

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY
Index to Financial Statements
Year Ended March 31, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13
Schedule of Operations - PacifiCan (<i>Schedule 1</i>)	14

APPROVED

Board

DEC 01 2025

GFDC



WK Group LLP
Chartered Professional Accountants

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.

WK Group LLP

West Kelowna, British Columbia
November 27, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY
Statement of Operations
Year Ended March 31, 2025

	Operating	Non-repayable Investment (PC)	Conditionally Repayable Invest (PC)	Conditionally Repayable EDP (PC)	RRRF Investment	Community Business Fund	2025	2024
REVENUES								
Core Operating Funds	\$ 192,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,770	\$ 285,538
Interest income	10,327	56,430	22,588	17,084	10,236	33,936	150,601	103,432
Project contributions	29,485	-	-	-	-	-	29,485	36,025
Other income	5,498	2,700	1,330	400	-	2,700	12,628	14,240
Covid-19 recovery revenue	-	-	-	-	-	-	-	227,153
	238,080	59,130	23,918	17,484	10,236	36,636	385,484	666,388
EXPENSES								
Wages and benefits	178,032	-	2,057	(1,999)	3,784	73,836	178,032	125,508
Loan impairment provision	40,161	85,526	-	-	-	-	163,204	19,807
Professional fees	31,957	614	-	-	-	-	40,161	66,924
Office and sundry	30,726	-	-	-	-	-	32,571	25,937
Rental	25,719	-	-	-	-	-	30,726	25,474
Consulting fees	14,656	-	-	-	-	-	25,719	1,140
Travel	7,691	-	-	-	-	-	14,656	3,584
Amortization	5,785	-	-	-	-	-	7,691	8,300
Telephone	5,626	-	-	-	-	-	5,785	3,087
Repairs and maintenance	4,846	31	39	25	68	10	5,626	5,971
Interest and bank charges	4,859	-	-	-	-	-	5,019	3,569
Insurance	4,844	-	-	-	-	-	4,859	5,399
Advertising and promotion	3,034	-	-	-	-	-	4,844	2,852
Meetings	2,057	-	-	-	-	-	3,034	608
Projects	1,482	-	-	-	-	-	2,057	44,003
Training	-	-	-	-	-	-	1,482	2,296
Forgiven portion of RRRF loans	-	-	-	-	-	-	-	208,869
	361,475	86,171	2,096	(1,974)	3,852	73,846	525,466	553,328
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(123,395)	(27,041)	21,822	19,458	6,384	(37,210)	(139,982)	113,060
OTHER INCOME	(2,900)	-	-	-	-	-	(2,900)	(1,190)
Gain (loss) on disposal of property and equipment								
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (126,295)	\$ (27,041)	\$ 21,822	\$ 19,458	\$ 6,384	\$ (37,210)	\$ (142,882)	\$ 111,870

See accompanying notes to financial statements



COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Statement of Cash Flows
Year Ended March 31, 2025

