

# **COMMUNITY FUTURES WINNIPEG RIVER**

## **FINANCIAL STATEMENTS**

**MARCH 31, 2009**

Page

1	Auditors' Report
2	Balance Sheet
3	General Fund - Statement of Operations and Fund Balance
4	Investment Funds - Statements of Operations and Fund Balances
5	Cash Flow Statement
6 - 8	Notes to Financial Statements



## AUDITORS' REPORT

To the Directors of Community Futures Winnipeg River

We have audited the balance sheet of Community Futures Winnipeg River as at March 31, 2009 and the statements of operations and fund balances and cash flow statement for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba  
June 17, 2009

*Stefanson Lee Romaniuk*  
Chartered Accountants

# COMMUNITY FUTURES WINNIPEG RIVER

Balance Sheet  
March 31, 2009

	<u>General</u>	<u>Investment Funds</u>			<u>2009</u>	<u>2008</u>
	<u>Fund</u>	<u>Regular</u>	<u>Disabled</u>	<u>Youth</u>		
<b>Assets</b>						
<b>Current</b>						
Cash and short-term deposits	\$ 92,543	337,434	96,782	95,798	622,557	737,555
Accounts receivable	11,740	-	-	-	11,740	129,959
Prepays	6,267	-	-	-	6,267	1,158
Deposit, Community Futures Investment Fund (note 3)	-	230,513	-	-	230,513	222,643
	110,550	567,947	96,782	95,798	871,077	1,091,315
<b>Capital (note 4)</b>	154,484	-	-	-	154,484	161,036
<b>Client loans (note 5)</b>	-	1,177,907	42,333	191,938	1,412,178	1,151,155
<b>Total assets</b>	\$ 265,034	1,745,854	139,115	287,736	2,437,739	2,403,506
<b>Liabilities</b>						
<b>Current</b>						
Accounts payable and accruals	\$ 17,852	-	-	-	17,852	129,166
<b>Fund balances</b>	247,182	1,745,854	139,115	287,736	2,419,887	2,274,340
<b>Total liabilities and fund balances</b>	\$ 265,034	1,745,854	139,115	287,736	2,437,739	2,403,506

Contingency (note 8)

APPROVED BY THE BOARD:

\_\_\_\_\_ DIRECTOR

\_\_\_\_\_ DIRECTOR

**COMMUNITY FUTURES WINNIPEG RIVER**GENERAL FUND - Statement of Operations and Fund Balance  
for the year ended March 31, 2009

	<u>2009</u>	<u>2008</u>
<b>Revenue</b>		
Western Economic Diversification - core funding	\$ 289,199	293,528
Western Economic Diversification - projects	-	76,964
Community Futures Partners of Manitoba	468	-
Migration Network Project (Schedule 1)	-	128,462
Fees for service	19,221	22,856
Self-Employment Assistance Program	15,190	18,546
Rental income	7,050	6,000
Interest	508	602
	<hr/> 331,636	<hr/> 546,958
<b>Expenses</b>		
Amortization	6,552	6,552
Community economic development - projects	3,459	74,599
Computer upgrades/maintenance	5,237	15,534
Conferences and training	5,859	4,301
Directors' expenses	13,661	9,694
Insurance	1,628	1,548
Maintenance and repairs	1,352	310
Marketing, advertising and promotion	4,396	1,163
Meetings	3,562	3,087
Memberships and subscriptions	1,771	1,602
Migration Network Project	125	125,582
Non-refundable GST	1,350	2,558
Office	16,307	11,129
Postage	2,138	2,765
Professional fees	5,701	4,815
Property taxes	6,183	6,094
Salaries and benefits	239,974	261,267
Telephone, facsimile and internet	7,096	8,313
Travel and automobile	4,242	5,394
Utilities	4,784	4,519
	<hr/> 335,377	<hr/> 550,826
<b>Excess revenue (expense)</b>	(3,741)	(3,868)
Fund balance, beginning of year	250,923	254,791
<b>Fund balance, end of year</b>	<hr/> <hr/> \$ 247,182	<hr/> <hr/> 250,923

## COMMUNITY FUTURES WINNIPEG RIVER

INVESTMENT FUNDS - Statements of Operations and Fund Balances  
for the year ended March 31, 2009

