PC)	Conditionally Repayable EDP (PC)	RRRF Investment	Community Business Fund	2024	2023
OPERATING ACTIVITIES								
Excess (deficiency) of revenues over expenses	\$ 57,800	\$ 11,830	\$ (6,507)	\$ 16,364	\$ 793	\$ 31,590	\$ 111,870	\$ 38,174
Items not affecting cash:								
Amortization of property and equipment	8,300	-	-	-	-	-	8,300	9,009
Loss on disposal of property and equipment	1,190	-	-	-	-	-	1,190	-
Loan impairment provision	-	24,372	11,201	(1,864)	-	(13,902)	19,807	23,896
	67,290	36,202	4,694	14,500	793	17,688	141,167	71,079
Changes in non-cash working capital:								
Accounts receivable	9,292	(6)	-	-	-	-	9,286	(6,597)
Accounts payable and accrued liabilities	38,508	-	-	-	-	-	38,508	3,773
Deferred income	73,795	-	-	-	-	-	73,795	(23,795)
Prepaid expenses	122	-	-	-	-	-	122	(1,012)
Intertund loans	154,772	(2,301)	113,858	(11,211)	(139,229)	(115,889)	-	-
	276,489	(2,307)	113,858	(11,211)	(139,229)	(115,889)	121,711	(27,631)
Cash flow from (used by) operating activities	343,779	33,895	118,552	3,289	(138,436)	(98,201)	262,878	43,448
INVESTING ACTIVITIES								
Purchase of property and equipment	-	(8,167)	(2,043)	(2,043)	-	(8,168)	(20,421)	(1,424)
Pooled Asset Lending	-	(124,051)	(102,135)	8	659,118	147,735	580,676	(16,640)
Loans and notes receivable	-	-	-	-	-	-	-	184,776
Cash flow from (used by) investing activities	-	(132,218)	(104,178)	(2,035)	659,118	139,568	560,255	166,712
FINANCING ACTIVITY								
Repayment of loan conditionally repayable	(18,284)	-	-	-	(209,394)	-	(227,678)	(89,560)
Cash flow from (used by) financing activity	(18,284)	-	-	-	(209,394)	-	(227,678)	(89,560)
INCREASE (DECREASE) IN CASH FLOW	325,495	(98,323)	14,374	1,254	311,288	41,367	595,455	120,560
Cash and cash equivalents - beginning of year	164,385	108,257	198,644	147,692	300,498	176,988	1,096,465	975,885
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 489,880	\$ 9,934	\$ 213,018	\$ 148,946	\$ 611,787	\$ 218,355	\$ 1,691,920	\$ 1,096,465
CASH AND CASH EQUIVALENTS CONSIST OF:								
Cash	\$ 340,004	\$ 9,934	\$ 213,018	\$ 148,946	\$ 349,041	\$ 218,355	\$ 1,279,298	\$ 736,789
Short term investments	149,876	-	-	-	262,746	-	412,622	359,676
	\$ 489,880	\$ 9,934	\$ 213,018	\$ 148,946	\$ 611,787	\$ 218,355	\$ 1,691,920	\$ 1,096,465

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE ORGANIZATION

Community Futures Development Corporation of Nicola Valley (the "organization") is incorporated under the Canada Corporations Act and is registered as an extraprovincial society under the Society Act. As a not-for-profit organization, the corporation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

All operations of the corporation are related to the enhancement of community and economic development of the Nicola Valley.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial instruments

Financial instruments are recorded at fair value when acquired or issued and include cash, short-term investments, accounts receivable, accounts payable and accrued liabilities and loan conditionally repayable. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs directly attributable to the origination, issuance, or assumption of these instruments is amortized, based on straight line, over the expected useful life of the financial instrument.

Short term investments

Short term investments are investments in GIC's and highly liquid investments with an original maturity date of one year or less.

Loans receivable and allowance for loan impairment

Loans receivable records interest income on an accrual basis. An allowance for doubtful loans is determined in the following manner:

Loans in Default - If there is a significant doubt as to the ultimate collection of principal, a specific provision is established at a level sufficient to provide for the estimated impairment of the loan principal.

Loans not in Default - Specific provisions for potential problem accounts has been established.

The establishment of the allowance for doubtful loans relies on the judgment of management, on historical precedent and expectations as to the future collections. It is reasonably possible that changes in future conditions could require a material change in the recognized amount of the allowance for doubtful loans.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Office furniture and equipment	10% straight-line method
Leasehold improvements	10% straight-line method

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants for the purchase of equipment are treated as deferred capital contributions.

