
STÓ:LÖ COMMUNITY FUTURES CORPORATION
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.



VALERIE SAM



ALLISON COLTHORP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Stó:lō Community Futures Corporation

Report on the Combined 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, 2022, and the combined statements of changes in net assets, operations and cash flows for the year then ended, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined combined financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, 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 Combined 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 combined 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

The supplementary information included in Schedule 1, 2, 3 and 4 is presented for purposes of additional information. Management is responsible for the supplementary information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 combined financial statements, including the disclosures, and whether the combined 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.

Manning Elliott LLP

MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
July 28, 2022

**STÓ:LÓ COMMUNITY FUTURES CORPORATION
COMBINED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	Operations Fund	SCF Community Fund	General Investment Fund	Pacifican Conditionally Repayable EDP Fund	Pacifican RRRF Investment Fund	NACCA Loan Fund	2022 Total	2021 Total
ASSETS								
CURRENT								
Cash	\$ 90,076	\$ -	\$ 340,320	\$ 27,644	\$ 3,311	\$ 17,639	\$ 478,990	\$ 384,584
Accounts receivable	35,467	-	-	-	-	-	35,467	24,137
Prepaid expenses	4,491	-	-	-	-	-	4,491	4,143
Current portion of loans and notes receivable (Note 14)	-	95,000 (13,543)	149,500 (87,409)	13,100 177,608	-	141,666 3,454	399,266	310,499
Interfund receivable (payable)	(80,039)	-	-	-	(71)	-	-	-
	49,995	81,457	402,411	218,352	3,240	162,759	918,214	723,363
LOANS AND NOTES RECEIVABLE (Note 14)	-	235,418	290,321	24,348	120,000	95,241	765,328	1,068,987
CAPITAL ASSETS (Note 3)	12,813	-	-	-	-	-	12,813	30,609
TRADEMARK (Note 4)	9,522	-	-	-	-	-	9,522	9,522
	\$ 72,330	\$ 316,875	\$ 692,732	\$ 242,700	\$ 123,240	\$ 258,000	\$ 1,705,877	\$ 1,832,481

**STO:LO COMMUNITY FUTURES CORPORATION
COMBINED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	Operations Fund	SCF Community Fund	General Investment Fund	PacificCan Conditionally Repayable EDP Fund	PacificCan RRRF Investment Fund	NACCA Loan Fund	2022 Total	2021 Total
LIABILITIES								
CURRENT								
Bank indebtedness (Note 5)	\$ -	\$ 229,313	\$ 300,000	\$ -	\$ -	\$ -	\$ 529,313	\$ 374,353
Accounts payable and accruals (Note 6)	29,275	-	-	-	-	-	29,275	43,678
Deferred revenue	15,000	-	-	-	-	-	15,000	-
Current portion of long term debt (Note 7)	25,048	-	95,231	-	-	132,499	252,778	328,571
	69,323	229,313	395,231	-	-	132,499	826,366	746,602
LONG TERM DEBT (Note 7)	-	-	31,135	-	123,240	125,501	279,876	523,976
CONDITIONALLY REPAYABLE CONTRIBUTIONS (Note 8)	-	-	450,000	200,000	-	-	650,000	650,000
	69,323	229,313	876,366	200,000	123,240	258,000	1,756,242	1,920,578
NET ASSETS (DEFICIT)								
Invested in capital assets	12,813	-	-	-	-	-	12,813	30,609
Unrestricted	(9,806)	-	-	-	-	-	(9,806)	(99,295)
Externally restricted	-	87,562	(183,634)	42,700	-	-	(53,372)	(19,411)
	3,007	87,562	(183,634)	42,700	-	-	(50,365)	(88,097)
COMMITMENT (Note 9)	\$ 72,330	\$ 316,875	\$ 692,732	\$ 242,700	\$ 123,240	\$ 258,000	\$ 1,705,877	\$ 1,832,481

COMMITMENT (Note 9)

Approved by the Board:

