

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF PEACE LIARD**
Financial Statements
Year Ended March 31, 2014
(See Independent Auditor's Report)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
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Year Ended March 31, 2014
(See Independent Auditor's Report)

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CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., CPA, FCA
- * Dale J. Rose, CPA, CA
- * Alan Bone, B. Comm., CPA, CA
- * Jason Grindle, B. Comm., CPA, CA
- * Donald G. Smith, CPA, CA (Retired)

INDEPENDENT AUDITOR'S REPORT

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To the Directors of Community Futures Development Corporation of Peace Liard

Report on the Financial Statements

We have audited the accompanying financial statements of Community Futures Development Corporation of Peace Liard which comprise the statement of financial position as at March 31, 2014, the statements of operations and 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 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, these financial statements present fairly, in all material respects, the financial position of Community Futures Development Corporation of Peace Liard as at March 31, 2014, and the results of its operations and changes in financial position for the year then ended in accordance with Canadian accounting standards for Not-for-Profit Organizations.

(continues)



INDEPENDENT AUDITOR'S REPORT *(continued)*

Report on Other Legal and Regulations Requirements

As required by the Society Act (British Columbia) we report that these principles have been applied on a basis consistent with that of the preceding year.

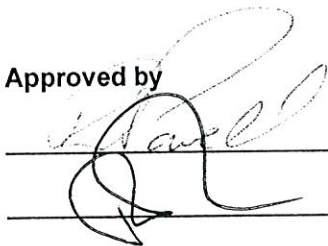
Dawson Creek, BC
June 25, 2014

Sander Rose Bone Grindle LLP
CHARTERED ACCOUNTANTS

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Financial Position
March 31, 2014

	2014		Total	2013
	Restricted Loan Funds (Note 13)	General Operating Fund		Total (restated)
ASSETS				
CURRENT				
Cash - externally restricted (Note 3)	\$ 1,805,957	\$ 20,090	\$ 1,826,047	\$ 1,776,061
- unrestricted (Note 4)	-	144,922	144,922	196,258
Receivables (Note 5)	1,422	18,628	20,050	36,513
Due from operating fund	13	-	13	-
Prepaid expenses	-	35,747	35,747	33,973
Loan advances (Note 6)	2,184,359	-	2,184,359	2,074,177
	3,991,751	219,387	4,211,138	4,116,982
TANGIBLE CAPITAL ASSETS (Note 7)	-	27,265	27,265	15,964
	\$ 3,991,751	\$ 246,652	\$ 4,238,403	\$ 4,132,946
LIABILITIES AND NET ASSETS				
CURRENT				
Payables (Note 8)	\$ -	\$ 21,537	\$ 21,537	\$ 58,264
Other payables (Note 8)	-	19,835	19,835	19,835
Due to restricted fund	-	13	13	-
Deferred revenue	-	27,583	27,583	-
Repayable fund contributions (Note 9)	1,300,000	-	1,300,000	1,300,000
	1,300,000	68,968	1,368,968	1,378,099
NET ASSETS				
Investment in capital assets	-	27,265	27,265	15,964
Externally restricted (Note 10)	2,691,751	-	2,691,751	2,529,654
Unrestricted	-	150,419	150,419	209,229
	2,691,751	177,684	2,869,435	2,754,847
	\$ 3,991,751	\$ 246,652	\$ 4,238,403	\$ 4,132,946

Approved by



Director

Director

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Operations
Year Ended March 31, 2014

	2014		Total	2013
	Restricted Loan Funds (Note 14)	General Operating Fund		Total (restated)
REVENUE				
Bad debt recovery	\$ 5,559	\$ -	\$ 5,559	\$ 292,525
Contributions - W.D.	-	330,955	330,955	330,955
Fee for service	-	15,570	15,570	-
Interest - loans	145,502	-	145,502	157,140
- bank	18,495	1,460	19,955	16,067
Other	1,125	72,444	73,569	58,940
	170,681	420,429	591,110	855,627
EXPENSES				
Accounting and legal	6,349	8,020	14,369	12,084
Advertising and promotion	1,622	20,815	22,437	17,110
Amortization	-	7,893	7,893	3,414
Bad debts/losses on uncollected	-	-	-	21,643
Bank charges	113	3,916	4,029	4,972
Collection fees	500	-	500	682
Contract fees	-	35,612	35,612	10,285
Grants	-	29,426	29,426	-
Insurance	-	6,964	6,964	7,533
Meetings	-	2,327	2,327	2,194
Office	-	10,702	10,702	8,592
Photocopy	-	699	699	628
Rent	-	34,334	34,334	33,023
Repairs and maintenance	-	4,607	4,607	15,616
Subscriptions and memberships	-	7,112	7,112	7,818
Telephone and postage	-	19,291	19,291	19,609
Training	-	16,454	16,454	17,771
Travel and conferences	-	3,454	3,454	13,495
Wages and benefits	-	256,312	256,312	241,816
	8,584	467,938	476,522	438,285
EXCESS (DEFICIENCY) OF				
REVENUE OVER EXPENSES	\$ 162,097	\$ (47,509)	\$ 114,588	\$ 417,342

