

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF THE DEHCHO
Operating as
Dehcho Business Development Centre**

FINANCIAL STATEMENTS

March 31, 2020

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
Financial Statements
Year ended March 31, 2020

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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, 2020, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Futures Development Corporation of the Deh Cho as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of 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.

Emphasis of Matter

We draw attention to Note 11 in the audited financial statements, which indicates that due to Covid-19 Pandemic, there is a widespread economic uncertainty worldwide. As stated in the note, management believes there is no going concern issue for the centre. Our opinion is not modified in respect of this matter.

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:

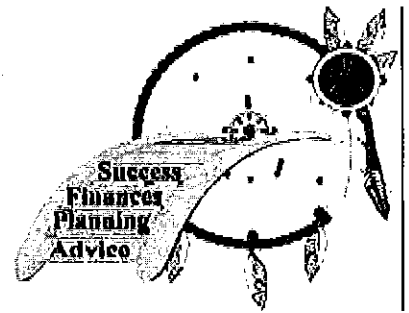
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
- evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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
Chartered Professional Accountants
Yellowknife, NT
July 31, 2020

Deh Cho Business Development Centre



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Community Futures Development Corporation of the Dehcho 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 Dehcho and meet when required.

On behalf of Community Futures Development Corporation of the Dehcho

A handwritten signature in black ink, appearing to read 'Todd Noseworthy'.

Todd Noseworthy
General Manager

Community Futures Development Corporation of the Dehcho
Operating as Dehcho Business Development Centre
July 31, 2020

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
 Operating as Dehcho Business Development Centre
 STATEMENT OF FINANCIAL POSITION
 As At March 31, 2020

Statement I

	2020	2019
ASSETS		
Current Assets		
Cash	\$ 4,074	\$ 11,787
Restricted cash (Note 4)	-	184,641
Accounts receivable	44,743	36,236
Prepaid Expense	400	400
	49,217	233,063
INVESTMENT FUND ASSETS (Note 2b)	1,440,071	1,383,909
BDIC LOAN FUND ASSETS (Note 2c)	350,558	369,553
NWTCFA LOAN FUND ASSETS (Note 2d)	303,172	298,240
CAPITAL ASSETS (Note 8)	16,166	20,496
TOTAL ASSETS	2,159,184	2,305,261
LIABILITIES		
Current liabilities		
Accounts Payable and Accrued Liabilities	31,486	30,691
Employee Severance Liability	-	184,641
	31,486	215,332
BDIC INVESTMENT FUND LIABILITY (NOTE 9)	339,557	362,892
NWTCFA INVESTMENT FUND LIABILITY (NOTE 9)	340,000	340,000
	711,043	918,224
EQUITY		
OPERATING FUND SURPLUS	17,731	17,731
INVESTMENT IN CAPITAL ASSETS	16,166	20,496
INVESTMENT FUND	1,440,071	1,383,909
BDIC INVESTMENT FUND (DEFIENCY) (Note 8)	11,002	6,662
NWTCFA INVESTMENT FUND (DEFIENCY) (Note 9)	(36,829)	(41,761)
	1,448,141	1,387,037
TOTAL LIABILITIES AND EQUITY	\$ 2,159,184	\$ 2,305,261

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

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
STATEMENT OF CHANGE IN NET ASSETS
For the Year Ended March 31, 2020

	2020	2019
OPERATING FUND		
Surplus, Opening	\$ 17,731	\$ 18,818
Excess revenues for the year	-	(1,087)
Surplus, Closing	17,731	17,731
INVESTMENT IN CAPITAL ASSETS		
Balance Opening	20,496	10,119
Additions to capital assets	-	14,126
Amortization	(4,330)	(3,749)
Balance Closing	16,166	20,496
INVESTMENT FUND		
BALANCE, OPENING	1,383,910	1,295,448
Capital Contribution	-	-
Loan Interest Income	32,617	61,448
Administration Fees and other expenses	5,455	(1,162)
Loan Loss Recovery (Provision)	18,089	28,176
Balance, Closing	1,440,071	1,383,910
BDIC INVESTMENT FUND		
BALANCE, OPENING	6,662	3,994
Loan Interest Income	5,498	5,851
Administration Fees and other expenses	(1,158)	(3,183)
Balance, Closing	\$ 11,002	\$ 6,662
NWTCFA INVESTMENT FUND		
Balance (Deficiency), Opening	\$ (41,762)	\$ (35,637)
Loan Interest Income	1,572	2,872
Administration fees and other expenses	3,361	705
Loan Loss Provision (net)	-	(9,701)
BALANCE (DEFICIENCY), CLOSING	\$ (36,829)	\$ (41,761)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
STATEMENT OF REVENUE AND EXPENDITURES
For the Year Ended March 31, 2020

