

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Index to Non-Consolidated Financial Statements**  
**Year Ended March 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Community Futures Development Corporation of Thompson Country

We have audited the accompanying non-consolidated financial statements of Community Futures Development Corporation of Thompson Country, which comprise the non-consolidated statement of financial position as at March 31, 2018 and the non-consolidated statements of revenues and expenses, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of Community Futures Development Corporation of Thompson Country as at March 31, 2018 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.



Kamloops, British Columbia  
August 20, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Non-Consolidated Statement of Financial Position**  
**March 31, 2018**

	Operating Fund	SE Fund	ESC Fund	Investment Funds <i>(Schedule 1)</i>	Capital Fund	Total 2018	Total 2017
<b>ASSETS</b>							
<b>CURRENT</b>							
Cash	\$ 128,166	\$ 193,681	\$ 559,398	\$ 842,294	\$ -	\$ 1,723,539	\$ 1,789,394
Accounts receivable <i>(Note 3)</i>	98,935	20,228	74,541	1,617	-	195,321	142,354
Interest receivable	-	-	-	255	-	255	1,674
Prepaid expenses	3,452	-	1,985	-	-	5,437	10,460
	<u>230,553</u>	<u>213,909</u>	<u>635,924</u>	<u>844,166</u>	<u>-</u>	<u>1,924,552</u>	<u>1,943,882</u>
LOANS RECEIVABLE <i>(Note 4)</i>	-	-	-	1,689,646	-	1,689,646	2,338,719
INVESTMENT IN SUBSIDIARY <i>(Note 5)</i>	128,880	-	-	-	-	128,880	84,154
DUE FROM SUBSIDIARY <i>(Note 6)</i>	-	-	580,146	-	-	580,146	308,613
TANGIBLE CAPITAL ASSETS <i>(Note 7)</i>	-	-	-	-	27,100	27,100	24,747
	<u>\$ 359,433</u>	<u>\$ 213,909</u>	<u>\$ 1,216,070</u>	<u>\$ 2,533,812</u>	<u>\$ 27,100</u>	<u>\$ 4,350,324</u>	<u>\$ 4,700,115</u>
<b>LIABILITIES</b>							
<b>CURRENT</b>							
Accounts payable and accrued liabilities <i>(Note 8)</i>	\$ 61,460	\$ 15,333	\$ 109,666	\$ 4,166	\$ -	\$ 190,625	\$ 122,755
Government remittances payable <i>(Note 9)</i>	8,157	-	14,380	-	-	22,537	18,642
Unused project funds <i>(Note 10)</i>	174,709	-	-	-	-	174,709	123,441
SIDIT payable <i>(Note 11)</i>	-	-	-	54,880	-	54,880	151,211
Current portion of long term debt <i>(Note 12)</i>	-	-	-	5,134	-	5,134	153,906
	<u>244,326</u>	<u>15,333</u>	<u>124,046</u>	<u>64,180</u>	<u>-</u>	<u>447,885</u>	<u>569,955</u>
LONG TERM DEBT <i>(Note 12)</i>	-	-	-	196,420	-	196,420	570,078
GOVERNMENT ASSISTANCE <i>(Note 13)</i>	-	-	-	526,669	-	526,669	526,669
	<u>244,326</u>	<u>15,333</u>	<u>124,046</u>	<u>787,269</u>	<u>-</u>	<u>1,170,974</u>	<u>1,666,702</u>
<b>NET ASSETS</b>							
EXTERNALLY RESTRICTED FUND BALANCES <i>(Note 14)</i>	-	-	-	1,650,000	-	1,650,000	1,650,000
FUND BALANCES	115,107	198,576	1,092,024	96,543	27,100	1,529,350	1,383,413
	<u>115,107</u>	<u>198,576</u>	<u>1,092,024</u>	<u>1,746,543</u>	<u>27,100</u>	<u>3,179,350</u>	<u>3,033,413</u>
	<u>\$ 359,433</u>	<u>\$ 213,909</u>	<u>\$ 1,216,070</u>	<u>\$ 2,533,812</u>	<u>\$ 27,100</u>	<u>\$ 4,350,324</u>	<u>\$ 4,700,115</u>


COMMITMENTS *(Note 15)*

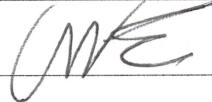
See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Non-Consolidated Statement of Changes in Fund Balances**  
**Year Ended March 31, 2018**