	<u>Investment Funds</u>			<u>2009</u>	<u>2008</u>
	<u>Regular</u>	<u>Disabled</u>	<u>Youth</u>		
<b>Revenue</b>					
Interest - loans	\$ 95,048	1,622	10,330	107,000	86,084
Interest - credit union	2,297	2,855	5,528	10,680	23,373
Interest - Community Futures Investment Fund	7,871	-	-	7,871	9,163
Credit recoveries	26,798	-	75	26,873	14,387
	132,014	4,477	15,933	152,424	133,007
<b>Expense</b>					
Bad debts	-	-	2,154	2,154	-
Bank charges	64	-	-	64	-
Professional fees	918	-	-	918	1,572
	982	-	2,154	3,136	1,572
<b>Excess revenue</b>	131,032	4,477	13,779	149,288	131,435
Fund balances, beginning of year	1,614,822	134,638	273,957	2,023,417	1,891,982
<b>Fund balances, end of year</b>	<b>\$ 1,745,854</b>	<b>139,115</b>	<b>287,736</b>	<b>2,172,705</b>	<b>2,023,417</b>

## COMMUNITY FUTURES WINNIPEG RIVER

Cash Flow Statement  
for the year ended March 31, 2009

	<u>2009</u>	<u>2008</u>
<b>Sources of cash</b>		
Western Economic Diversification	\$ 376,163	283,528
Self-Employment Assistance Program	15,311	21,327
Interest received on loans and funds on deposit	115,668	118,217
Other	57,873	143,465
	<hr/> 565,015	<hr/> 566,537
<b>Uses of cash</b>		
Payments to suppliers and employees	448,384	422,725
Client loans net of repayments	223,759	289,755
Community Futures Investment Fund	7,870	9,163
	<hr/> 680,013	<hr/> 721,643
<b>Change in cash</b>	(114,998)	(155,106)
Cash and short-term deposits, beginning of year	737,555	892,661
<b>Cash and short-term deposits, end of year</b>	<hr/> <b>\$ 622,557</b>	<hr/> <b>737,555</b>

# COMMUNITY FUTURES WINNIPEG RIVER

Notes to Financial Statements

March 31, 2009

## 1. Purpose and funding:

Community Futures Winnipeg River (CFWR) (formerly Winnipeg River Brokenhead Community Futures Development Corporation) is a non-profit community based organization funded by Western Economic Diversification Canada (WD). The Corporation provides loans and financial services to small businesses in order to achieve sustained growth in employment opportunities within the Winnipeg River Brokenhead area of Eastern Manitoba pursuant to a contribution agreement with WD. Community Futures Winnipeg River recognizes its commitment for repayment of investment funds back to WD as per the contribution agreement.

The Corporation is exempt from income tax under section 149(1)(l) of the Income Tax Act.

## 2. Summary of accounting policies:

The Corporation follows the restricted fund method of accounting for contributions.

### General Fund

WD contributions are recognized as revenue when program delivery and administrative expenses are incurred. Excess contributions, if any, are deferred until subsequent accounting periods.

Unrestricted resources are recognized as revenue when received or become receivable.

### Investment Funds

WD contributions are recognized as revenue when received.

Interest income is recorded on the accrual basis.

## 3. Deposit, Community Futures Investment Fund (CFIF):

CFIF was created by Community Futures Manitoba (CFM) to take advantage of surplus investment funds within the system of Manitoba Community Futures (CF) organizations. CFIF serves as an investment vehicle for CFs with surplus investment funds whereas CFs with shortages of investment funds may borrow from CFIF. CFIF pays interest on deposits at competitive rates. Deposits are payable on demand. Borrowers pay interest at RBC prime rate plus 1/4%. Participation in CFIF is voluntary.

## 4. Capital assets:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2009 Net</u>	<u>2008 Net</u>
Land	\$ 30,000	-	30,000	30,000
Building	218,103	93,619	124,484	131,036
Office furniture and computer equipment	111,102	111,102	-	-
	\$ <u>359,205</u>	<u>204,721</u>	<u>154,484</u>	<u>161,036</u>

### Amortization policy

Building - straight-line method over 40 years

Office furniture and computer equipment - straight-line method over 5 years

## COMMUNITY FUTURES WINNIPEG RIVER

Notes to Financial Statements  
March 31, 2009

### 5. Client loans:

General security agreements and personal guarantees secure client loans. Loans are payable over terms up to five years at interest rates ranging from 6.75% to 9.50%.

