

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF PEACE LIARD**
Financial Statements
Year Ended March 31, 2019
(See Independent Auditor's Report)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

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Year Ended March 31, 2019

(See Independent Auditor's Report)

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Futures Development Corporation of Peace Liard

Opinion

We have audited the financial statements of Community Futures Development Corporation of Peace Liard, which comprise the Statement of Financial Position as at March 31, 2019 and the statement of operations and changes in net assets 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 Community Futures Development Corporation of Peace Liard as at March 31, 2019 and the result of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for Not-for-Profit Organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian 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 Community Futures Development Corporation of Peace Liard 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

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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 the financial statements. As part of an audit in accordance with Canadian auditing standards, we exercise professional judgement and maintain professional scepticism 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 entity'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 entity'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, further events or conditions may cause the entity 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 statement 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.

Dawson Creek, BC
June 27, 2019

Sander Rose Bone Grindle LLP
Chartered Professional Accountants

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Financial Position
March 31, 2019

	2019		2018	
	Restricted Loan Funds (Note 12)	General Operating Fund	Total	Total
ASSETS				
CURRENT				
Cash - externally restricted (Note 3)	\$ 1,620,141	\$ -	\$ 1,620,141	\$ 1,543,562
- unrestricted (Note 4)	-	187,762	187,762	320,374
Receivables (Note 5)	1,647	6,591	8,238	130,059
Prepaid expenses	-	2,638	2,638	11,647
Loan advances (Note 6)	3,152,945	-	3,152,945	2,992,812
	4,774,733	196,991	4,971,724	4,998,454
DUE FROM RELATED PARTY	-	17,593	17,593	17,593
TANGIBLE CAPITAL ASSETS (Note 7)	-	22,142	22,142	31,004
	\$ 4,774,733	\$ 236,726	\$ 5,011,459	\$ 5,047,051
LIABILITIES AND NET ASSETS				
CURRENT				
Payables (Note 8)	\$ 3	\$ 26,720	\$ 26,723	\$ 25,850
Deferred revenue	-	75,187	75,187	329,950
Repayable fund contributions (Note 9)	1,300,000	-	1,300,000	1,300,000
	1,300,003	101,907	1,401,910	1,655,800
NET ASSETS				
Investment in capital assets	-	22,142	22,142	31,004
Externally restricted (Note 10)	3,474,730	-	3,474,730	3,237,238
Unrestricted	-	112,677	112,677	123,009
	3,474,730	134,819	3,609,549	3,391,251
	\$ 4,774,733	\$ 236,726	\$ 5,011,459	\$ 5,047,051

Approved by

_____ Director

_____ Director

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Operations

Year Ended March 31, 2019

	2019			2018
	Restricted Loan Funds (Note 13)	General Operating Fund	Total	Total
REVENUE				
Contributions - W.D.	\$ -	\$ 330,955	\$ 330,955	\$ 330,955
Expo	-	23,450	23,450	35,257
Fee for service	-	62,410	62,410	60,515
Interest - loans	270,466	-	270,466	231,706
- bank	21,473	1,163	22,636	11,601
Other	-	32,304	32,304	58,526
Projects - Rural dividend fund	-	217,751	217,751	285,255
- Other	-	80,593	80,593	12,000
	291,939	748,626	1,040,565	1,025,815
EXPENSES				
Accounting and legal	16,993	3,792	20,785	16,973
Advertising and promotion	-	36,135	36,135	43,996
Amortization	-	8,862	8,862	10,336
Bad debts (recovery)	(56,284)	-	(56,284)	134,258
Bank charges	756	4,080	4,836	9,310
Collection fees	854	-	854	6,923
Contract fees	-	13,970	13,970	17,694
Expo	-	25,000	25,000	41,772
Insurance	-	7,189	7,189	5,242
Meetings	-	2,358	2,358	1,523
Office	-	9,910	9,910	12,598
Participation interest	42,128	-	42,128	-
Projects - Rural dividend fund	-	217,751	217,751	285,255
- other	-	80,593	80,593	7,691
Rent	-	32,013	32,013	35,970
Repairs and maintenance	-	2,642	2,642	5,001
Subscriptions and memberships	-	5,790	5,790	5,826
Telephone and postage	-	11,755	11,755	25,673
Training	-	21,023	21,023	17,838
Travel and conferences	-	9,677	9,677	11,969
Wages and benefits	-	325,280	325,280	316,967
	4,447	817,820	822,267	1,012,815
EXCESS (DEFICIENCY) OF				
REVENUE OVER EXPENSES	\$ 287,492	\$ (69,194)	\$ 218,298	\$ 13,000