	Operating Fund	SE Fund	ESC Fund	Investment Funds	Capital Fund	Total 2018	Total 2017
FUND BALANCES - BEGINNING OF YEAR	\$ 80,989	\$ 134,364	\$ 983,922	\$ 159,391	\$ 24,747	\$ 1,383,413	\$ 1,296,730
TANGIBLE CAPITAL ASSET PURCHASES	-	-	-	-	26,020	26,020	11,082
AMORTIZATION	-	-	-	-	(23,667)	(23,667)	(33,594)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	34,118	64,212	108,102	(62,848)	-	143,584	109,195
FUND BALANCES - END OF YEAR	<u>\$ 115,107</u>	<u>\$ 198,576</u>	<u>\$ 1,092,024</u>	<u>\$ 96,543</u>	<u>\$ 27,100</u>	<u>\$ 1,529,350</u>	<u>\$ 1,383,413</u>

Approved on behalf of the Board of Directors

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Non-Consolidated Statement of Revenues and Expenses**  
**For the Year Ended March 31, 2018**

	Operating Fund	SE Fund <i>(Schedule 4)</i>	ESC Fund <i>(Schedule 3)</i>	Investment Funds <i>(Schedule 2)</i>	Capital Fund	Total 2018	Total 2017
<b>REVENUES</b>							
Federal Government contributions	\$ 295,128	\$ -	\$ -	\$ -	\$ -	\$ 295,128	\$ 295,128
Community support projects	-	-	-	-	-	-	35,483
Interest from deposits	3,388	-	-	-	-	3,388	5,741
Loan processing fee revenue	10,733	-	-	-	-	10,733	10,728
Management fees <i>(Note 16)</i>	72,000	-	-	-	-	72,000	81,075
Other	4,991	-	-	-	-	4,991	3,538
Regional Co-operatives	83	-	-	-	-	83	59
Income from subsidiary <i>(Note 5)</i>	44,726	-	-	-	-	44,726	16,121
Wildfire business transition project	10,250	-	-	-	-	10,250	-
Investment Funds <i>(Schedule 2)</i>	-	-	-	144,451	-	144,451	167,957
Employment Services Centre (ESC) <i>(Schedule 3)</i>	-	-	1,426,513	-	-	1,426,513	1,545,374
Open Door Group Service Agreement (ODG) <i>(Schedule 4)</i>	-	248,040	-	-	-	248,040	205,714
	<u>441,299</u>	<u>248,040</u>	<u>1,426,513</u>	<u>144,451</u>	<u>-</u>	<u>2,260,303</u>	<u>2,366,918</u>
<b>EXPENSES</b>							
Accounting and legal	18,509	-	-	-	-	18,509	17,585
Advertising	10,425	-	-	-	-	10,425	16,102
Capital purchases	13,353	-	-	-	-	13,353	580
Community support projects	21,665	-	-	-	-	21,665	35,483
Conferences	5,927	-	-	-	-	5,927	6,214
Insurance	2,908	-	-	-	-	2,908	2,006
Interest and bank charges	2,228	-	-	-	-	2,228	2,671
Office	28,079	-	-	-	-	28,079	26,503
Rent	50,931	-	-	-	-	50,931	50,739
Repairs and maintenance	38,654	-	-	-	-	38,654	26,554
Telephone and utilities	13,256	-	-	-	-	13,256	15,731
Travel and training	6,018	-	-	-	-	6,018	12,055
Wages and employee benefits	184,978	-	-	-	-	184,978	218,021
Wildfire business transition project	10,250	-	-	-	-	10,250	-
Investment Funds <i>(Schedule 2)</i>	-	-	-	207,299	-	207,299	282,011
Employment Services Centre (ESC) <i>(Schedule 3)</i>	-	-	1,315,281	-	-	1,315,281	1,368,240
Employment Services Centre (ESC) - Other Items <i>(Schedule 3)</i>	-	-	3,130	-	-	3,130	11,529
Open Door Group Service Agreement (ODG) <i>(Schedule 4)</i>	-	183,828	-	-	-	183,828	165,699
	<u>407,181</u>	<u>183,828</u>	<u>1,318,411</u>	<u>207,299</u>	<u>-</u>	<u>2,116,719</u>	<u>2,257,723</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 34,118</b>	<b>\$ 64,212</b>	<b>\$ 108,102</b>	<b>\$ (62,848)</b>	<b>\$ -</b>	<b>\$ 143,584</b>	<b>\$ 109,195</b>

See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Non-Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2018**

