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Denotes Incorporation

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Non-Consolidated Financial Statements

Year Ended March 31, 2014

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

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Year Ended March 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Futures Development Corporation of Thompson Country

We have audited the accompanying non-consolidated financial statements of Community Futures Development Corporation of Thompson Country, which comprise the non-consolidated statements of financial position as at March 31, 2014, the changes in fund balances, statement of revenues and expenses, and cash flows for the year ended March 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated 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 non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated 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 non-consolidated 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 non-consolidated 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, the non-consolidated financial statements present fairly, in all material respects, the financial position of Community Futures Development Corporation of Thompson Country as at March 31, 2014 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.

Kamloops, British Columbia
July 28, 2014

CHARTERED ACCOUNTANTS

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Non-Consolidated Statement of Financial Position

March 31, 2014

	Operating Fund	ESC Fund	Investment Funds (Schedule 1)	Capital Fund	2014 Total	2013 Total
ASSETS						
CURRENT						
Cash	\$ 201,544	\$ 367,215	\$ 666,235	\$ -	\$ 1,234,994	\$ 782,381
Accounts receivable (Note 3)	36,981	55,948	2,669	-	95,598	79,774
Interest receivable	-	-	6,991	-	6,991	5,504
Prepaid expenses	4,781	2,179	-	-	6,960	33,392
	243,306	425,342	675,895	-	1,344,543	901,051
LOANS RECEIVABLE (Note 4)	-	-	2,384,939	-	2,384,939	2,667,969
INTER-FUND RECEIVABLES	-	-	250,000	-	250,000	250,000
INVESTMENT IN SUBSIDIARY (Note 5)	20	-	-	-	20	20
DUE FROM SUBSIDIARY (Note 6)	-	151,276	-	-	151,276	62,402
TANGIBLE CAPITAL ASSETS (Note 7)	-	-	-	30,293	30,293	45,071
	\$ 243,326	\$ 576,618	\$ 3,310,834	\$ 30,293	\$ 4,161,071	\$ 3,926,513
LIABILITIES						
CURRENT						
Accounts payable (Note 8)	\$ 43,566	\$ 58,084	\$ 13,833	-	\$ 115,483	\$ 136,600
Government remittances payable	8,106	6,086	-	-	14,192	13,462
Unused project funds (Note 9)	155,399	163,932	-	-	319,331	353,139
SIDIT payable (Note 10)	-	-	197,749	-	197,749	210,666
Current portion of long-term debt	-	-	48,425	-	48,425	-
	207,071	228,102	260,007	-	695,180	713,867
LONG-TERM DEBT (Note 11)	-	-	423,835	-	423,835	250,000
GOVERNMENT ASSISTANCE (Note 12)	-	-	526,669	-	526,669	526,669
INTER-FUND PAYABLE	-	-	250,000	-	250,000	250,000
	207,071	228,102	1,460,511	-	1,895,684	1,740,536
FUND BALANCES						
EXTERNALLY RESTRICTED (Note 13)	-	-	1,650,000	-	1,650,000	1,650,000
FUND BALANCES	36,255	348,516	200,323	30,293	615,387	535,977
	36,255	348,516	1,850,323	30,293	2,265,387	2,185,977
	\$ 243,326	\$ 576,618	\$ 3,310,834	\$ 30,293	\$ 4,161,071	\$ 3,926,513
COMMITMENTS (Note 14)						

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Non-Consolidated Statement of Changes in Fund Balances

Year Ended March 31, 2014

	Operating Fund	ESC Fund	Investment Funds	Capital Fund	2014 Total	2013 Total
BALANCE , beginning of year	\$ 15,681	\$ 184,003	\$ 291,222	\$ 45,071	\$ 535,977	\$ 274,917
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	20,574	164,513	(90,899)	-	94,188	230,156
TANGIBLE CAPITAL ASSET PURCHASES	-	-	-	9,542	9,542	49,987
AMORTIZATION	-	-	-	(24,320)	(24,320)	(19,083)
BALANCE , end of year	\$ 36,255	\$ 348,516	\$ 200,323	\$ 30,293	\$ 615,387	\$ 535,977

Approved by the Board

 , Director

 , Director

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Non-Consolidated Statement of Revenues and Expenses