	2020 BUDGET	2020 ACTUAL	2019 ACTUAL
REVENUE			
Core Contributions -			
Industry, Tourism and Investment			
Operating Contribution	\$ 203,630	\$ 203,630	\$ 203,630
Economic Development Officer	108,000	108,000	108,000
Admin Fees	2,100	8,071	14,028
Other Projects			
ECE - Additional Contracts	-	-	3,125
NACCA - Support & Training Fund	-	23,266	(3)
ITI and other contributions	-	-	28,791
	313,730	342,967	357,571
EXPENDITURES			
Advertising	3,000	1,985	957
Capital Purchases - Core	2,000	922	15,557
Communication	7,200	6,693	7,473
Conferences and Workshops	3,525	7,592	-
Employee severance expense	-	12,700	14,582
Fees, Dues and Credit Checks	5,355	5,546	5,324
Insurance	3,100	3,097	3,046
Miscellaneous-ITC adjustment	-	-	2,876
Office	3,700	7,252	3,952
Professional Fees	8,300	8,729	6,494
Project Cost	-	5,023	17,791
Rent and building overhead	19,800	18,100	39,872
Board Travel	7,000	2,532	5,092
Staff Travel	2,400	707	-
Training-Board and Staff	2,000	13,275	-
Wages & Benefits	257,058	248,814	235,642
	324,438	342,967	358,658
EXCESS REVENUE (EXPENDITURE)	\$ (10,708)	\$ -	\$ (1,087)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
STATEMENT OF CASH FLOW
For the Year Ended March 31, 2020

Statement IV

	2020	2019
OPERATING FUND		
Operating activities		
Excess (deficiency) of revenue over expenditure	\$ -	\$ (1,087)
Net Change in Working Capital Balances relating to Operations		
Account Receivables	(19,830)	31,395
Capital Asset purchase	-	(14,125)
Accounts payable and accrued liabilities	12,210	12,731
Employee severance liability	(184,641)	14,582
INCREASE (DECREASE) IN CASH & EQUIVALENTS	(192,261)	43,496
CASH, OPENING	196,335	152,839
CASH CLOSING	\$ 4,074	\$ 196,335
INVESTMENT FUND		
Financial activities		
Interest received (net of cost)	51,970	60,286
	51,970	60,286
Investing Activities		
Account Receivables/Payables	3,099	(4,568)
Admin fees due from/ to operating fund	(6,475)	(1,630)
Loan repayment (disbursement) (net)	59,612	20,712
	56,236	14,514
INCREASE (DECREASE) IN CASH & EQUIVALENTS	108,206	74,800
CASH, OPENING	749,652	674,852
CASH CLOSING	\$ 857,858	\$ 749,652
BDIC INVESTMENT FUND		
Financial activities		
Loan Contribution received (repaid)	\$ (23,335)	\$ (23,610)
Interest received (net of cost)	4,340	2,668
	(18,995)	(20,942)
Investing Activities		
Admin fees due from/ to operating fund	(882)	(144)
Loan repayment (disbursement) (net)	81,017	12,150
	80,135	12,006
INCREASE (DECREASE) IN CASH & EQUIVALENTS	61,140	(8,936)
CASH, OPENING	289,418	298,354
CASH CLOSING	\$ 350,558	\$ 289,418

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
STATEMENT OF CASH FLOW- (CONTD....)
For the Year Ended March 31, 2020

Statement IV

	2020	2019
NWTFCA INVESTMENT FUND		
Financial activities		
Interest received (net of cost)	4,934	3,576
	4,934	3,576
Investing Activities		
Account Receivables/Payables	(704)	(488)
Admin/legal fees due from/ to operating fund	(1,168)	90
Loan repayment (disbursement) (net)	(7,469)	771
	(9,341)	373
INCREASE (DECREASE) IN CASH & EQUIVALENTS	(4,407)	3,949
CASH, OPENING	249,543	245,594
CASH CLOSING	\$ 245,136	\$ 249,543

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

1. NATURE OF ORGANIZATION

The Community Future Development Corporation of the Dehcho operating as Dehcho 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)l 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) Measurement Uncertainty

The preparation of financial statements in accordance with stated accounting policies requires the Centre to make estimates and assumptions that affect the amount of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Centre believes the estimates and assumptions to be reasonable. Some of the more significant management estimates based on past experience relate to allowance for doubtful accounts valuation.

