
INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Lac La Biche Regional Community
Development Corporation

Opinion

I have audited the financial statements of Lac La Biche Regional Community Development Corporation which comprise the statement of financial position at March 31, 2020 and the statements of income and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, all all material respects, the financial position of the Organization as at March 31, 2020 and the results of its income and expenditures, change in fund balances and the cash flows for the year then ended in accordance with 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 Financial Statements section of my report. I am independent of the Organization 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 organization and for such internal control as management determines 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 Organization's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Organization or to cease operations, or has no realistic alternative by to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

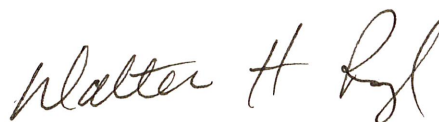
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 access 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 Organization'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 on accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization'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 Organization to cease to continue as a going concern.
- Evaluate the over 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 I identified during my audit.

Lac La Biche, Alberta
June 17, 2020



CHARTERED PROFESSIONAL ACCOUNTANT

**LAC LA BICHE REGIONAL COMMUNITY
DEVELOPMENT CORPORATION
(O/A - COMMUNITY FUTURES LAC LA BICHE)
BALANCE SHEET
AS AT MARCH 31, 2020**

ASSETS

	GENERAL <u>FUNDS</u>	LOAN INVESTMENT FUNDS <u>FUNDS</u>	REPAYABLE	TOTAL <u>2020</u>	TOTAL <u>2019</u>
CASH AND TERM DEPOSITS	\$ 224,366	\$1,349,937	\$ -	\$1,574,303	\$2,074,698
INVESTMENTS (Note 2)	1,380	-	-	1,380	816
ACCOUNTS RECEIVABLE	5,742	654	-	6,396	3,241
INVESTMENT LOANS RECEIVABLE (Note 4)	-	4,555,691	237,475	4,793,166	5,118,719
COMMUNITY FUTURE NETWORK FUND (Note 10)	-	1,334,105	-	1,334,105	607,566
DUE FROM (TO) INVESTMENT FUNDS	-	(410,639)	410,639	-	-
PROPERTY, EQUIPMENT (Notes 2, 3)	<u>191,336</u>	<u>-</u>	<u>-</u>	<u>191,336</u>	<u>204,749</u>
	<u>\$ 422,824</u>	<u>\$6,829,748</u>	<u>\$ 648,114</u>	<u>\$7,900,686</u>	<u>\$8,009,789</u>

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 23,114	\$ -	\$ -	\$ 23,114	\$ 31,476
OTHER PAYABLES (Note 6)	-	-	-	-	154,407
DEFERRED REVENUES (Note 11)	62,683	-	-	62,683	118,119
ADVANCES FROM WESTERN ECONOMIC DIVERSIFICATION (Note 5)	<u>-</u>	<u>-</u>	<u>489,357</u>	<u>489,357</u>	<u>480,315</u>
	<u>85,797</u>	<u>-</u>	<u>489,357</u>	<u>575,154</u>	<u>784,317</u>

FUND BALANCES

INVESTMENT IN LONG LIVED ASSETS	191,336	-	-	191,336	204,749
RESTRICTED FUNDS	-	6,829,748	158,757	6,988,505	6,887,622
UNRESTRICTED FUNDS	<u>145,691</u>	<u>-</u>	<u>-</u>	<u>145,691</u>	<u>133,101</u>
	<u>337,027</u>	<u>6,829,748</u>	<u>158,757</u>	<u>7,325,532</u>	<u>7,225,472</u>
	<u>\$ 422,824</u>	<u>\$6,829,748</u>	<u>\$ 648,114</u>	<u>\$7,900,686</u>	<u>\$8,009,789</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

LAC LA BICHE REGIONAL COMMUNITY
DEVELOPMENT CORPORATION
(O/A - COMMUNITY FUTURES LAC LA BICHE)
INCOME AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2020

	<u>GENERAL</u>	<u>LOAN FUNDS</u>	<u>TOTAL</u> 2020	<u>TOTAL</u> 2019
REVENUE				
Western Economic Diversification grant	\$ 294,963	\$ -	\$ 294,963	\$ 294,963
Transfer from loan investment funds	79,369	(79,369)	-	-
Loan interest	-	328,861	328,861	324,693
Investment income	4,203	67,415	71,618	50,347
Other income (Note 7)	108,749	-	108,749	100,975
	<u>487,284</u>	<u>316,907</u>	<u>804,191</u>	<u>770,978</u>
EXPENDITURES				
Salaries and employee benefits	266,135	-	266,135	253,234
Professional expenses				
Accounting, audit, legal fees	6,450	-	6,450	15,729
Training and education	2,849	-	2,849	5,777
Legal, credit bureau	20,973	-	20,973	6,119
Administration				
Project expenditures	92,091	-	92,091	77,798
Building occupancy costs (Note 9)	25,984	-	25,984	30,989
Office	24,308	-	24,308	13,857
Telephone and communications	6,009	-	6,009	5,424
Travel	5,892	-	5,892	10,276
Advertising and promotion	5,628	-	5,628	6,926
Board expenses	5,129	-	5,129	6,758
GST expense - non rebate portion (Note 2)	3,978	-	3,978	801
Insurance	1,133	-	1,133	1,612
Memberships, licenses, dues, subscriptions	1,045	-	1,045	503
Marketing and visibility	850	-	850	500
Bank charges and interest	749	-	749	514
Postage, delivery	545	-	545	1,672
Equipment rental	270	-	270	1,655
Loan receivable recoveries	-	(700)	(700)	-
Bad debts	275	216,724	216,999	471,465
	<u>470,293</u>	<u>216,024</u>	<u>686,317</u>	<u>911,609</u>
NET INCOME FROM OPERATIONS	16,991	100,883	117,874	(140,631)
AMORTIZATION (Note 2)	<u>(17,814)</u>	-	<u>(17,814)</u>	<u>(17,602)</u>
NET INCOME (LOSS)	<u>\$ (823)</u>	<u>100,883</u>	<u>\$ 100,060</u>	<u>\$ (158,233)</u>