Year Ended March 31, 2014

	Operating Fund	ESC Fund	Investment Funds	2014 Total	2013 Total
REVENUES					
Federal Government contributions	\$ 295,128	\$ -	\$ -	\$ 295,128	\$ 295,131
Regional Co-operatives	17,294	-	-	17,294	56,983
Loan processing fee revenue	8,721	-	-	8,721	27,982
Interest from deposits	7,765	-	-	7,765	9,351
Other	7,179	-	-	7,179	14,741
Administrative fees (Note 15)	36,000	-	-	36,000	9,193
Community Economic Development Projects	-	-	-	-	68,567
Investment funds (Schedule 2)	-	-	208,440	208,440	187,371
Employment Services Centre (ESC) (Schedule 3)	-	1,239,724	-	1,239,724	1,068,301
Open Door Group Service Agreement (ODG) (Schedule 4)	60,444	-	-	60,444	60,325
Self-Employment Program (SE) (Schedule 5)	-	-	-	-	16,579
	<u>432,531</u>	<u>1,239,724</u>	<u>208,440</u>	<u>1,880,695</u>	<u>1,814,524</u>
EXPENSES					
Wages and benefits	161,251	-	-	161,251	150,843
Rent	48,702	-	-	48,702	50,036
Accounting and legal	36,387	-	-	36,387	45,200
Office	30,486	-	-	30,486	36,068
Repairs and maintenance	23,649	-	-	23,649	19,998
Regional Co-operatives	10,787	-	-	10,787	56,190
Advertising	14,412	-	-	14,412	29,776
Telephone and utilities	11,722	-	-	11,722	13,235
Travel and training	11,240	-	-	11,240	8,920
Conferences	5,807	-	-	5,807	20,964
Capital purchases	4,257	-	-	4,257	26,818
Insurance	3,119	-	-	3,119	3,425
Interest and bank charges	2,021	-	-	2,021	1,832
Community Economic Development Projects	7,978	-	-	7,978	68,567
Investment funds (Schedule 2)	-	-	299,339	299,339	107,292
Employment Services Centre (ESC) (Schedule 3)	-	1,075,211	-	1,075,211	884,298
Open Door Group Service Agreement (ODG) (Schedule 4)	40,139	-	-	40,139	44,327
Self-Employment Program (SE) (Schedule 5)	-	-	-	-	16,579
	<u>411,957</u>	<u>1,075,211</u>	<u>299,339</u>	<u>1,786,507</u>	<u>1,584,368</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 20,574</u>	<u>\$ 164,513</u>	<u>\$ (90,899)</u>	<u>\$ 94,188</u>	<u>\$ 230,156</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Non-Consolidated Statement of Cash Flows

Year Ended March 31, 2014

	Operating Fund	ESC Fund	Investment Funds	2014 Total	2013 Total
CASH PROVIDED (USED BY):					
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ 20,574	\$ 164,513	\$ (90,899)	\$ 94,188	\$ 230,156
Changes in non-cash working capital items <i>(Note 16)</i>	71,633	(202,590)	(14,422)	(145,379)	(42,887)
	<u>92,207</u>	<u>(38,077)</u>	<u>(105,321)</u>	<u>(51,191)</u>	<u>187,269</u>
INVESTING ACTIVITIES					
Decrease (increase) in loans receivable	-	-	283,031	283,031	(314,930)
Increase in interest receivable	-	-	(1,487)	(1,487)	(147)
Increase in long-term investments	-	-	-	-	(20)
	<u>-</u>	<u>-</u>	<u>281,544</u>	<u>281,544</u>	<u>(315,097)</u>
FINANCING ACTIVITIES					
Increase in long-term debt	-	-	250,000	250,000	-
Repayment of long-term debt	-	-	(27,740)	(27,740)	-
	<u>-</u>	<u>-</u>	<u>222,260</u>	<u>222,260</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	92,207	(38,077)	398,483	452,613	(127,828)
CASH, beginning of year	109,337	405,292	267,752	782,381	910,209
CASH, end of year	\$ 201,544	\$ 367,215	\$ 666,235	\$ 1,234,994	\$ 782,381

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

1. GENERAL

Community Futures Development Corporation of Thompson Country (the "Corporation") was incorporated under the Canada Corporations Act on March 31, 1995. As a Not-for-profit Corporation, the Corporation is exempt from income tax.

