

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF PEACE LIARD**

Financial Statements

Year Ended March 31, 2015
(See Independent Auditor's Report)

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

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Year Ended March 31, 2015

(See Independent Auditor's Report)

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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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, 2015, 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, 2015, 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.

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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.

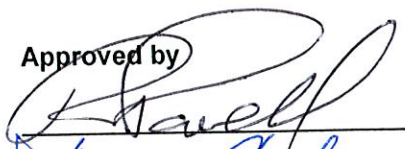
Dawson Creek, BC
June 19, 2015

Sander Rose Bone Grindle LLP
CHARTERED ACCOUNTANTS

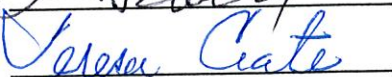
COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Financial Position
March 31, 2015

	2015			2014
	Restricted Loan Funds (Note 12)	General Operating Fund	Total	Total
ASSETS				
CURRENT				
Cash - externally restricted (Note 3)	\$ 822,925	\$ 20,266	\$ 843,191	\$ 1,826,047
- unrestricted (Note 4)	-	146,177	146,177	144,922
Receivables (Note 5)	355	5,898	6,253	20,050
Due from operating fund	-	-	-	13
Prepaid expenses	-	23,459	23,459	35,747
Loan advances (Note 6)	3,367,351	-	3,367,351	2,184,359
	4,190,631	195,800	4,386,431	4,211,138
TANGIBLE CAPITAL ASSETS (Note 7)	-	19,094	19,094	27,265
	\$ 4,190,631	\$ 214,894	\$ 4,405,525	\$ 4,238,403
LIABILITIES AND NET ASSETS				
CURRENT				
Payables (Note 8)	\$ -	\$ 16,011	\$ 16,011	\$ 21,537
Other payables (Note 8)	-	19,835	19,835	19,835
Due to restricted fund	-	-	-	13
Deferred revenue	-	-	-	27,583
Repayable fund contributions (Note 9)	1,300,000	-	1,300,000	1,300,000
	1,300,000	35,846	1,335,846	1,368,968
NET ASSETS				
Investment in capital assets	-	19,094	19,094	27,265
Externally restricted (Note 10)	2,890,631	-	2,890,631	2,691,751
Unrestricted	-	159,954	159,954	150,419
	2,890,631	179,048	3,069,679	2,869,435
	\$ 4,190,631	\$ 214,894	\$ 4,405,525	\$ 4,238,403

Approved by



Director



Director

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Operations
Year Ended March 31, 2015

	2015			2014
	Restricted Loan Funds (Note 13)	General Operating Fund	Total	Total
REVENUE				
Bad debt recovery	\$ -	\$ -	\$ -	\$ 5,559
Contributions - W.D.	-	330,955	330,955	330,955
Fee for service	-	13,960	13,960	15,570
Interest - loans	198,163	-	198,163	145,502
- bank	11,931	908	12,839	19,955
Other	-	109,888	109,888	73,569
	210,094	455,711	665,805	591,110
EXPENSES				
Accounting and legal	10,133	4,597	14,730	14,369
Advertising and promotion	-	15,797	15,797	22,437
Amortization	-	8,930	8,930	7,893
Bank charges	472	3,695	4,167	4,029
Collection fees	609	-	609	500
Contract fees	-	28,093	28,093	35,612
Grants	-	-	-	29,426
Insurance	-	7,333	7,333	6,964
Meetings	-	2,095	2,095	2,327
Office	-	16,266	16,266	10,702
Photocopy	-	731	731	699
Rent	-	34,010	34,010	34,334
Repairs and maintenance	-	2,734	2,734	4,607
Subscriptions and memberships	-	4,810	4,810	7,112
Telephone and postage	-	20,615	20,615	19,291
Training	-	17,423	17,423	16,454
Travel and conferences	-	18,261	18,261	3,454
Wages and benefits	-	268,661	268,661	256,312
	11,214	454,051	465,265	476,522
EXCESS OF REVENUE OVER EXPENSES				
	\$ 198,880	\$ 1,660	\$ 200,540	\$ 114,588

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Statement of Changes in Net Assets
Year Ended March 31, 2015

	2015			Total	2014
	Restricted Loan Funds (Note 13)	General Operating Fund Unrestricted	Invested in Equipment		Total
NET ASSETS, beginning of year	\$ 2,691,751	\$ 150,419	\$ 27,265	\$ 2,869,435	\$ 2,754,847
Excess of revenue over expenses	198,880	1,660	-	200,540	114,588
Amortization	-	8,930	(8,930)	-	-
Loss on disposal of capital assets	-	-	(296)	(296)	-
Purchase of tangible capital assets	-	(1,055)	1,055	-	-
NET ASSETS, end of year	\$ 2,890,631	\$ 159,954	\$ 19,094	\$ 3,069,679	\$ 2,869,435

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Statement of Cash Flow
Year Ended March 31, 2015

