

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

Financial Statements

Year Ended March 31, 2016

DEL MISTRO DUNN
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Development Corporation of the Powell River Region

We have audited the accompanying financial statements of Community Futures Development Corporation of the Powell River Region, which comprise the statement of financial position as at March 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow 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 the Powell River Region as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Powell River, British Columbia
July 27, 2016



CHARTERED PROFESSIONAL ACCOUNTANTS

DEL MISTRO DUNN
CHARTERED PROFESSIONAL ACCOUNTANTS

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AUDITORS' REPORT
ON THE COMPLIANCE WITH WESTERN ECONOMIC
DIVERSIFICATION CONTRIBUTION AGREEMENT

To Western Economic Diversification Canada:

We have audited the **Community Futures Development Corporation of the Powell River Region's** (the 'Corporation') compliance as at March 31, 2016 with the criteria established in the Contribution Agreement between Western Economic Diversification and the Corporation dated April 4, 2006. 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 included examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the Contribution Agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, the Corporation is in compliance, in all material respects, with the criteria established by the Contribution Agreement.

Powell River, British Columbia
July 27, 2016



CHARTERED PROFESSIONAL ACCOUNTANTS



**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

Statement of Financial Position

March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash (Note 3)	\$ 2,781,138	\$ 2,648,224
Accounts receivable	1,168	11,227
Interest receivable	46,979	81,277
Prepaid expenses	13,186	4,665
	<u>2,762,471</u>	<u>2,745,393</u>
LOANS RECEIVABLE (Note 4)	2,114,461	1,961,106
LONG TERM INVESTMENTS (Note 5)	150,000	185,000
CAPITAL ASSETS (Note 6)	9,584	13,903
	<u>\$ 5,036,516</u>	<u>\$ 4,905,402</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,224	\$ 15,682
Wages and deductions payable	21,842	20,286
Deferred income	25,316	-
	<u>61,382</u>	<u>35,968</u>
LONG TERM DEBT (Note 7)	400,000	400,000
	<u>461,382</u>	<u>435,968</u>
NET ASSETS		
NET ASSETS	<u>4,575,134</u>	<u>4,469,434</u>
	<u>\$ 5,036,516</u>	<u>\$ 4,905,402</u>
CONTINGENT LIABILITY (Note 7)		
INTERFUND BALANCES (Note 8)		

ON BEHALF OF THE BOARD

 Director
 Director

The accompanying notes form an integral part of these financial statements.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

Statement of Revenues and Expenditures

Year Ended March 31, 2016

	2016	2015
REVENUES		
Western Economic Diversification Canada	\$ 303,790	\$ 303,790
Interest - loans	128,612	97,644
Interest - bank	28,371	39,343
Shared costs recovery	71,507	75,926
Miscellaneous program revenue	14,367	22,260
Service and other revenue	-	53
Debt forgiveness	-	420,000
	<u>546,647</u>	<u>959,016</u>
EXPENSES		
Advertising and promotion	15,228	9,359
Amortization	5,197	8,241
Bad debts	27,717	32,414
Conferences	871	5,508
Consulting	-	13
Directors	1,186	1,820
Dues and memberships	2,739	3,364
Insurance	4,171	4,101
Interest and bank charges	5	20
Loan administration fees	205	-
Miscellaneous projects	6,561	27,897
Office	29,537	29,479
Professional fees	12,267	14,701
Rent and utilities	29,042	29,517
Telephone	10,747	11,142
Training	441	1,109
Travel	1,635	6,547
Wages and benefits	258,398	254,631
	<u>405,947</u>	<u>439,863</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>140,700</u>	<u>519,153</u>
OTHER INCOME (EXPENSES)		
Loss on disposal of assets	-	(105)
Impairment loss on investment	(35,000)	-
	<u>(35,000)</u>	<u>(105)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 105,700</u>	<u>\$ 519,048</u>

The accompanying notes form an integral part of these financial statements.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