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:

	2020	2019
Cash	857,858	749,652
Accounts Receivable	-	-
Accounts Payable	(13,098)	(16,474)
Loans Receivable (notes 2g & 4)	804,175	863,787
	1,648,935	1,596,965
Allowance for doubtful debt (notes 2g & 4)	(208,864)	(213,056)
	1,440,071	1,383,909

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

2c) NWT Business Development & Investment Corporation (“BDIC”) Investment 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. Any amount advanced to the Centre 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 BDIC. Such amounts are not accrued in the accounts until notice is given. The BDIC Investment Fund is comprised as follows:

	2020	2019
Cash	350,558	289,418
Account Payable	-	(881)
Loan Receivable (note 2g & 5)	-	81,016
	350,558	369,553
Allowance for Doubtful Loans (notes 2g & 5)	-	-
	350,558	369,553

2d) NWT Community Futures Association (“NWTCFA”) Investment Fund

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

	2020	2019
Cash	245,136	249,543
Account Payable	(1,552)	(3,422)
Loan Receivable (note 2g & 6)	116,167	108,699
	359,751	354,820
Allowance for Doubtful Loans	(56,579)	(56,580)
	303,172	298,240

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

2e) Operating Fund

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

2f) 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.

2g) 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 NWT CFA investment 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.

2h) Budget

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

2i) Revenue and Expenditure 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.

3. ADOPTION OF NEW ACCOUNTING CHANGES

On April 1, 2019, Deh Cho Business Development Centre adopted the following new standards in part III (Accounting Standards for Not-for-Profit Organizations) of the CPA Canada Hand Book.

Section 4433 Tangible Capital Assets Held by Not-for-Profit Organizations and Section 4434 Intangibles Assets Held by Not-for-Profit Organizations states that the cost of contributed tangible capital assets is deemed to be fair value at the date of contribution plus all cost directly attributable to its acquisition, including installing at the location and the condition necessary for its intended use. Previously, there was no guidance on how to determine the cost of a contributed tangible asset.

Section 4441, Collections held by Not-for-Profit Organizations states that collections (which includes work of arts, historical treasures or similar assets) are recorded on the statement of financial position at either cost or nominal value on the statement of financial position. All collections are accounted for using the same method.

The corporation has assessed the implications of this new accounting policy on their operation and has determined that both of the above new sections has no impact on their financial statement.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

4. RESTRICTED FUNDS

	2020	2019
Operating Fund - Employee Severance Liability	\$ -	\$ 184,641

In prior years, certain funds were restricted for employee severance and those were paid during this fiscal year.

5. GENERAL INVESTMENT LOAN PORTFOLIO CONTINUITY

	2020	2019
Loans Receivables		
Opening Balance	863,787	869,500
Loan disbursed	126,643	313,884
Principle repayments	(186,255)	(319,597)
Loan written off	-	-
Closing Balance	804,175	863,787
Doubtful Accounts		
Opening Balance	213,055	226,231
Allowances (recoveries) (net)	(4,192)	(13,176)
Closing Balance	208,863	213,055
Net Loan Receivable	\$ 595,312	\$ 650,732

6. NWT BDIC LOAN PORTFOLIO CONTINUITY

	2020	2019
Loans Receivables		
Opening Balance	81,016	93,166
Loan disbursed	-	-
Principle repayments	(81,016)	(12,150)
Loan written off	-	-
Closing Balance	-	81,016

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

7. NWT CFA LOAN PORTFOLIO CONTINUITY

	2020	2019
Loans Receivables		
Opening Balance	108,699	109,470
Loan disbursed	34,000	31,056
Principle repayments	(26,531)	(31,827)
Loan written off	(2)	-
Closing Balance	116,166	108,699
Doubtful Accounts		
Opening Balance	56,580	46,879
Allowances (recoveries) (net)	-	9,701
Closing Balance	56,580	56,580
Net Loan Receivable	59,586	52,119

