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**STÓ:LÖ COMMUNITY FUTURES CORPORATION  
COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

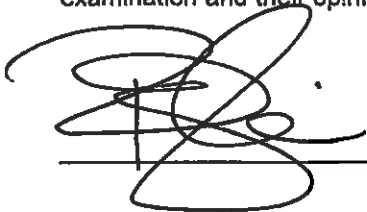
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These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, Manning Elliott LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of the Corporation and we meet when required. The accompanying Independent Auditors' Report re-iterates management's responsibility for the financial statements, outlines the auditors' responsibilities, the scope of their examination and their opinion on the financial statements.



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Chilliwack, BC  
June 23, 2020

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Stó:lō Community Futures Corporation

### *Report on the Financial Statements*

#### *Opinion*

We have audited the accompanying combined financial statements of Stó:lō Community Futures Corporation (the Corporation), which comprise the combined statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations 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 combined financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, and the results of its 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Matter*

Our audit was conducted for the purposes of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional information. We have not performed an audit or review in respect of this supplementary information and, accordingly, we express no assurance thereon.

#### *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 Canadian accounting standards for not-for-profit organizations, 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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## INDEPENDENT AUDITOR'S REPORT

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### *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 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 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 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 British Columbia Societies Act, we report that, in our opinion, the Corporation's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations.

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## INDEPENDENT AUDITOR'S REPORT

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*Manning Elliott LLP*

MANNING ELLIOTT LLP  
Chartered Professional Accountants  
Abbotsford, British Columbia  
June 23, 2020

**STÖ:LÖ COMMUNITY FUTURES CORPORATION**  
**COMBINED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

	Operations Fund	SCF Micro Lending Fund	SCF Community Fund	General Investment Fund	Conditionally Repayable EDP Fund	2020 Total	2019 Total
<b>ASSETS</b>							
<b>CURRENT</b>							
Cash	\$ 57,772	\$ -	\$ -	\$ 129,264	\$ 14,936	\$ 201,972	\$ 388,039
Accounts receivable	13,516	-	-	-	-	13,516	36,086
Prepaid expenses	1,610	-	-	-	-	1,610	2,080
Loans receivable (Note 16)	-	61,875	230,316	659,423	40,410	992,024	1,038,117
Interfund receivable (payable)	(169,728)	107,810	12,321	(132,962)	182,559	-	-
	(96,830)	169,685	242,637	655,725	237,905	1,209,122	1,464,322
<b>INVESTMENT (Note 3)</b>	99	-	-	-	-	99	99
<b>CAPITAL ASSETS (Note 4)</b>	24,714	-	-	-	-	24,714	36,025
<b>TRADEMARK (Note 5)</b>	9,522	-	-	-	-	9,522	9,522
	\$ (62,495)	\$ 169,685	\$ 242,637	\$ 655,725	\$ 237,905	\$ 1,243,457	\$ 1,509,968

**STO:LO COMMUNITY FUTURES CORPORATION  
COMBINED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2020**

	Operations Fund	SCF Micro Lending Fund	SCF Community Fund	General Investment Fund	Conditionally Repayable EDP Fund	2020 Total	2019 Total
<b>LIABILITIES</b>							
<b>CURRENT</b>							
Bank indebtedness (Note 6)	\$ 70,451	\$ -	\$ 208,188	\$ -	\$ -	\$ 278,639	\$ 407,157
Accounts payable and accruals (Note 7)	26,207	-	-	-	-	26,207	49,880
Deferred revenue	33,310	-	-	-	-	33,310	45,391
Current portion of long term debt (Note 8)	30,287	115,428	-	151,511	-	287,226	379,373
<b>LONG-TERM DEBT (Note 8)</b>	<b>160,255</b>	<b>115,428</b>	<b>208,188</b>	<b>151,511</b>	<b>-</b>	<b>635,382</b>	<b>881,801</b>
<b>CONDITIONALLY REPAYABLE CONTRIBUTIONS (Note 9)</b>	<b>57,622</b>	<b>-</b>	<b>-</b>	<b>240,476</b>	<b>-</b>	<b>298,098</b>	<b>479,295</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>450,000</b>	<b>200,000</b>	<b>650,000</b>	<b>650,000</b>
	<b>217,877</b>	<b>115,428</b>	<b>208,188</b>	<b>841,987</b>	<b>200,000</b>	<b>1,583,480</b>	<b>2,011,086</b>
<b>NET ASSETS (DEFICIT)</b>							
Invested in capital assets	24,714	-	-	-	-	24,714	36,025
Unrestricted	(305,086)	-	-	-	-	(305,086)	(412,117)
Externally restricted	-	54,257	34,449	(186,262)	37,905	(59,661)	(125,036)
	<b>(280,372)</b>	<b>54,257</b>	<b>34,449</b>	<b>(186,262)</b>	<b>37,905</b>	<b>(340,023)</b>	<b>(501,128)</b>
	<b>\$ (62,495)</b>	<b>\$ 169,685</b>	<b>\$ 242,637</b>	<b>\$ 655,725</b>	<b>\$ 237,905</b>	<b>\$ 1,243,457</b>	<b>\$ 1,509,968</b>