Valerie Sam Director

Alison Colthorp Director

VALERIE SAM

ALISON COLTHORP

**STÓ:LÓ COMMUNITY FUTURES CORPORATION
COMBINED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022**

	Operations Fund	SCF Micro Lending Fund	SCF Community Fund	General Investment Fund	PacifiCan Conditionally Repayable EDP Fund	PacifiCan RRRF Investment Fund	NACCA Loan Fund	2022	2021
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	\$ (68,686)	\$ 53,868	\$ 63,503	\$ (175,963)	\$ 39,181	\$ -	\$ -	\$ (88,097)	\$ (340,023)
INTERFUND TRANSFER (Note 1(b))	53,868	(53,868)	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	17,825	-	24,059	(7,671)	3,519	-	-	37,732	251,926
NET ASSETS (DEFICIT) - END OF YEAR	\$ 3,007	\$ -	\$ 87,562	\$ (183,634)	\$ 42,700	\$ -	\$ -	\$ (50,365)	\$ (88,097)

**STO:LO COMMUNITY FUTURES CORPORATION
COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022**

	Operations Fund	SCF Micro Lending Fund	SCF Community Fund	General Investment Fund	PacificCan Conditionally Repayable EDP Fund	PacificCan RRRF Investment Fund	NACCA Loan Fund	2022 Total	2021 Total
REVENUE									
PacificCan funding (Schedule 1)	\$ 286,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,845	\$ 286,845
Interest income	-	-	31,474	41,257	4,642	-	-	77,373	81,459
ETSI - BC (Schedule 2)	75,000	-	-	-	-	-	-	75,000	-
New Relationship Trust	30,000	-	-	-	-	-	-	30,000	40,000
Administrative and other	21,661	-	-	8,279	-	-	-	29,940	91,116
NACCA funding - IRP (Schedule 3)	25,000	-	-	-	-	-	-	25,000	125,000
NACCA funding - ELDP	16,291	-	-	-	-	-	-	16,291	107,333
RRRF funding (Schedule 4)	-	-	-	-	-	-	-	-	66,000
	454,797	-	31,474	49,536	4,642	-	-	540,449	797,753
EXPENSES									
Amortization	3,203	-	-	-	-	-	-	3,203	5,497
Bad debts (recovery)	-	-	-	50,987	1,123	-	-	52,110	(4,316)
Events and promotion	12,210	-	-	-	-	-	-	12,210	9,678
Insurance	6,442	-	-	-	-	-	-	6,442	4,391
Interest and bank charges	9,208	-	7,415	5,483	-	-	-	22,106	26,230
Licences and fees	6,567	-	-	-	-	-	-	6,567	4,858
Office	19,283	-	-	-	-	-	-	19,283	15,350
Professional fees	18,001	-	-	-	-	-	-	18,001	22,160
Professional services	45,300	-	-	737	-	-	-	46,037	45,300
Project costs	130,000	-	-	-	-	-	-	130,000	196,097
Rent	17,952	-	-	-	-	-	-	17,952	24,633
Travel	7,897	-	-	-	-	-	-	7,897	4,851
Wages and benefits	160,909	-	-	-	-	-	-	160,909	191,098
	436,972	-	7,415	57,207	1,123	-	-	502,717	545,827
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 17,825	\$ -	\$ 24,059	\$ (7,671)	\$ 3,519	\$ -	\$ -	\$ 37,732	\$ 251,926