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Changes in Net Assets

Year Ended March 31, 2019

	2019			Total	2018 Total
	Restricted Loan Funds (Note 12)	General Operating Fund Unrestricted	Invested in Equipment		
NET ASSETS, beginning of year	\$ 3,237,238	\$ 123,009	\$ 31,004	\$ 3,391,251	\$ 3,378,251
Excess (deficiency) of revenue over expenses	287,492	(69,194)	-	218,298	13,000
Amortization	-	8,862	(8,862)	-	-
Interfund transfers	(50,000)	50,000	-	-	-
NET ASSETS, end of year	\$ 3,474,730	\$ 112,677	\$ 22,142	\$ 3,609,549	\$ 3,391,251

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Cash Flow

Year Ended March 31, 2019

	2019						2018	
	General Operating	General Loan	Disability Loan	Youth Loan	Community Business Loan	Investment Loan	Total	Total
OPERATING ACTIVITIES								
(Deficiency) excess of revenue over expenses	\$ (69,194)	\$ 211,063	\$ 4,178	\$ 2,624	\$ 65,009	\$ 4,618	\$ 218,298	\$ 13,000
Non-cash items								
Amortization	8,862	-	-	-	-	-	8,862	10,336
Changes in non-cash working capital (Note 11)	(122,280)	(1,814)	116	308	25,156	18	(98,496)	195,027
Cash flow from operating activities	(182,612)	209,249	4,294	2,932	90,165	4,636	128,664	218,363
FINANCING ACTIVITIES								
Loans advanced	-	(1,037,738)	(24,816)	(51,192)	(25,500)	(52,246)	(1,191,492)	(933,210)
Loans recovered	-	623,343	63,799	81,711	171,765	66,177	1,006,795	1,248,261
Repayment of long term debt	-	-	-	-	-	-	-	(213,957)
Interfund transfers	50,000	(50,000)	-	-	-	-	-	-
Cash flow from financing activities	50,000	(464,395)	38,983	30,519	146,265	13,931	(184,697)	101,094
INVESTING ACTIVITIES								
Acquisition of tangible capital assets	-	-	-	-	-	-	-	(7,021)
Cash flow used by investing activities	-	-	-	-	-	-	-	(7,021)
INCREASE (DECREASE) IN CASH	(132,612)	(255,146)	43,277	33,451	236,430	18,567	(56,033)	312,436
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	320,374	458,194	134,129	45,118	858,337	47,784	1,863,936	1,551,500
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 187,762	\$ 203,048	\$ 177,406	\$ 78,569	\$ 1,094,767	\$ 66,351	\$ 1,807,903	\$ 1,863,936
CASH AND CASH EQUIVALENTS CONSISTS OF:								
Unrestricted cash	\$ 187,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,762	\$ 320,374
Externally restricted cash	-	203,048	177,406	78,569	1,094,767	66,351	1,620,141	1,543,562
	\$ 187,762	\$ 203,048	\$ 177,406	\$ 78,569	\$ 1,094,767	\$ 66,351	\$ 1,807,903	\$ 1,863,936

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

1. PURPOSE OF ORGANIZATION

The Community Futures Development Corporation of Peace Liard is a federally funded, not-for-profit organization which was established to provide loans, loan guarantees and equity investments in small businesses. The Community Futures Development Corporation of Peace Liard's mandate also provides business consulting and training for small and medium-sized enterprises. The Corporation is incorporated under the Canada Corporations Act as a Not for Profit Corporation.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO); accordingly these financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit and short term deposits with maturity dates of less than 90 days net of cheques issued and outstanding at the reporting date.

