

AUDITOR'S REPORT

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

I have audited the accompanying financial position of Lac La Biche Regional Community Development Corporation as at March 31, 2019 and the related 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 of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

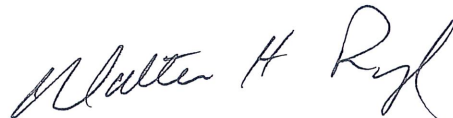
Auditor's Responsibility - Continued

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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Lac La Biche Regional Community Development Corporation as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.



Lac La Biche, Alberta
June 19, 2019

CHARTERED PROFESSIONAL ACCOUNTANT

LAC LA BICHE REGIONAL COMMUNITY
DEVELOPMENT CORPORATION
(O/A - COMMUNITY FUTURES LAC LA BICHE)
BALANCE SHEET
AS AT MARCH 31, 2019

ASSETS

	GENERAL FUNDS	LOAN INVESTMENT FUNDS FUNDS	REPAYABLE	TOTAL 2019	TOTAL 2018
CASH AND TERM DEPOSITS	\$ 256,806	\$1,817,892	\$ -	\$2,074,698	\$2,284,564
INVESTMENTS (Note 2)	816	-	-	816	816
ACCOUNTS RECEIVABLE	3,241	-	-	3,241	28,143
INVESTMENT LOANS RECEIVABLE (Note 4)	-	4,753,672	365,047	5,118,719	5,623,116
COMMUNITY FUTURE NETWORK FUND	-	607,566	-	607,566	-
DUE FROM (TO) INVESTMENT FUNDS	-	(264,982)	264,982	-	-
PROPERTY, EQUIPMENT (Notes 2, 3)	<u>204,749</u>	<u>-</u>	<u>-</u>	<u>204,749</u>	<u>220,230</u>
	<u>\$ 465,612</u>	<u>\$6,914,148</u>	<u>\$ 630,029</u>	<u>\$8,009,789</u>	<u>\$8,156,869</u>

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 31,476	\$ -	\$ -	\$ 31,476	\$ 28,523
OTHER PAYABLES (Note 6)	-	154,407	-	154,407	164,377
WORKFORCE INITIATIVE FUNDS	-	-	-	-	82,482
DEFERRED REVENUES	118,119	-	-	118,119	27,153
DUE TO (FROM) OPERATING FUNDS	(21,833)	21,833	-	-	-
ADVANCES FROM WESTERN ECONOMIC DIVERSIFICATION (Note 5)	-	-	480,315	480,315	470,629
	<u>127,762</u>	<u>176,240</u>	<u>480,315</u>	<u>784,317</u>	<u>773,164</u>

FUND BALANCES

INVESTMENT IN LONG LIVED ASSETS	204,749	-	-	204,749	220,230
RESTRICTED FUNDS	-	6,737,908	149,714	6,887,622	7,067,929
UNRESTRICTED FUNDS	<u>133,101</u>	<u>-</u>	<u>-</u>	<u>133,101</u>	<u>95,546</u>
	<u>337,850</u>	<u>6,737,908</u>	<u>149,714</u>	<u>7,225,472</u>	<u>7,383,705</u>
	<u>\$ 465,612</u>	<u>\$6,914,148</u>	<u>\$ 630,029</u>	<u>\$8,009,789</u>	<u>\$8,156,869</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, 2019

	<u>GENERAL</u>	<u>LOAN FUNDS</u>	<u>TOTAL 2019</u>	<u>TOTAL 2018</u>
REVENUE				
Western Economic Diversification grant	\$ 294,963	\$ -	\$ 294,963	\$ 294,965
Transfer from loan investment funds	79,369	(79,369)	-	-
Loan interest	-	324,693	324,693	347,037
Investment income	4,487	45,860	50,347	23,618
Other income (Note 7)	100,975	-	100,975	196,473
	<u>479,794</u>	<u>291,184</u>	<u>770,978</u>	<u>862,093</u>
EXPENDITURES				
Salaries and employee benefits	253,234	-	253,234	354,421
Professional expenses				
Accounting, audit, legal fees	14,348	-	14,348	7,479
Training and education	5,777	-	5,777	13,541
Management consulting fees	7,500	-	7,500	1,500
Administration				
Special projects - marketing	77,798	-	77,798	105,477
Building occupancy costs (Note 9)	30,989	-	30,989	50,245
Office	13,857	-	13,857	13,513
Board expenses	6,758	-	6,758	7,308
Travel	10,276	-	10,276	6,069
Vehicle lease costs (Note 11)	-	-	-	5,128
Telephone and communications	5,424	-	5,424	4,439
Advertising and promotion	6,926	-	6,926	3,701
Equipment rental	1,655	-	1,655	1,953
GST expense - non rebate portion (Note 2)	801	-	801	1,918
Insurance	1,612	-	1,612	1,310
Postage, delivery	1,672	-	1,672	571
Bank charges and interest	488	26	514	549
Memberships, licenses, dues, subscriptions	503	-	503	549
Marketing and visibility	500	-	500	350
Loan receivable recoveries	-	-	-	-
Bad debts	-	471,465	471,465	246,848
	<u>440,118</u>	<u>471,491</u>	<u>911,609</u>	<u>826,869</u>
NET INCOME FROM OPERATIONS	39,676	(180,307)	(140,631)	35,224
AMORTIZATION (Note 2)	<u>(17,602)</u>	-	<u>(17,602)</u>	<u>(17,939)</u>
NET INCOME (LOSS)	<u>\$ 22,074</u>	<u>(180,307)</u>	<u>(158,233)</u>	<u>\$ 17,285</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, 2019

