

White Horse Plains Community Futures Development Corporation
Financial Statements
March 31, 2015

White Horse Plains Community Futures Development Corporation
Contents

For the year ended March 31, 2015

	<i>Page</i>
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	3
Statement of Changes in Net Assets.....	5
Statement of Cash Flows.....	6
Notes to the Financial Statements.....	7

Independent Auditors' Report

To the Board of Directors of White Horse Plains Community Futures Development Corporation:

We have audited the accompanying financial statements of White Horse Plains Community Futures Development Corporation, which comprise the statement of financial position as at March 31, 2015, 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 public sector accounting standards for government 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.

Auditors' 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 audit 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 auditors' 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 White Horse Plains Community Futures Development Corporation as at March 31, 2015 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Winnipeg, Manitoba

September 25, 2015

MNP LLP
Chartered Accountants

White Horse Plains Community Futures Development Corporation
Statement of Financial Position
As at March 31, 2015

	Regular Investment Fund	DEIP Investment Fund	Capital Fund	EMESP Fund	General Fund	2015	2014
Assets							
Current							
Cash	-	-	-	-	100	100	33,368
Accounts receivable (Note 3)	-	-	-	-	11,402	11,402	6,233
Prepaid expenses	-	-	-	-	266	266	266
Capital assets (Note 4)	-	-	-	-	11,768	11,768	39,867
Accrued interest receivable - CFDC funds	-	-	15,743	-	-	15,743	16,788
Undisbursed funds	1,153	2,529	-	-	-	3,682	1,704
Investment loans receivable - CFDC funds (Note 5)	192,366	107,060	-	-	-	299,426	250,184
Due from General Fund	242,478	88,546	-	-	-	331,024	345,704
Due from Investment Funds	9,622	-	-	-	-	9,622	23,852
Due from EMESP Fund	-	8,441	-	-	-	8,441	3,250
	-	-	-	-	432	432	432
	445,619	206,576	15,743	-	12,200	680,138	681,781


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The accompanying notes are an integral part of these financial statements



White Horse Plains Community Futures Development Corporation
Statement of Financial Position
As at March 31, 2015

	Regular Investment Fund	DEIP Investment Fund	Capital Fund	EMESP Fund	General Fund	2015	2014
Liabilities							
Current							
Bank indebtedness (Note 6)	-	-	-	-	13,363	13,363	-
Accounts payable and accrued liabilities	-	-	-	-	17,882	17,882	17,049
Investment funds repayable (Note 7)	532,364	200,000	-	-	-	732,364	732,364
	532,364	200,000	-	-	31,245	763,609	749,413
Deferred contributions (Note 8)	-	-	-	-	-	-	24,319
Due to General Fund	-	-	-	432	-	432	432
Due to Investment Funds	8,441	-	-	-	9,622	18,063	27,102
	540,805	200,000	-	432	40,867	782,104	801,266
Net Assets (Deficit)							
Unrestricted	(95,186)	6,576	-	-	(28,667)	(117,277)	(135,841)
Externally restricted	-	-	-	(432)	-	(432)	(432)
Invested in capital assets	-	-	15,743	-	-	15,743	16,788
	(95,186)	6,576	15,743	(432)	(28,667)	(101,966)	(119,485)
	445,619	206,576	15,743	-	12,200	680,138	681,781

Approved on behalf of the Board

 Director


 Director

The accompanying notes are an integral part of these financial statements

White Horse Plains Community Futures Development Corporation
Statement of Operations
 For the year ended March 31, 2015

	Regular Investment Fund	DEIP Investment Fund	Capital Fund	EMESP Fund	General Fund	2015	2015	2014
								Budget
Revenues								
Western Economic Diversification	-	-	-	-	291,832	291,832	291,832	291,832
Project income	-	-	-	-	1,500	1,500	-	1,500
Interest and sundry income	17,804	6,889	-	-	321	25,014	-	14,168
	17,804	6,889	-	-	293,653	318,346	291,832	307,500

Continued on next page

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White Horse Plains Community Futures Development Corporation
Statement of Operations
For the year ended March 31, 2015

