Community Futures Treaty Seven
Financial Statements
March 31, 2019

Management's Responsibility

To the Shareholders of Community Futures Treaty Seven:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards for government not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Corporation's external auditors.

MNP LLP is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

August 16, 2019

General Manager

Independent Auditor's Report

To the Board of Community Futures Treaty Seven:

Opinion

We have audited the financial statements of Community Futures Treaty Seven (the "Corporation"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in fund balances and cash flows and the related schedule 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 the Corporation as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government 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 the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government 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 Corporation’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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’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 Corporation’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 Corporation'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 Corporation 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.

Calgary, Alberta

August 16, 2019

MNP LLP

Chartered Professional Accountants

Community Futures Treaty Seven
Statement of Financial Position
As at March 31, 2019

	Operating Fund	*Investment Fund*	*Capital Asset Fund*	***2019***	*2018*
Assets					
Current					
Cash	2,730,753	108,081	323,982	**3,162,816**	3,511,262
Band allocation advances	1,199,805	-	-	**1,199,805**	291,178
Prepaid expenses and deposits	10,000	-	-	**10,000**	-
Accounts receivable	73,519	-	-	**73,519**	294,728
Current portion of loans receivable *(Note 5)*	-	54,985	-	**54,985**	55,462
	4,014,077	**163,066**	**323,982**	**4,501,125**	4,152,630
Long-term loans *(Note 5)*	-	524,534	-	**524,534**	514,943
Tangible capital assets *(Note 6)*	-	-	848,831	**848,831**	844,248
	4,014,077	**687,600**	**1,172,813**	**5,874,490**	5,511,821
Liabilities					
Current					
Accounts payable and accruals	265,337	-	-	**265,337**	300,123
Band allocations payable	747,670	-	-	**747,670**	822,222
Deferred revenue *(Note 7)*	2,194,007	-	-	**2,194,007**	1,694,517
Current portion of long-term debt *(Note 8)*	-	19,032	51,699	**70,731**	68,337
	3,207,014	**19,032**	**51,699**	**3,277,745**	2,885,199
Long-term debt due on demand *(Note 8)*	-	-	1,408,867	**1,408,867**	1,460,986
Deferred contributions related to capital assets *(Note 9)*	-	-	8,224	**8,224**	11,527
	3,207,014	**19,032**	**1,468,790**	**4,694,836**	4,357,712
Net Assets					
Share capital *(Note 10)*	7	-	-	**7**	7
Externally restricted *(Note 11)*	-	1,094,009	-	**1,094,009**	1,094,009
Unrestricted	807,056	(425,441)	(295,977)	**85,638**	60,093
	807,063	**668,568**	**(295,977)**	**1,179,654**	1,154,109
	4,014,077	**687,600**	**1,172,813**	**5,874,490**	5,511,821

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Community Futures Treaty Seven
Statement of Operations
For the year ended March 31, 2019