	2015					2014	
	Restricted Loan Funds					General	Total
	General Operating	General Loan	Disability Loan	Youth Loan	Community Business Loan	Investment Loan	Total
OPERATING ACTIVITIES							
Excess of revenue over expenses	\$ 1,660	\$ 109,678	\$ 4,822	\$ 3,818	\$ 73,211	\$ 7,351	\$ 200,540
Non-cash items							
Amortization	8,930	-	-	-	-	-	8,930
Bad debt recovery	-	-	-	-	-	-	-
Changes in non-cash working capital (Note 11)	(8,104)	(3,065)	(382)	118	(14,285)	146	(25,572)
Cash flow from operating activities	2,486	106,613	4,440	3,936	58,926	7,497	183,898
FINANCING ACTIVITIES							
Change in due to/from Loans advanced	-	(1,856)	662	-	11,173	(9,979)	-
Loans advanced	-	(1,343,521)	(165,909)	(26,588)	(1,147,440)	(62,775)	(2,746,233)
Loans recovered	-	744,089	99,633	53,972	563,708	120,387	1,581,789
Cash flow from financing activities	-	(601,288)	(65,614)	27,384	(572,559)	47,633	(1,164,444)
INVESTING ACTIVITIES							
Acquisition of tangible capital assets	(1,055)	-	-	-	-	-	(1,055)
Cash flow used by investing activities	(1,055)	-	-	-	-	-	(1,055)
INCREASE (DECREASE) IN CASH	1,431	(494,675)	(61,174)	31,320	(513,633)	55,130	(981,601)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	165,012	859,782	159,240	8,933	774,172	3,830	1,970,969
CASH AND EQUIVALENTS - END OF YEAR	\$ 166,443	\$ 365,107	\$ 98,066	\$ 40,253	\$ 260,539	\$ 58,960	\$ 989,368
CASH CONSISTS OF:							
Unrestricted cash	\$ 146,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,177
Externally restricted cash	20,266	365,107	98,066	40,253	260,539	58,960	843,191
	\$ 166,443	\$ 365,107	\$ 98,066	\$ 40,253	\$ 260,539	\$ 58,960	\$ 989,368

See accompanying notes to financial statements

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2015

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%

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, 2015

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, 2015

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 with the renewal date of October 31, 2015. The line of credit is secured by a general security agreement. As at year end the Corporation has no amount outstanding under this facility (2014 - \$NIL).

5. RECEIVABLES

	Restricted Loan Fund	General Operating Fund	2015 Total	2014 Total
Trade	\$ 71	\$ 5,164	\$ 5,235	\$ 19,181
Goods and services/harmonized sales tax	284	734	1,018	869
	\$ 355	\$ 5,898	\$ 6,253	\$ 20,050

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, 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. As of March 31, 2015 management has determined that all loans are collectible 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.

2015						
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	\$ 86,936	\$ 85,715	\$ 54,960	\$ 1,223,779	\$ 1,883,962	\$ 3,335,352
Accrued interest, fees and charges	782	484	256	22,748	7,729	31,999
	\$ 87,718	\$ 86,199	\$ 55,216	\$ 1,246,527	\$ 1,891,691	\$ 3,367,351

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

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 five loans ranging from \$2,547 to \$31,671 with terms of one year and interest rates varying from CIBC prime to CIBC prime plus 2%.

Disability loan fund consists of three loans ranging from \$3,008 to \$71,329 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 six loans ranging from \$5,034 to \$13,020 with terms of one year and interest rates of CIBC prime plus 2%.

b) Community business loan investment fund:

Loans issued out of the Corporation's Community business loan investment fund consists of eleven loans ranging from \$5,643 to \$198,038 with terms of one to five years and interest rates varying from CIBC prime to 8%.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD
Notes to the Financial Statements
Year Ended March 31, 2015

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.

	2015	2014
Community Futures Development Corporation of Peace Liard	\$ 298,866	\$ 302,987
Other Community Futures	812,245	818,772
Total syndicated loan	\$ 1,111,111	\$ 1,121,759

c) CFDC general loan investment fund:

Loans issued out of the Corporation's general loan investment fund consist of twenty-two loans ranging from \$5,078 to \$203,879 with terms of one to ten years and interest rates varying from CIBC prime to 7%.

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Office furniture, fixtures and equipment	\$ 45,509	\$ 41,656	\$ 3,853	\$ 5,276
Computers	74,391	66,562	7,829	12,723
Website	10,295	2,883	7,412	9,266
	\$ 130,195	\$ 111,101	\$ 19,094	\$ 27,265

During the year Community Futures wrote off \$4,047 of equipment (2014 - \$NIL) which were fully amortized and \$33,788 (2014 - \$4005) of computers with amortization of \$33,493 (2014 - \$4,005), as they were deemed to no longer be functional.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2015

8. PAYABLES

	2015	2014
Trade	\$ 14,395	\$ 20,607
Wages	1,616	930
	\$ 16,011	\$ 21,537

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.

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, 2018. 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, 2015.