(continues)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Community Futures Development Corporation of Nicola Valley follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue earned on term loans is accrued on a daily basis and is recognized as revenue of the appropriate Investment Fund. Unrestricted investment income earned on the Investment Funds is recognized as revenue of the Operating Fund.

Fund accounting

Community Futures Development Corporation of Nicola Valley follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Investment Fund reports the assets, liabilities, revenues and expenses related to loan and investment activities of the organization.

Non-repayable Investment Fund (PC) reports loans and investment activities from non-repayable contributions to the Corporation's Investment Fund according to the terms of the agreement with Pacific Economic Development Canada ("PC or PacifiCan").

Conditionally Repayable Investment Fund (PC) reports loans and investment activities from contributions to the Corporation's Investment Fund that are conditionally repayable according to the terms of the agreement with PacifiCan.

Conditionally Repayable EDP Fund (PC) reports loans and investment activities from contributions to the Corporation's Entrepreneurs with Disability Program Investment Fund that are conditionally repayable according to the terms of the agreement with PacifiCan.

Regional Relief and Recovery Fund Investment Loan Fund (RRRF) reports loans and investment activities to provide loans to small and medium-sized enterprises (SMEs) in Western Canada specifically to recover from the adverse impacts of the COVID-19 pandemic.

Community Business Fund reports loans and investment activities from contributions from the Ministry of Community and Rural Development Community Business Fund to the corporation's Investment Fund.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2024

3. ECONOMIC DEPENDENCE

The Corporation receives the majority of its operating revenue, approximately 84% (2023 - 74%), from the Federal Government and is economically dependent upon it to maintain current operations. The Federal Government has extended its funding until March 31, 2026.

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2024.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from issuing loans receivable to business owners. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful loans is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through short-term investments and loans receivable held during the year.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

5. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade Receivables		
Accounts Receivable	\$ 310	\$ 10,290
	<u>310</u>	<u>10,290</u>
GST/HST Receivable		
Operating	3,642	2,954
Investment	22	16
	<u>3,664</u>	<u>2,970</u>
	<u>\$ 3,974</u>	<u>\$ 13,260</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2024

6. POOLED ASSET LENDING

Community Futures Development Corporation of Nicola Valley has entered into an agreement with Community Futures Association of British Columbia ("CFBC") to participate in the Community Futures Lending and Investment Pool of British Columbia ("CFLIP"). This is a membership based provincial investment fund pooling initiative operated by CFBC to promote access to investment loan funds for members who do not have sufficient levels of investment fund cash on hand to meet their local demand for loans and for other members seeking to deposit investment fund surpluses. CFLIP pools the monies and all interest and other gain accruing are credited to the member. As per the agreement in place, the member can request the balance of monies available be repaid with at least 14 days notice. The amount to be repaid within this time frame may be reduced for monies loaned to a member.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 31,010	\$ 15,708	\$ 15,302	\$ 19,264
Leasehold improvements	55,275	24,277	30,998	36,526
	\$ 86,285	\$ 39,985	\$ 46,300	\$ 55,790

8. LOANS RECEIVABLE

Outstanding loans to entrepreneurs are interest bearing at fixed rates varying from 2% to 12.5% with monthly blended principal and interest repayments amortized for terms between 12 and 60 months. Security is taken on the loans as appropriate to the situation and includes personal guarantees, and/or general security agreements against business assets, land, and buildings.

Loans are advanced pursuant to agreement with PacifiCan and the Minister of Community and Rural Development. The programs are aimed to provide funding to assist entrepreneurs (with special programs for higher risk, youth, and disabled entrepreneurs and regional relief and recovery) in business ventures within a defined region of the central interior of British Columbia. All loans are secured, repayable on demand, and bear interest at varying rates per annum other than the RRRF Investment Fund.

The RRRF Investment Funds program was intended to provide funding to assist SMEs to recover from the adverse impacts of the COVID-19 pandemic. The maximum loan available was \$60,000 and is unsecured. Partial forgiveness of the loan was available if the loan was repaid by January 18, 2024 when any remaining loan would bear interest at 5% with the loans due on December 31, 2026. The loan forgiveness provision was extended until March 28, 2024. The first \$40,000 of the loan required 75% of the loan principal to be repaid prior to March 28, 2024 and the remaining balance, to a maximum of 25% of the loan principal or \$10,000 whichever is less, to be forgiven. On the portion of the loan between \$40,000 and \$60,000, 50% of the additional loan to be repaid on or before March 28, 2024, and the remaining 50% of the additional loan to a maximum of \$10,000 to be forgiven.