	<u>2009</u>	<u>2008</u>
Client loans including interest due and accrued	\$ 1,674,746	1,438,267
Allowance for doubtful loans	<u>(262,568)</u>	<u>(287,112)</u>
	<u>\$ 1,412,178</u>	<u>1,151,155</u>

### 6. Fair value of financial instruments:

Cash and short-term deposits and accounts payable and accruals

Carrying amounts approximate fair value because of their short-term maturities.

Loans receivable

Carrying amounts approximate fair values because interest rates on these instruments approximate current market rates.

### 7. Economic dependence:

Western Diversification has agreed to fund the Corporation through March 31, 2010.

### 8. Contingency:

Certain contributions advanced by Western Economic Diversification for purposes of establishing Investment Funds are conditionally repayable should the funding agreement not be extended beyond March 31, 2010. At March 31, 2009 conditionally repayable amounts are as follows:

Regular Investment Fund	\$ 107,791
Disabled Investment Fund	96,782
Youth Investment Fund	95,798

### 9. Regional economic development strategy:

In 2005 the Corporation began to implement a multi-year economic development strategy in the North Eastman region of the province. The strategy was developed in conjunction with various Municipalities, Chambers of Commerce, CDC's and the Eastman Regional Development Corporation. These financial statements do not include the accounts of the regional economic development strategy.

# COMMUNITY FUTURES WINNIPEG RIVER

Notes to Financial Statements  
March 31, 2009

## 10. Controlled entities:

The Whiteshell Community Adjustment Program, funded by Western Economic Diversification was created to assist communities affected by the closure of AECL's Whiteshell Laboratories. The Program is intended to provide support to business development but not to directly profit private enterprise. A steering committee comprised of certain directors of the Corporation and others has been established to manage the fund. As a result of an agreement signed March 31, 1999, \$3,750,000 may be made available under the Program.

A summary (unaudited) of the activities of the Program is as follows:

	<u>To Date</u> <u>March 31/08</u>	<u>Current Year</u> <u>Activity</u>	<u>To Date</u> <u>March 31/09</u>
<b>Revenue</b>			
Western Economic Diversification	\$ 3,162,196	464,283	3,626,479
Interest earned	198,182	835	199,017
	<u>3,360,378</u>	<u>465,118</u>	<u>3,825,496</u>
<b>Expenses</b>			
Projects funded			
Beausejour Development Corporation	\$ 114,703	-	114,703
Lac du Bonnet Community Centre	93,196	-	93,196
La Verendrye Trail Association	305,655	-	305,655
Pinawa Heritage Sundial	15,168	-	15,168
W.B. Lewis Business Centre	424,797	-	424,797
Deep River Science Academy	116,932	-	116,932
Lac du Bonnet Airport	108,826	-	108,826
Pinawa Economic Development Strategy	180,500	-	180,500
Beausejour Sports Plex	250,000	-	250,000
Regional Marketing Project	13,400	-	13,400
Town & RM of LDB - industrial park	53,768	-	53,768
Town LDB - water line enhancement	82,500	-	82,500
Mrs. Lucci's Resource Centre	250,000	-	250,000
Garson Arena	119,402	-	119,402
Regional Economic Development Strategy	89,650	-	89,650
Regional Broadband Initiative	133,000	-	133,000
Pinawa Hydro Infrastructure	7,349	-	7,349
Pinawa Business Attraction Strategy	244,814	-	244,814
North Eastern Regional Recycling Facility	81,941	-	81,941
Seven Sisters Sewer/Lagoon	208,000	-	208,000
Manitoba Science Academy	110,500	-	110,500
Eastman Ethanol Cooperative	9,625	-	9,625
Co-op Feasibility Study	100,000	-	100,000
PCDC Office Relocation	-	10,000	10,000
Pinawa Business Incubator	39,090	53,912	93,002
Winnipeg River Learning Centre	9,218	325,782	335,000
Pinawa Business Park	-	8,595	8,595
Pinawa Housing Project	-	100,000	100,000
Whitemouth Water Treatment	-	75,000	75,000
Tourism study	30,635	-	30,635
Administrative expenses	121,766	11,510	133,276
	<u>3,314,435</u>	<u>584,799</u>	<u>3,899,234</u>
<b>Excess revenue and surplus, March 31, 2009</b>	<b>\$ 45,943</b>	<b>(119,681)</b>	<b>(73,738)</b>