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, 2015

11. CHANGES IN NON-CASH WORKING CAPITAL

	2015						2014		
	General Operating	General Loan	Disability Loan	Youth Loan	Community Business Loan	Investment Loan	Total	Total	Total
Receivables - decrease (increase)	\$ 12,730	\$ 984	\$ (1)	\$ 26	\$ 28	\$ 30	\$ 13,797	\$ 16,463	
Accrued interest receivable - (increase) decrease	-	(4,062)	(381)	92	(14,313)	116	(18,548)	(4,480)	
Due from operating -decrease (increase)	-	13	-	-	-	-	13	(13)	
Prepays - decrease (increase)	12,288	-	-	-	-	-	12,288	(1,774)	
Payables - (decrease)	(5,526)	-	-	-	-	-	(5,526)	(36,727)	
Due to restricted reserve - (decrease) increase	(13)	-	-	-	-	-	(13)	13	
Deferred revenue - (decreased) increase	(27,583)	-	-	-	-	-	(27,583)	27,583	
	\$ (8,104)	\$ (3,065)	\$ (382)	\$ 118	\$ (14,285)	\$ 146	\$ (25,572)	\$ 1,065	

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF PEACE LIARD

Notes to the Financial Statements

Year Ended March 31, 2015

12. RESTRICTED LOAN FUNDS - STATEMENT OF FINANCIAL POSITION

	2015						2014
	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	Total	Total
ASSETS							
Cash, externally restricted (Note 3)	\$ 365,107	\$ 98,066	\$ 40,253	\$ 260,539	\$ 58,960	\$ 822,925	\$ 1,805,957
Accounts receivable							
- trade	71	-	-	-	-	71	1,218
- other	258	26	-	-	-	284	204
Loan advances (Note 6)	1,891,691	86,199	55,216	1,246,527	87,718	3,367,351	2,184,359
Due from operating fund	-	-	-	-	-	-	13
Due from related fund	35,319	2,105	60	-	18	37,502	47,747
Due from related fund (Note 9)	661,000	-	-	-	-	661,000	661,000
	\$2,953,446	\$ 186,396	\$ 95,529	\$ 1,507,066	\$ 146,696	\$ 4,889,133	\$ 4,700,498
LIABILITIES							
Due to related fund	\$ 1,893	\$ 10,319	\$ -	\$ 25,290	\$ -	\$ 37,502	\$ 47,747
Repayable fund contribution (Note 9)	-	200,000	200,000	1,361,000	200,000	1,961,000	1,961,000
	1,893	210,319	200,000	1,386,290	200,000	1,998,502	2,008,747
NET ASSETS							
Externally restricted (Note 10)	2,951,553	(23,923)	(104,471)	120,776	(53,304)	2,890,631	2,691,751
	\$2,953,446	\$ 186,396	\$ 95,529	\$ 1,507,066	\$ 146,696	\$ 4,889,133	\$ 4,700,498

13. RESTRICTED LOAN FUNDS - STATEMENT OF OPERATIONS

	2015						2014
	General Loan Fund	Disability Loan Fund	Youth Loan Fund	Community Business Loan Fund	Investment Loan Fund	Total	Total
REVENUE							
Bad debt recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,559
Bank interest	5,323	1,186	195	4,827	400	11,931	18,495
Loan interest	107,815	5,553	5,540	70,373	8,882	198,163	145,502
Other	-	-	-	-	-	-	1,125
	113,138	6,739	5,735	75,200	9,282	210,094	170,681
EXPENSES							
Accounting and legal	2,465	1,917	1,917	1,917	1,917	10,133	6,349
Advertising	-	-	-	-	-	-	1,622
Bank charges	400	-	-	72	-	472	113
Collection fees	595	-	-	-	14	609	500
	3,460	1,917	1,917	1,989	1,931	11,214	8,584
EXCESS OF REVENUE OVER EXPENSES							
	109,678	4,822	3,818	73,211	7,351	198,880	162,097
NET ASSETS, beginning of year							
	2,841,875	(28,745)	(108,289)	47,565	(60,655)	2,691,751	2,529,654
NET ASSETS, end of year							
	\$2,951,553	\$ (23,923)	\$ (104,471)	\$ 120,776	\$ (53,304)	\$ 2,890,631	\$ 2,691,751

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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) 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, 2015 and 2014 and for the years then ended is as follows:

	2015	2014
Financial position		
Total assets	\$ 507,431	\$ 416,855
Total liabilities	3,617	3,090
Total net assets*	\$ 503,814	\$ 413,765
Results of operations		
Total revenue	\$ 98,268	\$ 43,109
Total expenses	8,219	6,935
Excess of revenue over expenses	\$ 90,049	\$ 36,174
Cash flows		
Operating activities	\$ 60,312	\$ 6,733
Financing and investing activities	(66,801)	(371,950)
Decrease in cash	\$ (6,489)	\$ (365,217)

* There are \$503,182 (2014 - \$413,134) in net assets that are restricted by external parties.

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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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 Toronto-Dominion Bank.

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.