	Operating Fund	*Investment Fund*	*Capital Asset Fund*	*2019*	*2018*
Revenue					
Aboriginal Skills and Employment Training Strategy	11,479,680	-	-	**11,479,680**	12,095,563
Skills link	622,209	-	-	**622,209**	128,968
Capacity enhancement	145,033	-	-	**145,033**	99,558
Government contributions	965,360	-	-	**965,360**	831,066
Interest and fees	-	19,480	-	**19,480**	18,576
Other income	83,660	-	110,520	**194,180**	97,719
Rent	-	-	232,254	**232,254**	235,854
Deferred revenue - from prior years	1,176,618	-	-	**1,176,618**	542,271
Deferred revenue - future expenditures	(1,514,182)	-	-	**(1,514,182)**	(1,176,618)
	12,958,378	**19,480**	**342,774**	**13,320,632**	12,872,957
Expenses					
Administrative	97,850	-	-	**97,850**	16,054
Advertising and promotion	9,283	-	7,948	**17,231**	10,307
Amortization *(Note 9)*	-	-	38,269	**38,269**	37,230
Bad debts (recovery)	-	(10,570)	-	**(10,570)**	(3,978)
Band allocations - ASETS	8,350,942	-	-	**8,350,942**	8,836,999
Board expenses	23,585	-	-	**23,585**	16,234
Business and property taxes	-	-	33,390	**33,390**	63,640
Business support	113,003	-	-	**113,003**	97,930
Capacity enhancement	106,519	-	-	**106,519**	92,566
Conferences	36,752	-	-	**36,752**	-
Insurance	270	-	9,779	**10,049**	9,779
Interest and bank charges	2,543	-	342	**2,885**	11,756
Interest on long-term debt	-	-	70,514	**70,514**	52,863
Office supplies	31,278	-	21,137	**52,415**	49,889
Professional development	175,675	-	-	**175,675**	34,982
Professional fees	254,403	-	852	**255,255**	119,494
Project funding	1,717,998	-	-	**1,717,998**	1,673,020
Rent	105,800	-	-	**105,800**	101,650
Repairs and maintenance	844	-	111,417	**112,261**	85,575
Smaller urban programs	489,076	-	-	**489,076**	391,862
Telephone and internet	29,056	-	-	**29,056**	26,593
Travel and subsistence	198,751	-	-	**198,751**	138,655
Utilities	-	-	53,631	**53,631**	62,547
Wages and benefits	1,159,592	-	-	**1,159,592**	909,813
Youth entrepreneur	55,158	-	-	**55,158**	58,073
	12,958,378	**(10,570)**	**347,279**	**13,295,087**	12,893,533
Excess (deficiency) of revenue over expenses	**-**	**30,050**	**(4,505)**	**25,545**	(20,576)

The accompanying notes are an integral part of these financial statements

Community Futures Treaty Seven
Statement of Changes in Fund Balances
For the year ended March 31, 2019

	Operating Fund	*Investment Fund*	*Capital Asset Fund*	***2019***	*2018*
Fund balance, beginning of year	910,173	(455,313)	(394,767)	**60,093**	80,669
Excess (deficiency) of revenue over expenses	-	30,050	(4,505)	**25,545**	(20,576)
Interfund transfers *(Note 4)*	(103,117)	(178)	103,295	**-**	-
Fund balance, end of year	**807,056**	**(425,441)**	**(295,977)**	**85,638**	60,093

The accompanying notes are an integral part of these financial statements

	Operating Fund	*Investment Fund*	*Capital Asset Fund*	*2019*	*2018*
Cash provided by (used for) the following activities					
Operating					
Excess (deficiency) of revenue over expenses	**-**	**30,050**	**(4,505)**	**25,545**	(20,576)
Amortization	**-**	**-**	**38,269**	**38,269**	37,230
Non-cash portion of bad debts (recovery)	**-**	**(10,570)**	**-**	**(10,570)**	(3,157)
	-	**19,480**	**33,764**	**53,244**	13,497
Changes in working capital accounts					
Accounts receivable	**221,209**	**-**	**-**	**221,209**	555,121
Band allocation advances	**(908,627)**	**-**	**-**	**(908,627)**	(89,561)
Prepaid expenses and deposits	**(10,000)**	**-**	**-**	**(10,000)**	-
Accounts payable and accruals	**(34,786)**	**-**	**-**	**(34,786)**	139,750
Band allocations payable	**(74,552)**	**-**	**-**	**(74,552)**	(80,362)
Deferred revenue	**499,490**	**-**	**-**	**499,490**	827,397
	(307,266)	**19,480**	**33,764**	**(254,022)**	1,365,842
Financing					
Repayment of long-term debt	**-**	**-**	**(49,726)**	**(49,726)**	(49,719)
Advance of long-term debt	**-**	**-**	**-**	**-**	938,443
Interfund transfer	**(103,117)**	**(178)**	**103,295**	**-**	-
	(103,117)	**(178)**	**53,569**	**(49,726)**	888,724
Investing					
Purchase of building improvements	**-**	**-**	**(46,155)**	**(46,155)**	(305,115)
Loans advanced	**-**	**(22,738)**	**-**	**(22,738)**	(32,728)
Loan repayments	**-**	**24,195**	**-**	**24,195**	62,696
	-	**1,457**	**(46,155)**	**(44,698)**	(275,147)
Increase (decrease) in cash resources	**(410,383)**	**20,759**	**41,178**	**(348,446)**	1,979,419
Cash resources, beginning of year	**3,141,136**	**87,322**	**282,804**	**3,511,262**	1,531,843
Cash resources, end of year	**2,730,753**	**108,081**	**323,982**	**3,162,816**	3,511,262