COMMITMENT (Note 19)

Approved by the Board

 Director

 Director

**STÓ:LÓ COMMUNITY FUTURES CORPORATION**  
**COMBINED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	Operations Funds	SCF Micro Lending Fund	SCF Community Funds	General Investment Fund	Conditionally Repayable EDP Fund	2020	2019
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 100,687	\$ 10,636	\$ 9,290	\$ 35,930	\$ 4,562	\$ 161,105	\$ (35,787)
NET ASSETS - BEGINNING OF YEAR	(381,059)	43,621	25,159	(222,192)	33,343	(501,128)	(465,341)
NET ASSETS - END OF YEAR	\$ (280,372)	\$ 54,257	\$ 34,449	\$ (186,262)	\$ 37,905	\$ (340,023)	\$ (501,128)



**STO:LÖ COMMUNITY FUTURES CORPORATION  
 COMBINED STATEMENT OF OPERATIONS  
 FOR THE YEAR ENDED MARCH 31, 2020**

	Operations Fund	SCF Micro Lending Fund	SCF Community Fund	General Investment Fund	Conditionally Repayable EDP Fund	2020 Total	2019 Total
<b>REVENUE</b>							
Western Economic Diversification (Schedule 1)	\$ 286,845	\$ -	\$ -	\$ -	\$ -	\$ 286,845	\$ 286,845
Interest income	-	10,350	18,688	53,727	4,187	86,952	83,033
New Relationship Trust	55,388	-	-	-	-	55,388	196,534
BC Rural Dividend Fund	-	-	-	-	-	-	2,453
Administrative and other	22,880	-	-	8,736	-	31,616	92,297
	365,113	10,350	18,688	62,463	4,187	460,801	661,162
<b>EXPENSES</b>							
Amortization	5,447	-	-	-	-	5,447	7,461
Bad debts (recovery)	-	(2,550)	-	7,299	(375)	4,374	13,229
Events and promotion	1,333	-	-	-	-	1,333	12,785
Insurance	6,107	-	-	-	-	6,107	5,609
Interest and bank charges	8,741	2,264	9,398	18,185	-	38,588	34,018
Licences and fees	5,258	-	-	-	-	5,258	6,177
Office	19,981	-	-	-	-	19,981	31,434
Professional fees	19,765	-	-	-	-	19,765	27,156
Professional services	15,300	-	-	1,049	-	16,349	16,349
Project fees (recovery) (Note 1f)	(4,376)	-	-	-	-	(4,376)	210,814
Rent	24,633	-	-	-	-	24,633	51,308
Telephone	2,925	-	-	-	-	2,925	4,511
Travel	10,030	-	-	-	-	10,030	13,814
Wages and benefits	149,282	-	-	-	-	149,282	262,284
	264,426	(286)	9,398	26,533	(375)	299,696	696,949
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 100,687	\$ 10,636	\$ 9,290	\$ 35,930	\$ 4,562	\$ 161,105	\$ (35,757)

