

**COMMUNITY FUTURES DEVELOPMENT
CORPORATION OF NADINA**

Non-consolidated Financial Statements

March 31, 2016

Independent Auditors' Report

Exhibit "A"	Non-consolidated Statement of Financial Position
Exhibit "B"	Non-consolidated Statement of Changes in Net Assets
Exhibit "C"	Non-consolidated Statement of Operations - General Operating Fund
Exhibit "D"	Non-consolidated Statement of Operations - Loan Portfolio Funds
Exhibit "E"	Non-consolidated Statement of Cash Flows
	Notes to Non-consolidated Financial Statements

VANDERGAAG & BAKKER

Chartered Professional Accountants

1076 Main Street
P.O. Box 2680
Smithers, B.C.
VOJ 2N0

Partners
Willy VanderGaag, Inc.
Greg VanderGaag, Inc.
Retired
John Bakker
Edward D. Bobb

Phone: (250) 847-2257
Fax: (250) 847-5102
Toll free: 1-888-499-2257
E-mail: mail@bvcga.com

INDEPENDENT AUDITORS' REPORT

To the directors:
COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA
Houston, B.C.

We have audited the accompanying non-consolidated financial statements of COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA which comprise the statement of financial position as at March 31, 2016 and the non-consolidated 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.

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.

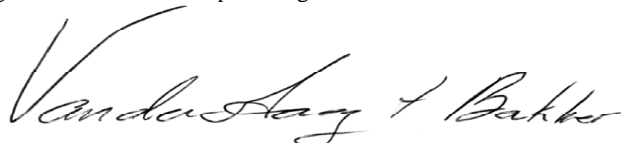
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

Notes 2(b) & 5 state that the corporation has adopted the policy of expensing tangible capital assets in the year of acquisition, rather than capitalizing and amortizing them over time. Notes 2(d) & 4 indicate that the company has a wholly owned subsidiary which is not being recorded on a consolidated basis. These treatments do not conform to Canadian accounting standards for not-for-profit organizations.

Qualified opinion

In our opinion, except for the effects of the matters described in the Basis for qualified opinion paragraph, these non-consolidated financial statements present fairly, in all material respects, the financial position of COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Certified General Accountants

Smithers, B.C.
May 11, 2016

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA
(Combined Funds)
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2016

	General Fund	Loan Investment Funds			B.C. Futures	2016	2015
		W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.			
ASSETS							
CURRENT							
Cash and short-term deposits	\$ 51,128	\$ 248,312	\$ 121,007	\$ 44,593	\$ 13,926	\$ 478,966	\$ 488,060
Accounts receivable	1,083	-	-	-	-	1,083	478
Due from government agencies	2,555	-	-	-	-	2,555	2,840
Prepaid expenses	-	-	-	-	-	-	9,529
Current portion of loans receivable (Note 3)	-	227,149	40,811	25,951	31,316	325,227	294,281
	<u>54,766</u>	<u>475,461</u>	<u>161,818</u>	<u>70,544</u>	<u>45,242</u>	<u>807,831</u>	<u>795,188</u>
LOANS RECEIVABLE (Notes 3 & 6)	-	1,066,707	189,399	122,889	145,039	1,524,034	1,414,830
INVESTMENTS (Note 4)	2	-	-	-	-	2	2
TANGIBLE CAPITAL (Notes 2(b) & 5)	1	-	-	-	-	1	1
INTERFUND RECEIVABLE	48,997	181,000	-	-	-	229,997	236,649
DUE FROM WHOLLY OWNED SUBSIDIARY	<u>62,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,465</u>	<u>48,500</u>
	<u>\$ 166,231</u>	<u>\$ 1,723,168</u>	<u>\$ 351,217</u>	<u>\$ 193,433</u>	<u>\$ 190,281</u>	<u>\$ 2,624,330</u>	<u>\$ 2,495,170</u>
LIABILITIES							
CURRENT							
Accounts payable and accrued liabilities	\$ 19,926	\$ -	\$ -	\$ -	\$ -	\$ 19,926	\$ 16,616
Wages and benefits	13,968	-	-	-	-	13,968	15,635
Due to government agencies	-	-	-	-	-	-	4,514
Deferred revenue	27,495	-	-	-	-	27,495	-
Current portion of long-term debt (Note 6)	-	79,084	-	-	-	79,084	6,251
	<u>61,389</u>	<u>79,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,473</u>	<u>43,016</u>
LONG-TERM DEBT (Note 6)	-	1,921,232	-	200,000	-	2,121,232	2,130,111
INTERFUND PAYABLE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,997</u>	<u>229,997</u>	<u>236,649</u>
	<u>61,389</u>	<u>2,000,316</u>	<u>-</u>	<u>200,000</u>	<u>229,997</u>	<u>2,491,702</u>	<u>2,409,776</u>
NET ASSETS							
EXTERNALLY RESTRICTED NET ASSETS , per Exhibit "B"	<u>104,842</u>	<u>(277,148)</u>	<u>351,217</u>	<u>(6,567)</u>	<u>(39,716)</u>	<u>132,628</u>	<u>85,394</u>
	<u>\$ 166,231</u>	<u>\$ 1,723,168</u>	<u>\$ 351,217</u>	<u>\$ 193,433</u>	<u>\$ 190,281</u>	<u>\$ 2,624,330</u>	<u>\$ 2,495,170</u>