**STÓ:LÓ COMMUNITY FUTURES CORPORATION
 COMBINED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2022**

	Operations Fund	SCF Community Fund	General Investment Fund	PacifiCan Conditionally Repayable EDP Fund	PacifiCan RRRF Investment Fund	NACCA Loan Fund	2022 Total	2021 Total
OPERATING ACTIVITIES								
Cash receipts from grants	\$ 301,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,845	\$ 253,535
Cash paid for program service expenses	(448,519)	(7,415)	(6,220)	-	-	-	(462,154)	(521,078)
Cash receipts from interest	-	31,474	41,257	4,642	-	-	77,373	81,042
Other contributions	171,214	-	8,279	-	-	-	179,493	418,927
Investment loan payments	-	95,471	251,302	8,919	-	53,343	409,035	493,193
Investment loan advances	-	-	(231,473)	(14,780)	-	-	(246,253)	(876,339)
Interfund transfers	(7,273)	1,301	9,876	(393)	-	(3,511)	-	-
	17,267	120,831	73,021	(1,612)	-	49,832	259,339	(150,720)
INVESTING ACTIVITY								
Purchase of equipment	-	-	-	-	-	-	-	(11,391)
	-	-	-	-	-	-	-	(11,391)
FINANCING ACTIVITIES								
Bank indebtedness	(24,209)	(120,831)	300,000	-	-	-	154,960	95,714
Advances from debt	-	-	-	-	3,240	-	3,240	515,250
Repayment of debt	(32,201)	-	(153,682)	-	-	(137,250)	(323,133)	(258,027)
	(56,410)	(120,831)	146,318	-	3,240	(137,250)	(164,933)	352,937
CHANGE IN CASH	(39,143)	-	219,339	(1,612)	3,240	(87,418)	94,406	182,612
CASH - START OF THE YEAR	129,219	-	120,981	29,256	71	105,057	384,584	201,972
CASH - END OF YEAR	\$ 90,076	\$ -	\$ 340,320	\$ 27,644	\$ 3,311	\$ 17,639	\$ 478,990	\$ 384,584

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

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 Pacific Economic Development Canada ("PacifiCan") (Previously known as 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 organizations ("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.

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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 agreement with VanCity for the Community Fund. The SCF Micro Lending Fund had no activity or outstanding loans during the year. Accordingly, the board closed the fund to the Operations 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.

The Pacific Regional Relief and Recovery Fund ("RRRF") provides eligible small and medium-sized enterprises with an interest-free repayable contribution of up to \$60,000 to help alleviate financial hardship resulting from COVID-19.

The National Aboriginal Capital Corporations Association ("NACCA") Indigenous Business Stabilization Program/ Emergency Loan Program provides support to small business owners in meeting their immediate operating cash flow needs. The maximum assistance is \$40,000 comprised of a 75% loan and 25% non-repayable contribution.

(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.

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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. Capital assets are amortized at the following annual rates:

Computer equipment	20%
Furniture and equipment	20%

Artwork is not amortized.

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.

(g) Revenue recognition

The Corporation follows the restricted fund method of revenue recognition.

Restricted contributions that relate to restricted funds are recognized as revenue when received or receivable.

Restricted contributions without a restricted fund are recognized as revenue in the operations fund 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.

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

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 12.

(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.

(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 5, 7 & 8. As at March 31, 2022, 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. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Artwork	\$ -	\$ -	\$ -	\$ 2,925
Computer equipment	20,783	9,248	11,535	14,418
Furniture and equipment	3,467	2,189	1,278	13,266
	\$ 24,250	\$ 11,437	\$ 12,813	\$ 30,609

4. TRADEMARK

	2022	2021
Stó:lö Means Business	\$ 9,522	\$ 9,522

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

5. 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, 2022, the amount outstanding on this facility is \$Nil (2021 - \$Nil). 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, 2022, the line of credit has a balance of \$Nil (2021 - \$24,209).

The SCF Community Fund has a line of credit from VanCity authorized to a maximum of \$1,500,000, bearing interest at VanCity's prime rate and is due on demand. As at March 31, 2022, the line of credit has a balance of \$229,313 (2021 - \$350,144). The line of credit is restricted to make loans to Stó:lō First Nation Communities, Stó:lō Community-owned economic development corporations, indigenous entrepreneurs, and Community-owned businesses.

The SCF General Fund has a line of credit from Community Futures British Columbia with an interest at Royal Bank of Canada's prime rate and is due on demand. As at March 31, 2022, the line of credit has a balance of \$300,000. The line of credit is restricted to make loans to Stó:lō First Nation small businesses and entrepreneurs.