**STÓ:LO COMMUNITY FUTURES CORPORATION  
COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2020**

	Operations Funds	SCF Micro Lending Fund	SCF Community Funds	General Investment Fund	Conditionally Repayable EDP Fund	2020 Total	2019 Total
<b>OPERATING ACTIVITIES</b>							
Cash receipts from grants	\$ 274,765	\$ -	\$ -	\$ -	\$ -	\$ 274,765	\$ 323,591
Cash paid for program service expenses	(282,183)	(2,264)	(9,398)	(19,234)	-	(313,079)	(657,940)
Cash receipts from interest	-	10,350	18,688	53,727	4,186	86,951	83,033
Other contributions	99,902	-	-	8,736	-	108,638	269,784
Investment loan payments	-	49,595	127,392	136,517	(3,204)	310,300	324,373
Investment loan advances	-	-	(70,717)	(183,994)	(13,869)	(268,580)	(168,151)
Interfund transfers	15,714	(22,406)	33,619	(32,373)	5,446	-	-
	108,198	35,275	99,584	(36,621)	(7,441)	198,995	174,690
<b>INVESTING ACTIVITIES</b>							
Purchase of equipment	-	-	-	-	-	-	(6,515)
Purchase of investment	-	-	-	-	-	-	-
Proceeds on disposal of equipment	6,800	-	-	-	-	6,800	-
	6,800	-	-	-	-	6,800	(6,515)
<b>FINANCING ACTIVITIES</b>							
Increase (decrease) in bank indebtedness	(28,934)	-	(99,584)	-	-	(128,518)	310,636
Advances of long-term debt	-	-	-	-	-	-	693,298
Repayment of long-term debt	(28,292)	(35,275)	-	(199,777)	-	(263,344)	(1,060,249)
	(57,226)	(35,275)	(99,584)	(199,777)	-	(391,862)	(56,315)
<b>INCREASE (DECREASE) IN CASH</b>	<b>57,772</b>	<b>-</b>	<b>-</b>	<b>(236,398)</b>	<b>(7,441)</b>	<b>(186,067)</b>	<b>111,860</b>
CASH - BEGINNING OF THE YEAR	-	-	-	365,662	22,377	388,039	276,179
CASH - END OF YEAR	\$ 57,772	\$ -	\$ -	\$ 129,264	\$ 14,936	\$ 201,972	\$ 388,039

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**STÓ:LÖ COMMUNITY FUTURES CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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**NATURE OF OPERATIONS**

Stó:lö Community Futures Corporation (the "Corporation") was incorporated under the Canada Not-for-profit Corporations Act on July 18, 2013 for the purpose of continuing the previous activities of Stó:lö Community Futures Corporation incorporated under the Canada Corporations Act. Net assets owned under the previous corporation have been transferred to the new corporation by way of an assignment and assumption agreement. This has been completed with the approval and concurrence of Western Economic Diversification (WD).

The Corporation is a community based corporation that provides loans and financial services to small businesses within the Stó:lö First Nation community. The Corporation is exempt from income taxes under the Income Tax Act Section 149(1)(l) as a non-profit corporation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organization (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

**(a) Basis of presentation**

The combined financial statements include the financial activities of the Corporation and Stó:lö Forestry Corporation Inc., a wholly owned subsidiary of the Corporation. All transactions between these corporations have been eliminated in the combined balances, but are reflected in the appropriate funds.

**(b) Fund accounting**

Stó:lö Community Futures Corporation follows the restricted fund method of accounting for contributions.

The Operations Fund accounts for the Corporation's operating costs and general revenues. This fund reports both unrestricted resources and restricted operating grants. It also reports the assets, liabilities, revenues and expenses related to the Corporation's capital assets.

The SCF Micro Lending Fund and SCF Community Fund report restricted resources that are to be used for assistance to small businesses, entrepreneurs and bands in the form of loans. The Corporation is restricted in the maximum amount it can approve according to its agreements with Bank of Montreal for Micro Lending Fund and VanCity for the Community Fund.

The General Investment Fund and Conditionally Repayable Entrepreneurs with Disability Program (EDP) Fund report restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans, loan guarantees or equity participation. Loans from the EDP Fund are limited to businesses owned and operated by entrepreneurs with disability. The Corporation is restricted in the types of loans that can be approved according to its agreement with the federal government.