The purpose of the Corporation is to assist the unemployed, the under-employed and employers to develop projects and services which are designed to provide employment opportunities and to remove employment barriers. This will be accomplished by identifying the viable employment development investment opportunities in the Thompson Country area, and providing counselling and financial and technical assistance necessary to develop such opportunities. The Corporation is also involved in delivering and administering programs geared to strengthen economic development initiatives within the communities it serves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The non-consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and Cash Equivalents

The Corporation's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Use of Estimates

The preparation of these non-consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund Accounting

Community Futures Development Corporation of Thompson Country follows the restricted fund method of accounting for contributions.

Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Current funds in use are as follows:

Operating Fund

To account for the Corporation's program delivery and administrative activities.

Employment Services Centre (ESC) Fund

To account for the contract held in Merritt, BC for employment programming services for the Employment Program of British Columbia.

Capital Fund

To account for all tangible capital assets of the Corporation.

Investment Funds

To account for loan funds received.

Programs are as follows:

1. Small Business Program - to account for grant monies received from the Government of Canada for small businesses.
2. Community Business Program (Comm. Bus.) (formerly Forest Community Business Program) - to account for contribution monies received from the Province of British Columbia for investments in the forest, aquaculture, manufacturing or tourism sector.
3. Youth Program - to account for monies loaned from the Government of Canada for youth investments.
4. Disabled Entrepreneur Program - to account for monies loaned from the Government of Canada for small businesses operated by the disabled.
5. Self-Employment Program - this program is to provide advice and temporary financial support to qualifying individuals who wish to develop a business and be self-employed.

Investment in Subsidiary

The Corporation issues only non-consolidated financial statements and its investment in the subsidiary is accounted for at cost.

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COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible Capital Assets and Amortization

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis over the following years:

Furniture, fixtures and equipment	5 years
Computer equipment and software	2 years
Leasehold improvements	5 years

The Corporation regularly reviews its tangible capital assets to eliminate obsolete items.

Loans Receivable

The loans receivable represent the outstanding principal at year end.

The allowance for losses on loans is determined on the basis of historical allowance requirements and specific loans which, in management's opinion, may not be fully collectable. Amounts considered uncollectible are written off through operating expenses in the appropriate investment fund in the applicable period. These allowances are estimates. If actual results differ from the estimates, the impact would be recorded in future periods.

Financial Instruments Policy

Measurement of Financial Instruments

The Corporation initially measures its financial assets and liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost includes cash, accounts receivable and loans receivable.

Financial liabilities measured at amortized cost includes the accounts payable, unused project funds, Government assistance and long-term debt.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenses.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

3. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Operating Fund		
GST/HST rebate	\$ 6,351	\$ 9,774
Northern Thompson Economic Development	-	5,000
Investment Agriculture Foundation of British Columbia	-	9,756
Receivable from Employment Services Centre (ESC) Fund	21,814	35,547
Receivable from Investment Funds	<u>8,816</u>	<u>6,960</u>
	<u>36,981</u>	<u>67,037</u>
Employment Services Centre (ESC) Fund		
GST/HST rebate	2,648	4,832
Province of BC - Employment Services Centre Contract	52,802	-
Miscellaneous	498	1,519
Receivable from Open Door Group (ODG)	<u>-</u>	<u>1,374</u>
	<u>55,948</u>	<u>7,725</u>
Investment Funds		
Charges receivable	50	1,503
Insurance receivable	<u>2,619</u>	<u>3,509</u>
	<u>2,669</u>	<u>5,012</u>
	<u>\$ 95,598</u>	<u>\$ 79,774</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

4. LOANS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Investment Fund		
Loans receivable	\$ 2,294,117	\$ 2,368,702
Less: Allowance for loan impairment	<u>(257,963)</u>	<u>(113,800)</u>
	<u>\$ 2,036,154</u>	<u>\$ 2,254,902</u>
 Investment II Fund		
Loans receivable	<u>\$ 61,197</u>	<u>\$ 62,539</u>
 Youth Investment Fund		
Loans receivable	<u>\$ 56,539</u>	<u>\$ 81,636</u>
 Community Business Program Investment Fund		
Loans receivable	\$ 247,496	\$ 304,097
Less: Allowance for loan impairment	<u>(65,837)</u>	<u>(79,537)</u>
	<u>\$ 181,659</u>	<u>\$ 224,560</u>
 Disabled Entrepreneur Investment Fund		
Loans receivable	\$ 49,390	\$ 67,487
Less: Allowance for loan impairment	<u>-</u>	<u>(23,155)</u>
	<u>\$ 49,390</u>	<u>\$ 44,332</u>
 Total		
Loans receivable	\$ 2,708,739	\$ 2,884,461
Less: Allowance for loan impairment	<u>(323,800)</u>	<u>(216,492)</u>
	<u>\$ 2,384,939</u>	<u>\$ 2,667,969</u>

