

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO
Operating as
Deh Cho Business Development Centre**

FINANCIAL STATEMENTS

March 31, 2023

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Financial Statements
Year ended March 31, 2023

Page

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

Statement I	Statement of Financial Position	1
Statement II	Statement Change in Net Assets	2
Statement III	Statement of Revenue and Expenditures	3
Statement IV	Statement of Cash Flow	4 - 5
	Notes to the Financial Statements	6 - 13
	Schedule of Project Revenues and Expenditures	14

Independent Auditor's Report

To the directors of
Community Futures Development Corporation of the Deh Cho
Operating as Deh Cho Business Development Centre

Opinion

We have audited the accompanying financial statements of **Community Futures Development Corporation of the Deh Cho**, which comprise the statement of financial position as at March 31, 2023, statement of change in net assets, statement of revenue and expenditures, and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Community Futures Development Corporation of the Deh Cho** as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing **Community Futures Development Corporation of the Deh Cho's** financial reporting process.

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 **Community Futures Development Corporation of the Deh Cho'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 **Community Futures Development Corporation of the Deh Cho** 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 **Community Futures Development Corporation of the Deh Cho** 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.

EPR Yellowknife Accounting Prof. Corp.

EPR Yellowknife Accounting Professional Corporation
August 24, 2023
Yellowknife, NWT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Community Futures Development Corporation of the Deh Cho are the responsibility of management and have been approved by the Board.

The financial statements have been prepared by management in accordance with Canadian accounting standards for not for profit organizations as recommended by the board of the Canadian Institute of Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, EPR Yellowknife Accounting Professional Corporation., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Community Futures Development Corporation of the Deh Cho and meet when required.

On behalf of Community Futures Development Corporation of the Deh Cho



Sean Whelley
General Manager
Community Futures Development Corporation of the Deh Cho
Operating as Deh Cho Business Development Centre
August 24, 2023

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Statement of Financial Position
As At March 31, 2023

Statement I

	2023	2022
ASSETS		
Current Assets		
Cash	\$ 172,986	\$ 230,773
Accounts Receivable	99,361	194,386
Prepaid Expense	900	900
	273,247	426,059
Non-Current Assets		
Investment Fund Assets (Note 2b)	1,656,456	1,590,729
BDIC Loan Fund Assets (Note 2c)	284,811	302,206
NWTCFA Loan Fund Assets (Note 2d)	327,810	318,745
GNWT RRRF Fund Assets (Note 2e)	603,008	601,712
NACCA Emergency Loan Fund Assets (Note 2f)	93,325	393,953
Capital Assets (Note 8)	24,575	30,747
TOTAL ASSETS	3,263,232	3,664,151
LIABILITIES		
Current liabilities		
Accounts Payable and Accrued Liabilities	13,876	25,469
Deferred Revenue (Note 9)	28,287	202,728
	42,163	228,197
Non- Current Liabilities		
BDIC Loan Fund Liability	273,192	295,969
NWTCFA Loan Fund Liability	340,000	340,000
RRRF Loan Fund Liability	600,000	600,000
ELP Loan Fund Liability	87,066	392,922
	1,342,421	1,857,088
EQUITY		
Operating Fund Surplus	238,024	198,498
Investment in Capital Assets	24,575	30,747
Investment Fund	1,656,456	1,590,736
BDIC Loan Fund	11,619	6,237
NWTCFA Loan Fund (Deficiency)	(12,143)	(21,207)
RRRF Loan Fund	1,021	1,021
ELP Loan Fund	1,259	1,031
	1,920,811	1,807,063
TOTAL LIABILITIES AND EQUITY	\$ 3,263,232	\$ 3,664,151

Approved on behalf of board

_____ Director

_____ Director

The accompanying notes and schedules form an integral part of the financial statements.

