

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH AGREEMENT**

To Western Economic Diversification:

We have audited the Community Futures Development Corporation of Sun Country's (the Corporation) compliance as at March 31, 2018 with the criteria described in Sections 13.1 to 13.6 (Conflict of Interest) and Attachment B, Section II (Investment Fund Terms and Conditions) of the Contribution Agreement between Western Economic Diversification and the Corporation. Compliance with the criteria established by the provisions of the agreement is the responsibility of the Board of Directors of the Corporation. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Corporation complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

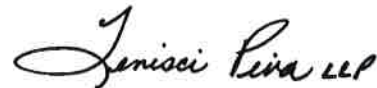
Attachment B, Section II, Paragraph x) of the agreement states that:

"the minimum rate of interest charged on any loan from the Investment Fund shall not normally be less than the prime rate plus two percent. CFDC's may establish lower interest rates for Social Enterprises or for EDP clients"

As at March 31, 2018, the Corporation had one loan at 4.45%, one percent below the minimum rate of interest charged.

In our opinion, with exception to the previous paragraph, Community Futures Development Corporation of Sun Country is in compliance in all material respects with the criteria established in Sections 12.1 to 12.4 (Conflict of Interest) and Attachment B, Section II (Investment Fund Terms and Conditions) of the Contribution Agreement.

Kamloops, B.C.
June 28, 2018



CHARTERED PROFESSIONAL ACCOUNTANTS

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY
Financial Statements
Year Ended March 31, 2018

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

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Year Ended March 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Futures Development Corporation of Sun Country

We have audited the accompanying financial statements of Community Futures Development Corporation of Sun Country, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility


Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Community Futures Development Corporation of Sun 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
June 28, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY
Statement of Financial Position
March 31, 2018

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2018 Total	2017 Total
ASSETS									
CURRENT									
Cash	\$ 97,830	\$ 54,625	\$ 196,677	\$ 280,970	\$ 211,121	\$ 51,122	\$ -	\$ 892,345	\$ 996,352
Accounts receivable (Note 4)	17,047	-	-	-	-	-	-	17,047	2,708
Interest receivable (Note 5)	-	-	5,742	-	-	67	-	5,809	5,324
LOANS RECEIVABLE (Note 6)									
TANGIBLE CAPITAL ASSETS (Note 8)	114,877	54,625	202,419	280,970	211,121	51,189	-	915,201	1,004,384
	-	-	1,415,006	-	-	6,598	-	1,421,604	1,210,790
	-	-	-	-	-	-	10,601	10,601	16,012
	\$ 114,877	\$ 54,625	\$ 1,617,425	\$ 280,970	\$ 211,121	\$ 57,787	\$ 10,601	\$ 2,347,406	\$ 2,231,186
LIABILITIES AND NET ASSETS									
CURRENT									
Accounts payable and accruals (Note 9)	\$ 56,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,433	\$ 46,436
Deferred revenue (Note 10)	44,460	-	-	-	-	-	-	44,460	24,942
	100,893	-	-	-	-	-	-	100,893	71,378
GOVERNMENT ASSISTANCE (Note 11)									
	-	-	-	200,000	-	200,000	-	400,000	400,000
	100,893	-	-	200,000	-	200,000	-	500,893	471,378
FUND BALANCES									
Government contributions (Note 12)	-	-	864,052	-	100,000	-	-	964,052	964,052
Interfund transfers (Note 12)	-	-	(100,000)	-	100,000	-	-	-	-
Fund balances	13,984	54,625	853,373	80,970	11,121	(142,213)	10,601	882,461	795,756
	13,984	54,625	1,617,425	80,970	211,121	(142,213)	10,601	1,846,513	1,759,808
	\$ 114,877	\$ 54,625	\$ 1,617,425	\$ 280,970	\$ 211,121	\$ 57,787	\$ 10,601	\$ 2,347,406	\$ 2,231,186

COMMITMENTS (Note 16)

See notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY
Statement of Changes in Fund Balances
Year Ended March 31, 2018

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2018 Total	2017 Total
BALANCE - BEGINNING OF YEAR	\$ 19,798	\$ 62,494	\$ 754,735	\$ 78,748	\$ 8,844	\$ (144,875)	\$ 16,012	\$ 795,756	\$ 737,418
Excess (deficiency) of revenues over expenses	(5,814)	(7,869)	98,638	2,222	2,277	2,662	(5,411)	86,705	58,338
BALANCE - END OF YEAR	\$ 13,984	\$ 54,625	\$ 853,373	\$ 80,970	\$ 11,121	\$ (142,213)	\$ 10,601	\$ 882,461	\$ 795,756