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Changes in Net Assets
Year Ended March 31, 2014

	2014			Total	2013
	Restricted Loan Funds (Note 14)	General Operating Fund Unrestricted	Invested in Equipment		Total (restated)
NET ASSETS, beginning of year, as previously stated	\$ 2,529,654	\$ 207,659	\$ 10,742	\$ 2,748,055	\$ 2,339,011
PRIOR PERIOD ADJUSTMENT (Note 11)	-	1,570	5,222	6,792	(1,506)
NET ASSETS, beginning of year, restated	2,529,654	209,229	15,964	2,754,847	2,337,505
Excess (deficiency) of revenue over expenses	162,097	(47,509)	-	114,588	417,342
Amortization	-	7,893	(7,893)	-	-
Purchase of tangible capital assets	-	(19,194)	19,194	-	-
NET ASSETS, end of year	\$ 2,691,751	\$ 150,419	\$ 27,265	\$ 2,869,435	\$ 2,754,847

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Cash Flow
Year Ended March 31, 2014

	2014					2013	
	General Operating	General Loan	Disability Loan	Youth Loan	Community Business Loan	Investment Loan	Total (restated)
OPERATING ACTIVITIES							
(Deficiency) excess of revenue over expenses	\$ (47,509)	\$ 107,248	\$ 7,902	\$ 3,050	\$ 40,530	\$ 3,367	\$ 114,588
Non-cash items							
Amortization	7,893	-	-	-	-	-	7,893
Bad debt expense	-	-	-	-	-	-	3,414
Bad debt recovery	-	-	(5,059)	-	-	-	21,643
Changes in non-cash working capital (Note 12)	7,654	1,385	265	(82)	(7,674)	(483)	(5,006)
Cash flow from operating activities	(31,962)	108,633	3,108	2,968	32,856	2,884	118,487
FINANCING ACTIVITIES							
Change in due to/from Loans advanced	-	2,865	(4)	(16)	(12,812)	9,967	-
Decrease (increase) in loan advances, net	-	(464,082)	(21,830)	(58,553)	(365,725)	(133,276)	(1,043,466)
Cash flow from financing activities	-	546,677	79,928	21,099	219,781	75,338	942,823
	-	85,460	58,094	(37,470)	(158,756)	(47,971)	(100,643)
INVESTING ACTIVITIES							
Acquisition of tangible capital assets	(19,194)	-	-	-	-	-	(19,194)
Cash flow used by investing activities	(19,194)	-	-	-	-	-	(19,194)
(DECREASE) INCREASE IN CASH	(51,156)	194,093	61,202	(34,502)	(125,900)	(45,087)	(1,350)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	216,168	665,689	98,038	43,435	900,072	48,917	1,972,319
CASH AND EQUIVALENTS - END OF YEAR	\$ 165,012	\$ 859,782	\$ 159,240	\$ 8,933	\$ 774,172	\$ 3,830	\$ 1,970,969
CASH CONSISTS OF:							
Unrestricted cash	\$ 144,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,922
Externally restricted cash	20,090	859,782	159,240	8,933	774,172	3,830	1,826,047
	\$ 165,012	\$ 859,782	\$ 159,240	\$ 8,933	\$ 774,172	\$ 3,830	\$ 1,970,969
							\$ 1,972,319

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2014

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.

Basis of presentation

Previous years amounts have been restated to conform to the current year's financial statement presentation.

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%

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.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2014

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.

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.

(*continues*)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

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 with the renewal date of October 31, 2014. The line of credit is secured by a general security agreement. As at year end the Corporation has no amount outstanding under this facility (2013 - \$NIL).

5. RECEIVABLES

	Restricted Loan Fund	General Operating Fund	2014 Total	2013 Total <i>(restated)</i>
Trade	\$ 1,218	\$ 17,963	\$ 19,181	\$ 27,265
Goods and services/harmonized sales tax	204	665	869	9,248
	\$ 1,422	\$ 18,628	\$ 20,050	\$ 36,513

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2014

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 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.