Page 1

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Statement of Change in Net Assets
For the Year Ended March 31, 2023

Statement II

	2023	2022
OPERATING FUND		
Surplus, Opening	\$ 198,498	\$ 122,091
Excess revenues for the year	39,526	76,407
Surplus, Closing	238,024	198,498
INVESTMENT IN CAPITAL ASSETS		
Balance Opening	30,747	12,772
Additions to capital assets	1,407	23,681
Amortization	(7,579)	(5,706)
Balance Closing	24,575	30,747
INVESTMENT FUND		
Balance, Opening	1,590,735	1,561,261
Loan Interest Income	50,052	36,976
Administration Fees and other expenses	(657)	(7,990)
Loan Loss Provision	16,326	488
Balance, Closing	1,656,456	1,590,735
BDIC LOAN FUND		
Balance, Opening	6,237	7,032
Loan Interest Income	13,825	6,788
Administration Fees and other expenses	(8,443)	(7,583)
Balance, Closing	11,619	6,237
NWTCFA LOAN FUND		
Balance, Opening	(21,209)	(34,204)
Loan Interest Income	8,577	2,015
Administration fees and other expenses	(3)	-
Loan Loss Provision (net)	492	10,980
Balance, Closing	(12,143)	(21,209)
RRRF LOAN FUND		
Balance, Opening	1,021	1,037
Admin fee and others	-	(16)
Deficiency, Closing	1,021	1,021
ELP LOAN FUND		
Balance Opening	1,031	74
Admin fee and others	386	1,009
Amortization	(158)	(52)
Deficiency Closing	\$ 1,259	\$ 1,031

The accompanying notes and schedules form an integral part of the financial statements.

Page 2

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Statement of Revenue and Expenditures
For the Year Ended March 31, 2023

Statement III

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Contributions- Industry, Tourism and Investment			
Industry, Tourism and Investment			
Operating Contribution	\$ 203,630	\$ 203,630	\$ 203,630
Economic Development Officer Initiative Fund	108,000	108,000	108,000
Transferred to deferred revenue	102,700	-	126,409
Transferred from prior year deferred revenue	-	-	(102,728)
	-	49,411	-
Others			
Admin Fees	10,625	35,568	42,625
Interest Income	1,500	9,021	1,518
Other Projects			
ECE - Additional Contracts	3,000	3,875	-
Miscellaneous	4,000	6,029	450
	433,455	415,534	379,904
EXPENDITURES			
Advertising	5,000	6,393	4,716
Capital Purchases - Core	-	1,407	23,681
Communication	9,000	7,472	6,738
Employee severance expense	-	9,133	11,496
Fees, Dues and Credit Checks	7,500	5,155	6,875
Insurance	3,250	4,564	1,706
Meetings and Workshops	3,000	6,275	3,409
Office	7,800	5,479	3,916
Professional Fees	10,500	11,693	8,257
Project Cost	56,235	49,411	-
Rent and building overhead	27,000	24,000	19,500
Board Travel	36,490	290	-
Staff Travel	6,975	987	2,348
Training-Board and Staff	8,000	2,886	-
Wages & Benefits	258,347	240,863	210,855
	439,097	376,008	303,497
EXCESS REVENUE OVER EXPENDITURES	\$ (5,642)	\$ 39,526	\$ 76,407

The accompanying notes and schedules form an integral part of the financial statements

Page 3

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Statement of Cash Flows
For the Year Ended March 31, 2023

Statement IV

	2023	2022
OPERATING FUND		
Operating activities		
Excess revenue over expenditures	\$ 39,526	\$ 76,407
Net Change in Working Capital Balances relating to Operations		
Account Receivables	90,329	(94,063)
Deferred Revenue	(174,441)	202,728
Accounts payable and accrued liabilities	(11,593)	(20,769)
Increase (Decrease) in cash & equivalents	(56,179)	164,303
Cash, Opening	229,165	64,862
Cash, Closing	\$ 172,986	\$ 229,165
INVESTMENT FUND		
Financial activities		
Interest received (net of cost)	\$ 50,052	\$ 110,537
	50,052	110,537
Investing Activities		
Account Receivables/Payables	11,043	(5,135)
Admin fees due to operating fund	-	-
Loan disbursement-net	(101,754)	147,909
	(90,711)	142,774
Increase in cash & equivalents	(40,659)	253,311
Cash, Opening	1,242,011	988,700
Cash, Closing	\$ 1,201,352	\$ 1,242,011
BDIC INVESTMENT FUND		
Financial activities		
Loan Contribution repayment	\$ (31,200)	\$ (19,046)
Interest received (paid)-net	3,244	-
	(27,956)	(19,046)
Investing Activities		
Other charges	(19)	-
Admin fees due to operating fund	-	734
Loan repayment (disbursement)-net	10,581	6,868
	10,562	7,602
Increase (Decrease) in cash & equivalents	(17,394)	(11,444)
Cash, Opening	124,023	135,467
Cash, Closing	\$ 106,629	\$ 124,023