	Operating	Non-repayable Invest (PC)	Conditionally Repayable Invest (PC)	Conditionally Repayable EDP (PC)	RRRF Investment	Community Business Fund	2025	2024
OPERATING ACTIVITIES								
Excess (deficiency) of revenues over expenses	\$ (126,295)	\$ (27,041)	\$ 21,822	\$ 19,458	\$ 6,394	\$ (37,210)	\$ (142,882)	\$ 111,870
Items not affecting cash:								
Amortization of property and equipment	7,691	-	-	-	-	-	7,691	8,300
Loss on disposal of property and equipment	2,900	-	-	-	-	-	2,900	1,190
Loan impairment provision	-	85,526	2,057	(1,999)	3,794	73,836	163,204	19,807
	(115,704)	58,485	23,879	17,459	10,188	36,628	30,913	141,167
Changes in non-cash working capital:								
Accounts receivable	(26,241)	-	-	-	-	-	(26,241)	9,286
Accounts payable and accrued liabilities	36,748	-	-	-	-	-	36,748	36,508
Deferred income	(83,936)	-	-	-	-	-	(83,936)	73,795
Prepaid expenses	(1,050)	-	-	-	-	-	(1,050)	122
Interfund loans	(161,620)	81,079	(127,952)	16,665	140,007	51,821	-	-
	(216,099)	81,079	(127,952)	16,665	140,007	51,821	(54,479)	121,711
Cash flow from (used by) operating activities	(331,803)	139,564	(104,073)	34,124	150,175	88,447	(23,566)	262,878
INVESTING ACTIVITIES								
Pooled Asset Lending	-	(6,263)	(1,566)	(1,566)	-	(6,264)	(15,659)	(20,421)
Loans and notes receivable	-	(135,233)	(29,682)	(6,778)	58,021	(195,230)	(308,912)	580,676
Cash flow from (used by) investing activities	-	(141,496)	(31,259)	(8,344)	58,021	(201,494)	(324,571)	560,255
FINANCING ACTIVITY								
Repayment of loan conditionally repayable	-	-	-	-	(694,322)	-	(694,322)	(227,678)
Cash flow from (used by) financing activity	-	-	-	-	(694,322)	-	(694,322)	(227,678)
INCREASE (DECREASE) IN CASH FLOW								
Cash and cash equivalents - beginning of year	(331,803)	(1,932)	(135,331)	25,780	(486,126)	(113,047)	(1,042,459)	595,455
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 - END OF YEAR								
	\$ 158,077	\$ 8,002	\$ 77,687	\$ 174,726	\$ 125,661	\$ 105,308	\$ 649,461	\$ 1,691,920
CASH AND CASH EQUIVALENTS CONSIST OF:								
Cash	\$ 158,077	\$ 8,002	\$ 77,687	\$ 174,726	\$ 125,661	\$ 105,308	\$ 649,461	\$ 1,279,298
Short term investments	\$ 158,077	\$ 8,002	\$ 77,687	\$ 174,726	\$ 125,661	\$ 105,308	\$ 649,461	\$ 412,622

See accompanying notes to financial statements

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 PacificCan").

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 PacificCan.

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 PacificCan.

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, 2025

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

	2025	2024
	Net book value	Net book value
Equipment	\$ 21,631	\$ 15,302
Leasehold improvements	55,275	30,998
	\$ 76,906	\$ 46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,392	10,239
	\$	\$
	21,631	15,302
	55,275	30,998
	76,906	46,300
	4,196	35,710
	\$	\$
	29,804	25,471
	11,392	10,239
	\$	\$
	10,239	15,302
	25,471	30,998
	11,39	

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY

Notes to Financial Statements

Year Ended March 31, 2025

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 was interest free with no principal payments required until March 28, 2024. On March 28, 2024, any portion of the loan that was not loaned to a secondary borrower was required to be repaid within 10 business days. If the portion of the loan advanced was not repaid in full on or before March 28, 2024, the remaining balance of the loan was automatically extended starting on March 29, 2024 for an additional term maturing on December 31, 2026 and interest 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 was also 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 was interest free and no payments were 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 were \$941,000 for the initial loan, \$160,000 for the expansion fund for total investment loans of \$1,101,000. \$641,340 of loan repayments and loan loss provisions of \$52,983 were applied against investment loans in the current year with remaining advances repayable of \$112,284 (2024 - \$806,606).

Operating loan total advances to date are \$35,640. Expenses were applied to the full amount of the operating loan in prior years.

12. CONTINGENT LIABILITY

During the prior 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 was included in wages expense in the prior year. The liability for any exposure in excess of the amount accrued cannot yet be determined.

13. 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:

	2026	2027
\$	29,250	19,500
\$		48,750

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NICOLA VALLEY
Schedule of Operations - Pacifican
Year Ended March 31, 2025

(Schedule 1)

	2025	2024
REVENUE		
Core Operating Funds	\$ 192,770	\$ 285,538
EXPENSES		
Wages and benefits	167,165	101,771
Professional fees	34,911	63,761
Office supplies and sundry	31,665	24,215
Rent and utilities	30,726	25,474
Travel	14,656	3,584
Consulting fees	8,627	1,140
Telecommunications	5,785	3,087
Janitorial	5,626	5,971
Insurance	4,859	5,399
Bank charges	4,847	3,371
Advertising	4,844	2,852
Meetings	2,234	608
Projects	2,057	7,100
Training	800	2,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	318,802	250,629
FROM OPERATIONS	\$ (126,032)	\$ 34,909

See accompanying notes to financial statements