Prepaid expenses

Prepaid expenses consist of prepaid operating expenses which will be expensed in the periods expected to benefit from them.

Tangible capital assets

Tangible capital assets are stated at cost, or if donated, at estimated fair market value at the time of donation. Amortization is recorded using the straight-line basis at the following annual rates:

Computers	33%
Office equipment	20%
Website	20%
Software	20%

A full year of amortization is recorded in the year of purchase with no amortization being recorded in the year of disposal.

Expenditures for maintenance and repairs are charged to operating expenses as incurred. Significant expenditures for improvements are capitalized.

Gains or losses realized on the disposal of major tangible capital assets are reflected in the respective fund in the year of disposition.

The carrying amount of an item of tangible capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the assets carrying amount is not recoverable and exceeds its fair value.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

Community Futures Development Corporation of Peace Liard follows the restricted fund method of accounting for contributions.

The General Operating Fund accounts for the corporation's program delivery and administrative activities. The fund reports unrestricted resources and restricted operating grants.

The Restricted Loan Funds report the assets, liabilities, revenues and expenses related to the activities of the respective funds as follows:

The General Loan Fund was established to provide loans, loan guarantees or equity participation to small business. The assistance must be used for the purpose of local investment in the community including development and diversification of the local economy, creating and maintaining employment, or to help entrepreneurs to create new local business.

The Western Youth Entrepreneur Investment Fund was established to help develop job opportunities by providing funding assistance, in the form of loans, loan guarantees or equity participation, to entrepreneurs in Western Canada.

The Community Business Fund may provide loans, business consulting and training to businesses in rural communities outside of the Capital Regional District and Greater Vancouver Regional District in British Columbia.

The Disabled Entrepreneur Investment Fund's purpose is to assist the disabled in overcoming barriers to self-employment and entrepreneurship. Assistance can be provided by way of loans, loan guarantees or equity participation to disabled entrepreneurs in Western Canada.

The Investment Fund assists small business through loans, loan guarantees, equity participation and other means. The purpose of the assistance is to develop and diversify the economy by assisting entrepreneurs to create new businesses or to stabilize or expand existing businesses.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenues earned from the loan funds are recognized as revenue of the respective Loan Fund on an accrual basis.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Community Futures initially measures its financial assets and financial liabilities at fair value. Community Futures subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, receivables and loan advances.

Financial liabilities measured at amortized cost include payables, deferred revenue, and repayable fund contributions.

Use of estimates

The preparation of these financial statements is in conformity with Canadian accounting standards for Not-for-Profit Organizations which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the current period. Significant estimates include those used when accounting for receivables, loans receivable, useful life of tangible capital assets, payables, and deferred revenue. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

3. CASH - EXTERNALLY RESTRICTED

Externally restricted cash consists of funds available for loans, loan guarantees, equity investments, and business counselling and training. These funds are subject to the various restrictions mandated by their fund contributors.

4. OPERATING LINE OF CREDIT

Under the terms of Community Futures' credit agreement, the Corporation has an operating line of credit available to a maximum of \$50,000, bearing interest at the bank's prime interest rate, with the renewal date of December 31, 2019. The line of credit is secured by a general security agreement. As at year end the Corporation has no amount outstanding under this facility (2018 - \$NIL).

5. RECEIVABLES

	Restricted Loan Fund	General Operating Fund	2019 Total	2018 Total
Trade	\$ 1,216	\$ 6,032	\$ 7,248	\$ 129,926
Goods and services tax	431	559	990	133
	\$ 1,647	\$ 6,591	\$ 8,238	\$ 130,059

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

6. LOAN ADVANCES

Loan advances are made from the Corporation's Loan Funds in accordance with the criteria set out by the respective contributors. All loans are secured by a general security agreement. In addition certain loans have specific equipment, and real estate mortgages in place. Management has reviewed the loan advances on an individual basis to estimate the reserve for uncollectible loans; one hundred percent of the loans determined to be uncollectible are included in the reserve. Given that the uncollectible amounts are based on estimates it is reasonably possible that the disclosed amounts could change by a material amount in the next term.