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Statement of Cash Flows- (Cont'd....)
For the Year Ended March 31, 2023

Statement IV

	2023	2022
NWTFCA INVESTMENT FUND		
Financial activities		
Interest received (net of cost)	\$ 7,824	\$ 2,767
	7,824	2,767
Investing Activities		
Admin/legal fees due from/ to operating fund	(2,078)	-
Loan repayment (disbursement) (net)	8,044	(5,000)
	5,966	(5,000)
Increase (Decrease) in cash & equivalents	13,790	(2,233)
Cash, Opening	259,443	261,676
Cash, Closing	\$ 273,233	\$ 259,443
RRRF INVESTMENT FUND		
Financial activities		
Loan Contribution received	\$ -	\$ 80,000
Interest received (net of cost)	1,296	957
	1,296	80,957
Investing Activities		
Loan disbursement (net)	-	(327,700)
Increase (Decrease) in cash & equivalents	1,296	(246,743)
Cash, Opening	124,294	371,037
Cash, Closing	\$ 125,590	\$ 124,294
ELP INVESTMENT FUND		
Financial activities		
Loan contribution received	\$ -	\$ 80,000
Interest received (net of cost)	885	957
	885	80,957
Investing Activities		
Return of unused loan funds	(109,435)	(202,771)
Loan Payment (disbursement) (net)	86,556	(274,555)
	(22,879)	(477,326)
Increase (Decrease) in cash & equivalents	(21,994)	(396,369)
Cash, Opening	26,476	422,845
Cash, Closing	\$ 4,482	\$ 26,476

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Notes to Financial Statements
For the Year Ended March 31, 2023

1. NATURE OF ORGANIZATION

The Community Futures Development Corporation of the Deh Cho operating as Deh Cho Business Development Centre (the "Centre") was incorporated as a not-for-profit corporation under the Canada Corporations Act and commenced operations November 26, 1998 to carry out community development activities, establish and administer a loan fund for the purposes of providing financial services and directly related advisory services to businesses in the Dehcho Region. The Centre is registered as an extra-territorial corporation in the Northwest Territories. The Centre's loan fund capital and operating contribution is provided by the Government of the Northwest Territories. Consequently, the Board is dependent upon funding from the Department of Industry, Tourism and Investment ("ITI"). The Centre is a non-taxable organization as defined under Section 149(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The Centre has prepared its financial statements in accordance with Canadian accounting standards for not-for-profit organizations using fund accounting.

2a) Revenue Recognition

The Centre follows the deferral method of accounting for contributions received. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or committed to. Unrestricted contributions are recognized as revenue when received if the amount to be received can be reasonably estimated and collection is reasonably assured. Expenditures are recognized in the year in which legal title transfers or services have been rendered, or commitments have been made to match related funding.