6. ACCOUNTS PAYABLE AND ACCRUALS

	2022	2021
Accounts payable and other	\$ 24,353	\$ 39,008
Pension deductions payable	1,231	1,155
Payroll deductions and WCB payable	3,691	3,515
	\$ 29,275	\$ 43,678

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

7. LONG TERM DEBT

	2022	2021
General Investment Fund – BC Futures Fund; payments are \$4,355 (2020 - \$4,418) 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.	\$ 82,352	\$ 132,907
General Investment Fund – BC Futures Fund; payments are \$4,355 (2020 - \$4,418) 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.	22,004	73,570
General Investment Fund – BC Futures Fund; payments are \$4,355 (2020 - \$4,418) 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.	22,010	73,570
Stó:lö Forestry Corporation, a wholly owned subsidiary – with blended monthly payments of \$2,895, bearing interest at 6.00%.	25,048	57,250
NACCA IBSP Loan - See details below	258,000	395,250
PacifiCan RRRF Investment Fund - See details below	123,240	120,000
	532,654	852,547
Less: current portion of long term debt	(252,778)	(328,571)
	\$ 279,876	\$ 523,976

The NACCA IBSP Loan is an interest free loan which is used to provide loans to secondary lender's up to a maximum amount of \$40,000 including a non-repayable \$10,000 contribution. The Corporation's monthly repayment is based on the amount collected from secondary lender's in the month prior which consists of equal monthly payments of \$833, deferred for the first 12 months. The non-repayable contributions as well as any loan allowances reduces the Corporation's obligation.

The PacifiCan RRRF Investment Fund was funded by an interest-free loan from Community Futures British Columbia. The loan has an initial term until December 31, 2023 without interest or repayment. Any remaining balance at the end of the initial term will then be automatically extended for an additional term to December 31, 2025. The extended term will require equal monthly payments based on the outstanding balance at that time. Any loan losses or forgivable portions recognized by the Corporation reduce the obligation to Community Futures British Columbia. The forgivable portion applied against the balance as at March 31, 2022 is \$86,000 (2021 - \$93,750).

Principal repayment terms are approximately:

2023	\$ 252,778
2024	247,708
2025	32,168
	<u>532,654</u>
	<u>\$ 532,654</u>

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

8. CONDITIONALLY REPAYABLE CONTRIBUTIONS

	2022	2021
Conditionally Repayable General Investment Fund Contribution	\$ 450,000	\$ 450,000
Conditionally Repayable Entrepreneurs with Disability Program Fund Contribution	200,000	200,000
	\$ 650,000	\$ 650,000

Conditionally repayable contributions made by Pacific Economic Development Canada ("PacifiCan") are non-interest bearing, unsecured and repayable upon 30 days notice in the event default, as defined in the contribution agreement. PacifiCan Conditionally Repayable Contributions are subject to certain conditions as stipulated in the contribution agreement.

9. COMMITMENT

The Corporation rents its premises under a rental agreement. The agreement expires in March 2023. The lease commitment for the next year is \$20,952.

The Corporation receives IT services under a long term service contract. The agreement expires in March 2023. The service commitment for the next year is \$5,550.

10. 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.

11. ECONOMIC DEPENDENCE

The Corporation's primary source of revenue is funding from Pacific Economic Development 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 management believes that it is in full compliance with the guidelines.

12. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus ("COVID-19"). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The Corporation offered deferred loan payments for certain customers during the pandemic. The Corporation continues to monitor and assess the impact COVID-19 will have on its business activities, including those risk identified in Note 2. The extent of the effect of the COVID-19 pandemic on the Corporation is uncertain.

STÓ:LÖ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

13. COMPARATIVE FIGURES

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

**STÓ:LÓ COMMUNITY FUTURES CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

14. LOANS AND NOTES RECEIVABLE

There were a total of 53 loans receivable at March 31, 2022 (2021 – 58). The loans other than RRRF and NACCA are paid monthly, including interest at rates varying from 6% to 10% per annum, calculated semi-annually with terms of one to five years.