Approved by the board:

Director_____
Director

The attached notes are an integral part of these financial statements.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA
(Combined Funds)
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2016

	General Fund	Loan Investment Funds			B.C. Futures	2016	2015
		W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.			
BALANCE, beginning of year	\$ 105,344	\$ (337,049)	\$ 382,245	\$ (15,429)	\$ (49,717)	\$ 85,394	\$ 35,072
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE), per Exhibit "C" to "D"	<u>(502)</u>	<u>59,901</u>	<u>(31,028)</u>	<u>8,862</u>	<u>10,001</u>	<u>47,234</u>	<u>50,322</u>
BALANCE, end of year, to Exhibit "A"	<u>\$ 104,842</u>	<u>\$ (277,148)</u>	<u>\$ 351,217</u>	<u>\$ (6,567)</u>	<u>\$ (39,716)</u>	<u>\$ 132,628</u>	<u>\$ 85,394</u>

The attached notes are an integral part of these financial statements.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA
(General Operating Fund)
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Government funding	\$ 329,939	\$ 329,939
Miscellaneous	2,601	70
Interest income	63	75
Rental income	15,750	11,400
Fee for service (Note 9)	<u>17,200</u>	<u>11,250</u>
	<u>365,553</u>	<u>352,734</u>
ADMINISTRATIVE AND GENERAL EXPENSES		
Advertising and promotion	3,025	6,773
Capital expenditures (Note 2(b))	7,201	14,879
Employee benefits	28,269	24,118
Insurance	5,118	4,353
Interest and bank charges	490	155
Licences, fees and dues	1,891	3,235
Office supplies	32,672	31,498
Professional fees	44,243	47,598
Rent (Note 9)	43,428	43,428
Repairs and maintenance	7,604	12,741
Telephone	14,021	16,153
Training and education	5,599	4,194
Travel	36,818	21,748
Wages	185,534	158,706
Workers' compensation	<u>142</u>	<u>140</u>
	<u>416,055</u>	<u>389,719</u>
EXCESS OF (EXPENSES OVER REVENUE), before other items	\$ (50,502)	\$ (36,985)
OTHER ITEMS		
Transfers from Loan Portfolio Funds, Per Exhibit "D"	<u>50,000</u>	<u>10,000</u>
EXCESS OF (EXPENSES OVER REVENUE), to Exhibit "B"	\$ <u>(502)</u>	\$ <u>(26,985)</u>

The attached notes are an integral part of these financial statements.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA
(Loan Portfolio Funds)
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2016

	<u>Loan Investment Funds</u>				<u>2016</u>	<u>2015</u>
	W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.	B.C. Futures		
REVENUE						
Loan interest (Note 9)	\$ 68,902	\$ 19,375	\$ 8,708	\$ 11,196	\$ 108,181	\$ 106,480
Bank interest	418	59	160	254	891	333
Bad debt recoveries	-	-	-	-	-	156
Miscellaneous	<u>7,472</u>	<u>91</u>	<u>35</u>	<u>454</u>	<u>8,052</u>	<u>2,721</u>
	<u>76,792</u>	<u>19,525</u>	<u>8,903</u>	<u>11,904</u>	<u>117,124</u>	<u>109,690</u>
ADMINISTRATIVE AND GENERAL EXPENSES						
Bad debts	11,777	-	-	1,793	13,570	17,500
Interest and bank charges	368	553	41	110	1,072	704
Interest on long-term debt	3,740	-	-	-	3,740	3,125
Professional fees	<u>1,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,006</u>	<u>1,054</u>
	<u>16,891</u>	<u>553</u>	<u>41</u>	<u>1,903</u>	<u>19,388</u>	<u>22,383</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE), before other items	59,901	18,972	8,862	10,001	97,736	87,307
OTHER ITEM						
Transfers to General Operating Fund, to Exhibit "C"	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(10,000)</u>
EXCESS OF REVENUE OVER EXPENSES, to Exhibit "B"	<u>\$ 59,901</u>	<u>\$ (31,028)</u>	<u>\$ 8,862</u>	<u>\$ 10,001</u>	<u>\$ 47,736</u>	<u>\$ 77,307</u>