2019						
Conditionally repayable loan investment fund						
			Western Youth Entrepreneur	Community Business	General	
	Investment Loan Fund	Disability Loan Fund	Investment Loan Fund	Loan Fund	Loan Fund	Total
Loan balance	\$ 51,070	\$ 22,463	\$ 18,431	\$ 684,445	\$ 2,362,071	\$ 3,138,480
Accrued interest, fees and charges	276	165	87	2,528	11,409	14,465
	\$ 51,346	\$ 22,628	\$ 18,518	\$ 686,973	\$ 2,373,480	\$ 3,152,945

2018						
Conditionally repayable loan investment fund						
			Western Youth Entrepreneur	Community Business	General	
	Investment Loan Fund	Disability Loan Fund	Investment Loan Fund	Loan Fund	Loan Fund	Total
Loan balance	\$ 65,001	\$ 61,446	\$ 48,950	\$ 830,710	\$ 1,947,676	\$ 2,953,783
Accrued interest, fees and charges	241	228	342	27,628	10,590	39,029
	\$ 65,242	\$ 61,674	\$ 49,292	\$ 858,338	\$ 1,958,266	\$ 2,992,812

a) Conditionally repayable loan investment fund:

Loans issued out of the Corporation's conditionally repayable loan investment fund consist of the following:

Investment fund loans consists of eight loans ranging from \$230 to \$15,575 with terms of one to five years and interest rates varying from CIBC prime plus 3% to CIBC prime plus 5%.

Disability loan fund consists of one loan with a balances of \$22,628 and repayment terms of three years at an interest rate of CIBC prime plus 5%.

Youth loan investment fund consists of four loans ranging from \$283 to \$18,518 with terms of five years and interest rates of CIBC prime plus 5%.

b) Community business loan investment fund:

Loans issued out of the Corporation's Community business loan investment fund consists of six loans ranging from \$25,543 to \$347,380 with terms of one to twenty years and interest rates varying from CIBC prime plus 3% to 8%.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

6. LOAN ADVANCES *(continued)*

b) Community business loan investment fund: *(continued)*

From time to time Community Futures Development Corporation of Peace Liard will enter into syndicated loans as the lead Community Futures with other Community Futures Corporations across British Columbia. Community Futures Development Corporation of Peace Liard collects loan payments on behalf of the other Community Futures and distributes payments proportionally. An individual Community Futures Corporation is only entitled for the portion of principal initially contributed to the syndicated loan plus interest. Community Futures Development Corporation of Peace Liard is not liable to the other Community Futures for the full amount of the loan unless they are found to be negligent.

	2019		2018
Community Futures Development Corporation of Peace Liard	\$ 411,073	\$	422,096
Other Community Futures	621,154		636,655
Total syndicated loan	\$ 1,032,227	\$	1,058,751

c) CFDC general loan investment

Loans issued out of the Corporation's general loan investment fund consist of twenty-two loans ranging from \$3,637 to \$482,204 with terms of one to twenty years and interest rates varying from CIBC prime plus 2% to CIBC prime plus 5%.