2014						
Conditionally repayable loan investment fund						
	Investment Loan Fund	Disability Loan Fund	Western Youth Entrepreneur Investment Loan Fund	Community Business Loan Fund	General Loan Fund	Total
Loan balance	\$ 144,548	\$ 19,439	\$ 82,345	\$ 640,048	\$ 1,284,528	\$ 2,170,908
Accrued interest, fees and charges	898	103	348	8,435	3,667	13,451
	\$ 145,446	\$ 19,542	\$ 82,693	\$ 648,483	\$ 1,288,195	\$ 2,184,359

2013						
Conditionally repayable loan investment fund						
	Investment Loan Fund	Disability Loan Fund	Western Youth Entrepreneur Investment Loan Fund	Community Business Loan Fund	General Loan Fund	Total
Loan balance	\$ 86,611	\$ 77,537	\$ 44,891	\$ 494,104	\$ 1,367,124	\$ 2,070,267
Accrued interest, fees and charges	372	326	222	695	7,354	8,969
	86,983	77,863	45,113	494,799	1,374,478	2,079,236
Less: allowance	-	(5,059)	-	-	-	(5,059)
	\$ 86,983	\$ 72,804	\$ 45,113	\$ 494,799	\$ 1,374,478	\$ 2,074,177

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 six loans ranging from \$5,705 to \$50,640 with terms of one year and interest rates at CIBC prime plus 2%.

Disability loan fund consists of two loans ranging from \$4,802 to \$14,739 with terms of one to five years and interest rates varying from CIBC prime plus 1% to CIBC prime plus 2%.

Youth loan investment fund consists of five loans ranging from \$7,352 to \$21,435 with terms of one year and interest rates of CIBC prime plus 3%.

b) Community business loan investment fund:

Loans issued out of the Corporation's Community business loan investment fund consists of seven loans ranging from \$19,867 to \$158,545 with terms of one to five years and interest rates varying from CIBC prime to 8%.

(continues)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2014

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.

	2014	2013
Community Futures Development Corporation of Peace Liard	\$ 302,987	\$ 145,341
Other Community Futures	818,772	581,365
Total syndicated loan	\$ 1,121,759	\$ 726,706

c) CFDC general loan investment fund:

Loans issued out of the Corporation's general loan investment fund consist of fourteen loans ranging from \$11,938 to \$207,918 with terms of one to five years and interest rates varying from CIBC prime to CIBC prime plus 2%.

The activity in the allowance for impaired loans has been as follows:

	2014		2013
	Disability Loan Fund	Total	Total
Balance, beginning of year	\$ 5,059	\$ 5,059	\$ 297,585
Current year provision	-	-	5,059
Prior year provisions - loss recovered	(5,059)	(5,059)	(297,585)
	\$ -	\$ -	\$ 5,059

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2014

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value (restated)
Office furniture, fixtures and equipment	\$ 49,556	\$ 44,280	\$ 5,276	\$ 6,685
Computers	107,124	94,401	12,723	4,057
Website	10,295	1,029	9,266	-
Website - in progress	-	-	-	5,222
	\$ 166,975	\$ 139,710	\$ 27,265	\$ 15,964

During the year Community Futures wrote off \$4,005 of computers which were fully amortized, as they were deemed to no longer be functional.

8. PAYABLES

	2014	2013 (restated)
Trade	\$ 20,607	\$ 50,432
Wages	930	7,832
	\$ 21,537	\$ 58,264

Other payables

The Community Futures Development Corporation of Peace Liard has entered into an agreement with the City of Dawson Creek to provide loans from the Arts & Cultural Endowment Fund (ACE). The ACE Fund was established by the City of Dawson Creek under which repayable financial assistance may be provided to help individuals and organizations in Dawson Creek who want to host a revenue generating event but do not have the funding required for the start up expenses. Community Futures Development Corporation of Peace Liard will manage the process, selection and collection of the loan fund subject to the approval of the appointed City Councilor who has been delegated authority by City Council to approve all loans. The term of the agreement between Community Futures Development Corporation of Peace Liard and the City of Dawson Creek is March 31, 2012 to March 31, 2015. No specific date is set for the repayment of the contribution back to the City of Dawson Creek.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2014

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, 2015. 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 Western Economic Diversification as of March 31, 2014.

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.

11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment has been made to correct errors in prior years. As a result, 2013 opening unrestricted net assets decreased \$1,506, unrestricted cash increased \$1,860, receivables increased \$4,186, tangible capital assets increased \$5,222, and payables increased \$4,476. The error resulted from information that was previously not known.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2014

12. CHANGES IN NON-CASH WORKING CAPITAL

	2014						2013	
	General Operating	General Loan	Disability Loan	Youth Loan	Community Business Loan	Investment Loan	Total	Total
Receivables - decrease (increase)	\$ 17,462	\$ (1,192)	\$ 42	\$ 42	\$ 66	\$ 43	\$ 16,463	\$ (25,956)
Accrued interest receivable - decrease (increase)	-	3,687	223	(124)	(7,740)	(526)	(4,480)	10,091
Due from operating - (increase)	-	(13)	-	-	-	-	(13)	-
Prepays - (increase)	(1,774)	-	-	-	-	-	(1,774)	(19,395)
Payables - (decrease)	(35,630)	(1,097)	-	-	-	-	(36,727)	30,254
Due to restricted reserve - increase	13	-	-	-	-	-	13	-
Deferred revenue - increase	27,583	-	-	-	-	-	27,583	-
	\$ 7,654	\$ 1,385	\$ 265	\$ (82)	\$ (7,674)	\$ (483)	\$ 1,065	\$ (5,006)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2014