Approved on Behalf of the Board of Directors

 Director
 _____ Director

See notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Statement of Operations

Year Ended March 31, 2018

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2018 Total	2017 Total
REVENUES									
Federal Gov't contributions	\$ 299,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,299	\$ 274,357
Interest from loans	-	-	100,967	-	34	626	-	101,627	93,773
Administrative billings (Note 13)	11,772	-	-	-	-	-	-	11,772	6,074
Interest from investments	1,461	29	1,906	2,222	2,243	536	-	8,397	6,078
Other contract revenue (Note 14)	19,980	-	-	-	-	-	-	19,980	4,560
Write-offs recovered	-	-	765	-	-	1,500	-	2,265	14,769
Loan processing fee	3,359	-	-	-	-	-	-	3,359	3,427
Wildfire recovery (Note 15)	28,643	-	-	-	-	-	-	28,643	-
	364,514	29	103,638	2,222	2,277	2,662	-	475,342	403,038
EXPENSES									
Advertising	7,909	7,898	-	-	-	-	-	15,807	13,350
Amortization	-	-	-	-	-	-	5,411	5,411	6,100
Conferences and seminars	21,301	-	-	-	-	-	-	21,301	19,849
Insurance	3,690	-	-	-	-	-	-	3,690	3,559
Licence, dues and fees	3,341	-	-	-	-	-	-	3,341	2,012
Office	15,557	-	-	-	-	-	-	15,557	18,552
Professional fees	23,876	-	-	-	-	-	-	23,876	27,112
Recruiting	-	-	-	-	-	-	-	-	6,663
Rent	13,837	-	-	-	-	-	-	13,837	13,837
Repairs and maintenance	3,287	-	-	-	-	-	-	3,287	4,822
Reserves and loan write-offs	-	-	5,000	-	-	-	-	5,000	1,050
Telephone and utilities	11,459	-	-	-	-	-	-	11,459	10,835
Travel	10,204	-	-	-	-	-	-	10,204	8,047
Wages and benefits	227,224	-	-	-	-	-	-	227,224	208,912
Wildfire recovery (Note 15)	28,643	-	-	-	-	-	-	28,643	-
	370,328	7,898	5,000	-	-	-	5,411	388,637	344,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (5,814)	\$ (7,869)	\$ 98,638	\$ 2,222	\$ 2,277	\$ 2,662	\$ (5,411)	\$ 86,705	\$ 58,358

See notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Statement of Cash Flows

Year Ended March 31, 2018

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2018 Total	2017 Total
OPERATING ACTIVITIES									
Excess (deficiency) of revenues over expenses	\$ (5,814)	\$ (7,869)	\$ 98,638	\$ 2,222	\$ 2,277	\$ 2,662	\$ (5,411)	\$ 86,705	\$ 58,338
Item not affecting cash:									
Amortization	(5,814)	(7,869)	98,638	2,222	2,277	2,662	5,411	5,411	6,100
Change in non-cash working capital:									
Accounts receivable	(14,339)	-	-	-	-	-	-	(14,339)	2,662
Inter-fund receivable	-	-	-	-	-	-	-	-	5,562
Inter-fund payable	-	-	-	-	-	-	-	-	(5,562)
Accounts payable and accruals	9,997	-	-	-	-	-	-	9,997	(5,018)
Deferred revenue	19,518	-	-	-	-	-	-	19,518	24,942
	15,176	-	-	-	-	-	-	15,176	22,586
Cash flow from (used by) operating activities	9,362	(7,869)	98,638	2,222	2,277	2,662	-	107,292	87,024
INVESTING ACTIVITIES									
Decrease (increase) in interest receivable	-	-	(435)	-	17	(67)	-	(485)	2,062
Decrease (increase) in loans receivable	-	-	(207,217)	-	3,001	(6,598)	-	(210,814)	35,125
Purchase of tangible capital assets	-	-	-	-	-	-	-	-	(5,439)
Cash flow from (used by) investing activities	-	-	(207,652)	-	3,018	(6,665)	-	(211,299)	31,748
INCREASE (DECREASE) IN CASH	9,362	(7,869)	(109,014)	2,222	5,295	(4,003)	-	(104,007)	118,772
CASH - BEGINNING OF YEAR	88,468	62,494	305,691	278,748	205,826	55,125	-	996,352	877,580
CASH - END OF YEAR	\$ 97,830	\$ 54,625	\$ 196,677	\$ 280,970	\$ 211,121	\$ 51,122	\$ -	\$ 892,345	\$ 996,352

See notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

1. GENERAL

Community Futures Development Corporation of Sun Country (the "Corporation") was incorporated under the Canada Corporations Act on March 31, 1995. As a not-for-profit corporation, the Corporation is exempt from the payment of income tax. The Corporation serves communities in the Sun Country catchment area.