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Community Futures Treaty Seven (the "Corporation") was incorporated under the Alberta Companies Act on December 12, 1990. On April 1, 2008, the Corporation changed its name from Treaty Seven Economic Development Corporation to Community Futures Treaty Seven. The Corporation is registered as a not-for-profit organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes. All issued and outstanding shares are held in trust by the respective Chiefs of the Treaty Seven Nations, for the members of those Nations. The Corporation advises and assists members of those Nations in establishing self-sufficient businesses and enterprises through a funding agreement with Western Economic Diversification and Labour Market Development Services, as well as through an agreement with Her Majesty the Queen in Right of Canada as represented by the Minister of Human Resources and Skills Development, styled Minister of Employment and Social Development, and the Canada Employment Insurance Commission ("HRSDC" or "Service Canada").

2. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations set out in the CPA Canada Handbook – Public Sector Accounting for Government not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies.

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Corporation, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

The three funds maintained are the Operating Fund, Investment Fund and Capital Asset Fund.

The Operating Fund reports the assets, liabilities, revenue and expenses related to program and administrative activities.

The Investment Fund reports the assets, liabilities, revenue and expenses related to entrepreneurial loans and other investment activities.

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to the Corporation’s tangible capital assets and building expansion campaign.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash held in the Investment Fund is restricted for granting loans.

Band allocation advances

Pursuant to the Aboriginal Skills and Employment Training Strategy ("ASETS") Funding Agreement between the Corporation and Her Majesty the Queen in Right of Canada as represented by the Minister of Human Resources and Skills Development, styled Minister of Employment and Social Development, and the Canada Employment Insurance Commission (“HRSDC”), funds provided to the sub-agreement holders are considered to be advances receivable until the recipient provides evidence that the funding received has been spent in accordance with the funding criteria outlined in the ASETS Funding Agreement. Band allocation advances receivable amounts are also included in deferred revenue and are to be returned to HRSDC if not spent in accordance with the funding criteria.

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Purchased tangible capital assets exceeding $5,000 are recorded in the Capital Asset Fund at cost. Contributed tangible capital assets are recorded in the Capital Asset Fund at fair value at the date of contribution. Amortization is provided on a declining balance basis at the following rates, intended to recognize the cost of these assets over their expected useful lives:

	Rate
Furniture and fixtures	20%
Computer equipment and software	30%
Office equipment	20%
Building and improvements	4%

Deferred contributions related to tangible capital assets

Funding received to purchase tangible capital assets is recorded as deferred contributions related to tangible capital assets. The contributed amounts are amortized to income as a reduction of amortization expense on the same basis as the underlying capital assets.

Revenue recognition and deferred revenue

The Corporation uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance

Government assistance charged or credited to income represents a reimbursement of current expenses from government sources. These funds are non-repayable and unrestricted.

Pension expense - defined contribution plan

The Corporation maintains a defined contribution pension plan covering certain full time employees who have completed at least one year of service. The Corporation matches the employee’s contributions to the pension plan to a maximum of 5.0% of the participant’s salary. Included in wages and benefits is pension expense of $18,539 (2018 - $15,213).

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Loans receivable are evaluated as to their collectibility and an appropriate allowance for loan impairment is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically, and as adjustments become necessary they are reported in operations in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Corporation recognizes its financial instruments when the Corporation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Corporation may irrevocably elect to subsequently measure any financial instrument at fair value. The Corporation has not made such an election during the year.

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

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial asset impairment:

The Corporation assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Corporation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Corporation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the current year statement of operations.