**Statement of Changes in Net Assets
Year Ended March 31, 2016**

	2015 Balance	Excess of revenues over (under) expenses	Transfers	2016 Balance
Administration fund	\$ 9,301	\$ 14,808	\$ -	\$ 24,109
Investment Fund	2,167,277	89,093	-	2,256,370
Disabled Entrepreneur Investment Fund	182,391	(9,403)	-	172,988
Youth Investment Fund	98,132	6,849	-	104,981
Community Business Loans Fund	397,058	4,868	-	401,926
Fisheries Access To Credit Investment Fund	808,896	18,018	-	826,914
Project Funds	49,806	(37,680)	-	12,126
Fisheries Legacy Investment Fund	715,194	18,731	-	733,925
Theodosia Salmon Project	41,379	416	-	41,795
	\$ 4,469,434	\$ 105,700	\$ -	\$ 4,575,134

	2014 Balance	Excess of revenues over (under) expenses	Transfers	2015 Balance
Administration Fund	\$ 11,652	\$ (2,351)	\$ -	\$ 9,301
Investment Fund	2,096,265	71,012	-	2,167,277
Disabled Entrepreneur Investment Fund	172,062	10,329	-	182,391
Youth Investment Fund	92,702	5,430	-	98,132
Community Business Loans Fund	402,145	(5,087)	-	397,058
Fisheries Access To Credit Investment Fund	801,978	6,918	-	808,896
Savoury Clams	2,902	36	(2,938)	-
Project Funds	25,485	(4,733)	29,054	49,806
Fisheries Legacy Investment Fund	279,577	435,617	-	715,194
Regional Fund	26,102	14	(26,116)	-
Theodosia Salmon Project	39,516	1,863	-	41,379
	\$ 3,950,386	\$ 519,048	\$ -	\$ 4,469,434

The accompanying notes form an integral part of these financial statements.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

**Statement of Cash Flow
Year Ended March 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 105,700	\$ 519,048
Items not affecting cash:		
Amortization of capital assets	5,197	8,241
Loss on disposal of capital assets	-	105
	<u>110,897</u>	<u>527,394</u>
Changes in non-cash working capital:		
Accounts receivable	10,059	(5,713)
Interest receivable	34,298	(41,485)
Prepaid expenses	(8,521)	1,699
Loans and notes receivable	(153,355)	(626,430)
Accounts payable and accrued liabilities	(1,457)	3,821
Wages and deductions payable	1,556	(5,699)
Deferred income	25,316	(25,316)
	<u>(92,104)</u>	<u>(699,123)</u>
Cash flow from (used by) operating activities	<u>18,793</u>	<u>(171,729)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(879)	(678)
Proceeds on disposal of capital assets	-	200
Long term Investments	35,000	(150,000)
Cash flow from (used by) investing activities	<u>34,121</u>	<u>(150,478)</u>
FINANCING ACTIVITY		
Debt forgiveness	-	(420,000)
INCREASE (DECREASE) IN CASH FLOW	52,914	(742,207)
Cash - beginning of year	<u>2,648,224</u>	<u>3,390,431</u>
CASH - END OF YEAR	<u>\$ 2,701,138</u>	<u>\$ 2,648,224</u>

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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

**Administration Fund
Year Ended March 31, 2016**

(Schedule 1)

	2016	2015
REVENUES		
Western Economic Diversification Canada	\$ 303,790	\$ 303,790
Miscellaneous program revenue	10,982	19,387
Interest - bank	1,254	1,192
Service and other revenue	-	53
Shared costs recovery	71,507	75,926
Gains (losses) on disposal of assets	-	(105)
	<u>387,533</u>	<u>400,243</u>
EXPENSES		
Advertising and promotion	11,733	4,942
Amortization	5,197	8,241
Bad debts	-	92
Conferences	871	5,508
Consulting	-	13
Directors	1,186	1,820
Dues and memberships	2,739	3,364
Insurance	4,171	4,101
Miscellaneous projects	6,375	27,397
Office	27,922	29,469
Professional fees	12,267	14,701
Rent and utilities	29,042	29,517
Telephone	10,747	11,142
Training	441	1,109
Travel	1,635	6,547
Wages and benefits	258,398	254,631
	<u>372,724</u>	<u>402,594</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	14,809	(2,351)
NET ASSETS, BEGINNING OF YEAR	<u>9,301</u>	<u>11,652</u>
NET ASSETS, END OF YEAR	<u>\$ 24,110</u>	<u>\$ 9,301</u>