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**STÓ:LÖ COMMUNITY FUTURES CORPORATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(c) Financial instruments

i) Measurement

The Corporation's financial instruments consist of cash, accounts receivable, loans receivable, bank indebtedness, accounts payable, long-term debt, and conditionally repayable contributions.

The Corporation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Corporation subsequently measures its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

iii) Transaction costs

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line or effective interest rate method.

(d) Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their useful lives on a declining balance basis, except for artworks which are not amortized as their values are not expected to depreciate. Capital assets are amortized at the following annual rates, with a half-year's provision in the year of acquisition:

Computer equipment	20%
Computer software	20%
Furniture and equipment	20%

The Corporation regularly reviews its capital assets to eliminate obsolete items.

The amortization expense is reported in the Operations Fund.

(e) Intangible assets

Intangible assets are measured at cost and amortized on the basis of their useful life using the straight-line method, except for trademarks which are not amortized as they have an indefinite life. The trademarks are tested for impairment if events or changes in circumstances indicate that they might be impaired.

(f) Investments

Equity investments are accounted for using the cost method. These investments are initially recorded at the amount of consideration given up on the dates the equity interest was acquired.

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**STÓ:LÖ COMMUNITY FUTURES CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(g) Revenue recognition

The Corporation follows the restricted fund method of revenue recognition.

General Investment and Entrepreneurs with Disability Program (EDP) Fund contributions are recognized as revenue when received or receivable.

Restricted contributions not related to the General Investment or Entrepreneurs with Disability Program (EDP) Fund are recognized as revenue in the period in which the related expenses are incurred.

Interest revenue is recorded when earned in the fund where the related loan is held.

Receivable amounts in all of the funds are only recognized if the amounts can be reasonably estimated and collection is reasonably assured.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the collectability of accounts receivable and loans receivable, amounts recorded as accrued liabilities and the recognition of revenue. Specifically, significant management estimates include loan loss provisions which require management to determine the amounts which will ultimately be collected on loans that are non-performing.

2. FINANCIAL INSTRUMENTS

Financial instruments are subject to risk and uncertainties such as liquidity risk, credit risk, market risk, currency risk, interest rate risk, other price risk and the concentration of any risks. In management's opinion, the Corporation is not exposed to significant market, currency or other price risk. There has been no change in the risk exposure from the prior year, except for those disclosed in Note 14.

**(a) Credit risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation reviews all loan applications to mitigate the risk of financial loss from defaults.

**(b) Liquidity risk**

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to liquidity risk arising primarily from its long-term debt obligations. The Corporation's ability to meet obligations depends on meeting the conditions of the loans.

(*continues*)

**STÓ:LÖ COMMUNITY FUTURES CORPORATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

2. FINANCIAL INSTRUMENTS *(continued)*

*(c) 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 on its floating rate financial instruments. Changes in the bank's prime lending rate or GIC rate can cause fluctuations in interest payments and cash flows. The interest rate on the bank indebtedness and long term debt is disclosed in Notes 6, 8 & 9. As at March 31, 2020, the fair market value of the Corporation's outstanding debt approximates its carrying value due to the debt's short-term maturities and variable interest rates.

3. INVESTMENT

	2020	2019
One Drum Indigenous Investment Corporation, a wholly owned subsidiary	\$ 99	\$ 99

Subsequent to year-end, One Drum Indigenous Investment Corporation dissolved.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Artwork	\$ 2,925	\$ -	\$ 2,925	\$ 2,925
Computer equipment	9,391	4,184	5,207	6,509
Furniture and equipment	35,295	18,713	16,582	26,591
	\$ 47,611	\$ 22,897	\$ 24,714	\$ 36,025

5. TRADEMARK

	2020	2019
Stó:lö Means Business	\$ 9,522	\$ 9,522

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**STÓ:LÖ COMMUNITY FUTURES CORPORATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**6. BANK INDEBTEDNESS**

The Corporation has a \$50,000 demand revolving credit facility available at the Royal Bank of Canada with interest at the bank's prime rate, plus 1.50%, secured by a General Security Agreement. As at March 31, 2020, the amount outstanding on this facility is \$nil (2019 - \$25,000). The credit facility is secured by a general security agreement constituting a first ranking security interest in all personal property of the Corporation.

