

**GREATER PETERBOROUGH BUSINESS
DEVELOPMENT CENTRE INC.
(OPERATING AS COMMUNITY
FUTURES DEVELOPMENT
CORPORATION)**

FINANCIAL STATEMENTS

MARCH 31, 2020

**GREATER PETERBOROUGH BUSINESS
DEVELOPMENT CENTRE INC. (OPERATING
AS COMMUNITY FUTURES DEVELOPMENT
CORPORATION)**

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
the Greater Peterborough Business Development Centre
Inc. (operating as Community Futures Development
Corporation)**

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Qualified Opinion

We have audited the financial statements of the Greater Peterborough Business Development Centre Inc. (operating as Community Futures Development Corporation) (the Organization), which comprise the statement of financial position as at March 31, 2020, the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and schedules to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 Qualified Opinion

The corporation has not adopted the provisions of CPA Canada Handbook Section 3856 Financial Instruments with respect to zero percent interest rate loans as described in Note 2. This section would require the Corporation to re-value these loans at an amount less than their carrying value. Management of the Corporation does not believe that the provisions are appropriate for these loans since they are fully funded by the Government of Canada and are issued at zero percent interest in accordance with the funding agreement with the Federal Economic Development Agency for Southern Ontario. Under Canadian Accounting Standards, compliance with the recognition and measurement requirements of Section 3856 is mandatory regardless of the source of invested funds or any third party agreements.

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 the Organization 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 qualified 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 the Organization'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 the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 22, 2020

GREATER PETERBOROUGH BUSINESS DEVELOPMENT CENTRE INC. (OPERATING AS COMMUNITY FUTURES DEVELOPMENT CORPORATION)

STATEMENT OF FINANCIAL POSITION As at March 31, 2020

	Operating 2020 \$	Internally Restricted 2020 \$	Investment 2020 \$	RIIEO 2020 \$	Total 2020 \$	Total 2019 \$
ASSETS						
Current assets						
Cash	49,923	461,252	528,993	6,545	1,046,713	1,640,421
Accounts receivable	17,215	-	-	409	17,624	18,207
Prepaid expenses	4,340	-	-	-	4,340	4,719
Investments (note 4)	-	-	510,274	-	510,274	517,498
Due from (to) other funds (note 11)	(43,460)	684,618	(635,023)	(6,135)	-	-
Loans receivable - current (note 5)	-	-	1,036,647	-	1,036,647	917,450
	<u>28,018</u>	<u>1,145,870</u>	<u>1,440,891</u>	<u>819</u>	<u>2,615,598</u>	<u>3,098,295</u>
Long-term assets						
Loans receivable (note 5)	-	-	6,694,432	-	6,694,432	6,508,310
Tangible capital assets (note 7)	45,096	-	-	-	45,096	48,718
Total Assets	<u>73,114</u>	<u>1,145,870</u>	<u>8,135,323</u>	<u>819</u>	<u>9,355,126</u>	<u>9,655,323</u>
LIABILITIES AND FUND BALANCES						
Current liabilities						
Accounts payable & accrued liabilities (note 8)	28,018	6,999	1,152	-	36,169	30,870
Fund balances						
Invested in tangible capital assets	45,096	-	-	-	45,096	48,718
Externally restricted	-	-	8,134,171	819	8,134,990	8,439,997
Internally restricted	-	1,138,871	-	-	1,138,871	1,135,738
	<u>45,096</u>	<u>1,138,871</u>	<u>8,134,171</u>	<u>819</u>	<u>9,318,957</u>	<u>9,624,453</u>
	<u>73,114</u>	<u>1,145,870</u>	<u>8,135,323</u>	<u>819</u>	<u>9,355,126</u>	<u>9,655,323</u>

The accompanying notes are an integral part of these financial statements

**GREATER PETERBOROUGH BUSINESS DEVELOPMENT
CENTRE INC. (OPERATING AS COMMUNITY FUTURES
DEVELOPMENT CORPORATION)**

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the Year Ended March 31, 2020**

