

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

Financial Statements

Year Ended March 31, 2017

DEL MISTRO DUNN

CHARTERED PROFESSIONAL ACCOUNTANTS

A partnership of incorporated professionals

D. Dunn, CPA CGA CA
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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, 2017 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, 2017 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, 2017

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, 2017 with the criteria established in the Contribution Agreement between Western Economic Diversification and the Corporation dated April 1, 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, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

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

Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash (Note 3)	\$ 3,099,153	\$ 2,728,729
Accounts receivable	23,304	5,458
Interest receivable	31,092	46,979
Prepaid expenses	11,928	14,583
	3,165,477	2,795,749
LOANS RECEIVABLE (Note 4)	2,051,328	2,114,461
LONG TERM INVESTMENTS (Note 5)	-	150,000
CAPITAL ASSETS (Note 6)	14,529	9,584
	\$ 5,231,334	\$ 5,069,794
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,443	\$ 14,224
Wages and deductions payable	22,593	21,842
Deferred income	25,316	25,316
	63,352	61,382
LONG TERM DEBT (Note 7)	820,000	820,000
	883,352	881,382
NET ASSETS		
NET ASSETS	4,347,982	4,188,412
CONTINGENT LIABILITY (Note 7)	\$ 5,231,334	\$ 5,069,794
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, 2017

	2017	2016
REVENUES		
Western Economic Diversification Canada	\$ 303,790	\$ 303,790
Interest - loans	135,804	128,612
Interest - bank	28,422	28,402
Miscellaneous program revenue	9,877	14,367
Self Employment Program	96,685	63,485
	<u>574,578</u>	<u>538,656</u>
EXPENSES		
Advertising and promotion	12,058	15,228
Amortization	4,430	5,197
Bad debts	28,649	27,717
Client Workshops	6,103	3,339
Conferences	7,974	871
Directors	2,257	1,581
Dues and memberships	1,789	2,739
Insurance	3,932	4,171
Interest and bank charges	15	3
Loan administration fees	-	205
Miscellaneous projects	2,326	6,443
Office	29,343	29,537
Professional fees	10,635	12,267
Rent and utilities	28,930	29,042
Telephone	9,754	10,747
Training	-	441
Travel	690	1,707
Wages and benefits	263,285	260,146
	<u>412,170</u>	<u>411,381</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>162,408</u>	<u>127,275</u>
OTHER INCOME (EXPENSES)		
Loss on disposal of assets	(2,838)	-
Impairment loss on investment	-	(35,000)
	<u>(2,838)</u>	<u>(35,000)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 159,570</u>	<u>\$ 92,275</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, 2017

	2016 Balance <i>(Restated)</i>	Excess of revenues over (under) expenses	Transfers	2017 Balance
Administration fund	\$ 24,109	\$ 5,110	\$ 6,928	\$ 36,147
Investment fund	2,256,370	82,940	107,231	2,446,541
Disabled entrepreneur investment fund	172,988	11,292	-	184,280
Youth investment fund	104,981	2,250	(107,231)	-
Forest renewal BC investment fund	401,926	10,689	-	412,615
Fisheries access to credit investment fund	826,914	4,772	(831,686)	-
Project funds	12,126	3,786	881,720	897,632
Fisheries legacy investment fund	313,925	17,598	(15,000)	316,523
Theodosia salmon project	41,795	167	(41,962)	-
Self employment program	33,278	20,966	-	54,244
	\$ 4,188,412	\$ 159,570	\$ -	\$ 4,347,982

	2015 Balance <i>(Restated)</i>	Excess of revenues over (under) expenses	Transfers	2016 Balance <i>(Restated)</i>
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	295,194	18,731	-	313,925
Theodosia salmon project	41,379	416	-	41,795
Self employment program	46,703	(13,425)	-	33,278
	\$ 4,096,137	\$ 92,275	\$ -	\$ 4,188,412

The prior year figures are being restated as a result of:

- 1) Fisheries debt that was previously considered forgiven and transferred to equity as debt forgiveness, being restated as debt.
- 2) The consolidation of the Self Employment Program that was previously considered a separate trust account.

Both adjustments are being recorded retrospectively.