The Operations Fund has a line of credit from the General Investment Fund with interest at 8%. As at March 31, 2020, the line of credit has a balance of \$70,451 (2019 - \$66,362).

The SCF Community Fund has a line of credit from VanCity with interest at VanCity's prime rate and is due on demand. As at March 31, 2020, the line of credit has a balance of \$208,188 (2019 - \$307,772). The line of credit is restricted to Stó:lö First Nation Communities, Stó:lö Community-owned economic development corporations, indigenous entrepreneurs, and Community-owned businesses.

Subsequent to year end, as a result of the COVID-19 pandemic (Note 14), payments on the VanCity line of credit were deferred until September 30, 2020.

**7. ACCOUNTS PAYABLE AND ACCRUALS**

	<b>2020</b>	<b>2019</b>
Accounts payable & other	\$ 22,022	\$ 35,836
Pension deductions payable	978	3,547
Payroll deductions & WCB payable	3,207	10,499
	<b>\$ 26,207</b>	<b>\$ 49,882</b>

**STÓ:LÖ COMMUNITY FUTURES CORPORATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**8. LONG TERM DEBT**

	<b>2020</b>	<b>2019</b>
General Investment Fund – BC Futures Fund; payments are \$4,418 (2019 - \$4,366) per month with interest at RBC's 5 year Non-Redeemable Interest Rate plus 0.25%, maturing July 31, 2023, secured by a general security agreement.	<b>\$ 169,537</b>	\$ 217,987
General Investment Fund – BC Futures Fund; payments are \$4,418 (2019 - \$4,366) per month with interest at RBC's 5 year Non-Redeemable Interest Rate plus 0.25%, maturing May 31, 2022, secured by a general security agreement.	<b>111,225</b>	161,005
General Investment Fund – BC Futures Fund; payments are \$4,418 (2019 - \$4,366) per month with interest at RBC's 5 year Non-Redeemable Interest Rate plus 0.25%, maturing May 31, 2022, secured by a general security agreement.	<b>111,225</b>	161,005
Stó:lö Forestry Corporation, a wholly owned subsidiary – with blended monthly payments of \$2,895, bearing interest at 6.00%.	<b>87,909</b>	116,201
Bank of Montreal – micro lending loan advances; with interest only payments (2019 - without payment or interest), bearing interest at the lender's prime rate, maturing April 30, 2020, secured by certain loans receivable.	<b>97,105</b>	96,485
Bank of Montreal – micro lending loan advances; with interest only payments (2019 - without payment), bearing interest at the lender's prime rate, maturing October 31, 2020, secured by certain loans receivable.	<b>18,323</b>	54,218
General Investment Fund – BC Futures Fund; repaid	<b>-</b>	51,767
	<b>595,324</b>	858,668
Less: current portion of long term debt	<b>(297,226)</b>	(379,373)
	<b>\$ 298,098</b>	\$ 479,295

The advances from Bank of Montreal are restricted to small business loans to a maximum of \$10,000 per loan. The sum of all loan advances are allowed to a maximum of \$200,000 (\$100,000 each). At March 31, 2020, the maximum advances remaining under the program is \$84,572 (2019 - \$49,297).

Subsequent to year-end, the above noted operating demand loans with the Bank of Montreal were reduced to a maximum of \$150,000 with interest only payments until October 31, 2020.

Principal repayment terms are approximately:

2021	\$ 297,226
2022	187,235
2023	93,621
2024	17,242
	<u>595,324</u>
	<b>\$ 595,324</b>



**STÓ:LÖ COMMUNITY FUTURES CORPORATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

9. CONDITIONALLY REPAYABLE CONTRIBUTIONS

	2020	2019
Conditionally Repayable General Investment Fund Contribution	\$ 450,000	\$ 450,000
Conditionally Repayable Entrepreneurs with Disability Program Fund Contribution	200,000	200,000
	<b>\$ 650,000</b>	<b>\$ 650,000</b>

Conditionally repayable contributions made by Western Economic Diversification Canada (WD) are non-interest bearing, unsecured and repayable upon 60 days notice in the event default, as defined in the contribution agreement. WD Conditionally Repayable Contributions are subject to certain conditions as stipulated in the contribution agreement.