13. RESTRICTED LOAN FUNDS - STATEMENT OF FINANCIAL POSITION

	2014					2013	
	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	Total	Total
ASSETS							
Cash, externally restricted (Note 3)	\$ 859,782	\$ 159,240	\$ 8,933	\$ 774,172	\$ 3,830	\$ 1,805,957	\$ 1,756,151
Accounts receivable							
- trade	1,218	-	-	-	-	1,218	-
- other	95	25	26	28	30	204	426
Loan advances (Note 6)	1,288,197	19,542	82,692	648,482	145,446	2,184,359	2,074,177
Due from operating fund	13	-	-	-	-	13	-
Due from related fund	34,659	2,106	60	10,883	39	47,747	37,472
Due from related fund (Note 9)	661,000	-	-	-	-	661,000	661,000
	\$2,844,964	\$ 180,913	\$ 91,711	\$1,433,565	\$ 149,345	\$4,700,498	\$ 4,529,226
LIABILITIES							
Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100
Due to related fund	3,089	9,658	-	25,000	10,000	47,747	37,472
Repayable fund contribution (Note 9)	-	200,000	200,000	1,361,000	200,000	1,961,000	1,961,000
	3,089	209,658	200,000	1,386,000	210,000	2,008,747	1,999,572
NET ASSETS							
Externally restricted (Note 10)	2,841,875	(28,745)	(108,289)	47,565	(60,655)	2,691,751	2,529,654
	\$2,844,964	\$ 180,913	\$ 91,711	\$1,433,565	\$ 149,345	\$4,700,498	\$ 4,529,226

14. RESTRICTED LOAN FUNDS - STATEMENT OF OPERATIONS

	2014					2013	
	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	Total	Total
REVENUE							
Bad debt recovery	\$ -	\$ 5,559	\$ -	\$ -	\$ -	\$ 5,559	\$ 292,525
Bank interest	6,290	1,555	432	9,439	779	18,495	14,510
Loan interest	103,748	1,869	3,770	31,256	4,859	145,502	157,140
Other	-	-	-	1,125	-	1,125	100
	110,038	8,983	4,202	41,820	5,638	170,681	464,275
EXPENSES							
Accounting and legal	1,073	1,073	1,073	1,073	2,057	6,349	4,758
Advertising	1,622	-	-	-	-	1,622	-
Bad debts	-	-	-	-	-	-	21,643
Bank charges	32	8	40	33	-	113	205
Collection fees	63	-	39	184	214	500	682
	2,790	1,081	1,152	1,290	2,271	8,584	27,288
EXCESS OF REVENUE OVER EXPENSES	107,248	7,902	3,050	40,530	3,367	162,097	436,987
NET ASSETS, beginning of year	2,734,627	(36,647)	(111,339)	7,035	(64,022)	2,529,654	2,092,667
NET ASSETS, end of year	\$2,841,875	\$ (28,745)	\$ (108,289)	\$ 47,565	\$ (60,655)	\$2,691,751	\$ 2,529,654

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15. 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.

16. DISCLOSURE OF A CONTROLLED ENTITY

i) North East Regional Community Foundation

Community Futures Development Corporation of Peace Liard controls North East Regional Community Foundation. The North East Regional Community Foundation provides support for local urban and rural community initiatives. The Foundation is incorporated under the Society Act of British Columbia and is a registered charity under the provision of the Income Tax Act of Canada.

North East Regional Community Foundation has not been consolidated in Community Futures Development Corporation of Peace Liard's financial statements. A financial summary of North East Regional Community Foundation as at March 31, 2014 and 2013 and for the years then ended is as follows:

	2014	2013
Financial position		
Total assets	\$ 416,855	\$ 380,391
Total liabilities	3,090	2,800
Total net assets*	\$ 413,765	\$ 377,591
* There are \$413,134 (2013 - \$376,963) in net assets that are restricted by external parties.		
Results of operations		
Total revenue	\$ 43,109	\$ 24,941
Total expenses	6,935	9,529
Excess of revenue over expenses	\$ 36,174	\$ 15,412
Cash flows		
Operating activities	\$ 6,733	\$ 6,501
Financing and investing activities	(371,950)	367,577
(Decrease) increase in cash	\$ (365,217)	\$ 374,078

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

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17. 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.

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 Lake View Credit Union.

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.