LAC LA BICHE REGIONAL COMMUNITY
 DEVELOPMENT CORPORATION
 (O/A - COMMUNITY FUTURES LAC LA BICHE)
 CHANGES IN FUND BALANCES - OPERATING
 FOR THE YEAR ENDED MARCH 31, 2020

	INVESTED		TOTAL 2020	TOTAL 2019
	IN			
	LONG LIVED ASSETS	UNRESTRICTED		
BALANCE, OPENING	\$ 204,749	\$ 133,101	\$ 337,850	\$ 315,776
NET INCOME	-	(823)	(823)	22,074
AMORTIZATION EXP.	(17,814)	17,814	-	-
PURCHASE OF CAPITAL ASSETS	<u>4,401</u>	<u>(4,401)</u>	-	-
BALANCE CLOSING	<u>\$ 191,336</u>	<u>\$ 145,691</u>	<u>\$ 337,027</u>	<u>\$ 337,850</u>

LAC LA BICHE REGIONAL COMMUNITY
DEVELOPMENT CORPORATION
(O/A - COMMUNITY FUTURES LAC LA BICHE)
CHANGES IN FUND BALANCES - INVESTMENT
FOR THE YEAR ENDED MARCH 31, 2020

	LOAN INVESTMENT FUNDS		TOTAL	TOTAL
	<u>FUNDS</u>	<u>REPAYABLE</u>	<u>2020</u>	<u>2019</u>
REVENUE				
Loan interest	\$ 319,818	\$ 18,085	\$ 337,903	\$ 334,378
Investment income	<u>67,415</u>	<u>-</u>	<u>67,415</u>	<u>45,860</u>
	<u>387,233</u>	<u>18,085</u>	<u>405,318</u>	<u>380,238</u>
EXPENSES				
Interest and bank charges	-	-	-	25
Transfers to general fund operations	79,369	-	79,369	79,369
Loan receivable recovery costs	(700)	-	(700)	-
To investment repayable fund	-	9,042	9,042	9,686
Provision for investment losses (Note 6)	<u>216,724</u>	<u>-</u>	<u>216,724</u>	<u>471,465</u>
	<u>295,393</u>	<u>9,042</u>	<u>304,435</u>	<u>560,545</u>
NET INCOME	91,840	9,043	100,883	(180,307)
FUND BALANCES, Beginning of year	<u>6,737,908</u>	<u>149,714</u>	<u>6,887,622</u>	<u>7,067,929</u>
FUND BALANCES, End of year	<u>\$ 6,829,748</u>	<u>\$ 158,757</u>	<u>\$ 6,988,505</u>	<u>\$ 6,887,622</u>

LAC LA BICHE REGIONAL COMMUNITY
DEVELOPMENT CORPORATION
(O/A - COMMUNITY FUTURES LAC LA BICHE)
CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	GENERAL <u>FUNDS</u>	LOAN INVESTMENT <u>FUNDS</u>	TOTAL <u>2020</u>	TOTAL <u>2019</u>
CASH PROVIDED BY (USES) FOR:				
OPERATING				
Western Economic Diversification	\$ 294,963	\$ -	\$ 294,963	\$ 294,963
Other income and grants	55,814	700	56,514	124,921
Investment loan advances	-	(2,546,191)	(2,546,191)	(2,429,212)
Investment loan repayments	-	2,519,807	2,519,807	2,453,152
Syndication loan repayments	-	-	-	(9,970)
Interest income from investment loans	4,203	379,904	384,107	403,158
Salaries and benefits	(266,135)	-	(266,135)	(253,234)
Materials and services	(212,520)	-	(212,520)	(183,957)
	<u>(123,675)</u>	<u>354,220</u>	<u>230,545</u>	<u>399,821</u>
INVESTING				
CFLIP investment advance	-	(726,539)	(726,539)	(607,566)
Purchase of capital assets	(4,401)	-	(4,401)	(2,121)
	<u>(4,401)</u>	<u>(726,539)</u>	<u>(730,940)</u>	<u>(609,687)</u>
FINANCING				
Interfund transfers	<u>95,636</u>	<u>(95,636)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(32,440)	(467,955)	(500,395)	(209,866)
CASH, Beginning of year	<u>256,806</u>	<u>1,817,892</u>	<u>2,074,698</u>	<u>2,284,564</u>
CASH, End of year	<u>\$ 224,366</u>	<u>\$ 1,349,937</u>	<u>\$ 1,574,303</u>	<u>\$ 2,074,698</u>