The RRRF loans are interest-free loans up to \$60,000 and have an initial term until December 31, 2023 where if paid, will have a forgivable portion up to \$20,000. Unpaid RRRF loans convert to term loans if not repaid. The NACCA loans are interest-free loans up to \$40,000 with 25% forgivable and 75% repayable over 48 month which may be deferred for up to 12 months.

	SCF Community Fund	General Investment Fund	PacifiCan Conditionally Repayable EDP Fund	PacifiCan RRRF Investment Fund	NACCA Loan Fund	2022	2021
Loans receivable	\$ 330,418	\$ 440,586	\$ 52,193	\$ 120,000	\$ 236,907	\$ 1,180,104	\$ 1,398,570
Less: allowance for doubtful accounts	(95,000)	(765)	(14,745)	-	-	(15,510)	(19,084)
Less: current portion		(149,500)	(13,100)	-	(141,666)	(399,266)	(310,499)
	\$ 235,418	\$ 290,321	\$ 24,348	\$ 120,000	\$ 95,241	\$ 765,328	\$ 1,068,987
Allowance for doubtful accounts							
Beginning balance	\$ -	\$ 5,463	\$ 13,621	\$ -	\$ -	\$ 19,084	\$ 24,004
Interfund transfer							
Provisions		55,685	1,124			56,809	
Write-offs		(55,685)				(55,685)	
Recovery		(4,698)				(4,698)	604
Ending balance	\$ -	\$ 765	\$ 14,745	\$ -	\$ -	\$ 15,510	\$ 19,688

As at March 31, 2022 there are no issued loans that exceed \$150,000.

Included in PacifiCan loans receivable, issued by the General Investment Fund, is a loan to Stó:lò Forestry Corporation, a wholly owned subsidiary, of \$25,133 (2021 - \$57,249) and a loan to the operations fund of \$Nil (2021 - \$24,209). The loans are offset by the loans payable disclosed in Note 5 & 7.

STÓ:LÖ COMMUNITY FUTURES CORPORATION
SCHEDULE OF PACIFICAN FUNDING AND RELATED EXPENSES (Schedule 1)
FOR THE YEAR ENDED MARCH 31, 2022
UNAUDITED

	2022	2021
REVENUE	\$ 286,845	\$ 286,845
EXPENSES		
Amortization	3,203	5,497
Events and promotion	12,210	9,678
Insurance	6,442	4,391
Interest and bank charges	9,208	6,721
Licences and fees	6,567	4,858
Office	19,283	15,350
Professional fees	18,001	22,160
Professional services	45,300	45,300
Rent	17,952	24,633
Travel	7,897	4,850
Wages and benefits	160,909	167,587
	306,972	311,025
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (20,127)	\$ (24,180)

STÓ:LÖ COMMUNITY FUTURES CORPORATION
SCHEDULE OF ETSI BC FUNDING AND RELATED EXPENSES
FOR THE YEAR ENDED MARCH 31, 2022
UNAUDITED

(Schedule 2)

	2022	2021
REVENUE	\$ 75,000	\$ -
EXPENSES		
Administration	5,000	-
Professional fees	70,000	-
	75,000	-
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -

STÓ:LÖ COMMUNITY FUTURES CORPORATION
SCHEDULE OF NACCA IRP FUNDING AND RELATED EXPENSES (Schedule 3)
FOR THE YEAR ENDED MARCH 31, 2022
UNAUDITED

	2022	2021
REVENUE	\$ 25,000	\$ 125,000
EXPENSES		
Capital expenditures	-	4,619
Events and promotion	6,000	4,088
Office	-	523
Professional fees	13,000	94,150
Professional services	6,000	1,770
Wages and benefits	-	19,850
	25,000	125,000
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -

STÓ:LÖ COMMUNITY FUTURES CORPORATION
SCHEDULE OF PACIFICAN RRRF FUNDING AND RELATED EXPENSES (Schedule 4)
FOR THE YEAR ENDED MARCH 31, 2022
UNAUDITED

	2022	2021
REVENUE	\$ -	\$ 66,000
EXPENSES		
Administration	-	23,511
Marketing	-	34,110
Materials and supplies	-	8,379
	-	66,000
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -