

**COMMUNITY FUTURES PARTNERS  
OF SASKATCHEWAN INC.**

**Financial Statements**

**March 31, 2017**

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**  
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**March 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Community Futures Partners of Saskatchewan Inc.

We have audited the accompanying financial statements of Community Futures Partners of Saskatchewan Inc., which comprise the balance sheet as at March 31, 2017 and the statements of operations, changes in net assets and cash flows 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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, the financial statements present fairly, in all material respects, the financial position of Community Futures Partners of Saskatchewan Inc. as at March 31, 2017 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.

Regina, Saskatchewan

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Dudley & Company LLP  
Chartered Professional Accountants

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**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**  
**Balance Sheet**  
**As at March 31, 2017**

	<i>March 31</i> <b>2017</b>	<i>March 31</i> <b>2016</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 161,491	\$ 119,327
Accounts receivable	452	22,535
CFSIP loan receivable ( <i>Note 6</i> )	1,005,772	1,354,505
Prepaid expenses	1,559	1,774
GST receivable	<u>5,087</u>	<u>4,144</u>
	<b>1,174,361</b>	<b>1,502,285</b>
<b>INVESTMENT POOL FUND</b>	<u><b>852,039</b></u>	<u><b>482,985</b></u>
	<u><b>\$ 2,026,400</b></u>	<u><b>\$ 1,985,270</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 44	\$ 419
<b>INVESTMENT POOL FUND</b>	<u><b>1,772,652</b></u>	<u><b>1,767,320</b></u>
	<b>1,772,696</b>	<b>1,767,739</b>
<b>NET ASSETS</b>	<u><b>253,704</b></u>	<u><b>217,531</b></u>
	<u><b>\$ 2,026,400</b></u>	<u><b>\$ 1,985,270</b></u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

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Prep \_\_\_\_\_ Added \_\_\_\_\_ Approved \_\_\_\_\_

The accompanying notes form an integral part of these financial  
statements2 2

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**Statement of Operations  
Year Ended March 31, 2017**

	Budget 2017	2017	2016
<b>REVENUE</b>			
Western Economic Diversification funding	\$ 301,544	\$ 298,897	\$ 277,729
Other	35,000	18,801	22,527
Interest	3,592	32,614	36,206
	<u>340,136</u>	<u>350,312</u>	<u>336,462</u>
<b>EXPENSES</b>			
Bad debts	-	600	-
Bank charges	950	434	460
Conference and seminars	1,250	575	80
Contract fees and services	136,779	131,274	119,132
Education and training	4,250	1,570	1,400
Special project	49,211	43,250	26,869
Insurance	1,956	1,477	980
Marketing and promotion	50,831	51,592	63,258
Meetings and travel	24,857	17,879	26,260
Memberships and subscriptions	500	950	500
Non-refundable GST	1,311	1,114	1,626
Office supplies	3,751	3,910	909
CF training	39,000	37,411	8,142
Postage and courier	700	41	534
Professional fees	7,000	5,145	5,166
CF Awards and Annual Conference	11,000	10,000	12,872
Rental	3,540	3,640	6,729
Telephone and fax	3,000	2,793	3,707
Worker's compensation	250	484	-
Other	-	-	1,000
	<u>340,136</u>	<u>314,139</u>	<u>279,624</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ 36,173</u>	<u>\$ 56,838</u>

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2017**

	2016	Excess of revenue over	2017
	<u>Balance</u>	<u>expenses</u>	<u>Balance</u>
Net assets	\$ 217,531	\$ 36,173	<b>\$ 253,704</b>

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**Statement of Cash Flows  
Year Ended March 31, 2017**

	<b>2017</b>	2016
<b>CASH FLOWS FROM (FOR) OPERATING ACTIVITIES</b>		
Cash receipts from grants	\$ 320,380	\$ 241,796
Cash paid to suppliers and employees	(314,641)	(256,175)
Interest received	32,614	36,206
Cash receipts from other revenue	<u>18,801</u>	<u>22,110</u>
Cash Flows From (For) Operating Activities	<u>57,154</u>	43,937
<b>CASH FLOWS FROM (FOR) INVESTING ACTIVITIES</b>		
Loan advances to Community Futures organizations	(150,000)	(675,000)
Repayment of loan advances to Community Futures organizations	498,733	166,883
Net change in Investment Pool Fund	<u>(363,722)</u>	<u>493,115</u>
Cash Flows From (For) Investing Activities	<u>(14,989)</u>	(15,002)
<b>INCREASE IN CASH</b>	<b>42,165</b>	28,935
CASH - BEGINNING OF YEAR	<u>119,327</u>	<u>90,392</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 161,492</u></b>	<b><u>\$ 119,327</u></b>

# COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.

## Notes to Financial Statements

Year Ended March 31, 2017

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### 1. BASIS OF PRESENTATION

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

### 2. NATURE OF OPERATIONS

Community Futures Partners of Saskatchewan Inc. (the "organization") was incorporated under the Non-Profit Corporations Act of Saskatchewan. Its mission is to advocate on behalf of, and to support, member Community Futures Development Corporations in Saskatchewan in accomplishing their goals. The main activity is the provision of a process for information dissemination for its members.

The organization is a not-for-profit organization, as described in Section 149 of the *Income Tax Act*, and therefore is not subject to either federal or provincial income taxes.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Revenue recognition

- a) Grants - Revenue from grants that relate to specific projects are recognized as revenue when the related expenses are incurred.
- b) Conference and other - Revenue is recognized at the time the service is rendered.
- c) Interest - Revenue is recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments using the effective interest method.

#### Fund accounting

Community Futures Partners of Saskatchewan Inc. follows the restricted fund method of accounting for contributions.

The Operations Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The EDP Project, Investment Pool Fund and Elevate Project Funds report the revenues and expenses related to each fund. If overhead expenses relate to more than one fund and cannot be directly attributed to a particular fund, they split using the revenue ratio of the corresponding funds.

#### Financial instruments

- a) Measurement of financial instruments - The organization initially measures its financial assets and financial liabilities at fair value and subsequently measures them at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

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

b) Impairment - At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the association, including but not limited to the following events: significant financial difficulty of the issuer; delinquency in payments; or bankruptcy. When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. If identified, the organization reduces the carrying amount of the asset to the present value of cash flows expected to be received. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as a bad debt in the statement of operations. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statement of operations in the period the reversal occurs.

Capital assets

Capital assets are recorded as a charge against income in the year of acquisition.

Management estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 date of the financial statements and the reported amounts of revenues and expenses during the current period. Significant estimates include those used when accounting for the impairment of financial assets. All estimates are reviewed periodically, and adjustments are made to the statement of operations as appropriate in the year they become known.

Non-refundable GST

Non-refundable GST is expensed as a separate line item on the statement of operations. In previous periods, the non-refundable GST was included as part of the various applicable expenses that attracted the tax to begin with, which is the policy recommended under Canadian accounting standards for not-for-profit organizations. Although the new policy is not in accordance with those standards, the primary users (management and funder) of the financial statements consider it adequate for their purposes. There is no effect on total expenses by adopting the new policy.

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

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4. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks on an annual basis. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2017.

Credit risk

Credit risk arises from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the association could incur a financial loss. The company is exposed to credit risk from its customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The maximum exposure of the organization to credit risk is represented by the balance as shown on the balance sheet for cash, investments and accounts receivable.

Cash and investments: Credit risk associated with cash and fixed income investments is minimized substantially by ensuring that these assets are invested in major financial institutions.

Accounts receivable: Credit risk associated with accounts receivable is minimized by the organization's diverse customer base. The organization monitors the amount of credit extended when deemed necessary. Management assesses annually whether potential credit losses should be recognized based on existing factors.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet a demand for cash or fund its obligations as they come due. The company is exposed to this risk on accounts payable.

The organization meets its liquidity requirements by monitoring cash flows from operations and holding assets that can be readily converted into cash.

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 is comprised of currency risk, interest rate risk and other price risk.

The organization is exposed to market risk on its cash and investments.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities.

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**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2017**

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4. FINANCIAL INSTRUMENTS *(continued)*

The exposure of the organization to interest rate risk arises from its interest-bearing assets. Fluctuations in market rates of interest on investments do not have a significant impact on the association's results of operations.

Changes in risk

There have been no changes in the organization's risk exposures from the prior year.

5. ECONOMIC DEPENDENCE

The organization receives the majority of its revenue from the Western Economic Diversification Fund and is therefore economically dependent on it.