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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

Investment Fund

(Schedule 2)

Year Ended March 31, 2016

	2016	2015
REVENUES		
Interest - bank	\$ 5,773	\$ 13,717
Interest - loans	88,236	53,875
Miscellaneous program revenue	120	1,175
	<u>94,129</u>	<u>68,767</u>
EXPENSES		
Bad debts (recovery)	5,036	(2,265)
Interest and bank charges	-	20
	<u>5,036</u>	<u>(2,245)</u>
EXCESS OF REVENUES OVER EXPENSES	89,093	71,012
NET ASSETS, BEGINNING OF YEAR	<u>2,167,277</u>	<u>2,096,265</u>
NET ASSETS, END OF YEAR	<u>\$ 2,256,370</u>	<u>\$ 2,167,277</u>

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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

**Disabled Entrepreneur Investment Fund
Year Ended March 31, 2016**

(Schedule 3)

	2016	2015
REVENUES		
Interest - bank	\$ 2,338	\$ 1,521
Interest - loans	6,784	13,202
Miscellaneous program revenue	31	-
	<u>9,153</u>	<u>14,723</u>
EXPENSES		
Bad debts	18,551	4,394
Interest and bank charges	5	-
	<u>18,556</u>	<u>4,394</u>
EXCESS (DEFICIENCY) OF EXPENSES OVER REVENUES	(9,403)	10,329
NET ASSETS, BEGINNING OF YEAR	<u>182,391</u>	<u>172,062</u>
NET ASSETS, END OF YEAR	<u>\$ 172,988</u>	<u>\$ 182,391</u>

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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

**Youth Investment Fund
Year Ended March 31, 2016**

(Schedule 4)

	2016	2015
REVENUES		
Interest - bank	\$ 798	\$ 3,117
Interest - loans	6,021	2,313
Miscellaneous program revenue	30	-
	<u>6,849</u>	<u>5,430</u>
EXPENSES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	6,849	5,430
NET ASSETS, BEGINNING OF YEAR	<u>98,132</u>	<u>92,702</u>
NET ASSETS, END OF YEAR	<u>\$ 104,981</u>	<u>\$ 98,132</u>

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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
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Community Business Loans Investment Fund

(Schedule 5)

Year Ended March 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUES		
Interest - bank	\$ 6,073	\$ 3,763
Interest - loans	2,625	6,080
Miscellaneous program revenue	300	264
	<u>8,998</u>	<u>10,107</u>
EXPENSES		
Bad debts	<u>4,130</u>	<u>15,194</u>
EXCESS (DEFICIENCY) OF EXPENSES OVER REVENUES	4,868	(5,087)
NET ASSETS, BEGINNING OF YEAR	<u>397,058</u>	<u>402,145</u>
NET ASSETS, END OF YEAR	<u>\$ 401,926</u>	<u>\$ 397,058</u>

The accompanying notes form an integral part of these financial statements.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

**Fisheries Access to Credit Investment Fund
Year Ended March 31, 2016**

(Schedule 6)

	2016	2015
REVENUES		
Interest - bank	\$ 6,677	\$ 8,279
Interest - loans	11,161	13,579
Miscellaneous program revenue	180	60
	18,018	21,918
EXPENSES		
Bad debts	-	15,000
	18,018	6,918
EXCESS OF REVENUES OVER EXPENSES	18,018	6,918
NET ASSETS, BEGINNING OF YEAR	808,896	801,978
NET ASSETS, END OF YEAR	\$ 826,914	\$ 808,896

The accompanying notes form an integral part of these financial statements.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
REGION**

Fisheries Legacy Investment Fund

(Schedule 9)

Year Ended March 31, 2016

	2016	2015
REVENUES		
Interest - bank	\$ 4,946	\$ 7,031
Interest - loans	13,785	8,595
Debt forgiveness	-	420,000
	18,731	435,626
EXPENSES		
Office	-	9
EXCESS OF REVENUES OVER EXPENSES	18,731	435,617
NET ASSETS, BEGINNING OF YEAR	715,194	279,577
NET ASSETS, END OF YEAR	\$ 733,925	\$ 715,194

The accompanying notes form an integral part of these financial statements.