2b) Investment Fund

All payments received from the government in respect of the Investment Fund are credited to the Centre's Investment Fund. All revenues from loans and other Investment Fund activities, all revenue from ancillary investments out of the Investment Fund, and all repayments on account of principle in respect of the Investment Fund activities are credited to the Investment Fund. Funds required to be credited to the Investment Fund under the Contribution Agreement shall not be used for purposes other than Investment Fund activities without prior written approval of the Minister responsible. Any amount advanced to the Centre on account of the capital contribution that, at the end of the funding period has not been committed in respect of a loan, loan guarantee or equity investment under a legally binding contractual agreement, is deemed not to be required as a reserve for the Centre's capitalization costs and constitutes an overpayment which may be requested to be repaid to the Government. Such amounts are not accrued in the accounts until notice is given. The Investment Fund is comprised as follows:

	2023	2022
Cash	1,201,352	1,242,011
Accounts Payable	(7,998)	(11,992)
Loans Receivable (notes 2j & 5)	540,393	454,327
	1,733,747	1,684,346
Allowance for doubtful debt (notes 2j & 5)	(77,291)	(93,617)
	1,656,456	1,590,729

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO
Operating as Deh Cho Business Development Centre
Notes to Financial Statements
For the Year Ended March 31, 2023**

2c) NWT Business Development & Investment Corporation (“BDIC”) Loan Fund

All payments received from the BDIC in respect of the BDIC Investment Fund are credited to the Centre's BDIC Investment Fund. All revenues from loans and other BDIC Investment Fund activities, all revenue from ancillary investments out of the BDIC Investment Fund, and all repayments on account of principle in respect of the BDIC Investment Fund activities are credited to the BDIC Investment Fund. Funds required to be credited to the BDIC Investment Fund under the Loan Agreement shall not be used for purposes other than BDIC Investment Fund activities without prior written approval of the BDIC. The BDIC Investment Fund is comprised as follows:

	2023	2022
Cash	106,629	124,024
Loan Receivable (note 2j & 6)	178,182	178,182
	284,811	302,206
Allowance for Doubtful Loans	-	-
	284,811	302,206

2d) NWT Community Futures Association (“NWTFCFA”) Loan Fund

All payments received from the NWTFCFA in respect of the NWTFCFA Investment Fund are credited to the Centre's NWTFCFA Investment Fund. All revenues from loans and other NWTFCFA Investment Fund activities, all revenue from ancillary investments out of the NWTFCFA Investment Fund, and all repayments on account of principle in respect of the NWTFCFA Investment Fund activities are credited to the NWTFCFA Investment Fund. Funds required to be credited to the NWTFCFA Investment Fund under the Loan Agreement shall not be used for purposes other than NWTFCFA Investment Fund activities without prior written approval of the NWTFCFA. The NWTFCFA Investment Fund is comprised as follows:

	2023	2022
Cash	273,231	259,442
Account Payable	2,075	-
Loan Receivable (note 2j & 7)	81,511	98,802
	356,817	358,244
Allowance for Doubtful Loans	(29,007)	(39,499)
	327,810	318,745

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO
Operating as Deh Cho Business Development Centre
Notes to Financial Statements
For the Year Ended March 31, 2023**

2e) Regional Relief and Recovery (“RRRF”) Loan Fund

All payments received from the GNWT in respect of the Regional Relief and Recovery Fund Investment Fund are credited to the Centre's RRRF Investment Fund. All revenues from loans and other RRRF Investment Fund activities, all revenue from ancillary investments out of the RRRF Investment Fund, and all repayments on account of principle in respect of the RRRF Investment Fund activities are credited to the RRRF Investment Fund. Funds required to be credited to the RRRF Investment Fund under the Loan Agreement shall not be used for purposes other than RRRF Investment Fund activities without prior written approval of the RRRF. Any contributed funds not used at the end of the program must be repaid to GNWT. The RRRF Investment Fund is comprised as follows:

	2023	2022
Cash	\$ 45,308	\$ 44,012
Account Payable	-	-
Loan Receivable (note 2j & 4)	557,700	557,700
	603,008	601,712
Allowance for Doubtful Loans	-	-
	\$ 603,008	\$ 601,712