Currently, the loans advanced includes one loan advanced in a prior year in excess of \$150,000. The value of the loan issued over \$150,000 is \$142,605.

(continues)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2024

11. LOAN CONDITIONALLY REPAYABLE

Community Futures Development Corporation of Nicola Valley entered into a loan agreement with Community Futures Association to facilitate making secondary loans to borrowers pursuant to the requirements of the Regional Relief and Recovery Fund. The loan is interest free and no principal payments are required until March 28, 2024. On March 28, 2024, any portion of the loan that has not been loaned to a secondary borrower shall be repaid within 10 business days. If the portion of the loan advanced is not repaid in full on or before March 28, 2024, the remaining balance of the loan will automatically extend starting on March 29, 2024 for an additional term maturing on December 31, 2026 and interest would be charged on any outstanding balance. The amount of secondary loans forgiven or written off as a default or loss that cannot be collected or recovered as per the agreement, and reasonable costs, charges and expenses in connection with collecting the secondary loans is deducted from the balance owing on the loan.

An operating loan has also been received to cover operating costs related to the Regional Relief and Recovery loans issued for loan aftercare, and assisting small business enterprises in response to COVID-19. The loan is interest free and no payments are required from disbursement to December 31, 2025. Eligible expenses incurred are charged to the loan and any remaining balance is repayable on the maturity of the loan.

The total investment loan advances as at March 31, 2024 were \$941,000 (2023 - \$941,000) for the initial loan, \$160,000 (2023 - \$160,000) for the expansion fund for total investment loans of \$1,101,000 (2023 - \$1,101,000). \$208,868.60 of loan forgiveness was applied against investment loans in the current year for remaining advances repayable of \$806,606 (2023 - \$1,016,000).

Operating loan total advances to date are \$35,640. \$18,284 expenses were applied to the operating loan in the current year and a remaining balance of \$nil (2023 - \$18,284).

12. LEASE COMMITMENTS

Rental Lease

The organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2025	\$	23,400
2026		15,600

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2024

13. EXTERNALLY RESTRICTED

The original amount of contributions included in externally restricted are as follows:

	<u>2024</u>	<u>2023</u>
<u>PacifiCan Conditionally repayable contributions</u>		
Conditionally Repayable Investment (PC)	\$ 500,000	\$ 500,000
Conditionally Repayable EDP (PC)	200,000	200,000
	<u>700,000</u>	<u>700,000</u>
Other contributions		
Non-repayable Investment (PC)	840,000	840,000
Community business	100,000	100,000
	<u>\$ 1,640,000</u>	<u>\$ 1,640,000</u>

PacifiCan Conditionally Repayable Contributions

Conditionally repayable contributions made by Pacific Economic Development Canada (PacifiCan) are non-interest bearing, unsecured and repayable upon 60 days notice in the event of default as defined in the contribution agreement. PacifiCan Conditionally repayable Contributions are subject to certain conditions as stipulated in the contribution agreement. The funds are repayable if any of the following conditions occur:

1. The Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in the Agreement; or
2. Based on reviews and evaluations of the operations and administration of the Investment Fund, the Minister determines that the fund is not providing a satisfactory level of benefits in terms of the development and growth of small business enterprises and social enterprises including employment creation and strengthening of economy in Western Canada; or
3. The Agreement is terminated in accordance with the provisions of the agreement; or
4. An event of default occurs, as described in Section 10 (Default, Termination and Dispute Resolution) of the agreement; or
5. The Minister does not approve terms and conditions to extend the project beyond the current contract end date of March 31, 2026.

Community Business Fund (Formerly Forest Renewal BC)

The corporation received funding from the Ministry of Community and Rural Development Community Business Fund whose purpose is to loan funds to entities that will carry on business in a rural community outside the Capital Regional District and the Greater Vancouver Regional District of BC and is in the forest, aquaculture, manufacturing, tourism and other prescribed sectors of the economy. Upon termination of the agreement, the corporation must pay an amount equal to the Province's Proportion of the Fund not lent out, thereafter the loan principal and interest collected net of reasonable costs until the original principal is repaid.