The attached notes are an integral part of these financial statements.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA
(Combined Funds)
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2016

	<u>Loan Investment Funds</u>					<u>2016</u>	<u>2015</u>
	General Fund	W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.	B.C. Futures		
CASH PROVIDED BY (USED IN)							
OPERATING ACTIVITIES							
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE),							
per Exhibits "C" to "D"	\$ (502)	\$ 59,901	\$ (31,028)	\$ 8,862	\$ 10,001	\$ 47,234	\$ 50,322
Net (increase) decrease in non-cash current assets							
Accounts receivable	(605)	-	-	-	-	(605)	647
Due from government agencies	285	-	-	-	-	285	(200)
Prepaid expenses	9,529	-	-	-	-	9,529	(847)
	<u>9,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,209</u>	<u>(400)</u>
Net increase (decrease) in non-cash current liabilities							
Accounts payable	3,312	-	-	-	-	3,312	(1,115)
Wages, benefits and deductions	(1,667)	-	-	-	-	(1,667)	200
Due to government agencies	(4,514)	-	-	-	-	(4,514)	661
Deferred revenue	27,495	-	-	-	-	27,495	(27,496)
	<u>24,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,626</u>	<u>(27,750)</u>
Net (increase) decrease in total non-cash working capital balances	<u>33,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,835</u>	<u>(28,150)</u>
INVESTING ACTIVITIES							
Investment in loans receivable	-	(563,094)	-	(75,000)	(79,735)	(717,829)	(751,432)
Repayment of loans receivable	-	375,066	87,595	36,225	78,791	577,677	759,045
Advance to wholly owned subsidiary	(13,964)	-	-	-	-	(13,964)	(8,100)
Purchase of capital assets	-	-	-	-	-	-	(14,879)
Capital assets expensed out of revenue	-	-	-	-	-	-	14,879
	<u>(13,964)</u>	<u>(188,028)</u>	<u>87,595</u>	<u>(38,775)</u>	<u>(944)</u>	<u>(154,116)</u>	<u>(487)</u>
FINANCING ACTIVITIES							
Proceeds from issue of long-term debt	-	125,000	-	-	-	125,000	78,084
Repayment of long-term debt	-	(61,047)	-	-	-	(61,047)	(33,065)
Interfund transfers (net)	(41,693)	1,071	47,274	(304)	(6,348)	-	-
	<u>(41,693)</u>	<u>65,024</u>	<u>47,274</u>	<u>(304)</u>	<u>(6,348)</u>	<u>63,953</u>	<u>45,019</u>
NET CASH INCREASE (DECREASE)	(22,324)	(63,103)	103,841	(30,217)	2,709	(9,094)	66,704
CASH POSITION, beginning of year	<u>73,452</u>	<u>311,415</u>	<u>17,166</u>	<u>74,810</u>	<u>11,217</u>	<u>488,060</u>	<u>421,356</u>
CASH POSITION, end of year	<u>\$ 51,128</u>	<u>\$ 248,312</u>	<u>\$ 121,007</u>	<u>\$ 44,593</u>	<u>\$ 13,926</u>	<u>\$ 478,966</u>	<u>\$ 488,060</u>
CASH POSITION REPRESENTED BY							
Cash and short-term deposits	<u>\$ 51,128</u>	<u>\$ 248,312</u>	<u>\$ 121,007</u>	<u>\$ 44,593</u>	<u>\$ 13,926</u>	<u>\$ 478,966</u>	<u>\$ 488,060</u>

The attached notes are an integral part of these financial statements.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

1. PURPOSE OF THE ORGANIZATION

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA is an organization operating programs aimed at stimulating community based small business and employment development on a not-for-profit basis and as such is not subject to taxation. COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA was incorporated by Letters Patent under the Canada Corporations Act on March 30, 1995 and was transitioned under the Canada Not-for-profit Corporations Act on June 10, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fund accounting

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA follows the restricted fund method of accounting for contributions.