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Office furniture, fixtures and equipment	\$ 71,642	\$ 57,688	\$ 13,954	\$ 19,330
Computers	44,528	42,721	1,807	3,698
Website	10,295	7,259	3,036	3,795
Software	8,166	4,821	3,345	4,181
	\$ 134,631	\$ 112,489	\$ 22,142	\$ 31,004

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

8. PAYABLES

	Restricted Loan Fund	General Operating Fund	2019	2018
Trade	\$ 3	\$ 14,188	\$ 14,191	\$ 19,007
Wages	-	12,532	12,532	6,843
	\$ 3	\$ 26,720	\$ 26,723	\$ 25,850

9. REPAYABLE FUND CONTRIBUTIONS

The Community Futures Development Corporation of Peace Liard has entered into agreements with the Western Economic Diversification and the Minister of Community and Rural Development. The repayable funding received from Western Economic Diversification is reported in the Western Youth Entrepreneur Investment Fund, Disabled Entrepreneur Investment Fund and the Investment Fund. On April 1, 2005 the cash and principle loan amounts were due for repayment to the Western Economic Diversification as per the contract. Western Economic Diversification has extended the contract date to March 31, 2019. Repayable funding received from the Minister of Community and Rural Development is reported in the Community Business Fund. Matching funds were also transferred from the General Loan Fund as part of the agreement. No specific date is set for the termination of the agreement and subsequent repayment of contributions. However, upon mutual agreement, or ninety days written notice by either party, the Minister of Community and Rural Development agreement can be terminated and all cash and loan principle amounts will become due as per the agreement. These amounts are not interest bearing, and have not been recalled by either funder as of March 31, 2019.

10. EXTERNALLY RESTRICTED NET ASSETS

Externally restricted net assets are subject to the restrictions mandated by the respective contributors as described in Note 3 and Note 9.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

11. CHANGES IN NON-CASH WORKING CAPITAL

	2019					2018		
	General Operating	General Loan	Disability Loan	Youth Loan	Community Business Loan	Investment Loan	Total	Total
Receivables - decrease (increase)	\$ 122,604	\$ (998)	\$ 53	\$ 53	\$ 56	\$ 53	\$ 121,821	\$ 270,093
Accrued interest receivable - (increase) decrease	-	(819)	63	255	25,100	(35)	24,564	(7,398)
Prepays - decrease (increase)	9,009	-	-	-	-	-	9,009	10,649
Payables - increase (decrease)	870	3	-	-	-	-	873	4,312
Deferred revenue - (decrease) increase	(254,763)	-	-	-	-	-	(254,763)	(82,629)
	\$ (122,280)	\$ (1,814)	\$ 116	\$ 308	\$ 25,156	\$ 18	\$ (98,496)	\$ 195,027

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2019

12. RESTRICTED LOAN FUNDS - STATEMENT OF FINANCIAL POSITION

	2019					2018	
	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	Total	Total
ASSETS							
Cash, externally restricted (Note 3)	\$ 203,048	\$ 177,406	\$ 78,569	\$ 1,094,767	\$ 66,351	\$ 1,620,141	\$ 1,543,562
Accounts receivable - other	1,647	-	-	-	-	1,647	864
Loan advances (Note 6)	2,373,480	22,628	18,518	686,973	51,346	3,152,945	2,992,812
Due from related fund	42,430	2,009	161	-	51,500	96,100	96,100
Due from related fund (Note 9)	661,000	-	-	-	-	661,000	661,000
	\$ 3,281,605	\$ 202,043	\$ 97,248	\$ 1,781,740	\$ 169,197	\$ 5,531,833	\$ 5,294,338
LIABILITIES							
Accounts payable	3	-	-	-	-	3	-
Due to related fund	53,604	15,390	-	27,106	-	96,100	96,100
Repayable fund contribution (Note 9)	-	200,000	200,000	1,361,000	200,000	1,961,000	1,961,000
	53,607	215,390	200,000	1,388,106	200,000	2,057,100	2,057,100
NET ASSETS							
Externally restricted (Note 10)	3,227,998	(13,347)	(102,752)	393,634	(30,803)	3,474,730	3,237,238
	\$ 3,281,605	\$ 202,043	\$ 97,248	\$ 1,781,740	\$ 169,197	\$ 5,531,833	\$ 5,294,338