	Operating 2020 \$	Internally Restricted 2020 \$	Investment 2020 \$	RIIEO 2020 \$	Total 2020 \$	Total 2019 \$
Revenue						
Government funding	336,347	-	-	500,000	836,347	843,208
Rental income	-	-	-	-	-	41,745
Interest income	-	10,104	552,043	3,417	565,564	453,420
Other income	6,482	18,432	1,616	-	26,530	28,614
Total revenue	342,829	28,536	553,659	503,417	1,428,441	1,366,987
Expenses						
Administration (Schedule A)	143,364	7,722	396	2,598	154,080	110,980
Amortization	11,635	-	-	-	11,635	14,577
Community development (Schedule A)	28,702	17,681	-	-	46,383	76,844
EODP Administration (Schedule A)	-	-	-	-	-	11,088
Contributions	-	-	-	450,000	450,000	450,000
Loan management	5,133	-	-	-	5,133	3,061
Occupancy (Schedule A)	-	-	-	-	-	30,234
Wages and benefits	251,288	-	-	50,000	301,288	289,681
Bad debt expense (note 6)	-	-	765,418	-	765,418	68,942
Total expenses	440,122	25,403	765,814	502,598	1,733,937	1,055,407
Excess (Deficiency) of Revenue over Expenses for the Year before undernoted items	(97,293)	3,133	(212,155)	819	(305,496)	311,580
Gain on sale of tangible capital assets	-	-	-	-	-	839,295
Excess (Deficiency) of Revenue over Expenses for the Year	(97,293)	3,133	(212,155)	819	(305,496)	1,150,875
Fund balances - beginning of year	48,718	1,135,738	8,439,997	-	9,624,453	8,473,578
Transfer to (from) funds (note 11)	93,671	-	(93,671)	-	-	-
Fund Balances - end of year	45,096	1,138,871	8,134,171	819	9,318,957	9,624,453

The accompanying notes are an integral part of these financial statements

GREATER PETERBOROUGH BUSINESS DEVELOPMENT CENTRE INC. (OPERATING AS COMMUNITY FUTURES DEVELOPMENT CORPORATION)

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2020

	Operating 2020 \$	Internally Restricted 2020 \$	Investment 2020 \$	RIIEO 2020 \$	Total 2020 \$	Total 2019 \$
CASH PROVIDED FROM (USED FOR):						
Operating activities						
Excess (deficiency) of revenue over expenses for the year	(97,293)	3,133	(212,155)	819	(305,496)	1,150,875
Interfund transfers	93,671	-	(93,671)	-	-	-
Excess (deficiency) of revenue over expenses for the year after transfers	(3,622)	3,133	(305,826)	819	(305,496)	1,150,875
Non-cash charges to operations						
Amortization	11,635	-	-	-	11,635	14,577
Bad debt expense	-	-	765,418	-	765,418	68,942
Gain on disposal of tangible capital assets	-	-	-	-	-	(839,295)
Interest accrued on GICs	-	-	(10,274)	-	(10,274)	(10,386)
	8,013	3,133	449,318	819	461,283	384,713
Changes in non-cash working capital items						
Accounts receivable	809	-	-	(226)	583	(10,008)
Prepaid expenditures	379	-	-	-	379	(1,392)
Accounts payable	8,683	3,091	(425)	(6,050)	5,299	4,933
Accrued interest and loan charges receivable	-	-	9,239	-	9,239	(23,933)
Due from (to) other funds	23,978	(657,820)	636,502	(2,660)	-	-
Net change in cash from operating activities	41,862	(651,596)	1,094,634	(8,117)	476,783	354,313
Investing activities						
Purchase of tangible capital assets	(8,013)	-	-	-	(8,013)	(63,828)
Proceeds on disposal of tangible capital assets	-	-	-	-	-	1,010,567
Loans advanced	-	-	(2,405,361)	-	(2,405,361)	(2,721,730)
Loans repaid	-	-	1,325,385	-	1,325,385	1,763,043
Purchase of GIC investment	-	-	-	-	-	(507,112)
Proceeds on disposal of GIC	-	-	7,112	-	7,112	-
Interest received on GIC	-	-	10,386	-	10,386	-
Net change in cash from investing activities	(8,013)	-	(1,062,478)	-	(1,070,491)	(519,060)
Net change in cash	33,849	(651,596)	32,156	(8,117)	(593,708)	(164,747)
Cash - beginning of year	16,074	1,112,848	496,837	14,662	1,640,421	1,805,168
Cash - end of year	49,923	461,252	528,993	6,545	1,046,713	1,640,421

The accompanying notes are an integral part of these financial statements

**GREATER PETERBOROUGH BUSINESS
DEVELOPMENT CENTRE INC. (OPERATING AS
COMMUNITY FUTURES DEVELOPMENT
CORPORATION)**



**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

1. NATURE OF OPERATIONS

Greater Peterborough Business Development Centre Inc. (operating as Community Futures Peterborough) ('the Organization') was incorporated on August 12, 1985 under the laws of the Province of Ontario as a non-profit organization with the principal purpose to encourage job creation in the Peterborough area.