Community Futures Development Corporation of Sun Country is a community based Corporation that provides loans and financial services to small businesses that are otherwise unable to obtain financing. In addition, the Corporation delivers various programs for Federal and Provincial agencies.

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

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fund accounting

Community Futures Development Corporation of Sun 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 all financial resources and administration expenses.

SE Fund - To account for subcontract services performed for the Self Employment Program on behalf of an external provider.

Loan Funds - To account for loan funds received.

Capital Fund - To account for all tangible capital assets of the Corporation.

Programs are as follows:

Youth Program - to account for monies loaned from the Government of Canada for youth investments.

Forest Community Business Program (FCBP) - to account for contribution monies received from the Province of British Columbia for investments in the forest, aquaculture, manufacturing or tourism sector.

Disabled Entrepreneur Program - to account for monies loaned from the Government of Canada for small businesses operated by persons with disabilities.

Self Employment (SE) Program - this program is to provide advice and temporary financial support to qualifying individuals who wish to develop a business and be self-employed.

(b) 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.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

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

(c) Loans receivable

The loans receivable represent the outstanding principal at year end.

The Corporation has provided for credit risk, as defined in *(Note 17)*, 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.

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

(d) Tangible capital assets

Tangible capital assets are recorded at cost and are amortized over their estimated useful lives. Amortization is calculated on a straight-line basis over the following years:

Computer equipment	3 years
Furniture, fixtures and equipment	5 years

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(f) Revenue recognition

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

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 Loan Investment Fund when received or receivable. Interest is not accrued on loans which have been classified as impaired.

Other revenue including administrative billings and fees, interest from investments, other contract revenue, write-offs recovered and loan processing fees are recognized when received.

The Wildfire revenues are recognized when received.

(continues)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

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

(g) Financial instruments policy

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 include cash, accounts receivable and loans receivable.

Financial liabilities measured at amortized cost include the accounts payable, deferred revenue and Government assistance.

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.

4. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Operating Fund		
G.S.T. rebate	\$ 2,268	\$ 2,288
Accounts receivable - general	2,560	420
Wildfire recovery program	<u>12,219</u>	<u>-</u>
	<u>\$ 17,047</u>	<u>\$ 2,708</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

5. INTEREST RECEIVABLE

	<u>2018</u>	<u>2017</u>
Regular Investment Fund		
Loan interest receivable	\$ 5,742	\$ 5,307
Less: allowances for loan impairment	-	-
	<u>5,742</u>	<u>5,307</u>
Disabled Loan Fund		
Loan interest receivable	67	-
Less: allowances for loan impairment	-	-
	<u>67</u>	<u>-</u>
Forest Community Business Program Loan Fund		
Loan interest receivable	-	17
Less: allowances for loan impairment	-	-
	<u>-</u>	<u>17</u>
	<u>\$ 5,809</u>	<u>\$ 5,324</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

6. LOANS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Regular Investment Loan Fund		
Loans receivable	\$ 1,490,006	\$ 1,277,789
Less: allowance for loan impairment	<u>(75,000)</u>	<u>(70,000)</u>
	\$ 1,415,006	\$ 1,207,789
Forest Community Business Program Loan Fund		
Loans receivable	\$ -	\$ 3,001
Less: allowance for loan impairment	<u>-</u>	<u>-</u>
	\$ -	\$ 3,001
Disabled Entrepreneur Loan Fund		
Loans receivable	\$ 6,598	\$ -
Less: allowance for loan impairment	<u>-</u>	<u>-</u>
	\$ 6,598	\$ -
Total		
Loans receivable	\$ 1,496,604	\$ 1,280,790
Less: allowance for loan impairment (<i>Note 7</i>)	<u>(75,000)</u>	<u>(70,000)</u>
	\$ 1,421,604	\$ 1,210,790

The loans bear interest at rates established by contract varying from 4% to 10%. The minimum interest rate that can be charged is generally the bank prime rate plus 2%. 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 SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

7. ALLOWANCE FOR LOAN IMPAIRMENT

	<u>2018</u>	<u>2017</u>
Regular Investment Loan Fund		
#09-101186	\$ 50,000	\$ 50,000
#13-101267	15,000	15,000
#13-101269	10,000	5,000
	<u>\$ 75,000</u>	<u>\$ 70,000</u>

8. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 35,412	\$ 34,478	\$ 934	\$ 2,802
Furniture, fixtures and equipment	40,776	36,854	3,922	5,241
Leasehold improvements	11,119	5,374	5,745	7,969
	<u>\$ 87,307</u>	<u>\$ 76,706</u>	<u>\$ 10,601</u>	<u>\$ 16,012</u>