The loans bear interest at rates established by contract varying from 5.5% to 12.50%. The minimum interest rate that can be charged is generally the bank prime rate plus 2%. The scheduled maturities range from a period of less than one year to a maximum of five years. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and building. The Corporation's revenue may be significantly impacted by the varying interest rates available.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

5. INVESTMENT IN SUBSIDIARY

The following subsidiary is accounted for by the cost method:

	Ownership %	2014	2013
CFDCTC Merritt Holdings Ltd.	100.00	\$ 20	\$ 20

The Corporation purchased the shares of CFDCTC Merritt Holdings Ltd. in 2012. CFDCTC Merritt Holdings Ltd. owns the building and land in Merritt, BC that services the Employment Services Centre (ESC) contract.

Community Futures Development Corporation of Thompson Country and CFDCTC Merritt Holdings Ltd. share the same Board.

The below amounts have not been consolidated into these non-consolidated financial statements:

	2014	2013
Assets	\$ 314,978	\$ 329,403
Liabilities	288,577	315,613
Shareholders' Equity	26,401	13,790
	\$ 314,978	\$ 329,403
	2014	2013
Revenue	\$ 44,315	\$ 41,097
Expense	31,704	27,327
Net Income	\$ 12,611	\$ 13,770
Cash flows from operating activities	\$ 14,706	\$ 88,899
Cash flows from financing activities	(21,564)	243,847
Cash flows from investing activities	-	(311,988)
	\$ (6,858)	\$ 20,758

6. DUE FROM SUBSIDIARY

The amount due from CFDCTC Merritt Holdings Ltd. is non-interest bearing and unsecured.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Kamloops				
Furniture, fixtures, and equipment	\$ 30,740	\$ 25,884	\$ 4,856	\$ 7,671
Computer equipment and software	49,289	40,945	8,343	17,705
Merritt				
Furniture, fixtures, and equipment	3,859	1,158	2,701	3,473
Computer equipment and software	10,447	6,469	3,978	5,786
Leasehold improvements	14,149	3,734	10,415	10,436
	<u>\$ 108,484</u>	<u>\$ 78,190</u>	<u>\$ 30,293</u>	<u>\$ 45,071</u>

8. ACCOUNTS PAYABLE

	<u>2014</u>	<u>2013</u>
Operating Fund		
Miscellaneous	\$ 6,777	\$ 7,529
Audit accrual	26,000	30,000
Vacation payable	10,789	11,278
Payable to Employment Services Centre (ESC) Fund	<u>-</u>	<u>1,374</u>
	43,566	<u>50,181</u>
Employment Services Centre (ESC) Fund		
Miscellaneous	17,147	3,811
Audit accrual	12,000	15,000
Payable to Operating Fund	21,814	35,547
Vacation payable	<u>7,123</u>	<u>14,381</u>
	58,084	<u>68,739</u>
Investment Funds		
Miscellaneous	5,017	10,720
Payable to Operating Fund	<u>8,816</u>	<u>6,960</u>
	13,833	<u>17,680</u>
	<u>\$ 115,483</u>	<u>\$ 136,600</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

9. UNUSED PROJECT FUNDS

	<u>2014</u>	<u>2013</u>
Operating Fund		
North Thompson Economic Development	\$ -	\$ 4,070
Green Energy Project	10,986	24,000
Wildfire Relief	119,816	119,816
Federal Government (WD)	24,597	-
	<u>155,399</u>	<u>147,886</u>
 Employment Services Centre (ESC) Fund		
Employment Services Centre (ESC) - Payable to the Province of BC	<u>163,932</u>	<u>205,253</u>
	<u>\$ 319,331</u>	<u>\$ 353,139</u>

10. ACCOUNTS PAYABLE - SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST (SIDIT)

	<u>2014</u>	<u>2013</u>
Funds are loaned to the Corporation in order to partner in client loans. Principal repayments proportionate to SIDIT's involvement in client loans, as well as a portion of the interest earned on the client loans are paid to SIDIT on a quarterly basis. SIDIT bears the risk on the loan in proportion to their involvement	<u>\$ 197,749</u>	<u>\$ 210,666</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

11. LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
Pooled Asset Lending (PAL) loan, principal repayment is due in 2015, with renewal subject to the availability of funds. Interest only payments at a rate of prime less 2.25% per annum or a minimum of 1.25% per annum are due monthly. Interest rate is fixed for six months based on Royal Bank prime and is adjusted annually on March 31 and September 30	\$ 250,000	\$ 250,000
Community Futures Development Association of BC - BC Futures Fund loan (#120) bearing interest at 2.25% per annum, repayable at blended payments of \$4,409 due monthly. Each April 1st, the rates will be adjusted to the current 5 year rate in effect on that date based on the Royal Bank. The loan matures on September 30, 2018 and is secured by a General Security Agreement	<u>173,835</u>	<u>-</u>
	423,835	250,000
Amounts payable within one year	<u>48,425</u>	<u>-</u>
	<u>\$ 472,260</u>	<u>\$ 250,000</u>

Principal repayment terms over the next five years are approximately:

2015	\$ 48,425
2016	49,522
2017	50,641
2018	51,788
2019	<u>21,884</u>
	<u>\$ 222,260</u>

12. GOVERNMENT ASSISTANCE

Investment II Fund

In 1998, the Corporation received a repayable contribution in the amount of \$150,000 from the Government of Canada to administer, through the Investment Fund, loans, loan guarantees and equity participation in small businesses. Effective April 2001, the contribution became conditionally repayable.

Youth Investment Fund

In 1996, the Corporation received a repayable contribution in the amount of \$200,000 from the Government of Canada to administer, through the Youth Investment Fund, loans, loan guarantees and equity participation in businesses owned and operated by youths. Effective April 2001, the contribution became conditionally repayable.

Disabled Entrepreneur Investment Fund

In 1998, the Corporation received a repayable contribution in the amount of \$200,000 from the Government of Canada to administer, through the Disabled Entrepreneur Investment Fund, loans, loan guarantees and equity participation in businesses owned and operated by disabled entrepreneurs. Effective April 2001, the contribution became conditionally repayable. In 1999, the repayable amount was reduced by \$23,331 to \$176,669.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

13. EXTERNALLY RESTRICTED

Investment Fund

Thompson Enterprise Centre Society, a predecessor to the Corporation, received a \$1,400,000 grant from the Government of Canada to administer, through the Investment fund, loans, loan guarantees and equity participation in order to create new small businesses and to expand, stabilize and protect existing businesses resulting in the generation and maintenance of employment. This grant was transferred to the Corporation as part of an asset transfer agreement on March 31, 1995. As a condition of funding, the Corporation agrees to retain its non-profit status and to continue to administer the Investment Fund in conformity with criteria outlined in the original contribution agreement. Upon dissolution of the Corporation, any assets to which the Minister contributed, remaining after payment of debts and liabilities, and any records necessary to deliver the Program, can be transferred to another organization with similar objectives, as approved by the Minister.

Community Business Program Investment Fund (formerly Forest Community Business Program Investment Fund)

In 1996, the Corporation received a contribution in the amount of \$250,000 from Forest Renewal British Columbia which was matched by \$250,000 in funding transferred from the Corporation's Investment Fund. The \$500,000 in funds are to be used by the Corporation to provide loans to businesses in the forest, aquaculture, manufacturing or tourism sector, or businesses that are developing or using clean or renewable energy, or are developing innovative technology, or are beginning the export of goods or services from British Columbia. As a condition of the funding, the Corporation has agreed to administer the funds in accordance with the contribution agreement. If these conditions are not met, the agreement will be terminated and the funds will be disbursed as described in the terms of the contribution agreement.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

14. COMMITMENTS

The Corporation rents office space in Kamloops under a long-term lease that expires April 1, 2017. Future minimum lease payments until expiry, excluding common area costs, are as follows:

Contractual obligation repayment schedule:

2015	\$	47,237
2016		47,237
2017		47,237
		<u>141,711</u>
	\$	<u>141,711</u>

The Corporation also rents office space in Merritt under a long-term lease that expires March 31, 2017. Future minimum lease payments until expiry are as follows:

Contractual obligation repayment schedule:

2015	\$	48,056
2016		48,137
2017		49,571
		<u>145,764</u>
	\$	<u>145,764</u>

Future minimum payments under operating leases relating to equipment will aggregate \$7,605 including the following payments until expiry:

Contractual obligation repayment schedule:

2015	\$	2,028
2016		2,028
2017		2,028
2018		1,521
		<u>7,605</u>
	\$	<u>7,605</u>