If the Organization were to dissolve, and after the payment of all debts, the remaining assets of the Organization would be distributed or disposed of to another Organization with similar goals and objectives as approved by the Federal Economic Development Agency for Southern Ontario ("FedDev".)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, with the following exception.

The Organization has decided not to adopt the provisions of the Canadian Institute of Chartered Professional Accountants Handbook Section 3856 for the recognition and measurement of financial instruments. This section would require the zero percent interest rate loans to be measured at an amount less than their carrying value. Management and the Organization do not believe that these accounting provisions are appropriate in this circumstance. Furthermore, management is of the opinion that adopting this section would not provide any new, material information for the users of these financial statements, but rather would distort the presentation of the Organization's financial position.

Significant aspects of the accounting policies are as follows:

(a) Revenue and expense recognition

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Interest income is recognized on an accrual basis in the appropriate fund. The Organization accrues interest on loans in arrears until collection becomes doubtful.

Government funding contributions are recognized as revenue when received, in the appropriate fund, except for the following:

- i) Contributions relating to approved expenditures not yet incurred are recorded as deferred operating contributions; and
- ii) Unexpended funds at the end of the year from contributions by FedDev to the operating fund reduce contribution revenue and are reported as amounts due to FedDev unless approval has been received to use excess funds for specific upcoming expenditures. Over expenditures may not be reimbursed by FedDev.

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified.

These funds are classified as follows:

- (i) Operating fund - includes results of day-to-day operating transactions;
- (ii) Internally restricted fund - This fund consists of cash and investments restricted by the Board of Directors for community development and lending to the investment fund.
- (iii) Investment fund – includes loan receivable activities which are externally restricted funds; and
- (iv) RIIEO fund – includes the use of restricted resources used to fund programs to strengthen Eastern Ontario through the Rural Innovation Initiative of Eastern Ontario.

(c) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized, over the expected useful life of the asset, as follows:

Furniture and Equipment	10 years
Computers	4 years
Computer Software	1 years

Leasehold Improvements are amortized over the remaining lease term

Tangible capital assets are reviewed for impairment whenever events or conditions indicate that the assets no longer contribute to the organization's ability to provide services or that the service potential of the assets are less than their net carrying amount.

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost.

(d) Income taxes

The Organization qualifies as a not-for-profit organization which is exempt from income taxes under the Income Tax Act.

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Measurement of financial instruments

(i) Measurement

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

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

Financial assets measured at amortized cost include cash, investments, accounts receivable and loans receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Several loans have been issued in accordance with FedDev's "Eastern Ontario Development Program – Access to Capital" program whereby the Organization receives an amount for funding from FedDev and then invests this amount in zero percent interest rate loans, as required by FedDev. The carrying value of these loans will not represent their fair value, if the loans were sold or otherwise disposed of.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(iii) Managements estimates

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Organization's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the entity's operations. The extent of the impact of this outbreak and related containment measures on the Organization's operations cannot be reliably estimated at this time.

As an emerging risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions, and other mitigating measures. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the Organization's operations, financial results and condition in future periods are also subject to significant uncertainty. Therefore, uncertainty about judgments, estimates, and assumptions made by management during the preparation of the Organization's financial statements related to potential impacts of the COVID-19 outbreak on revenue, expenses, assets, liabilities, and note disclosures could result in a material adjustment to the carrying value of the asset or liability affected (note 6).

(f) *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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, amortization and allowance for doubtful loans. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

3. CHANGE IN ACCOUNTING POLICY

During the year, the Organization adopted section 4433 of the CPA Canada Handbook: Tangible Capital Assets Held by Not-For-Profit Organizations. Section 4433 replaces section 4431 of the same name. The main changes from Section 4431 include: the requirement that tangible capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amount. The adoption of this standard did not have an impact on the Organization's financial statements.