	Regular Investment Fund	DEIP Investment Fund	Capital Fund	EMESP Fund	General Fund	2015	2015	2014
								Budget
Expenses								
Amortization	-	-	15,504	-	-	15,504	-	12,393
Computer supplies and expenses	-	-	-	-	620	620	7,332	12,495
Excess Moisture Economic Stimulus Program	-	-	-	-	-	-	-	854
Insurance	1,201	-	-	-	-	1,439	-	-
Interest and bank charges	481	238	-	-	278	1,222	-	263
Janitorial and cleaning	-	463	-	-	4,400	4,400	5,000	4,204
Meetings, promotion and advertising	-	-	-	-	25,474	25,474	16,700	15,722
Miscellaneous	-	-	-	-	3,139	3,139	2,000	6,575
Office supplies and postage	-	-	-	-	2,323	2,323	1,300	3,625
Professional fees	-	-	-	-	18,055	18,055	9,000	14,247
Rent	-	-	-	-	16,875	16,875	38,500	25,924
Rent - equipment	-	-	-	-	5,900	5,900	5,500	5,410
Salaries and benefits	-	-	-	-	188,458	188,458	176,000	177,033
Subscriptions and memberships	-	-	-	-	1,869	1,869	2,000	2,155
Telephone	-	-	-	-	5,285	5,285	5,000	9,027
Travel	-	-	-	-	4,816	4,816	3,500	3,297
Utilities	-	-	-	-	5,448	5,448	4,500	2,872
Video conferencing	-	-	-	-	-	-	500	887
	1,682	701	15,504	-	282,940	300,827	276,832	296,983
Excess (deficiency) of revenue over expenses before other items	16,122	6,188	(15,504)	-	10,713	17,519	15,000	10,517
Other items								
Loss on disposal of capital assets	-	-	-	-	-	-	-	(8,809)
Excess (deficiency) of revenue over expenses	16,122	6,188	(15,504)	-	10,713	17,519	15,000	1,708

The accompanying notes are an integral part of these financial statements



White Horse Plains Community Futures Development Corporation
Statement of Changes in Net Assets
For the year ended March 31, 2015

	Regular Investment Fund	DEIP Investment Fund	Capital Fund	EMESP Fund	General Fund	2015	2014
Net assets, beginning of year	(111,308)	388	16,788	(432)	(24,921)	(119,485)	(121,193)
Excess (deficiency) of revenue over expenses	16,122	6,188	(15,504)	-	10,713	17,519	1,708
Capital purchases	-	-	14,459	-	(14,459)	-	-
Net assets, end of year	(95,186)	6,576	15,743	(432)	(28,667)	(101,966)	(119,485)

The accompanying notes are an integral part of these financial statements

White Horse Plains Community Futures Development Corporation
Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	17,519	1,708
Amortization	15,504	12,393
Loss on disposal of capital assets	-	8,809
	33,023	22,910
Changes in working capital accounts		
Accounts receivable	(5,169)	4,335
Prepaid expenses	-	2,717
Accounts payable and accrued liabilities	833	7,041
	28,687	37,003
Investing		
Change in investment loans receivable	14,680	(154,514)
Purchase of capital assets	(14,459)	(26,311)
Change in accrued interest receivable	(1,978)	876
Change in undisbursed funds	(49,242)	117,460
Change in deferred contributions	(24,319)	1
	(75,318)	(62,488)
Decrease in cash resources	(46,631)	(25,485)
Cash resources, beginning of year	33,368	58,853
Cash resources (deficiency), end of year	(13,263)	33,368
Cash resources are composed of:		
Cash	100	33,368
Bank indebtedness	(13,363)	-
	(13,263)	33,368

The accompanying notes are an integral part of these financial statements

White Horse Plains Community Futures Development Corporation

Notes to the Financial Statements

For the year ended March 31, 2015

1. Nature of Organization

White Horse Plains Community Futures Development Corporation (the "Corporation") is incorporated under the laws of Manitoba and is exempt from income taxes under the Income Tax Act as a non-profit organization. This Corporation was established in 1997 to facilitate delivery of the Community Futures program, on behalf of Western Economic Diversification Canada, in the municipalities of Cartier, Headingley, Portage la Prairie and St. Francois Xavier. To that end, the Community Futures Development Corporation provides technical and financial assistance to entrepreneurs in the four municipalities.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations and includes the following significant accounting policies:

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are stated at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated useful life of the capital assets are capitalized. When the capital assets no longer contribute to the Corporation's ability to provide services, its carrying amount is written down to its residual value. Amortization based on the estimated useful life of the asset is calculated as follows:

	<i>Method</i>	<i>Rate</i>
Computers	straight-line	45 %
Leasehold improvements	straight-line	10 %

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Corporation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in operations for the year.

Revenue recognition

The Corporation follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue in the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions and interest are recognized as revenue in the investment funds when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions that do not have an appropriate restricted fund are recognized in the general fund using the deferred contribution method.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and investment loans receivable - CFDC funds are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

White Horse Plains Community Futures Development Corporation
Notes to the Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies *(Continued from previous page)*

Fund accounting

The general fund accounts for the Corporation's operating costs and general revenues. This fund reports unrestricted resources and operating grants.