	Operating Fund	SE Fund	ESC Fund	Investment Funds	Capital Fund	Total 2018	Total 2017
<b>OPERATING ACTIVITIES</b>							
Excess (deficiency) of revenues over expenses	\$ 34,118	\$ 64,212	\$ 108,102	\$ (62,848)	\$ -	\$ 143,584	\$ 109,195
Item not affecting cash:							
Income from subsidiary <i>(Note 5)</i>	(44,726)	-	-	-	-	(44,726)	(16,121)
	(10,608)	64,212	108,102	(62,848)	-	98,858	93,074
Changes in non-cash working capital <i>(Note 17)</i>	36,338	6,379	(236,235)	(99,258)	-	(292,776)	(115,581)
Cash flows from (used by) operating activities	25,730	70,591	(128,133)	(162,106)	-	(193,918)	(22,507)
<b>INVESTING ACTIVITIES</b>							
Decrease (increase) in loans receivable	-	-	-	649,073	-	649,073	(49,165)
Decrease (increase) in interest receivable	-	-	-	1,419	-	1,419	1,921
Cash flows from (used by) investing activities	-	-	-	650,492	-	650,492	(47,244)
<b>FINANCING ACTIVITIES</b>							
Proceeds from long term financing	-	-	-	-	-	-	810,000
Repayment of long term debt	-	-	-	(522,429)	-	(522,429)	(210,211)
Cash flows from (used by) financing activities	-	-	-	(522,429)	-	(522,429)	599,789
<b>INCREASE (DECREASE) IN CASH FLOW</b>	25,730	70,591	(128,133)	(34,043)	-	(65,855)	530,038
<b>CASH - BEGINNING OF YEAR</b>	102,436	123,090	687,531	876,337	-	1,789,394	1,259,356
<b>CASH - END OF YEAR</b>	\$ 128,166	\$ 193,681	\$ 559,398	\$ 842,294	\$ -	\$ 1,723,539	\$ 1,789,394

See notes to financial statements

# COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

## Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2018

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### 1. GENERAL

Community Futures Development Corporation of Thompson Country (the "Corporation") was incorporated under the Canada Corporations Act on March 31, 1995 without share capital. As a not-for-profit Corporation, the Corporation is exempt from income tax. The Corporation serves communities in the Thompson Country catchment area and operates out of Kamloops, B.C.

The Corporation entered into agreements with Western Economic Diversification ("WED") whereby investment funds and contributions are provided to support their purpose. The purpose of the Corporation is to assist the unemployed, the under-employed and employers to develop projects and services which are designed to provide employment opportunities and to remove employment barriers. This will be accomplished by identifying the viable employment development investment opportunities in the Thompson Country area, and providing counselling and financial and technical assistance necessary to develop such opportunities. The Corporation is also involved in delivering and administering programs geared to strengthen economic development initiatives within the communities it serves.

A significant portion of the Corporation's revenue is derived from the Federal and Provincial Government.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Presentation

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

#### (b) Fund Accounting

Community Futures Development Corporation of Thompson Country follows the restricted fund method of accounting for contributions.

Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Current funds in use are as follows:

#### **Operating Fund**

To account for the Corporation's program delivery and administrative activities.

#### **SE Fund**

To account for the Corporation's subcontract services provided to two external self-employment contracts.

#### **Employment Services Centre (ESC) Fund**

To account for the contract held in Merritt, BC for employment programming services for the Employment Program of British Columbia.

#### **Capital Fund**

To account for all tangible capital assets of the Corporation.

#### **Investment Funds**

To account for loan funds received.

*(continues)*



# COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

## Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2018

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

#### (c) Cash

The Corporation's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

#### (d) 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 non-consolidated financial statements and the reported amounts of revenues and expenses during the period. Examples of significant estimates include providing for amortization of tangible capital assets, estimated useful lives of assets, and the allowance for loan impairments. 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.

#### (e) Investment in Subsidiary

The Corporation issues only non-consolidated financial statements and its investment in its wholly owned subsidiary, TCK Holdings Ltd., is accounted for using the equity method (*Note 5*).

Under the equity method, the investment is initially recorded at cost and is increased for the share of any post-acquisition earnings and is decreased by any post-acquisition losses.

#### (f) Tangible Capital Assets

Tangible capital assets is stated at cost or deemed cost less accumulated amortization. Tangible capital assets is amortized over its estimated useful life on a straight-line basis over the following years:

Furniture, fixtures and equipment	5 years
Computer equipment and software	2 years
Leasehold improvements	5 years

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

#### (g) Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year received or receivable. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Interest on loans to clients is recognized as revenue of the applicable Investment Fund when received or receivable. Interest is not accrued on loans which have been classified as impaired.

Other revenue including management fees, other contract revenue, interest from deposits and loan processing fees are recognized when received.

The Wildfire revenues are recognized when received.

*(continues)*

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

**(h) Loans Receivable**

The loans receivable represent the outstanding principal at year end.

The Corporation has provided for credit risk, as defined in *(Note 4)*, by establishing allowances for impaired loans and netting the allowances against the carrying value of certain impaired loans. Loans are considered impaired as soon as collection of the full principal and interest on the loan becomes doubtful. The allowance for losses on loans is determined on the basis of historical allowance requirements and specific loans which, in management's opinion, may not be fully collectible. Amounts considered uncollectible are written off through operating expenses and written down to the fair market value of any security held in the appropriate loan fund in the applicable period.