4. INVESTMENTS

Investments consists of two cashable GIC investments which earn interest at 2.5%. GICs are recorded at cost plus accrued interest. The GICs maturity dates and values as at March 31, 2020 are as follows:

	2020	2019
	\$	\$
June 7, 2021	306,164	306,144
June 7, 2021	204,110	204,096
June 6, 2019	-	7,258
	510,274	517,498

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

5. LOANS RECEIVABLE

The loans receivable bear interest at rates from 5% to 10%, with the exception of \$402,941 (2019 - \$584,908) in loans which bear interest at 0%. The loans are fixed for terms of 1 to 10 years with amortization periods from 2 to 25 years.

The loans receivable balance is comprised of:

	2020	2019
	\$	\$
Principal balance, beginning of year	7,926,406	7,089,661
Loans advanced during the year	2,405,361	2,721,730
Loans repaid during the year	(1,325,385)	(1,763,043)
Loans written off during the year	(423,859)	(121,942)
Principal balance, end of year	8,582,523	7,926,406
Accrued interest	88,115	97,354
Allowance for doubtful loans (note 7)	(939,559)	(598,000)
Balance, end of year	7,731,079	7,425,760
Comprised of:		
Current	1,036,647	917,450
Long Term	6,694,432	6,508,310
	7,731,079	7,425,760

Scheduled principal repayments for the next five years are as follows:

	\$
2021	948,532
2022	800,916
2023	760,655
2024	687,594
2025	609,705

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**NOTES TO THE FINANCIAL STATEMENTS
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6. ALLOWANCE FOR DOUBTFUL LOANS

The Organization determines the allowance for doubtful loans by reviewing outstanding loans on a loan-by-loan basis and providing for specific loans as necessary.

Due to the potential economic effects the global pandemic (see Note 2(e)(iii)) could have on its clients, management took further steps to review its allowance for doubtful loans. The Organization categorized its loans into three risk categories and applied an estimate of potential loss to each category. As a result of the analysis to include the potential effects of the global pandemic, the Organization increased its allowance for doubtful loans by \$533,158 from its original allowance of \$406,401 to come to a total allowance for doubtful loans of \$939,559.

The activity in the allowance for doubtful loans account is as follows:

	2020	2019
	\$	\$
Balance, beginning of year	598,000	651,000
Loans written off during the year	(423,859)	(121,942)
Current year bad debt expense	765,418	68,942
Balance, end of year	939,559	598,000

The annual bad debt expense is \$765,418 (2019 - \$68,942)

7. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value	
			2020	2019
	\$	\$	\$	\$
Furniture and equipment	30,385	6,988	23,397	26,434
Computers	31,301	15,773	15,528	15,341
Computer software	9,720	9,720	-	-
Leasehold Improvements	7,715	1,544	6,171	6,943
	79,121	34,025	45,096	48,718

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

8. ACCOUNTS PAYABLE

Accounts payable consists of the following:

	2020	2019
	\$	\$
Payroll source deductions	9,732	7,374
EODP disbursements payable	-	3,065
HST Payable	6,999	3,908
Trade and other payables	19,438	16,523
	36,169	30,870

9. ECONOMIC DEPENDENCE

The Organization is dependent on annual contributions from FedDev in order to finance the Operating Fund. Should these contributions cease, the Organization would be required to change its operating structure to be able to continue assisting organizations in the community.

10. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Organization is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Organization's loans receivable are at fixed interest rates which are not subject to any variability over their contracted terms and thus, any change in the market interest rate will have no impact on the cash flows generated. The Organization mitigates exposure to interest rate risk by limiting the term periods of the loans, allowing interest rates to be adjusted at renewal.

Interest rate risk is the risk that the Organization has interest rate exposure on its investments. This exposure is low as the investments are invested in cashable guaranteed investment certificates.

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

10. FINANCIAL INSTRUMENTS, continued

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk related to loans receivable. Management believes that their overall credit risk continues to be relatively low, notwithstanding the impact of COVID-19. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

The Organization has credit risk related to loans receivable, which amount to \$7,731,079 (2019 - \$7,425,760).

The Organization reduces its exposure to credit risk by creating an allowance for doubtful loans when applicable. The Organization monitors and assesses the collectability of loans receivable based on past experience to derive a net realizable value.

(c) Liquidity risk

Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. Cash flow from operations provides a substantial portion of the organization's cash requirements. Additional cash requirements are met with the use of the other available cash funds.

(d) Additional risk

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant other price risks arising from these financial instruments. The risk assessment has been updated from the prior period for the impact of COVID-19.