The General Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports the restricted operating grants and unrestricted resources available to pay for eligible administrative expenses.

The Loan Portfolio Fund reports only the restricted resources that are to be used for loans to small businesses.

(b) Tangible capital assets

The corporation has adopted the policy to expense tangible capital assets in the year of acquisition. Tangible capital assets are being carried on the statement of financial position at a nominal value of \$1.

(c) Revenue recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. All other contributions are recorded in the year of receipt.

(d) Non-consolidated financial statements

Consolidated financial statements have not been prepared as required by Canadian accounting standards for non-profit organizations due to the fact that all pertinent information regarding the company and its subsidiary is available to the directors. Some users of these financial statements may require further information.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

3. LOANS RECEIVABLE

Loans receivable are due from various clients and advances by the corporation as part of their mandate to create and maintain regional employment. Normal lending practices are followed and security is registered when deemed appropriate. The loans have been disclosed net of allowance for loan impairment.

Less, principal portion due within ensuing year

Loan Investment Funds					
W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.	B.C. Futures	<u>2016</u>	<u>2015</u>
\$ 1,293,856	\$ 230,210	\$ 148,840	\$ 176,355	\$ 1,849,261	\$ 1,709,111
<u>227,149</u>	<u>40,811</u>	<u>25,951</u>	<u>31,316</u>	<u>325,227</u>	<u>294,281</u>
<u>\$ 1,066,707</u>	<u>\$ 189,399</u>	<u>\$ 122,889</u>	<u>\$ 145,039</u>	<u>\$ 1,524,034</u>	<u>\$ 1,414,830</u>

Based on the terms of the loans receivable disclosed above, the estimated amount of principal portions due in each subsequent year are as follows:

2017	\$ 325,227
2018	\$ 346,148
2019	\$ 368,416
2020	\$ 392,120
2021	\$ 417,350

Included in the above W.E.D. Repayable loans receivable is a loan advanced under normal lending practice to the subsidiary company, Skeena Nechako Communications Inc. At March 31, 2016, the balance of the loan receivable was \$68,083 (2015 - \$69,087). During the year interest income was charged to the subsidiary company in the amount of \$3,996 (2015 - \$4,251).

4. INVESTMENTS

Skeena Nechako Communications Inc. - 100% ownership representing 2 Class "A" common shares, at cost.

General Fund	Loan Investment Funds					
	W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.	B.C. Futures	<u>2016</u>	<u>2015</u>
\$ <u>2</u>	\$ -	\$ -	\$ -	\$ -	\$ <u>2</u>	\$ <u>2</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

5. TANGIBLE CAPITAL ASSETS

	General Fund	Loan Investment Funds			B.C. Futures	<u>2016</u>	<u>2015</u>
		W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.			
Equipment	\$ 8,814	\$ -	\$ -	\$ -	\$ -	\$ 8,814	\$ 9,433
Furniture & fixtures	53,649	-	-	-	-	53,649	54,063
Computer hardware	11,438	-	-	-	-	11,438	69,975
Computer software	<u>10,865</u>	-	-	-	-	<u>10,865</u>	<u>22,730</u>
	84,766	-	-	-	-	84,766	156,201
Capital items expensed	<u>84,765</u>	-	-	-	-	<u>84,765</u>	<u>156,200</u>
	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

6. LONG-TERM DEBT

	General Fund	Loan Investment Funds			B.C. Futures	<u>2016</u>	<u>2015</u>
		W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.			
Funds advanced through Western Economic Diversification to provide funding for the loan portfolio as follows:	\$ -	\$ 1,590,000	\$ -	\$ 200,000	\$ -	\$ 1,790,000	\$ 1,790,000
Community Futures Development Corporation of Stuart Nechako - two reducing term loans with a total monthly payment of \$1,734 which includes interest at a maximum rate of bank prime plus 4%, secured by a loan receivable.	-	167,920	-	-	-	167,920	76,264
Community Futures Development Association of BC - promissory note repayable at \$4,355 per month, including at 1.85% .	-	221,947	-	-	-	221,947	250,000
Comfor Management Services Ltd. - loan agreement payable, including interest accrued at bank prime plus 3%. The amount represents one half of the funds advanced under loans receivable, and is repayable with accrued interest at the time that the loan receivable is paid in full.	-	<u>20,449</u>	-	-	-	<u>20,449</u>	<u>20,098</u>
	\$ -	\$ 2,000,316	\$ -	\$ 200,000	\$ -	\$ 2,200,316	\$ 2,136,362
Less, principal portion due within ensuing year	-	<u>79,084</u>	-	-	-	<u>79,084</u>	<u>6,251</u>
	<u>\$ -</u>	<u>\$ 1,921,232</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 2,121,232</u>	<u>\$ 2,130,111</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