The Corporation is the lead administrator of a syndicated loan with two other Community Futures Development Corporations. The full syndicated loan and related transactions are reflected in the loans receivable, long term debt, revenues and expenses.

Loans are secured by one, or a combination, of debentures, personal guarantees, promissory notes, general security agreements, mortgages and other charges on property.

**(i) Financial Instruments Policy**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

*Measurement of Financial Instruments*

The Corporation initially measures its financial assets and liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost includes cash, accounts receivable, interest receivable and loans receivable.

Financial liabilities measured at amortized cost includes the accounts payable, SIDIT payable, unused project funds, Government assistance and long term debt.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 excess of revenues over expenses.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Notes to Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**3. ACCOUNTS RECEIVABLE**

	<u>2018</u>	<u>2017</u>
<b>Operating Fund</b>		
GST rebate	\$ 5,028	\$ 4,246
General	39	-
Receivable from Employment Services Centre (ESC) Fund	75,547	31,163
Receivable from Investment Funds	4,167	1,349
Receivable from SE Fund	<u>14,154</u>	<u>5,514</u>
	<u>98,935</u>	<u>42,272</u>
<b>SE Fund</b>		
GST rebate	995	1,447
General	16,853	13,041
Receivable from Employment Services Centre (ESC) Fund	<u>2,380</u>	<u>2,475</u>
	<u>20,228</u>	<u>16,963</u>
<b>Employment Services Centre (ESC) Fund</b>		
General	6,580	5,305
Province of BC - Employment Services Centre (ESC) Contract	<u>67,961</u>	<u>76,514</u>
	<u>74,541</u>	<u>81,819</u>
<b>Investment Funds</b>		
Charges receivable	417	100
Insurance receivable	<u>1,200</u>	<u>1,200</u>
	<u>1,617</u>	<u>1,300</u>
	<u>\$ 195,321</u>	<u>\$ 142,354</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Notes to Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**4. LOANS RECEIVABLE**

	<u>2018</u>	<u>2017</u>
<b>Investment Fund</b>		
Loans receivable	\$ 1,869,376	\$ 2,385,692
Less: allowance for loan impairment	<u>(443,564)</u>	<u>(389,239)</u>
	<b>\$ 1,425,812</b>	<b>\$ 1,996,453</b>
<b>Investment II Fund</b>		
Loans receivable	\$ 88,597	\$ 66,969
Less: allowance for loan impairment	<u>(28,352)</u>	<u>-</u>
	<b>\$ 60,245</b>	<b>\$ 66,969</b>
<b>Youth Investment Fund</b>		
Loans receivable	<u>\$ 77,661</u>	<u>\$ 72,682</u>
<b>Community Business Program Investment Fund</b>		
Loans receivable	\$ 122,780	\$ 264,557
Less: allowance for loan impairment	<u>-</u>	<u>(93,000)</u>
	<b>\$ 122,780</b>	<b>\$ 171,557</b>
<b>Disabled Entrepreneur Investment Fund</b>		
Loans receivable	\$ 7,943	\$ 37,653
Less: allowance for loan impairment	<u>(4,795)</u>	<u>(6,595)</u>
	<b>\$ 3,148</b>	<b>\$ 31,058</b>
<b>Total</b>		
Loans receivable	\$ 2,166,357	\$ 2,827,553
Less: allowance for loan impairment	<u>(476,711)</u>	<u>(488,834)</u>
	<b>\$ 1,689,646</b>	<b>\$ 2,338,719</b>

The loans bear interest at rates established by contract varying from 5.50% to 12.50%. The minimum interest rate that can be charged is generally the bank prime rate plus 2.00%. Certain underperforming loans have been subsequently restructured to bring the interest rates as low as 0.00%. The scheduled maturities range from a period of less than one year to a maximum of five years. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and building. The Corporation's revenue may be significantly impacted by the varying interest rates available.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Notes to Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**5. INVESTMENT IN SUBSIDIARY**

	<u>2018</u>	<u>2017</u>
<b>TCK Holdings Ltd.</b>		
Balance, beginning of year	\$ 84,154	\$ 68,033
Net income	<u>44,726</u>	<u>16,121</u>
Balance, end of year	<u>\$ 128,880</u>	<u>\$ 84,154</u>

The Corporation owns 100% of the shares of the subsidiary. The Corporation and TCK Holdings Ltd. share the same Board.

TCK Holdings Ltd. was incorporated under the Business Corporations Act of British Columbia on May 22, 2012.

