

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF NORTH FRASER**

FINANCIAL STATEMENTS

MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Development Corporation of North Fraser

Opinion

I have audited the financial statements of Community Futures Development Corporation of North Fraser (the Corporation), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, and its results of 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

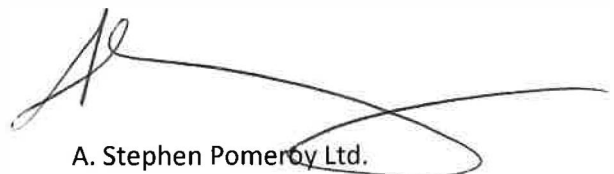
Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Corporation'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 a significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation 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 statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Mission, British Columbia
July 14, 2020



A. Stephen Pomeroy Ltd.
Chartered Professional Accountant

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF NORTH FRASER**

Balance Sheet

March 31, 2020

	Administration Fund	Investment (WD) Fund (Schedule 1)	Investment (Other) Fund (Schedule 1)	Total March 31 2020	Total March 31 2019
Current assets:					
Cash- pooled bank (note 1g) \$	-	\$ 954,555	\$ 1,027,147	\$ 1,981,702	\$ 1,951,669
HST/GST receivable	652	-	-	652	292
Accounts receivable	3,528	-	-	3,528	5,087
Prepaid expenses and deposits	10,480	-	-	10,480	3,967
Interfund transfers	97,866	298,557	(396,423)	-	-
Current portion of Loans receivable (note 3)	-	345,650	52,387	398,037	353,253
	112,526	1,598,762	683,111	2,394,399	2,314,268
Loans receivable (note 3)	-	1,958,684	296,860	2,255,544	1,852,190
Property, plant, and equipment (note 4)	27,966	-	-	27,966	6,184
Total assets	\$140,492	\$3,557,446	979,971	4,677,909	\$ 4,172,642

Liabilities and Fund Balances

Current liabilities:					
Bank overdraft (note 1g)	\$ 991,688	\$ -	-	\$991,688	\$ 969,513
Accounts payable and accruals	16,195	-	-	16,195	14,547
Payroll remittances payable	2,781	-	-	2,781	4,334
Deferred revenue	53,513	-	-	53,513	49,558
Current portion of long term debt For collaborative loans (note 8)	-	67,584	8,246	75,830	55,170
Conditionally repayable Contributions (note 5)	-	1,040,000	500,000	1,540,000	1,540,000
	1,064,177	1,107,584	508,246	2,680,007	2,633,122
Long term debt for collaborative Loans (note 8)	-	428,006	141,581	569,587	39,100
Total liabilities	1,064,177	1,535,590	649,827	3,249,594	2,672,222
Fund balances	(923,685)	2,021,856	330,144	1,428,315	1,500,420
	\$ 140,492	\$ 3,557,446	\$ 979,971	\$ 4,677,909	\$ 4,105,940

Approved on behalf of the Board of Directors



See accompanying notes to financial statements.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF NORTH FRASER**

Statement of Operations

Year ended March 31, 2020	Operating Fund	Investment (WD) Fund (Schedule 2)	Investment (Other) Fund (Schedule 2)	Total	
				2020	2019
Revenue:					
Government funding	\$ 284,548	\$ -	\$ -	\$ 284,548	\$ 284,608
Interest on loans	-	169,274	37,372	206,646	167,254
Project revenue (note 9)	38,020	-	-	38,020	73,845
Administration fees -loans	16,833	-	-	16,833	23,212
Bank deposit interest	-	4,392	11,161	15,553	10,750
Miscellaneous revenue	82	-	-	82	1,665
	<u>339,483</u>	<u>173,666</u>	<u>48,533</u>	<u>561,682</u>	<u>561,334</u>
Expenses:					
Advertising and publicity	6,315	-	-	6,315	8,292
Bank charges and interest	2,522	3,670	624	6,816	5,767
Insurance	4,276	-	-	4,276	4,207
Interest and fees on partner loans	-	25,121	6,735	31,856	7,561
Loans collections	-	79	-	79	-
Memberships	1,075	-	-	1,075	1,319
Meetings and conferences	7,846	-	-	7,846	4,075
Office and administrative	28,497	-	-	28,497	17,509
Professional fees	11,883	1,495	-	13,378	20,931
Project- Client training (note 9)	10,924	-	-	10,924	19,294
Rent and utilities	25,858	-	-	25,858	21,905
Repairs and maintenance	4,608	-	-	4,608	5,363
Telephone and online services	5,281	-	-	5,281	4,326
Travel	1,384	-	-	1,384	5,044
Wages and benefits	204,562	-	-	204,562	226,927
	<u>315,031</u>	<u>30,365</u>	<u>7,359</u>	<u>352,755</u>	<u>352,520</u>
Excess of					
Revenue over expenses from operations	24,452	143,301	41,174	208,927	208,814
Less other expenses (income)					
Amortization of assets	3,696	-	-	3,696	1,670
Change in Loan loss provision	-	109,659	150,000	259,659	(227,500)
Write off (collection) of bad debts	-	17,877	(200)	17,677	242,595
	<u>3,696</u>	<u>127,536</u>	<u>149,800</u>	<u>281,032</u>	<u>16,765</u>
Excess of					
Revenue over expenses (note 9)	\$ 20,756	\$ 15,765	(108,626)	\$ (72,105)	\$ 192,049

See accompanying notes to financial statements.