The Corporation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

3. Change in accounting policy

Effective April 1, 2018, the Corporation adopted the recommendations relating to PS 3430 Restructuring Transactions as set out in the CPA Canada Public sector accounting handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from adopting the new Section.

4. Interfund transfers

During the year, cash was transferred between the Operating Fund, Investment Fund and the Capital Asset Fund to meet the Corporation's operating requirements.

5. Loans receivable

Loan transactions were with the following entities:

Aboriginal Business Canada ("ABC")

	2019	*2018*
Balance, beginning of year	**47,709**	47,709
Loan advances	**204**	-
	47,913	47,709
Accumulated provision for non-collection	**(47,913)**	(47,709)
ABC total	**-**	-

Western Economic Diversification ("WED")

	Repayable	**Youth**	***2019***	*2018*
Balance, beginning of year	**845,140**	**29,571**	**874,711**	903,679
Loan advances	**22,534**	**-**	**22,534**	32,728
Loan repayments	**(24,195)**	**-**	**(24,195)**	(62,696)
Loan write offs	**(25,116)**	**-**	**(25,116)**	
Balance, end of year	**818,363**	**29,571**	**847,934**	874,111
Accumulated provision for non-collection	**(238,844)**	**(29,571)**	**(268,415)**	(304,306)
WED total	**579,519**	**-**	**579,519**	570,405
Current portion	**(54,985)**	**-**	**(54,985)**	(55,462)
	524,534	**-**	**524,534**	514,943

	2019	*2018*
Total of ABC and WED	**579,519**	570,405
Less: Current portion	**(54,985)**	(55,462)
	524,534	514,943

Pursuant to the agreement with the Government of Canada (the "Government") as disclosed in long-term debt (Note 8), loan receivable advances determined to be uncollectible during the year will not have to be repaid to the Government, resulting in a reduction in bad debt expense for the year of $nil (2018 - $nil).

6. Tangible capital assets

	Cost	Accumulated Amortization	2019 Net Book Value
WED			
Furniture and fixtures	**23,628**	**22,134**	**1,494**
Computer equipment and software	**100,376**	**99,706**	**670**
Office equipment	**5,966**	**5,812**	**154**
Building and improvements	**1,449,974**	**611,800**	**838,174**
	1,579,944	**739,452**	**840,492**
Human Resources Development Canada			
Furniture and fixtures	**31,440**	**30,702**	**738**
Computer equipment and software	**194,998**	**193,612**	**1,386**
Office equipment	**58,961**	**57,615**	**1,346**
	285,399	**281,929**	**3,470**
ABC			
Computer equipment and software	**14,940**	**14,787**	**153**
Office equipment	**3,333**	**3,258**	**75**
	18,273	**18,045**	**228**
Other Projects			
Computer equipment and software	**4,694**	**4,561**	**133**
ASETS			
Computer equipment and software	**46,795**	**42,287**	**4,508**
	1,935,105	**1,086,274**	**848,831**

	Cost	*Accumulated Amortization*	*2018 Net Book Value*
WED			
Furniture and fixtures	23,628	21,761	1,867
Computer equipment and software	100,376	99,420	956
Office equipment	5,966	5,725	241
Building and improvements	1,403,818	574,162	829,656
	1,533,788	701,068	832,720
Human Resources Development Canada			
Furniture and fixtures	31,440	30,517	923
Computer equipment and software	194,994	193,021	1,977
Office equipment	58,961	57,279	1,681
	285,395	280,817	4,582
ABC			
Computer equipment and software	14,940	14,720	220
Office equipment	3,333	3,239	94
	18,273	17,959	314
Other Projects			
Computer equipment and software	4,694	4,504	190
ASETS			
Computer equipment and software	46,795	40,354	6,441
	1,888,949	1,044,701	844,248