6. RELATED PARTY TRANSACTIONS

The company has loans outstanding at March 31, 2017 to member organizations for \$1,005,772 (2016 - \$1,354,505). The interest rate is 2.5% - 2.6%. There was interest on the loans of \$28,742 for 2017 (2016 - \$34,716). The maturity of the loans are 2018 to 2021. During the year ended March 31, 2017, loans totalling \$150,000 were granted to member organizations with an interest rate of 2.45%.

7. CONTRIBUTION AGREEMENTS

The organization has the following multi-year contribution agreements with Western Economic Diversification:

	<b>2017</b>	<b>2016</b>
Operating to 2018	<b>\$ 189,426</b>	\$ 189,426
Entrepreneurs with Disabilities (EDP) to 2018	<b>100,000</b>	100,000
Total Contribution Agreements	<b><u>\$ 289,426</u></b>	<b><u>\$ 289,426</u></b>

In 2016, the organization signed a new multi-year contribution agreement to secure financing.

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**Operations  
(Schedule 1)**

**Year Ended March 31, 2017**

	Actual	Actual
	2017	2016
<b>REVENUE</b>		
Western Economic Diversification funding	\$ 198,897	\$ 177,729
CF Awards	8,000	8,000
Provincial Marketing Initiative	-	-
Other	7,655	12,720
	<u>214,552</u>	<u>198,449</u>
<b>EXPENSES</b>		
Bad debts	600	-
Bank charges	333	325
Conference and seminars	288	-
CF training	36,411	8,142
Contract fees and services	77,142	67,259
Education and training	1,570	1,100
Insurance	1,300	843
Marketing and promotion	39,400	54,268
Meetings and travel	14,639	19,539
Memberships and subscriptions	950	500
Non-refundable GST	742	1,007
Office supplies	1,834	199
Other	-	1,000
Postage and courier	41	466
Professional fees	2,145	3,451
CF Awards and Annual Conference	10,000	12,372
Telephone and fax	1,256	2,254
Rent	1,213	4,254
Sponsorship	-	750
Special project	21,286	-
Worker's compensation	161	-
	<u>211,311</u>	<u>177,729</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 3,241</u>	<u>\$ 20,720</u>

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**EDP Project  
(Schedule 2)**

**Year Ended March 31, 2017**

	Actual 2017	Actual 2016
<b>REVENUE</b>		
Western Economic Diversification funding	\$ 100,000	\$ 100,000
<b>EXPENSES</b>		
Conference and seminars	163	80
Contract fees	54,132	51,873
Education and training	1,000	300
Insurance	114	70
Marketing and promotion	12,112	8,240
Meetings and travel	3,240	6,098
Non-refundable GST	371	619
Office supplies	2,076	607
Bank charges	-	47
Postage and courier	-	68
Professional fees	2,000	1,715
Telephone and fax	1,071	1,339
Rent	1,213	2,075
Worker's compensation	161	-
EDP Special Project	21,964	26,869
	<u>99,617</u>	<u>100,000</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 383</u>	<u>\$ -</u>

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**Investment Pool Fund  
(Schedule 3)**

**Year Ended March 31, 2017**

	<b>Actual 2017</b>	<b>Actual 2016</b>
<b>REVENUE</b>		
Interest	\$ 3,872	\$ 1,490
Loan interest	<u>28,742</u>	<u>34,716</u>
	<b>32,614</b>	<b>36,206</b>
<b>EXPENSES</b>		
Bank charges	103	88
Meetings and travel	<u>-</u>	<u>-</u>
	<b>32,511</b>	<b>36,118</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 32,511</b>	<b>\$ 36,118</b>

**COMMUNITY FUTURES PARTNERS OF SASKATCHEWAN INC.**

**Elevate Project  
(Schedule 4)**

**Year Ended March 31, 2017**

	<b>Actual 2017</b>	<b>Actual 2016</b>
<b>REVENUE</b>		
Elevate recovery	<u>\$ 3,146</u>	<u>\$ 1,807</u>
<b>EXPENSES</b>		
Annual Conference/Gala	-	-
Insurance	125	500
Marketing and promotion	63	67
Meeting and travel	81	-
Office supplies	-	623
Professional fees	-	103
Rent	1,000	-
Telephone and fax	1,213	400
Worker's compensation	466	114
	<u>161</u>	<u>-</u>
	<u>3,109</u>	<u>1,807</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 37</u>	<u>\$ -</u>