11. INTERFUND TRANSFER AND BALANCES

The Organization received approval during the year from the Federal Economic Development Agency for Southern Ontario to transfer up to \$100,000 from the Investment fund to the Operating fund to cover a deficiency of revenue over expenses in the Operating fund through the sustainable investment fund transfer (SIFT). The actual transfer made was for \$93,671 (2019 - \$93,664).

The interfund amount owing to the Internally Restricted fund by the Investment fund is renewable annually, with interest payable at 6.5%. There is no interest payable on the amount owing by the Operating fund.

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COMMUNITY FUTURES DEVELOPMENT
CORPORATION)**



**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

12. COMMITMENT

The company has a five year commercial lease agreement with 2506395 Ontario Inc. to lease 270 George Street, Peterborough, ON, Suite 102 for the period of September 1, 2018 - August 31, 2023. Payments over the next four years including HST are as follows;

	\$
2021	33,900
2022	33,900
2023	33,900
2024	14,125

13. SUBSEQUENT EVENTS

On April 17, 2020, Prime Minister Justin Trudeau announced \$1.7 billion in new targeted measures to protect Canadian jobs and provide more support to businesses and organizations dealing with the economic impacts of COVID-19. The Regional Relief and Recovery Fund (RRRF) provides financial contributions (interest-free loans) to help support fixed operating costs. The organization received \$994,889 on May 22, 2020 of this funding in order to provide targeted assistance to the geographical area it serves. An additional \$58,642 is anticipated to be received to cover the costs of administering these loans. The organization will focus on assisting main street businesses, such as retail shops, restaurants, corner stores, and businesses of strategic importance to their communities, with loans of up to \$40,000.

Subsequent to year end, the organization received \$200,000 for the Organization's investment fund from the Investing in Regional Diversification Fund to allow for loans below prime rate to support businesses impacted by COVID-19.

**GREATER PETERBOROUGH BUSINESS DEVELOPMENT CENTRE
INC. (OPERATING AS COMMUNITY FUTURES DEVELOPMENT
CORPORATION)**

**SCHEDULES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

Schedule A

Occupancy

	Operating 2020 \$	Internally restricted 2020 \$	Investment 2020 \$	RIIEO 2020 \$	Total 2020 \$	Total 2019 \$
Municipal taxes	-	-	-	-	-	14,093
Repairs and maintenance	-	-	-	-	-	8,821
Insurance	-	-	-	-	-	2,702
Utilities	-	-	-	-	-	4,618
	-	-	-	-	-	30,234

Community Development

	Operating 2020 \$	Internally restricted 2020 \$	Investment 2020 \$	RIIEO 2020 \$	Total 2020 \$	Total 2019 \$
Promotion and advertising	12,986	-	-	-	12,986	30,805
Meetings and conferences	5,807	-	-	-	5,807	15,947
Community projects and donations	9,909	17,681	-	-	27,590	30,092
	28,702	17,681	-	-	46,383	76,844

**GREATER PETERBOROUGH BUSINESS DEVELOPMENT CENTRE
INC. (OPERATING AS COMMUNITY FUTURES DEVELOPMENT
CORPORATION)**

**SCHEDULES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2020**

Schedule A (Continued)

Administration

	Operating 2020 \$	Internally restricted 2020 \$	Investment 2020 \$	RIIEO 2020 \$	Total 2020 \$	Total 2019 \$
Bank charges, interest and fees	2,378	60	-	-	2,438	1,964
Office supplies	30,317	-	-	-	30,317	29,889
Postage	-	-	-	-	-	223
Insurance	5,975	-	-	-	5,975	3,716
Equipment rental	2,304	-	-	-	2,304	2,357
Professional services	46,471	-	-	-	46,471	9,588
Rent	33,984	-	-	-	33,984	35,795
Travel and vehicle	3,590	-	-	-	3,590	3,302
Telephone	6,287	-	-	-	6,287	5,699
Miscellaneous	4,625	7,662	396	2,598	15,281	13,250
Staff training	7,433	-	-	-	7,433	5,197
	143,364	7,722	396	2,598	154,080	110,980

EODP Administration

	Operating 2020 \$	Internally restricted 2020 \$	Investment 2020 \$	RIIEO 2020 \$	Total 2020 \$	Total 2019 \$
Office supplies	-	-	-	-	-	3,358
Promotion and advertising	-	-	-	-	-	3,850
Miscellaneous	-	-	-	-	-	3,880
	-	-	-	-	-	11,088