TCK Holdings Ltd. owns the building and land in Merritt, B.C. that services the Employment Services Centre (ESC) contract.

The amounts below have not been consolidated into these non-consolidated financial statements. Financial summaries of the subsidiary as at March 31, 2018 and March 31, 2017 and for the years then ended are as follows:

	<u>2018</u>	<u>2017</u>
Assets	<u>\$ 1,299,077</u>	<u>\$ 396,905</u>
Liabilities	<u>1,170,197</u>	<u>312,751</u>
Shareholder's equity	<u>128,880</u>	<u>84,154</u>
	<u>\$ 1,299,077</u>	<u>\$ 396,905</u>

	<u>2018</u>	<u>2017</u>
Revenues	\$ 113,573	\$ 48,401
Expenses	<u>68,847</u>	<u>32,280</u>
Net income	<u>\$ 44,726</u>	<u>\$ 16,121</u>
Cash flows from operating activities	\$ 61,731	\$ 22,986
Cash flows from financing activities	857,137	77,064
Cash flows used by investing activities	<u>(928,693)</u>	<u>(19,180)</u>
Net cash inflow (outflow)	<u>\$ (9,825)</u>	<u>\$ 80,870</u>

**6. DUE FROM SUBSIDIARY**

The amount due from TCK Holdings Ltd. is non-interest bearing, unsecured and has no specified terms of repayment.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Notes to Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**7. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
<b>Kamloops</b>				
Furniture, fixtures, and equipment	\$ 35,145	\$ 33,005	\$ 2,140	\$ 3,056
Computer equipment and software	87,627	77,945	9,682	3,919
<b>Merritt</b>				
Furniture, fixtures, and equipment	6,104	4,532	1,572	2,406
Computer equipment and software	73,322	61,757	11,565	10,299
Leasehold improvements	20,429	18,288	2,141	5,067
	<u>\$ 222,627</u>	<u>\$ 195,527</u>	<u>\$ 27,100</u>	<u>\$ 24,747</u>

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2018	2017
<b>Operating Fund</b>		
Audit accrual	\$ 15,000	\$ 15,000
General	36,445	19,790
Vacation payable	10,015	5,466
	<u>61,460</u>	<u>40,256</u>
<b>SE Fund</b>		
General	1,179	175
Payable to Operating Fund	14,154	5,514
	<u>15,333</u>	<u>5,689</u>
<b>Employment Services Centre (ESC) Fund</b>		
Audit accrual	14,000	14,000
General	11,761	11,646
Payable to Operating Fund	75,547	31,163
Payable to SE Fund	2,380	2,475
Vacation payable	5,978	10,751
	<u>109,666</u>	<u>70,035</u>
<b>Investment Funds</b>		
Payable to Operating Fund	4,166	1,347
SIDIT payable	-	5,428
	<u>4,166</u>	<u>6,775</u>
	<u>\$ 190,625</u>	<u>\$ 122,755</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Notes to Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**9. GOVERNMENT REMITTANCES PAYABLE**

	<u>2018</u>	<u>2017</u>
<b>Operating Fund</b>		
Employee deductions payable	\$ 8,157	\$ 5,524
<b>Employment Services Centre (ESC) Fund</b>		
Employee deductions payable	5,836	6,744
GST payable	8,544	6,374
	<u>14,380</u>	<u>13,118</u>
	\$ <u>22,537</u>	\$ <u>18,642</u>

**10. UNUSED PROJECT FUNDS**

	<u>2018</u>	<u>2017</u>
<b>Operating Fund</b>		
Wildfire Relief	\$ 84,332	\$ 84,332
Wildfire Business Transition Project	90,377	-
Federal Government (WD)	-	24,594
	<u>174,709</u>	<u>108,926</u>

During the year, the Corporation received \$100,627 from Community Futures British Columbia for the Wildfire Business Transition Project in which \$10,250 of funds have been spent towards the project.

<b>Employment Services Centre (ESC) Fund</b>		
Employment Services Centre (ESC) - payable to the Province of BC	-	14,515
	\$ <u>174,709</u>	\$ <u>123,441</u>

**11. SIDIT (SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST) PAYABLE**

	<u>2018</u>	<u>2017</u>
Funds are loaned to the Corporation in order to partner in client loans. Principal repayments proportionate to SIDIT's involvement in client loans, as well as a portion of the interest earned on the client loans are paid to SIDIT on a quarterly basis. SIDIT bears the risk on the loan in proportion to their involvement	\$ 54,880	\$ 151,211

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Notes to Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**12. LONG TERM DEBT**