	2017	2016
Opening Net Assets - as previously recorded	\$ 4,575,134	\$ 4,469,434
Fisheries funding	(420,000)	(420,000)
Self employment program	33,278	46,703
Opening Net Assets - as restated	\$ 4,188,412	\$ 4,096,137

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, 2017**

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 159,570	92,275
Items not affecting cash:		
Amortization of capital assets	4,430	5,197
Loss on disposal of capital assets	2,838	-
	<u>166,838</u>	<u>97,472</u>
Changes in non-cash working capital:		
Accounts receivable	(17,846)	5,769
Interest receivable	15,887	34,298
Prepaid expenses	2,655	(9,918)
Loans and notes receivable	63,133	(153,355)
Accounts payable and accrued liabilities	1,219	(1,454)
Wages and deductions payable	751	1,556
Deferred income	-	25,316
	<u>65,799</u>	<u>(97,788)</u>
Cash flow from (used by) operating activities	<u>232,637</u>	<u>(316)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(12,213)	(879)
Long term Investments	150,000	35,000
Cash flow from investing activities	<u>137,787</u>	<u>34,121</u>
INCREASE IN CASH FLOW	370,424	33,805
Cash - beginning of year	<u>2,728,729</u>	<u>2,694,924</u>
CASH - END OF YEAR	\$ 3,099,153	\$ 2,728,729

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

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

**Administration Fund
Year Ended March 31, 2017**

(Schedule 1)

	2017	2016
REVENUES		
Western Economic Diversification Canada	\$ 303,790	\$ 303,790
Miscellaneous program revenue	8,634	10,982
Interest - bank	1,318	1,254
Gains (losses) on disposal of assets	(2,838)	-
	<u>310,904</u>	<u>316,026</u>
EXPENSES		
Advertising and promotion	6,816	7,568
Amortization	4,430	5,197
Conferences	7,974	871
Directors	1,550	1,186
Dues and memberships	1,789	2,739
Insurance	3,932	4,171
Miscellaneous projects	1,938	6,375
Office	25,567	24,290
Professional fees	10,635	12,267
Rent and utilities	24,105	24,222
Telephone	8,132	8,939
Training	-	441
Travel	690	1,635
Wages and benefits	208,236	201,317
	<u>305,794</u>	<u>301,218</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 5,110</u>	<u>\$ 14,808</u>

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

Investment Fund

(Schedule 2)

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUES		
Interest - bank	\$ 5,087	\$ 5,773
Interest - loans	105,769	88,236
Miscellaneous program revenue	365	120
	<u>111,221</u>	<u>94,129</u>
EXPENSES		
Bad debts (recovery)	28,266	5,036
Interest and bank charges	15	-
	<u>28,281</u>	<u>5,036</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 82,940</u>	<u>\$ 89,093</u>

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

Disabled Entrepreneur Investment Fund

(Schedule 3)

Year Ended March 31, 2017

	2017	2016
REVENUES		
Interest - bank	\$ 2,677	\$ 2,338
Interest - loans	9,702	6,784
Miscellaneous program revenue	60	31
	<u>12,439</u>	<u>9,153</u>
EXPENSES		
Bad debts	1,147	18,551
Interest and bank charges	-	5
	<u>1,147</u>	<u>18,556</u>
EXCESS (DEFICIENCY) OF EXPENSES OVER REVENUES	\$ 11,292	\$ (9,403)

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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE POWELL RIVER
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**Youth Investment Fund
Year Ended March 31, 2017**

(Schedule 4)

	2017	2016
REVENUES		
Interest - bank	\$ 254	\$ 798
Interest - loans	1,996	6,021
Miscellaneous program revenue	-	30
	<u>2,250</u>	<u>6,849</u>
EXPENSES		
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 2,250</u>	<u>\$ 6,849</u>

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

Community Business Loans Investment Fund

(Schedule 5)

Year Ended March 31, 2017

	2017	2016
REVENUES		
Interest - bank	\$ 5,692	\$ 6,073
Interest - loans	4,233	2,625
Miscellaneous program revenue	-	300
	<u>9,925</u>	<u>8,998</u>
EXPENSES		
Bad debts (recovery)	(764)	4,130
	<u>(764)</u>	<u>4,130</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 10,689</u>	<u>\$ 4,868</u>

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

Fisheries Access to Credit Investment Fund

(Schedule 6)

Year Ended March 31, 2017

	2017	2016
REVENUES		
Interest - bank	\$ 3,054	\$ 6,677
Interest - loans	1,657	11,161
Miscellaneous program revenue	61	180
	<u>4,772</u>	<u>18,018</u>
EXPENSES		
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 4,772</u>	<u>\$ 18,018</u>

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 8)

Year Ended March 31, 2017

	2017	2016
REVENUES		
Interest - bank	\$ 5,121	\$ 4,946
Interest - loans	12,447	13,785
	<u>17,568</u>	18,731
EXPENSES		
Office (recovery)	(30)	-
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 17,598</u>	<u>\$ 18,731</u>

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