8. CAPITAL ASSETS

				2020	2019
	Rate	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Furniture & Equip	20%	39,456	37,833	1,623	2,030
Computer Equipment	30%	26,243	24,630	1,613	2,305
Leasehold Improvements	20%	39,968	27,329	12,639	15,797
Library Materials	20%	19,162	18,871	291	364
		124,829	108,663	16,166	20,496

9 .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.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO
Operating as Dehcho Business Development Centre
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

10. 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 as a result of the NWT CFA 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. SUBSEQUENT EVENTS

In January 2020, the World Health Organization declared a public health emergency due to the spread of the COVID-19. By March 2020, a series of outbreaks in Canada, led the federal government to implement various restrictive measures designed to curb the spread of the virus. Following suit, the Territorial Government of Northwest Territories enacted measures of similar intent. The impact of the measures has led to widespread economic uncertainty.

Management has assessed the impact of the COVID-19 and the impact of the Federal and Territorial Government's restrictive measures, and has determined that there is no impact on the amounts and information reported in the financial statements as at March 31, 2020 and that subsequent to year end, the impact of the measures to combat the spread of the virus have not caused a significant change to the assets and liabilities of the company or cause doubt to the future operation of the business.

12. COMMITMENTS

The Centre has current commitments as follows:

- (a) lease of office accommodations to September 30, 2020 \$18,000 rent per year, payable in twelve equal monthly payments of \$1500.

13. CONTINGENT LIABILITIES

(a) Legal Claims:

The legal claim against Deh Cho Business Development Centre for the amount of \$10,834 was settled during the year. The Centre won the case and did not have to pay any amount.

(b) Letter of Credit and Loan Guarantees

There are no Loan Guarantees outstanding on behalf of clients at year end (2019 - 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. 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.

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 DEHCHO
Operating as Dehcho Business Development Centre
SCHEDULE OF PROJECT REVENUE AND EXPENDITURES
For the Year Ended March 31, 2020

	Operations	EDO Project	SEO Program	Leasehold Improvement	NACCA S&T Project	Total
4022 Operating Funds	\$ 203,630	\$ -	\$ -	\$ -	\$ -	\$ 203,630
4028 EDO Contract	-	108,000	-	-	-	108,000
4029 ITI Other contracts and contributions	-	-	-	-	-	-
4225 NACCA Support- Bd. & Staff Training	-	-	-	-	13,275	13,275
4228 NACCA - S&T Other	4,969	-	-	-	5,022	9,991
4244 Other Contribution	-	-	-	-	-	-
4251 Recovery collection cost	1,706	-	-	-	-	1,706
4250 Miscellaneous	2,208	-	-	-	-	2,208
4255 Investment Interest	4,157	-	-	-	-	4,157
	216,670	108,000	-	-	18,297	342,967
5410 Wages & Benefits	134,381	110,597	-	-	-	244,978
5460 Other Employee Benefits	7,070	5,630	-	-	-	12,700
5605 Legal Costs - Loan Security	493	-	-	-	-	493
5610 Accounting and Legal	8,236	-	-	-	-	8,236
5470 Health Insurance	1,620	2,217	-	-	-	3,837
5615 Advertising & Promotion	1,985	-	-	-	-	1,985
5630 Board Travel	2,532	-	-	-	-	2,532
5635 Copier Lease & Charges	1,429	518	-	-	-	1,947
5645 Conferences	7,592	-	-	-	-	7,592
5660 Fees, Dues and Credit Checks	5,547	-	-	-	-	5,547
5670 Insurance	1,781	-	-	-	-	1,781
5675 General Liability Insurance	1,316	-	-	-	-	1,316
5700 Office Supplies	3,913	1,205	-	-	-	5,118
5710 Postage & Freight	32	-	-	-	-	32
5740 Meeting Costs	155	-	-	-	-	155
5750 Capital Assets Purchases	922	-	-	-	-	922
5760 Rent & Building Overhead	10,860	7,240	-	-	-	18,100
5780 Telephone & Internet	3,655	1,585	-	-	-	5,240
5782 Internet	1,452	-	-	-	-	1,452
5787 Training Board & Staff	-	-	-	-	13,274	13,274
5790 Staff Travel	707	-	-	-	-	707
5797 Project Costs	-	-	-	-	5,023	5,023
	195,678	128,992	-	-	18,297	342,967
EXCESS REVENUES (EXPENDITURES)	\$ 20,992	\$ (20,992)	\$ -	\$ -	\$ -	\$ -

