

COMMUNITY FUTURES STRATHCONA

Financial Statements

For the year ended March 31, 2020

COMMUNITY FUTURES STRATHCONA
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March 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Directors of Community Futures Strathcona

Report on the Financial Statements

Opinion

We have audited the financial statements of Community Futures Strathcona (CFS), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations and cash flows 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 Strathcona as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted 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 CFS 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 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 CFS'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 Community Futures Strathcona or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CFS's 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 these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism 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 CFS'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 CFS'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, future events or conditions may cause CFS 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.

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.

Campbell River, British Columbia
June 16, 2020

MOELLER MATTHEWS
Chartered Professional Accountants


COMMUNITY FUTURES STRATHCONA

STATEMENT OF FINANCIAL POSITION

AT MARCH 31, 2020

	Administration Fund	Investment Funds				TOTAL	TOTAL
	Administration	Loan Fund	Forest Community Business Fund	Fisheries Legacy Fund	Business Development Fund		
	\$	\$	\$	\$	\$	2020	2019
						\$	\$
ASSETS							
CURRENT							
Cash	92,199	789,846	3,159	6,305	52,456	943,965	1,097,508
Goods and services tax receivable	372	-	-	-	-	372	189
Current portion of loans receivable (Note 3)	-	706,424	16,745	30,506	92,591	846,266	977,583
	92,571	1,496,270	19,904	36,811	145,047	1,790,603	2,075,280
LOANS RECEIVABLE (Note 3)	-	5,717,449	82,428	417,028	415,705	6,632,610	6,070,623
PROPERTY AND EQUIPMENT (Note 4)	1,391	-	-	-	-	1,391	1,821
	93,962	7,213,719	102,332	453,839	560,752	8,424,604	8,147,724
LIABILITIES							
CURRENT							
Accounts payable (Note 6)	34,467	-	-	-	-	34,467	21,110
Deferred revenue (Note 7)	25,496	-	-	-	-	25,496	25,496
Due to (from) other funds	24,109	(12,625)	(1,450)	(3,413)	(6,621)	-	-
Conditionally repayable contributions (Note 8)	-	-	103,782	420,000	-	523,782	517,484
	84,072	(12,625)	102,332	416,587	(6,621)	583,745	564,090
COMMITMENTS (Note 9)							
NET ASSETS							
UNRESTRICTED SURPLUS (DEFICIT)	9,890	-	-	-	-	9,890	(26,637)
RESTRICTED SURPLUS	-	7,226,344	-	37,252	567,373	7,830,969	7,610,271
	9,890	7,226,344	-	37,252	567,373	7,840,859	7,583,634
	93,962	7,213,719	102,332	453,839	560,752	8,424,604	8,147,724

APPROVED BY THE BOARD:



 Director



 Director

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

COMMUNITY FUTURES STRATHCONA

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2020

	Administration Fund		Investment Funds			TOTAL 2020 \$	TOTAL 2019 \$
	Administration Fund \$	Loan Fund \$	Forest Community Business Fund \$	Fisheries Legacy Fund \$	Business Development Fund \$		
SURPLUS (DEFICIT) - BEGINNING OF YEAR	(26,637)	7,001,221	-	49,957	559,093	7,583,634	7,291,135
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	36,527	225,123	-	(12,705)	8,280	257,225	292,499
SURPLUS - END OF YEAR	9,890	7,226,344	-	37,252	567,373	7,840,859	7,583,634

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

COMMUNITY FUTURES STRATHCONA

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2020

	Administration Fund	Investment Funds				TOTAL 2020 \$	TOTAL 2019 \$
	Administration Fund \$	Loan Fund \$	Forest Community Business Fund \$	Fisheries Legacy Fund \$	Business Development Fund \$		
REVENUES							
Government grants	305,955	-	-	-	-	305,955	305,955
Interest		484,743	7,583	24,295	46,375	562,996	559,446
Administration recoveries	54,049	636	-	-	-	54,685	38,937
Write down (up) of long term debt	-	-	(6,298)	-	-	(6,298)	20,599
	<u>360,004</u>	<u>485,379</u>	<u>1,285</u>	<u>24,295</u>	<u>46,375</u>	<u>917,338</u>	<u>924,937</u>
EXPENSES							
WAGES AND BENEFITS							
Wages and benefits	224,232	-	-	-	-	224,232	256,535
PROFESSIONAL							
Professional fees	12,772	-	-	-	-	12,772	22,533
ADMINISTRATION							
Advertising	6,521	-	-	-	-	6,521	6,440
Bad debts (recovery)	-	149,443	(715)	30,000	30,095	208,823	281,380
Bad debts - COVID-19 (Note 11)	-	109,000	2,000	7,000	8,000	126,000	-
Consulting	2,711	-	-	-	-	2,711	-
Credit documentation costs	7,203	-	-	-	-	7,203	6,403
Dues and subscriptions	1,710	-	-	-	-	1,710	1,695
Equipment rental	2,669	-	-	-	-	2,669	2,809
Interest and bank charges	2,056	1,813	-	-	-	3,869	3,002
Meeting expense	4,906	-	-	-	-	4,906	4,256
Office	15,527	-	-	-	-	15,527	7,413
Premise and associated costs	11,946	-	-	-	-	11,946	15,335
Telephone	6,636	-	-	-	-	6,636	8,891
Travel and vehicle	1,728	-	-	-	-	1,728	2,944
Workshops and conferences	22,430	-	-	-	-	22,430	12,230
	<u>323,047</u>	<u>260,256</u>	<u>1,285</u>	<u>37,000</u>	<u>38,095</u>	<u>659,683</u>	<u>631,866</u>
Income (loss) from operations	36,957	225,123	-	(12,705)	8,280	257,655	293,071
Amortization	(430)	-	-	-	-	(430)	(572)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>36,527</u>	<u>225,123</u>	<u>-</u>	<u>(12,705)</u>	<u>8,280</u>	<u>257,225</u>	<u>292,499</u>

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