10. COMMITMENT

The Corporation rents its premises under a long term rental agreement. The agreement expires in March 2021. The lease commitment for the next year is \$27,633.

11. RELATED PARTY TRANSACTIONS

The following is a summary of the corporation's related party transactions:

	2020	2019
One Drum Indigenous Investment (Note 3) <i>a wholly-owned subsidiary</i>		
Project funding recovery	\$ 40,000	\$ -
Project fees	-	(52,925)
	<b>\$ 40,000</b>	<b>\$ (52,925)</b>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. CAPITAL MANAGEMENT

The Corporation's objective when managing capital is to **safeguard** the entity's ability to continue as a going concern, so that it can continue to provide services to small businesses.

The Corporation sets the amount of capital in proportion to risk, manages the capital structure, and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

These amounts have been recorded at their exchange amounts, which are the amounts of consideration paid or received as established and agreed to by the parties.

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**STÓ:LÖ COMMUNITY FUTURES CORPORATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**13. ECONOMIC DEPENDENCE**

The Corporation's primary source of revenue is funding from Western Economic Diversification Canada. The grant funding can be cancelled if the Corporation does not observe certain established guidelines. The Corporation's ability to continue viable operations is dependent upon following the criteria within the established guidelines. As at the date of these financial statements the Corporation believes that it is in full compliance with the guidelines.

**14. SUBSEQUENT EVENTS**

Subsequent to year-end, the COVID-19 pandemic is causing significant financial and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The Corporation continues to monitor and assess the impact COVID-19 will have on its business activities, including those risks disclosed in Note 2. The extent of the effect of the COVID-19 pandemic on the Corporation is uncertain.

**15. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**STÓ:LÖ COMMUNITY FUTURES CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**16. LOANS AND NOTES RECEIVABLE**

There were a total of 44 loans receivable at March 31, 2020 (2019 -- 53). They are paid monthly, including interest at rates varying from 6% to 10% per annum, calculated semi-annually with terms of one to five years.

	SCF Micro Lending Fund	SCF Community Fund	General Investment Fund	Conditionally Repayable EDP Fund	2020	2019
Loans receivable	\$ 71,215	\$ 230,316	\$ 659,423	\$ 55,074	\$ 1,016,028	\$ 1,078,260
Less: allowance for doubtful accounts	(9,340)	-	-	(14,664)	(24,004)	(40,143)
	\$ 61,875	\$ 230,316	\$ 659,423	\$ 40,410	\$ 992,024	\$ 1,038,117
Allowance for doubtful accounts						
Beginning balance	\$ 22,873	\$ -	\$ 2,230	\$ 15,040	\$ 40,143	\$ 22,866
Provisions	-	-	7,299	-	7,299	19,147
Write-offs	(10,983)	-	(9,529)	-	(20,512)	-
Recovery	(2,550)	-	-	(376)	(2,926)	(1,870)
Ending balance	\$ 9,340	\$ -	\$ -	\$ 14,664	\$ 24,004	\$ 40,143

As at March 31, 2020 there are no issued loans that exceed \$150,000.

Included in VLD loans receivable, issued by the General Investment Fund, is a loan to Stó:lö Forestry Corporation, a wholly owned subsidiary, of \$87,909 (2019 - \$116,201) and a loan to the operations fund of \$70,451 (2019 - \$66,362). The loans are offset by the loans payable disclosed in Note 6 & 9.

**STÓ:LÖ COMMUNITY FUTURES CORPORATION**  
**SCHEDULE OF WD FUNDING AND RELATED EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**(Schedule 1)**

	2020	2019
<b>REVENUE</b>	<b>\$ 286,845</b>	<b>\$ 286,845</b>
<b>EXPENSES</b>		
Amortization	5,447	7,461
Events and promotion	1,333	12,785
Insurance	6,107	5,609
Interest and bank charges	8,741	408
Licences and fees	5,258	3,177
Office	19,981	30,749
Professional fees	19,765	23,038
Professional services	15,300	15,300
Project fees	18,043	-
Rent	24,633	51,308
Telephone	2,925	4,511
Travel	10,030	13,002
Wages and benefits	149,282	119,497
	<b>286,845</b>	<b>286,845</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>