6. LONG-TERM DEBT (continued)

Based on the terms of the debt disclosed above, the estimated amount of principal portions due in each subsequent year are as follows:

2017	\$	79,084
2018	\$	61,012
2019	\$	62,691
2020	\$	64,440
2021	\$	35,488

Under the repayment terms of the Repayable Investment Fund and Disabled Entrepreneurial Fund, the amounts repayable will be reduced by losses incurred under the loan portfolios. The estimated amount of loans repayable at March 31, 2016 is \$1,677,839 (2015 - \$1,466,304). The long-term debt has not been reduced to this amount as there are future events which will affect the final loan repayment amount at the due dates of the loans. Repayment of these loans is contingent upon certain events or conditions occurring as stipulated in the funding agreements, and not actual repayment dates.

7. EXTERNALLY RESTRICTED NET ASSETS

Externally imposed restrictions have been placed on the net assets which require that the contributions received and any monies earned while the contributions may be on deposit are to be used for eligible expenses of the Funds of the Corporation as defined in certain contracts.

8. NON-REPAYABLE GRANTS

Since the inception of COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA the corporation has received capital grants which have been recorded as a contribution to net assets. The amount of capital grants received to date is \$750,000 and has been received from the following:

Government of Canada (1996)	\$ 250,000
Forest Renewal British Columbia (1997)	\$ 250,000
Forest Renewal British Columbia (1999)	\$ 250,000

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

9. RELATED PARTY TRANSACTIONS

General Fund	Loan Investment Funds				<u>2016</u>	<u>2015</u>
	W.E.D. Repayable	W.E.D. Non-repayable	W.E.D. D.E.I.P.	B.C. Futures		

During the year, the corporation was charged by Skeena Nechako Communications Inc., a subsidiary company, for fees and services as follows:

Rent	\$ <u>43,428</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>43,428</u>	\$ <u>43,428</u>
------	------------------	-------------	-------------	-------------	-------------	------------------	------------------

During the year, the corporation charged Skeena Nechako Communications Inc., a subsidiary company, for fees and services as follows:

Interest	\$ -	\$ 3,996	\$ -	\$ -	\$ -	\$ 3,996	\$ 4,251
Fee for services	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,000</u>	<u>8,100</u>
	\$ <u>17,000</u>	\$ <u>3,996</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>20,996</u>	\$ <u>12,351</u>

10. OPERATING COMMITMENTS

The corporation is liable for future minimum operating lease payments and sundry operating commitments as follows:

2017	\$ 2,683
2018	\$ 2,683
2019	\$ 2,683
2020	\$ 2,683
2021	\$ 2,012

11. CONTINGENT LIABILITY

On March 31, 2007, a building was purchased by the subsidiary company, Skeena Nechako Communications Inc. The company has guaranteed two loans each in an amount of \$150,000 totalling \$300,000. Both loans were advanced on the purchase date. As of March 31, 2016, the amount outstanding on the loans that has been guaranteed by Community Futures Development Corporation of Nadina amounted to \$99,463 (2015 - \$126,749).

12. STATUTORY REPORTING

A condition of the agreement with the Government of Canada requires an opinion on the administration for the funding detailed in Note 6 above. We have reviewed the agreements between COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA and HER MAJESTY THE QUEEN IN THE RIGHT OF CANADA dated March 31, 1995 and subsequent amendments. Nothing has come to our attention which would indicate that there has been any breach of the terms or conditions of the agreement for the current year.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NADINA

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

13. ECONOMIC DEPENDENCE

The corporation's operations consist of operating programs aimed at stimulating community based small business and employment development by securing funds from the Government of Canada, which in the current year amounted to 68% (2015 - 71%) of total revenues. Generally these contracts come due for renewal in April of each year.

14. CHANGE OF FUND NAME

During the year, the Pooled Asset Lending Loan Portfolio Fund was renamed as the BC Futures Loan Portfolio Fund.