13. RESTRICTED LOAN FUNDS - STATEMENT OF OPERATIONS

	2019					2018	
	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	Total	Total
REVENUE							
Bank interest	\$ 5,487	\$ 1,815	\$ 651	\$ 12,994	\$ 526	\$ 21,473	\$ 11,057
Loan interest	185,857	4,656	4,371	69,002	6,580	270,466	231,706
	191,344	6,471	5,022	81,996	7,106	291,939	242,763
EXPENSES							
Accounting and legal	7,845	2,287	2,287	2,287	2,287	16,993	14,466
Bad debts (recovery)	(56,284)	-	-	-	-	(56,284)	132,758
Bank charges	238	6	111	200	201	756	4,377
Collection fees	854	-	-	-	-	854	6,923
Participation interest	27,628	-	-	14,500	-	42,128	-
	(19,719)	2,293	2,398	16,987	2,488	4,447	158,524
EXCESS OF REVENUE OVER EXPENSES							
	211,063	4,178	2,624	65,009	4,618	287,492	84,239
NET ASSETS,							
beginning of year	3,066,935	(17,525)	(105,376)	328,625	(35,421)	3,237,238	3,202,999
Interfund transfers	(50,000)	-	-	-	-	(50,000)	(50,000)
NET ASSETS,							
end of year	\$ 3,227,998	\$ (13,347)	\$ (102,752)	\$ 393,634	\$ (30,803)	\$ 3,474,730	\$ 3,237,238

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

14. ECONOMIC DEPENDENCE

The Corporation's primary source of funding is from Western Economic Diversification Canada. It is management's opinion that the loss of this funding could have an adverse effect on the Corporation's operations.

15. DISCLOSURE OF A CONTROLLED ENTITY

i) Peace Liard Ventures

Community Futures Development Corporation of Peace Liard controls Peace Liard Ventures. Peace Liard Ventures rents office space to other organizations.

Peace Liard Ventures has not been consolidated in Community Futures Development Corporation of Peace Liard's financial statements. A financial summary of Peace Liard Ventures as at March 31, 2019 and the year then ended is as follows:

	2019	2018
Financial position		
Total assets	\$ 122,548	\$ 97,614
Total liabilities	21,237	20,820
Total net assets	\$ 101,311	\$ 76,794
Results of operations		
Total revenue	\$ 54,021	\$ 61,465
Total expenses	29,504	36,617
Excess of revenue over expenses	\$ 24,517	\$ 24,848
Cash flows		
Operating activities	\$ 28,058	\$ 28,270
Financing and investing activities	-	383
Increase in cash	\$ 28,058	\$ 28,653

The net assets and results from operations for Peace Liard Ventures are not consolidated in these financial statements. Separate financial statements for Peace Liard Ventures are available upon request.

During the year Community Futures Development Corporation of Peace Liard paid rent of \$23,862 (2018 - \$23,862) to Peace Liard Ventures.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2019

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risks and concentrations

Community Futures is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the enterprise's risk exposure at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that Community Futures will not be able to meet its obligations associated with financial liabilities. Community Futures monitors its cash flows from operations by preparing and monitoring cash flows against budget and anticipated future requirements based on their needs. The available operating line of credit provides flexibility in the short term to meet operational needs. The Society's borrowing arrangements are concentrated with the Community Futures Development Association of BC.

Credit risk

Credit risk is the possibility that other parties may default on their financial obligations. At year end the maximum exposure of Community Futures to credit risk is the carrying value of cash, accounts receivable and loans receivable. The Corporation's cash is deposited with federally regulated credit worthy financial institutions and receivables are generally due within 30 to 60 days. The Corporation actively monitors and tracks its loans receivables as well as ensuring that sufficient collateral is used as security to ensure that the loan receivables can be extinguished in the event of a default.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Community Futures has very limited exposures to this type of risk.

Interest rate risk

Community Futures' interest bearing assets and liabilities include cash and loans receivable.

Community Futures' cash is generally of a demand nature which minimizes the impact of fluctuations in market interest rates. These assets are held with the Toronto-Dominion Bank.

Loans receivable have a return based on a variable interest rate. As such, in the event of increased interest rates, there is a risk that borrowers could have difficulty meeting obligations.