	<u>2018</u>	<u>2017</u>
<b>Syndicated Loan Partners</b>		
Community Futures Development Corporation of Shuswap, syndicated loan, bearing interest at 8.00% per annum, repayable in blended payments of \$878 per month. The loan matures on March 1, 2021 and is secured by a general security agreement	\$ 100,777	\$ 103,147
Community Futures Development Corporation of Nicola Valley, syndicated loan, bearing interest at 8.00% per annum, repayable in blended payments of \$878 per month. The loan matures on March 1, 2021 and is secured by a general security agreement	100,777	103,147
Community Futures Development Association of BC - BC Futures Fund, loan (#260), repaid during the year	-	73,670
Community Futures Development Association of BC - BC Futures Fund, loan (#120), repaid during the year	-	444,020
	<u>201,554</u>	<u>723,984</u>
Amounts payable within one year	<u>(5,134)</u>	<u>(153,906)</u>
	<u>\$ 196,420</u>	<u>\$ 570,078</u>

Principal repayment terms are approximately:

2019	\$ 5,134
2020	5,558
2021	6,022
2022	6,520
2023	7,060
Thereafter	<u>171,260</u>
	<u>\$ 201,554</u>

**Syndicated Loan Partners**

The Corporation entered into a loan participation and administration agreement with two other Community Futures Development Corporations ("CF Partners"), as listed above, in order to advance a loan of \$315,000. As per the agreement, the Corporation will provide a portion of the loan to be advanced in the amount of \$105,000 and will administer the loan. The CF Partners will provide \$105,000 each repayable as per the terms listed above.



**13. GOVERNMENT ASSISTANCE**

**Investment II Fund**

In 1998, the Corporation received a repayable contribution in the amount of \$150,000 from the Government of Canada to administer, through the Investment Fund, loans, loan guarantees and equity participation in small businesses. Effective April 2001, the contribution became conditionally repayable.

**Youth Investment Fund**

In 1996, the Corporation received a repayable contribution in the amount of \$200,000 from the Government of Canada to administer, through the Youth Investment Fund, loans, loan guarantees and equity participation in businesses owned and operated by youths. Effective April 2001, the contribution became conditionally repayable.

**Disabled Entrepreneur Investment Fund**

In 1998, the Corporation received a repayable contribution in the amount of \$200,000 from the Government of Canada to administer, through the Disabled Entrepreneur Investment Fund, loans, loan guarantees and equity participation in businesses owned and operated by disabled entrepreneurs. Effective April 2001, the contribution became conditionally repayable. In 1999, the repayable amount was reduced by \$23,331 to \$176,669.

**14. EXTERNALLY RESTRICTED FUND BALANCES**

**Investment Fund**

Thompson Enterprise Centre Society, a predecessor to the Corporation, received a \$1,400,000 grant from the Government of Canada to administer, through the Investment fund, loans, loan guarantees and equity participation in order to create new small businesses and to expand, stabilize and protect existing businesses resulting in the generation and maintenance of employment. This grant was transferred to the Corporation as part of an asset transfer agreement on March 31, 1995. As a condition of funding, the Corporation agrees to retain its non-profit status and to continue to administer the Investment Fund in conformity with criteria outlined in the original contribution agreement. Upon dissolution of the Corporation, any assets to which the Minister contributed, remaining after payment of debts and liabilities, and any records necessary to deliver the Program, can be transferred to another organization with similar objectives, as approved by the Minister.

**Community Business Program Investment Fund**

In 1996, the Corporation received a contribution in the amount of \$250,000 from Forest Renewal British Columbia which was matched by \$250,000 in funding transferred from the Corporation's Investment Fund. The \$500,000 in funds are to be used by the Corporation to provide loans to businesses in the forest, aquaculture, manufacturing or tourism sector, or businesses that are developing or using clean or renewable energy, or are developing innovative technology, or are beginning the export of goods or services from British Columbia. As a condition of the funding, the Corporation has agreed to administer the funds in accordance with the contribution agreement. If these conditions are not met, the agreement will be terminated and the funds will be disbursed as described in the terms of the contribution agreement.

**15. COMMITMENTS**

The Corporation rents office space in Kamloops, B.C. from its subsidiary on a month to month basis for \$1,725.