	INVESTED		TOTAL	TOTAL
	IN		2019	2018
	LONG LIVED	UNRESTRICTED	ASSETS	ASSETS
BALANCE, OPENING	\$ 220,230	\$ 95,546	\$ 315,776	\$ 340,121
NET INCOME	-	22,074	22,074	(24,345)
AMORTIZATION EXP.	(17,602)	17,602	-	-
PURCHASE OF CAPITAL				
ASSETS	<u>2,121</u>	<u>(2,121)</u>	<u>-</u>	<u>-</u>
BALANCE CLOSING	<u>\$ 204,749</u>	<u>\$ 133,101</u>	<u>\$ 337,850</u>	<u>\$ 315,776</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, 2019

	LOAN INVESTMENT FUNDS		TOTAL	TOTAL
	<u>FUNDS</u>	<u>REPAYABLE</u>	<u>2019</u>	<u>2018</u>
REVENUE				
Loan interest	\$ 315,006	\$ 19,372	\$ 334,378	\$ 358,867
Investment income	<u>45,860</u>	<u>-</u>	<u>45,860</u>	<u>21,115</u>
	<u>360,866</u>	<u>19,372</u>	<u>380,238</u>	<u>379,982</u>
EXPENSES				
Interest and bank charges	25	-	25	64
Legal and loan fees	-	-	-	1,979
Transfers to general fund operations	79,369	-	79,369	79,000
Loan receivable recovery costs	-	-	-	-
To investment repayable fund	-	9,686	9,686	11,830
Provision for investment losses (Note 6)	<u>471,465</u>	<u>-</u>	<u>471,465</u>	<u>245,479</u>
	<u>550,859</u>	<u>9,686</u>	<u>560,545</u>	<u>338,352</u>
NET INCOME	(189,993)	9,686	(180,307)	41,630
FUND BALANCES, Beginning of year	<u>6,927,901</u>	<u>140,028</u>	<u>7,067,929</u>	<u>7,026,299</u>
FUND BALANCES, End of year	<u>\$ 6,737,908</u>	<u>\$ 149,714</u>	<u>\$ 6,887,622</u>	<u>\$ 7,067,929</u>

LAC LA BICHE REGIONAL COMMUNITY
DEVELOPMENT CORPORATION
(O/A - COMMUNITY FUTURES LAC LA BICHE)
CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	GENERAL FUNDS	LOAN INVESTMENT FUNDS	TOTAL 2019	TOTAL 2018
SOURCES OF CASH				
Western Economic Diversification	\$ 294,963	\$ -	\$ 294,963	\$ 294,963
Other income and deferred revenues	283,659	-	283,659	189,921
Syndication loan advances	-	-	-	-
Investment income	4,487	370,552	375,039	371,305
Transfers between funds	(92,037)	92,037	-	-
CFLIP investment funds	-	-	-	48,924
Investment loan repayments	-	2,308,629	2,308,629	2,540,945
	<u>491,072</u>	<u>2,771,218</u>	<u>3,262,290</u>	<u>3,446,058</u>
USES OF CASH				
Salaries and benefits	253,234	-	253,234	354,421
Materials and services	169,539	-	169,539	303,811
CFLIP investment advance	-	607,566	607,566	-
Interest and bank charges	488	26	514	549
Purchase of capital assets	2,121	-	2,121	-
Syndication loan repayments	-	9,970	9,970	2,587
Investment loan advances	-	2,429,212	2,429,212	1,856,711
	<u>425,382</u>	<u>3,046,774</u>	<u>3,472,156</u>	<u>2,518,079</u>
NET INCREASE (DECREASE) IN CASH	65,690	(275,556)	(209,866)	927,979
CASH, Beginning of year	<u>191,116</u>	<u>2,093,448</u>	<u>2,284,564</u>	<u>1,356,585</u>
CASH, End of year	<u>\$ 256,806</u>	<u>\$ 1,817,892</u>	<u>\$ 2,074,698</u>	<u>\$ 2,284,564</u>