2f) Emergency Loan Program (“ELP”) Loan Fund

All payments received from the National Aboriginal Capital Contribution Association (NACCA) in respect of the Emergency Loan Program Fund Investment Fund are credited to the Centre's ELP Investment Fund. All revenues from loans and other ELP Investment Fund activities, all revenue from ancillary investments out of the ELP Investment Fund, and all repayments on account of principle in respect of the ELP Investment Fund activities are credited to the ELP Investment Fund. Funds required to be credited to the ELP Investment Fund under the Loan Agreement shall not be used for purposes other than ELP Investment Fund activities without prior written approval of the ELP. Any contributed funds not used at the end of the program must be repaid to NACCA. The RRRF Investment Fund is comprised as follows:

	2023	2022
Cash	\$ 4,482	\$ 26,476
Account Payable	-	-
Loan Receivable (note 2j & 3)	88,843	367,477
	93,325	393,953
Allowance for Doubtful Loans	-	-
	\$ 93,325	\$ 393,953

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO
Operating as Deh Cho Business Development Centre
Notes to Financial Statements
For the Year Ended March 31, 2023**

2g) Operating Fund

Operating surpluses constitute an overpayment which will be repaid to the Government. Such amounts are not accrued in the accounts until notice is given.

2h) Capital Fund

Capital Assets are funded by the Operating Contribution and recorded as expenditures in the year of acquisition. To account for the existence of these assets on the Balance Sheet, the cost of capital purchases are recorded in Capital Assets at cost with an offsetting credit to Investment in Capital Assets. Amortization is calculated by the declining balance method at the rates set out in Note 7. In the year of acquisition amortization is calculated at one half of the rates set out in Note 7.

2i) Use of Estimate

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2j) Loans Receivable

Loans receivable are stated at net realizable value. Interest income is recorded on a cash basis for all loans receivable. An Allowance for Doubtful Loans is provided for non-performing loans in the Investment Fund. Non-performing loans consist of those loans for which the collection process has been unsuccessful, or the possible outcome of the collection process is uncertain. The total amount of financial assistance that may be provided in respect of any business at any time shall not exceed \$200,000 from the general investment fund, \$100,000 from the NWTCEFA investment fund, \$200,000 from BDIC fund, \$100,000 from RRRF fund and \$60,000 from ELP fund. The minimum rate of interest charged on any loan will not be less than the prevailing rate charged by a lender, as defined in the Small Business Loans Act, for a similar loan or unless otherwise stated.

2k) Budget

The presented budget figures are those approved by the Board and are unaudited.

2l) Financial Instruments

The Centre measures its financial assets and financial liabilities at fair value. The Centre subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investment in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost include cash and cash equivalents, term deposits and restricted cash.

Financial liabilities that are measured at cost include accounts payable and accrued liabilities and contributions repayable.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Notes to Financial Statements
For the Year Ended March 31, 2023

3. NWT ELP LOAN PORTFOLIO CONTINUITY

	2023	2022
Loans Receivables		
Opening Balance	\$ 367,477	\$ 277,229
Loan disbursed	-	300,000
Principle repayments	(87,173)	(25,445)
Loan written off (forgiveness)	(196,461)	(84,307)
Grant disbursed to loan clients	-	(100,000)
Closing Balance	\$ 83,843	\$ 367,477

4. RRRF LOAN PORTFOLIO CONTINUITY

	2023	2022
Loan Receivables		
Opening balance	\$ 557,700	\$ 230,000
Loan disbursed	-	327,700
Closing Balance	\$ 557,700	\$ 557,700

5. GENERAL INVESTMENT LOAN PORTFOLIO CONTINUITY

	2023	2022
Loans Receivables		
Opening Balance	\$ 454,327	\$ 672,160
Loan disbursed	225,000	74,233
Principle repayments	(143,679)	(292,066)
Interest adjustment	4,745	-
Closing Balance	540,393	454,327
Doubtful Accounts		
Opening Balance	93,617	94,467
Allowances (recoveries) (net)	(16,326)	(850)
Closing Balance	77,291	93,617
Net Loan Receivable	\$ 463,102	\$ 360,710

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Notes to Financial Statements
For the Year Ended March 31, 2023