The Corporation rents office space in Merritt, B.C. from its subsidiary on a month to month basis for \$4,212.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Notes to Non-Consolidated Financial Statements**

**Year Ended March 31, 2018**

**16. MANAGEMENT FEES**

	<u>2018</u>	<u>2017</u>
<b>Operating Fund</b>		
Employment Services Centre (ESC) Contract	\$ 67,000	\$ 81,075
Self Employment Program	5,000	-
	<u>\$ 72,000</u>	<u>\$ 81,075</u>

**17. CHANGES IN NON-CASH WORKING CAPITAL**

	<u>2018</u>	<u>2017</u>
<b>Operating Fund</b>		
Accounts receivable	\$ (56,663)	\$ 21,970
Accounts payable and accrued liabilities	21,204	(10,160)
Government remittances payable	2,633	(3,959)
Prepaid expenses	3,381	(1,033)
Unused project funds	65,783	(35,483)
	<u>36,338</u>	<u>(28,665)</u>
<b>SE Fund</b>		
Accounts receivable	(3,265)	(841)
Accounts payable and accrued liabilities	9,644	(304)
	<u>6,379</u>	<u>(1,145)</u>
<b>ESC Fund</b>		
Accounts receivable	7,278	30,023
Accounts payable and accrued liabilities	39,631	(17,086)
Due from subsidiary	(271,533)	(77,064)
Government remittances payable	1,262	(9,187)
Prepaid expenses	1,642	(1,596)
Unused project funds	(14,515)	3,996
	<u>(236,235)</u>	<u>(70,914)</u>
<b>Investment Funds</b>		
Accounts receivable	(317)	507
Accounts payable and accrued liabilities	(2,610)	489
SIDIT payable	(96,331)	(15,853)
	<u>(99,258)</u>	<u>(14,857)</u>
	<u>\$ (292,776)</u>	<u>\$ (115,581)</u>

**18. REGISTERED RETIREMENT SAVINGS PLAN CONTRIBUTIONS**

The Corporation matches employee contributions to a Registered Retirement Savings Plan ("RRSP") up to 5.00%. The employer contributions for the year were \$23,547 (2017 - \$27,353). The Corporation does not have any further obligations in respect of these contributions.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2018

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**19. RELATED PARTY TRANSACTIONS**

Included in the expenses of the Corporation for the year was rent paid to its wholly owned subsidiary, TCK Holdings Ltd., in the amount of \$81,754 (2017 - \$48,137).

Transactions with related parties 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.

**20. FINANCIAL INSTRUMENTS**

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2018.

**(a) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt and accounts payable.

**(b) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Statement of Financial Position - Investment Funds**  
**Year Ended March 31, 2018**

*(Schedule 1)*

	Investment Fund	Investment II Fund	Youth Investment Fund	Community Business Program Investment Fund	Disabled Investment Fund	Total 2018	Total 2017
<b>ASSETS</b>							
<b>CURRENT</b>							
Cash	\$ 580,568	\$ 27,820	\$ 51,751	\$ 105,416	\$ 76,739	\$ 842,294	\$ 876,337
Accounts receivable (Note 3)	1,617	-	-	-	-	1,617	1,300
Interest receivable	255	-	-	-	-	255	1,674
	582,440	27,820	51,751	105,416	76,739	844,166	879,311
LOANS RECEIVABLE (Note 4)	1,425,812	60,245	77,661	122,780	3,148	1,689,646	2,338,719
	<b>\$ 2,008,252</b>	<b>\$ 88,065</b>	<b>\$ 129,412</b>	<b>\$ 228,196</b>	<b>\$ 79,887</b>	<b>\$ 2,533,812</b>	<b>\$ 3,218,030</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities (Note 8)	\$ 3,601	\$ -	\$ 565	\$ -	\$ -	\$ 4,166	\$ 6,775
SIDIT payable (Note 11)	54,880	-	-	-	-	54,880	151,211
Current portion of long term debt (Note 12)	5,134	-	-	-	-	5,134	153,906
	63,615	-	565	-	-	64,180	311,892
LONG TERM DEBT (Note 12)	196,420	-	-	-	-	196,420	570,078
GOVERNMENT ASSISTANCE (Note 13)	-	150,000	200,000	-	176,669	526,669	526,669
	260,035	150,000	200,565	-	176,669	787,269	1,408,639
<b>NET ASSETS</b>							
EXTERNALLY RESTRICTED FUND BALANCES (Note 14)	1,400,000	-	-	250,000	-	1,650,000	1,650,000
FUND BALANCES (DEFICIENCIES)	348,217	(61,935)	(71,153)	(21,804)	(96,782)	96,543	159,391
	1,748,217	(61,935)	(71,153)	228,196	(96,782)	1,746,543	1,809,391
	<b>\$ 2,008,252</b>	<b>\$ 88,065</b>	<b>\$ 129,412</b>	<b>\$ 228,196</b>	<b>\$ 79,887</b>	<b>\$ 2,533,812</b>	<b>\$ 3,218,030</b>

See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Statement of Revenues and Expenses - Investment Funds**  
**Year Ended March 31, 2018**