14. CONTINGENT LIABILITY

During the year, the organization received a claim for a wrongful termination. The claim is still outstanding at the end of the year. Legal advice obtained as at the time the financial statements were prepared indicated that it is likely that the claim could result in an award of \$10,000. As such, this amount has been included in wages expense in the current year. The liability for any exposure in excess of the amount accrued cannot yet be determined.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2024

15. **SUBSEQUENT EVENTS**

Subsequent to the release of the financial statements, there were errors noted that have now been corrected as follows:

Deferred revenue

An amount of \$50,000 funding was received during the year, where the related expenses have not yet been incurred, was included in revenue in error. A correction has been recorded which has reduced revenue and increased deferred revenue by \$50,000. Revenue for Core Operating Funds in Schedule 1 has been reduced by the same amount.

Accounts Payable and Accrued Liabilities

Accrued liabilities that were not included in the financial statements in error have been corrected. This relates to accrued professional fees and a contingent liability (Note 14). This has increased professional fees expense by \$43,750 and wages expense by \$10,000 and accounts payable and accrued liabilities have been increased by \$53,750. These expenses have also been included in Schedule 1.

Corrections to schedule 1

Schedule 1 has been amended to clarify revenue and expenses for PacifiCan core operating funds. Expenses of \$8,837 that were previously included in the statement of operations but were not included in Schedule 1 in error have also been amended.

The corrections described above have in summary decreased net income by \$103,750, increased accounts payable and accrued liabilities by \$53,750 and increased deferred revenue by \$50,000.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY**Schedule of Operations - PacifiCan Core Operating****(Schedule 1)****Year Ended March 31, 2024**

	2024	2023
REVENUE		
Core Operating Funds	\$ 285,538	\$ 285,538
EXPENSES		
Wages and benefits	101,771	186,191
Professional fees	63,761	12,000
Rent and utilities	25,474	26,253
Office supplies and sundry	24,215	19,454
Projects	7,100	8,786
Janitorial	5,971	6,979
Insurance	5,399	4,500
Travel	3,584	2,805
Bank charges	3,371	1,942
Telecommunications	3,087	5,574
Advertising	2,852	8,021
Training	2,296	4,064
Consulting fees	1,140	863
Meetings	608	11,284
	250,629	298,716
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	\$ 34,909	\$ (13,178)

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

**RRRF - Operations
(Schedule 2)**

Year Ended March 31, 2024

	RRRF Operating Fund	RRRF Investment Fund	2024	2023
REVENUES				
Covid-19 recovery revenue	\$ 18,284	\$ 208,869	\$ 227,153	\$ 89,580
Interest income	-	901	901	-
Other income	-	(30)	(30)	30
	18,284	209,740	228,024	89,610
EXPENSES				
Forgiven Portion of RRRF Loans	-	208,869	208,869	85,000
Wages and benefits	14,692	-	14,692	-
Professional fees	2,318	-	2,318	-
Office and sundry	1,274	-	1,274	4,580
Interest and bank charges	-	78	78	58
	18,284	208,947	227,231	89,638
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-	793	793	(28)
Net assets, beginning of year	-	(186)	(186)	(158)
Net Assets (Deficit) - end of year	\$ -	\$ 607	\$ 607	\$ (186)

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

RRRF - Financial Position

(Schedule 3)

Year Ended March 31, 2024

	RRRF Operating Fund	RRRF Investment Fund	2024	2023
Assets				
Cash	\$ -	\$ 349,042	\$ 349,042	\$ 83,091
Short term investments	-	262,745	262,745	217,408
Loans and notes receivable	-	81,805	81,805	740,923
	\$ -	\$ 693,592	\$ 693,592	\$ 1,041,422
Liabilities and Net Assets				
Interfund loans	\$ -	\$ (113,621)	\$ (113,621)	\$ 7,324
Conditional Loans Repayable	-	806,606	806,606	1,034,284
	-	692,985	692,985	1,041,608
Net Assets	-	607	607	(186)
	\$ -	\$ 693,592	\$ 693,592	\$ 1,041,422

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY
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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Development Corporation of Nicola Valley

Report on the Financial Statements

Opinion

We have audited the financial statements of Community Futures Development Corporation of Nicola Valley (the "organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 15 to the financial statements, which describes the subsequent event that gave rise to the amendment of the financial statements on September 30, 2025, the date of our auditor's report. Our procedures with respect to the events subsequent to March 31, 2024 are restricted solely to that amendment to the financial statements. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)

Independent Auditor's Report to the Members of Community Futures Development Corporation of Nicola Valley (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

West Kelowna, British Columbia
April 01, 2025, except as to Note 15 which is as
of September 30, 2025.

CHARTERED PROFESSIONAL ACCOUNTANTS