6. NWT BDIC LOAN PORTFOLIO CONTINUITY

	2023		2022	
Loans Receivables				
Opening Balance	\$	178,182	\$	189,648
Loan disbursed		-		-
Principle repayments		-		(11,466)
Loan written off		-		-
Closing Balance	\$	178,182	\$	178,182

7. NWTCFA LOAN PORTFOLIO CONTINUITY

	2023		2022	
Loans Receivables				
Opening Balance	\$	98,803	\$	94,603
Loan disbursed		-		5,000
Principle repayments		(7,291)		(800)
Loan written off		(10,000)		-
Closing Balance		81,512		98,803
Doubtful Accounts				
Opening Balance		39,500		50,480
Allowances (recoveries) (net)		-		(980)
Loan written off		(10,000)		(10,000)
Closing Balance		29,500		39,500
Net Loan Receivable	\$	52,012	\$	59,303

8. CAPITAL ASSETS

		2023			2022	
	Rate	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Furniture & Equip	20%	\$ 49,736	\$ 41,503	\$ 8,233	\$ 10,291	
Computer Equipment	30%	41,051	31,328	9,723	12,181	
Leasehold Improvements	20%	39,967	33,497	6,470	8,089	
Library Materials	20%	19,162	19,013	149	186	
		\$ 149,916	\$ 125,341	\$ 24,575	\$ 30,747	

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Notes to Financial Statements
For the Year Ended March 31, 2023

9. DEFERRED REVENUE

Deferred revenue consists of payments received in advance from GNWT-Industry, Tourism and Investment for Initiative und which is intended for the upcoming fiscal year expenditures.

	2023	2022
Opening Balance	202,727	-
Plus- Amount received related to the following year	-	202,727
Less- Amount recognized as revenue in the year	(149,469)	-
	53,258	202,727

10. BDIC INVESTMENT FUND LIABILITY AND EQUITY DEFICIENCY

The Centre has entered into a Loan Agreement with NWT Business Development & Investment Corporation (“BDIC”) for a total loan amount of \$900,000, secured by a Demand Promissory Note and General Security Agreement covering all present and after acquired property, to provide capital funding to the Centre, for providing loans to businesses in the Dehcho. The loan is amortized over 20 years and the term is for 3 years interest only. At the end of the 3 years of interest only the loan will be amortized over the remaining 17 years. The interest rate is 2.95% per annum.

The Centre may request to assign uncollected Loans (from BDIC proceeds) to the BDIC from time to time. The BDIC has full discretion whether to accept such requests. If an assignment is completed the Centre ceases to have any interest in the subject Loan. If the BDIC accepts such an assignment, the BDIC shall then credit the Centre’s Loan with the amount that the principal value of the assigned loan exceeds the accumulated profits that the Centre has generated through lending out the proceeds. Should the Centre suffer losses as a result of the BDIC Investment Fund, currently the Centre would have to fund such losses out of either the regular Investment Fund or the Operating Fund, however the current Contribution Agreements with the Department of Industry, Tourism and Investment do not cover such a possibility as an eligible cost.

11. NWT CFA INVESTMENT FUND LIABILITY AND EQUITY DEFICIENCY

The Centre has entered into a Loan Agreement with NWT Community Futures Association (“NWT CFA”) for a total loan amount of \$340,000, secured by a Demand Promissory Note, to provide capital funding to the Centre, for providing loans to businesses in the Dehcho. The loan has no amortization term. The interest rate is 0% per annum.

Should the Centre suffer losses from NWT CFA Investment Fund, the losses will be absorbed by NWT CFA.

12. COMMITMENTS

The Centre has does not have any commitments as at March 31, 2023. Office lease payments are on a month to month basis since September 2020.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO
Operating as Deh Cho Business Development Centre
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2023**

13. CONTINGENT LIABILITIES

(a) Letter of Credit and Loan Guarantees

There are no Loan Guarantees outstanding on behalf of clients at year end (2022 - NIL). There are no Irrevocable Letter of Credits outstanding at year end.

14. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, treasury bill mutual funds, loans receivable, accounts receivable and accounts payable. The financial statements and accompanying notes contain, according to management's best efforts, the relevant information necessary for a reasonable assessment of these risks. The Centre is exposed to financial risk that arises from the credit quality of the entities to which it provides loans.

a) Credit risk

Credit risk arises from the possibility that the entities to which the Centre provides loans may experience financial difficulty and be unable to fulfil their obligations. A concentration of credit risk also arises as the debtors of the Centre are concentrated in the Dehcho Region, and the Centre is a lender of last resort.

(b) Liquidity risk

Liquidity risk arises from the potential that an entity will have difficulty in meeting its obligation associated with the financial liabilities. The Centre does have a liquidity risk in the accounts payable and accrued liabilities of \$ 13,876 (2022 - \$23,867). Liquidity risk is the risk that the Centre cannot repay its obligations when they become due to its creditors. This risk has not changed from the prior year. The Centre manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Centre's reputation. The Centre has determined that the risk is not significant.

The fair value of these financial instruments, where determinable, approximate their carrying amounts unless otherwise noted. However, the fair value of the loan fund cannot be determined. There is no secondary market for the loan portfolio and the uncertainty and potential broad range of outcomes pertaining to future cash flow related renders the calculation of a fair value with appropriate reliability impractical. If the circumstances under which these estimates and judgments were made change there could be a significant change to the allowance for credit losses and the calculation of the fair value of the loans.

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEH CHO**
Operating as Deh Cho Business Development Centre
Schedule of Project Revenue and Expenditures
For the Year Ended March 31, 2023

	Operations	EDO Project	ELP Admin	RRRF Admin	NACCA S&T Project	Total
4022 Operating Funds	\$ 203,630	\$ -	\$ -	\$ -	\$ -	\$ 203,630
4028 EDO Contract	-	108,000	-	-	-	108,000
4150 NACCA Contributions	-	-	10,625	-	-	10,625
4029-1 ITI -Other Contracts and Contributions	-	-	-	-	-	-
4228 GNWT - RRRF	-	-	-	24,943	-	24,943
4244 Other Contribution	3,000	875	-	-	-	3,875
4023 Transferred from Deferred Revenue	49,411	-	-	-	-	49,411
4250 Miscellaneous	6,029	-	-	-	-	6,029
4255 Investment Interest	7,725	-	-	1,296	-	9,021
	269,795	108,875	10,625	26,239	-	415,534
5410 Wages & Benefits	133,657	107,206	-	-	-	240,863
5460 Other Employee Benefits	3,411	5,722	-	-	-	9,133
5605 Legal Costs - Loan Security	322	-	-	-	-	322
5610 Accounting and Legal	8,788	2,583	-	-	-	11,371
5615 Advertising & Promotion	6,393	-	-	-	-	6,393
5630 Board Travel	290	-	-	-	-	290
5635 Copier Lease & Charges	-	-	-	-	-	-
5645 Conferences	6,275	-	-	-	-	6,275
5660 Fees, Dues and Credit Checks	5,155	-	-	-	-	5,155
5670 Insurance	3,067	-	-	-	-	3,067
5675 General Liability Insurance	1,497	-	-	-	-	1,497
5700 Office Supplies	4,654	636	-	-	-	5,290
5710 Postage & Freight	189	-	-	-	-	189
5740 Meeting Costs	-	-	-	-	-	-
5750 Capital Assets Purchases	1,407	-	-	-	-	1,407
5760 Rent & Building Overhead	16,600	7,400	-	-	-	24,000
5780 Telephone & Internet	6,075	-	-	-	-	6,075
5782 Internet	1,397	-	-	-	-	1,397
5787 Training Board & Staff	-	2,886	-	-	-	2,886
5790 Staff Travel	987	-	-	-	-	987
5797 ITI Project Costs	49,411	-	-	-	-	49,411
	249,575	126,433	-	-	-	376,008
Excess Revenues over Expenditures	\$ 20,220	\$ (17,558)	\$ 10,625	\$ 26,239	\$ -	\$ 39,526