*(Schedule 2)*

	Investment Fund	Investment II Fund	Youth Investment Fund	Community Business Program Investment Fund	Disabled Investment Fund	Total 2018	Total 2017
<b>REVENUES</b>							
Interest from deposits	\$ 6,018	\$ 302	\$ 496	\$ 615	\$ 465	\$ 7,896	\$ 2,663
Interest from loans	112,301	4,347	4,706	13,183	2,018	136,555	165,294
	<u>118,319</u>	<u>4,649</u>	<u>5,202</u>	<u>13,798</u>	<u>2,483</u>	<u>144,451</u>	<u>167,957</u>
<b>EXPENSES</b>							
Interest on long term debt	23,400	-	-	-	-	23,400	21,366
Professional fees	1,616	-	-	-	581	2,197	3,467
Reserve for loan impairment and write-offs (recovery)	154,011	28,352	1,139	-	(1,800)	181,702	257,178
	<u>179,027</u>	<u>28,352</u>	<u>1,139</u>	<u>-</u>	<u>(1,219)</u>	<u>207,299</u>	<u>282,011</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (60,708)</u>	<u>\$ (23,703)</u>	<u>\$ 4,063</u>	<u>\$ 13,798</u>	<u>\$ 3,702</u>	<u>\$ (62,848)</u>	<u>\$ (114,054)</u>

See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Statement of Revenues and Expenses - Employment Services Centre (ESC)**

*(Schedule 3)*

**Year Ended March 31, 2018**

	2018	2017
<b>REVENUES</b>		
Fixed Operating Fee Contributions	\$ 656,760	\$ 656,760
Variable Service Fee Contributions	453,450	522,095
Financial Support and Purchased Service Contributions	282,692	332,694
Administrative fees	25,000	27,623
Interest from deposits	3,986	2,452
Outcome fees	4,625	3,750
<b>TOTAL REVENUES</b>	<b>1,426,513</b>	<b>1,545,374</b>
<b>EXPENSES</b>		
<b>Fixed Operating Fee Expenses</b>		
Accounting and legal	15,500	15,000
Advertising	9,888	10,733
Capital purchases	12,667	10,500
Insurance	2,001	2,195
Interest and bank charges	1,035	995
Office	70,040	66,072
Rent	48,137	48,137
Repairs and maintenance	7,965	9,396
Subcontractor	-	8,580
Telephone	12,695	13,931
Utilities	8,662	9,654
Wages and benefits	338,495	293,854
	<b>527,085</b>	<b>489,047</b>
<b>Variable Service Fee Expenses</b>		
Professional fees	-	250
Variable service fees	279,675	293,653
Wages and benefits	112,263	128,471
	<b>391,938</b>	<b>422,374</b>

*(continues)*

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**

**Statement of Revenues and Expenses - Employment Services Centre (ESC) (continued)**

**(Schedule 3)**

**Year Ended March 31, 2018**

	2018	2017
<b>Financial Support and Purchased Service Expenses</b>		
Dependent care expenses	7,459	8,839
Disability support	20,183	35,075
Food costs	325	560
Job search	4,552	355
Job start	11,807	8,948
Living supports	104,941	78,690
Training support	90,055	141,985
Transportation support	33,167	26,856
Wage subsidy support	10,203	31,386
	<u>282,692</u>	<u>332,694</u>
<b>Administrative Expenses</b>		
AGM expenses	762	800
Conference expenses	1,025	2,634
General manager business development	251	1,872
Human resources consultant	6,700	11,600
Management fees (Note 16)	67,000	81,075
Marketing	200	1,171
Miscellaneous	37	752
Moving expenses	13,936	-
Outcome fees	1,633	1,963
Staff events	2,893	2,199
Strategic planning	3,000	1,500
Training for staff and board	7,566	6,465
Travel for staff and board	8,563	12,094
	<u>113,566</u>	<u>124,125</u>
<b>TOTAL EXPENSES</b>	<u>1,315,281</u>	<u>1,368,240</u>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS</b>	<u>111,232</u>	<u>177,134</u>
<b>OTHER ITEMS</b>		
Expenses - Community support projects	<u>(3,130)</u>	<u>(11,529)</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 108,102</u>	<u>\$ 188,663</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY**  
**Statement of Revenues and Expenses - Open Door Group Service Agreement (ODG) - SE Fund**  
*(Schedule 4)*

**Year Ended March 31, 2018**

	2018	2017
<b>REVENUES</b>	<b>\$ 248,040</b>	<b>\$ 205,714</b>
<b>EXPENSES</b>		
Administrative fees	21,701	18,627
Advertising	2,335	2,252
Interest and bank charges	40	20
Management fees <i>(Note 16)</i>	5,000	-
Office	4,119	1,327
Professional fees	36,126	58,926
Telephone	1,050	-
Travel and promotion	1,397	1,226
Wages and benefits	112,060	83,321
	<b>183,828</b>	<b>165,699</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 64,212</b>	<b>\$ 40,015</b>