The loan investment funds report restricted resources that are used for assistance to small businesses and entrepreneurs in the forms of loans, loan guarantees or equity participation. Loans from the loan investment fund for the disabled are limited to businesses owned and operated by disabled entrepreneurs. The Corporation is restricted in the types of loans that can be made according to its agreement with the federal government.

The capital fund accounts for the Corporation's capital assets.

The EMESP (Excess Moisture Economic Stimulus Program) fund accounts for the revenues and expenditures related to the specific agreement entered into by the Corporation and the Province of Manitoba.

Allowance for credit loss

The allowance for credit loss provides for the recognition of impaired loans. The allowance for credit loss consists of both principal and interest on a particular loan and is based on management's best estimate as to the recoverability of the loan. The estimated realizable amount is determined by management based on the assessed value of the property held as collateral, subsequent collections and any realizable costs.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year. All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

3. Accounts receivable

	<i>2015</i>	<i>2014</i>
Goods and Services Tax receivable	11,402	6,233

White Horse Plains Community Futures Development Corporation
Notes to the Financial Statements
For the year ended March 31, 2015

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2015 Net book value</i>
Computers	29,937	28,162	1,775
Leasehold improvements	28,700	14,732	13,968
	58,637	42,894	15,743

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2014 Net book value</i>
Computers	28,678	22,224	6,454
Leasehold improvements	15,500	5,166	10,334
	44,178	27,390	16,788

5. Investment loans receivable - CFDC

Outstanding loans to entrepreneurs are interest bearing at fixed rates ranging from 6.7% to 8.2%, with monthly interest repayments required. 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.

An allowance for losses on investment loans is made by review of loans portfolio, as determined by management.

	<i>2015</i>	<i>2014</i>
Loan Investment Funds - Regular Investment Fund		
Loan balance	242,478	265,259
Loan Investment Funds - DEIP Investment Fund		
Loan balance	88,546	80,445
	331,024	345,704

Actual write-offs, net of recoveries, will be deducted from the allowance for credit losses. The provision for credit losses in the statement of operations is charged with an amount sufficient to keep the balance in the allowance for credit losses adequate to absorb all credit related losses.

When client loans are deemed to be uncollectable and written off as such, the amount of the write off is used to reduce the amount of the investment funds repayable in the subsequent year.

6. Bank indebtedness

The Organization has available an operating line of credit amounting to \$24,000 bearing interest at prime plus 1.50% (4.65% at March 31, 2015). The line of credit is secured by a General Security Agreement in first position on all assets of the Organization.

White Horse Plains Community Futures Development Corporation
Notes to the Financial Statements
For the year ended March 31, 2015

7. Investment funds repayable

On April 8, 1997, Western Economic Diversification advanced White Horse Plains Community Futures Development Corporation \$600,000 and \$100,000 on April 1, 1999, and an additional \$32,364 on April 3, 2000. On July 27, 1998, CFDC received permission to transfer \$33,330 from the Disabled Entrepreneurs Program to operations. These funds are to be administered as loans under the Community Futures Program. The first \$532,364 is available under regular and use investment strategies and the final \$166,670 is for investments within the Disabled Entrepreneur Program. As at March 31, 2015, loans totaling \$331,024 (2014 - \$345,704) had been approved.

Funds which have not been disbursed (undisbursed funds) are being held in investment and chequing accounts. At year end, the funds amounted to \$299,426 (2014 - \$250,184). The Harvest Term Investment accounts do not mature so that the Corporation can have access to the funds for lending as needed.

The contribution agreement, which states that the investment funds must be repaid upon termination of the agreement or upon notice by the Minister, has been extended to March 31, 2016.

Any excess of interest earned over any expenses incurred may be transferred to the General Fund with authorization from Western Economic Diversification. No request to transfer interest was made during the year.

8. Deferred contributions

The deferred contributions reported in the general fund consist of core operating funding received in the current period that is provided to fund expenditures relating to delivery of core programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Organization's financial instruments best represents the maximum exposure to credit risk.

The Organization manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectable investment loans receivable.

10. Economic dependence

The Corporation is dependant upon funding from the federal government for its operating revenue.

White Horse Plains Community Futures Development Corporation
Notes to the Financial Statements
For the year ended March 31, 2015

11. Post-employment benefits

The employees of the Organization are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Organization on behalf of its employees amounted to \$11,858 (2014 - \$3,360) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2012 indicated the plan was 97.5% funded on a going concern basis and had an unfunded solvency liability of \$161.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2012.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

12. Commitments

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

2016	38,005
2017	14,185
2018	3,565
2019	1,782
	<hr/>
	57,537