15. ADMINISTRATIVE FEES

	<u>2014</u>	<u>2013</u>
Employment Services Centre (ESC) Contract	\$ 36,000	\$ -
Self Employment Program	-	9,193
	<u>\$ 36,000</u>	<u>\$ 9,193</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

16. CHANGES IN NON-CASH WORKING CAPITAL

	<u>2014</u>	<u>2013</u>
Operating Fund		
Accounts receivable	\$ 30,056	\$ (53,497)
Prepaid expenses	1,829	(487)
Due from subsidiary	38,761	(38,761)
Accounts payable	(6,615)	(2,482)
Government remittances payable	89	8,017
Unused project funds	7,513	(132,721)
	<u>71,633</u>	<u>(219,931)</u>
ESC Fund		
Accounts receivable	(48,223)	(7,725)
Prepaid expenses	24,603	(26,782)
Due from subsidiary	(127,635)	(23,641)
Accounts payable	(10,655)	68,739
Government remittances payable	641	5,445
Unused project funds	(41,321)	205,253
	<u>(202,590)</u>	<u>221,289</u>
Investment Funds		
Accounts receivable	2,343	(1,617)
Accounts payable	(3,848)	5,413
SIDIT payable	(12,917)	(74,014)
Investments	-	25,973
	<u>(14,422)</u>	<u>(44,245)</u>
	\$ (145,379)	\$ (42,887)

17. ECONOMIC DEPENDENCE

A significant portion of the Corporation's revenue is derived from the Federal and Provincial Government.

18. RELATED PARTY TRANSACTIONS

Included in the expenses of the Corporation for the year was rent paid to CFDCTC Merritt Holdings Ltd. (wholly owned subsidiary) in the amount of \$45,153.

Transactions with related parties are conducted on the same terms and at similar prices as transactions with outsiders.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2014

19. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations at the non-consolidated statement of financial position date, March 31, 2014.

LiquidityRisk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its accounts payable and long-term debt.

CreditRisk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risks relate to its accounts receivable, interest receivable and loans receivable. The Corporation provides credit to its clients in the normal course of business.

InterestRateRisk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of long term debt and loans receivable, the fixed-rate instruments subject the Corporation to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Statement of Financial Position - Investment Funds

(Schedule 1)

March 31, 2014

	Investment Fund	Investment II Fund	Youth Investment Fund	Comm. Bus. Investment Fund	Disabled Investment Fund	2014 Total	2013 Total
ASSETS							
CURRENT							
Cash	\$ 513,025	\$ 32,672	\$ 52,449	\$ 46,378	\$ 21,711	\$ 666,235	\$ 267,752
Accounts receivable <i>(Note 3)</i>	2,611	7	-	51	-	2,669	5,012
Interest receivable	6,384	602	-	5	-	6,991	5,504
	522,020	33,281	52,449	46,434	21,711	675,895	278,268
LOANS RECEIVABLE <i>(Note 4)</i>	2,036,154	61,197	56,539	181,659	49,390	2,384,939	2,667,969
INTER-FUND RECEIVABLES	250,000	-	-	-	-	250,000	250,000
	2,286,154	61,197	56,539	181,659	49,390	2,634,939	2,917,969
	\$ 2,808,174	\$ 94,478	\$ 108,988	\$ 228,093	\$ 71,101	\$ 3,310,834	\$ 3,196,237
LIABILITIES							
CURRENT							
Accounts payable <i>(Note 8)</i>	12,846	149	150	48	640	13,833	17,680
SIDIT payable <i>(Note 10)</i>	197,749	-	-	-	-	197,749	210,666
Current portion of long-term debt	48,425	-	-	-	-	48,425	-
	259,020	149	150	48	640	260,007	228,346
LONG-TERM DEBT <i>(Note 11)</i>	423,835	-	-	-	-	423,835	250,000
GOV'T ASSISTANCE <i>(Note 12)</i>	-	150,000	200,000	-	176,669	526,669	526,669
INTER-FUND PAYABLE	-	-	-	250,000	-	250,000	250,000
	682,855	150,149	200,150	250,048	177,309	1,460,511	1,255,015
FUND BALANCES							
EXTERNALLY							
RESTRICTED <i>(Note 13)</i>	1,400,000	-	-	250,000	-	1,650,000	1,650,000
FUND BALANCES	725,319	(55,671)	(91,162)	(271,955)	(106,208)	200,323	291,222
	2,125,319	(55,671)	(91,162)	(21,955)	(106,208)	1,850,323	1,941,222
	\$ 2,808,174	\$ 94,478	\$ 108,988	\$ 228,093	\$ 71,101	\$ 3,310,834	\$ 3,196,237