9. ACCOUNTS PAYABLE AND ACCRUALS

	<u>2018</u>	<u>2017</u>
Operating Fund		
Auditing accrual	\$ 16,000	\$ 16,000
Accounts payable - general	741	-
Wages payable	3,922	3,630
Funds held on behalf of external entities:		
Recreation Committee - recreation guides	-	208
Farmers' Market	-	930
2010 Legacies Now Society - Literacy Now Communities Program	<u>35,770</u>	<u>25,668</u>
	<u>\$ 56,433</u>	<u>\$ 46,436</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

10. DEFERRED REVENUE

	<u>2018</u>		<u>2017</u>
Operating Fund			
<u>Federal Government Contributions</u>			
Opening balance, deferred revenue	\$ 24,942	\$	-
Funds received	-		24,942
Funds spent	<u>(24,942)</u>		<u>-</u>
Ending balance, deferred revenue	<u>-</u>		<u>24,942</u>
<u>McAbee Fossil Beds Heritage Site</u>			
Opening balance, deferred revenue	-		-
Funds received	49,500		-
Funds spent	<u>(5,040)</u>		<u>-</u>
Ending balance, deferred revenue	<u>44,460</u>		<u>-</u>
	<u>\$ 44,460</u>	\$	<u>24,942</u>

11. GOVERNMENT ASSISTANCE

Youth Loan Fund

The Corporation received a repayable contribution in the amount of \$200,000 from the Government of Canada to administer, through the Youth Loan Fund, loans, loan guarantees and equity participation in businesses owned and operated by youths. The contribution is non-interest bearing and conditionally repayable.

Disabled Entrepreneur Loan Fund

The Corporation received a repayable contribution in the amount of \$200,000 from the Government of Canada to administer, through the Disabled Entrepreneur Loan Fund, loans, loan guarantees and equity participation in businesses owned and operated by disabled entrepreneurs. The contribution is non-interest bearing and conditionally repayable.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

12. GOVERNMENT CONTRIBUTIONS

Regular Investment Loan Fund

The Corporation received a \$864,052 non-repayable contribution from the Government of Canada to administer, through the Regular Investment Loan 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. 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, assets shall be disposed of in a manner acceptable to the Government of Canada.

Forest Community Business Program Loan Fund

The Corporation received a contribution in the amount of \$100,000 from Forest Community Business Program of British Columbia which was matched by \$100,000 in funding transferred from the Corporation's Loan Fund. The \$200,000 in funds are to be used by the Corporation to provide loans, business counselling and training to small and medium sized forest sector enterprises in 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.

13. ADMINISTRATIVE BILLINGS

	<u>2018</u>	<u>2017</u>
Operating Fund		
Administration fee - Literacy Now Project	\$ 3,186	\$ 1,622
Miscellaneous revenue	5,308	1,894
Photocopies and fax	<u>3,278</u>	<u>2,558</u>
	<u>\$ 11,772</u>	<u>\$ 6,074</u>

14. OTHER CONTRACT REVENUE

	<u>2018</u>	<u>2017</u>
Operating Fund		
Wildfire recovery program	\$ 19,980	\$ -
SE Fund		
SE services	<u>-</u>	<u>4,560</u>
	<u>\$ 19,980</u>	<u>\$ 4,560</u>

15. WILDFIRE RECOVERY PROGRAM

In response to the 2017 wildfires, the Corporation supported the Wildfire Recovery Program managed and administered by Community Futures Cariboo Chilcotin. The program was launched to support affected business and non-for-profits in the region. Program Ambassadors meet with business owners to ensure that they are able to access the resources and services available to assist with their ongoing sustainability. The Corporation is reimbursed for expenses incurred.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2018

16. COMMITMENTS

The Corporation rents office space under a long term lease which expires February 24, 2022. There is an option to extend the lease a further four years. Future minimum lease payments for the use of office space will aggregate \$56,700 over the next four years:

2019	\$	14,175
2020		14,175
2021		14,175
2022		14,175
		<u>14,175</u>
	\$	<u>56,700</u>

Future minimum payments under operating leases and maintenance agreements relating to equipment will aggregate \$11,760 including the following payments over the next four years:

2019	\$	3,360
2020		3,360
2021		3,360
2022		1,680
		<u>1,680</u>
	\$	<u>11,760</u>

17. 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.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risks relate to its accounts receivable, interest receivable and loans receivable. The Corporation provides credit to its clients in the normal course of business.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed interest rate financial instruments. Given the current composition of loans receivable, these fixed-rate instruments subject the Corporation to a fair value risk.