7. Deferred revenue

	2019	2018
Service Canada (ASETS funding)		
Balance, beginning of year	**1,176,816**	542,271
Revenue recognized during the year	**(1,176,816)**	(542,271)
Amounts received and carried forward to future years from:		
- ASETS	**1,514,182**	1,176,618
Balance, end of year	**1,514,182**	1,176,618
Western Economic Diversification		
Balance, beginning of year	**-**	24,580
Amounts received during the year	**319,543**	-
Revenue recognized during the year	**(294,963)**	(24,580)
Balance, end of year	**24,580**	-
Province of Alberta		
Balance, beginning of year	**437,411**	300,269
Revenue recognized during the year	**(437,411)**	(300,269)
Amounts received and carried forward to future years	**603,990**	437,411
Balance, end of year	**603,990**	437,411
Employment and Social Development Canada (Skills link)		
Balance, beginning of year	**80,488**	205,725
Amounts received during the year	**589,503**	-
Revenue recognized during the year	**(618,736)**	(125,237)
Balance, end of year	**51,255**	80,488
	2,194,007	1,694,517

8. Long-term debt

	Investment Fund	*Capital Asset Fund*	*2019*	2018
Mortgage payable in monthly instalments of $10,020 (2018 - $10,020). Interest is compounded and paid semi-annually at a rate of 4.75% per annum. The loan was renewed in January 2017 and is being amortized over a 20 year period ending March 2037. The loan is secured by a charge over building and improvements having a carrying value of $829,656 (2018 - $829,656) and a general assignment of rents and leases.	**-**	**1,460,566**	**1,460,566**	1,510,291
Government loans, non-interest bearing, repayable as the corresponding entrepreneurial loans receivable are collected, secured by loans receivable having a carrying value of $598,217 (2018 - $598,217).	**19,032**	**-**	**19,032**	19,032
	19,032	**1,460,566**	**1,479,598**	1,529,323
Less: current portion	**(19,032)**	**(51,699)**	**(70,731)**	(68,337)
	-	**1,408,867**	**1,408,867**	1,460,986

Total annual payments on the mortgage are $120,240. Estimated principal payments on the mortgage over the next five years are as follows:

2020	51,699
2021	54,209
2022	56,841
2023	59,600
2024	62,494

9. Deferred contributions related to capital assets

During the year, the Corporation purchased a total of $nil (2018 - $nil) of capital assets as stated below.

These receipts were recorded on the balance sheet as deferred credits to be recorded as a reduction of amortization expense on the same basis as the underlying capital assets. Consequently, amortization expense recorded in the capital asset fund has been reduced by $3,304 (2018 - $4,665) in the year.

Changes in deferred contributions related to the capital assets balance are as follows:

	Operating Fund	*Investment Fund*	*Capital Asset Fund*	*2019*	2018
Balance, beginning of year	-	-	**11,527**	**11,527**	16,192
Less: amounts recognized as a reduction of amortization expense during the year	-	-	**(3,303)**	**(3,303)**	(4,665)
Balance, end of year	-	-	**8,224**	**8,224**	11,527

Amortization expense for the year is calculated as follows:

	2019	2018
Amortization recognized on tangible capital assets during the year	**41,572**	41,895
Amortization of deferred credits - tangible capital assets	**(3,303)**	(4,665)
	38,269	37,230

10. Share capital

Authorized
100,000 Class A common shares

	2019	*2018*
Issued:		
7 Class A common shares	**7**	7

11. Externally restricted net assets

Youth Fund
The Corporation received $294,000 in prior years by means of a non-repayable capital contribution from Aboriginal Business Canada. The amount is to be used to provide loans to Indigenous entrepreneurs.

Investment Fund
The Corporation was funded at inception by a non-repayable contribution of $800,009 from Employment and Immigration Canada. These funds are to be used by the Corporation to provide loans to Indigenous entrepreneurs.

12. Economic dependence

The Corporation receives a significant portion of its revenue from the Government of Canada, and its ability to continue with viable operations is dependant upon receiving funds from, and maintaining its right to act as a program administrator for the Government of Canada.

13. Financial instruments

The Corporation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Corporation is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

The fair value of the Corporation's long-term debt is approximated by its carrying value, as there have been no significant changes in lending rates or other conditions.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The Corporation is exposed to credit risk through its loans receivables. The risk is minimized as a result of the Corporation's varied debtor base.

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Schedule 1 - Schedule of

For the year ended March 31, 2019

	2019	2019	2018