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Statement of Revenues and Expenses - Investment Funds

(Schedule 2)

Year Ended March 31, 2014

	Investment Fund	Investment II Fund	Youth Investment Fund	Comm. Bus. Investment Fund	Disabled Investment Fund	2014 Total	2013 Total
REVENUES							
Interest from deposits	\$ 2,359	\$ 198	\$ 357	\$ 204	\$ 183	\$ 3,301	\$ 4,065
Interest from investments	-	-	-	-	-	-	142
Interest from loans	174,005	6,776	7,070	12,162	5,126	205,139	183,164
	<u>176,364</u>	<u>6,974</u>	<u>7,427</u>	<u>12,366</u>	<u>5,309</u>	208,440	187,371
EXPENSES							
Interest and bank charges	-	-	-	-	-	-	156
Interest on long-term debt	6,825	-	-	-	-	6,825	2,860
Reserve for loan impairment and write-offs	272,309	-	7,165	8,500	4,540	292,514	104,276
	<u>279,134</u>	<u>-</u>	<u>7,165</u>	<u>8,500</u>	<u>4,540</u>	299,339	107,292
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (102,770)	\$ 6,974	\$ 262	\$ 3,866	\$ 769	\$ (90,899)	\$ 80,079

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Statement of Revenues and Expenses - Employment Services Centre (ESC)

(Schedule 3)

Year Ended March 31, 2014

	2014	2013
REVENUES		
Fixed Operating Fee Contributions	\$ 580,060	\$ 556,030
Variable Service Fee Contributions	443,170	423,540
Financial Support and Purchased Service Contributions	209,052	86,819
Outcome fees	2,300	-
Interest from deposits	5,142	1,912
	<u>1,239,724</u>	<u>1,068,301</u>
FIXED OPERATING FEE EXPENSES		
Accounting and legal	21,754	22,246
Administrative fees <i>(Note 15)</i>	36,000	-
Advertising	9,979	5,384
Capital purchases	5,285	23,169
Insurance	1,901	1,221
Interest and bank charges	419	180
Office	42,105	41,229
Repairs and maintenance	7,242	-
Rent	45,153	46,579
Start-up project costs	-	24,194
Telephone	7,319	7,860
Travel	14,828	11,585
Utilities	13,034	2,913
Wages and benefits	306,153	256,978
	<u>511,172</u>	<u>443,538</u>
VARIABLE SERVICE FEE EXPENSES		
Professional fees	34,655	33,399
Variable service fees	277,433	264,960
Wages and benefits	42,899	55,582
	<u>354,987</u>	<u>353,941</u>
FINANCIAL SUPPORT AND PURCHASED SERVICE EXPENSES		
Other expenses	-	839
Benefits	-	4,133
Living supports	74,779	26,599
Dependent care expenses	16,422	428
Transportation support	29,867	6,899
Training support	62,727	38,113
Wage subsidy support	13,820	5,081
Job search	-	567
Job start	9,792	1,735
Food costs	1,645	551
Disability support	-	1,874
	<u>209,052</u>	<u>86,819</u>
	<u>1,075,211</u>	<u>884,298</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 164,513	\$ 184,003

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Statement of Revenues and Expenses - Open Door Group Service Agreement (ODG)

(Schedule 4)

Year Ended March 31, 2014

	2014	2013
REVENUES	<u>\$ 60,444</u>	<u>\$ 60,325</u>
EXPENSES		
Professional fees	-	8,126
Advertising	643	241
Office	-	75
Wages and benefits	<u>39,496</u>	<u>35,885</u>
	<u>40,139</u>	<u>44,327</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 20,305</u>	<u>\$ 15,998</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THOMPSON COUNTRY

Statement of Revenues and Expenses - Self Employment Program (SE)

(Schedule 5)

Year Ended March 31, 2014

	2014	2013
REVENUES	\$ -	\$ 16,579
EXPENSES		
Materials and supplies	-	471
Printing and communications	-	364
Professional fees	-	7,683
Rental	-	2,272
Salaries and wages	-	2,541
Transfer to Operating Fund	-	2,862
Utilities	-	386
	-	16,579
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -