

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Financial Statements**

**Year Ended March 31, 2017**

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Index to Financial Statements**

**Year Ended March 31, 2017**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Fund Balances	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 14

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Directors of Community Futures Development Corporation of Sun Country

We have audited the accompanying financial statements of Community Futures Development Corporation of Sun Country, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in fund balances 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.

### Auditor's 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 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.

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 Community Futures Development Corporation of Sun Country as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Kamloops, British Columbia  
June 29, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Statement of Financial Position**

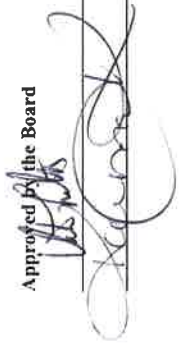

**March 31, 2017**

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2017 Total	2016 Total
<b>ASSETS</b>									
<b>CURRENT</b>									
Cash	\$ 88,468	\$ 62,494	\$ 305,691	\$ 278,748	\$ 205,826	\$ 55,125	\$ -	\$ 996,352	\$ 877,580
Accounts receivable (Note 4)	2,708	-	-	-	-	-	-	2,708	5,370
Interest receivable (Note 5)	-	-	5,307	-	17	-	-	5,324	7,386
<b>LOANS RECEIVABLE (Note 6)</b>	91,176	62,494	310,998	278,748	205,843	55,125	-	1,004,384	890,336
<b>TANGIBLE</b>	-	-	1,207,789	-	3,001	-	-	1,210,790	1,245,915
<b>CAPITAL ASSETS (Note 8)</b>	-	-	-	-	-	-	16,012	16,012	16,673
<b>LIABILITIES AND NET ASSETS</b>									
<b>CURRENT</b>									
Accounts payable and accruals (Note 9)	\$ 46,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,436	\$ 51,454
Deferred revenue (Note 10)	24,942	-	-	-	-	-	-	24,942	-
<b>GOVERNMENT ASSISTANCE (Note 11)</b>	71,378	-	-	-	-	-	-	71,378	51,454
	-	-	-	200,000	-	200,000	-	400,000	400,000
	71,378	-	-	200,000	-	200,000	-	471,378	451,454
<b>FUND BALANCES</b>									
Government contributions (Note 12)	-	-	864,052	-	100,000	-	-	964,052	964,052
Interfund transfers (Note 12)	-	-	(100,000)	-	100,000	-	-	-	-
Fund balances	19,798	62,494	754,735	78,748	8,844	(144,875)	16,012	795,756	737,418
	19,798	62,494	1,518,787	78,748	208,844	(144,875)	16,012	1,759,808	1,701,470
<b>COMMITMENTS (Note 15)</b>	\$ 91,176	\$ 62,494	\$ 1,518,787	\$ 278,748	\$ 208,844	\$ 55,125	\$ 16,012	\$ 2,231,186	\$ 2,152,924

See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**  
**Statement of Changes in Fund Balances**  
**Year Ended March 31, 2017**

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2017 Total	2016 Total
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 72,198	\$ 63,515	\$ 646,777	\$ 76,521	\$ 7,015	\$ (145,281)	\$ 16,673	\$ 737,418	\$ 579,547
Excess (deficiency) of revenues over expenses	(52,523)	4,541	107,958	2,227	1,829	406	(6,100)	58,338	157,871
Fund transfers	5,562	(5,562)	-	-	-	-	-	-	-
Tangible capital asset purchases from operating fund	(5,439)	-	-	-	-	-	5,439	-	-
<b>BALANCE - END OF YEAR</b>	\$ 19,798	\$ 62,494	\$ 754,735	\$ 78,748	\$ 8,844	\$ (144,875)	\$ 16,012	\$ 795,756	\$ 737,418

Approved by the Board  
 Director  
 Director

See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Statement of Operations**

**Year Ended March 31, 2017**

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2017 Total	2016 Total
<b>REVENUES</b>									
Federal Government contributions	\$ 274,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,357	\$ 324,241
Interest from loans	-	-	93,029	305	417	22	-	93,773	91,602
Administrative billings (Note 13)	6,074	-	-	-	-	-	-	6,074	3,849
Interest from investments	1,118	32	1,210	1,922	1,412	384	-	6,078	6,727
Other contract revenue	-	4,560	-	-	-	-	-	4,560	21,600
Write-offs recovered	-	-	14,769	-	-	-	-	14,769	1,517
Loan processing fee	3,427	-	-	-	-	-	-	3,427	9,198
	284,976	4,592	109,008	2,227	1,829	406	-	403,038	458,734
<b>EXPENSES</b>									
Advertising	13,350	-	-	-	-	-	-	13,350	17,178
Amortization	-	-	-	-	-	-	6,100	6,100	5,191
Conferences and seminars	19,849	-	-	-	-	-	-	19,849	21,671
Insurance	3,559	-	-	-	-	-	-	3,559	3,330
Licence, dues and fees	2,012	-	-	-	-	-	-	2,012	1,984
Office	18,552	-	-	-	-	-	-	18,552	16,523
Other contract expenses (Note 14)	-	-	-	-	-	-	-	-	25
Professional fees	27,061	51	-	-	-	-	-	27,112	28,753
Recruiting	6,663	-	-	-	-	-	-	6,663	-
Rent	13,837	-	-	-	-	-	-	13,837	13,837
Repairs and maintenance	4,822	-	-	-	-	-	-	4,822	3,373
Reserves and loan write-offs	-	-	1,050	-	-	-	-	1,050	19,138
Telephone and utilities	10,835	-	-	-	-	-	-	10,835	11,033
Travel	8,047	-	-	-	-	-	-	8,047	8,009
Wages and benefits	208,912	-	-	-	-	-	-	208,912	150,818
	337,499	51	1,050	-	-	-	6,100	344,700	300,863
	\$ (52,523)	\$ 4,541	\$ 107,958	\$ 2,227	\$ 1,829	\$ 406	\$ (6,100)	\$ 58,338	\$ 157,871

**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES**

See notes to financial statements

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**  
**Statement of Cash Flows**  
**Year Ended March 31, 2017**

	Operating Fund	SE Fund	Regular Investment Loan Fund	Youth Loan Fund	FCBP Loan Fund	Disabled Entrepreneur Loan Fund	Capital Fund	2017 Total	2016 Total
<b>OPERATING ACTIVITIES</b>									
Excess (deficiency) of revenues over expenses	\$ (52,523)	\$ 4,541	\$ 107,958	\$ 2,227	\$ 1,829	\$ 406	\$ (6,100)	\$ 58,338	\$ 157,871
Item not affecting cash: Amortization	-	-	-	-	-	-	6,100	6,100	5,191
	(52,523)	4,541	107,958	2,227	1,829	406	-	64,438	163,062
Change in non-cash working capital:									
Accounts receivable	2,662	-	-	-	-	-	-	2,662	4,457
Inter-fund receivable	5,562	-	-	-	-	-	-	5,562	980
Inter-fund payable	-	(5,562)	-	-	-	-	-	(5,562)	(982)
Accounts payable and accruals	(4,018)	(1,000)	-	-	-	-	-	(5,018)	(24,198)
Deferred revenue	24,942	-	-	-	-	-	-	24,942	-
	29,148	(6,562)	-	-	-	-	-	22,586	(19,743)
	(23,375)	(2,021)	107,958	2,227	1,829	406	-	87,024	143,319
Cash flow from (used by) operating activities									
	-	-	1,964	60	38	-	-	2,062	4,913
<b>INVESTING ACTIVITIES</b>									
Decrease in interest receivable	-	-	1,964	60	38	-	-	2,062	4,913
Decrease (increase) in loans receivable	-	-	19,958	8,303	6,864	-	-	35,125	(479,944)
Purchase of tangible capital assets	(5,439)	-	-	-	-	-	-	(5,439)	(16,723)
Cash flow from (used by) investing activities	(5,439)	-	21,922	8,363	6,902	-	-	31,748	(491,754)
	(28,814)	(2,021)	129,880	10,590	8,731	406	-	118,772	(348,435)
<b>CASH</b>									
CASH - BEGINNING OF YEAR	117,282	64,515	175,811	268,158	197,095	54,719	-	877,580	1,226,015
<b>CASH - END OF YEAR</b>	\$ 88,468	\$ 62,494	\$ 305,691	\$ 278,748	\$ 205,826	\$ 55,125	\$ -	\$ 996,352	\$ 877,580

See notes to financial statements



# COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

## Notes to Financial Statements

Year Ended March 31, 2017

---

### 1. GENERAL

Community Futures Development Corporation of Sun Country (the "Corporation") was incorporated under the Canada Corporations Act on March 31, 1995. As a not-for-profit corporation, the Corporation is exempt from the payment of income tax. The Corporation serves communities in the Sun Country catchment area.

Community Futures Development Corporation of Sun Country is a community based Corporation that provides loans and financial services to small businesses that are otherwise unable to obtain financing. In addition, the Corporation delivers various programs for Federal and Provincial agencies.

A significant portion of the Corporation's revenue is derived from Federal Government contributions.

### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Fund accounting

Community Futures Development Corporation of Sun Country follows the restricted fund method of accounting for contributions. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Current funds in use are as follows:

**Operating Fund** - To account for all financial resources and administration expenses.

**SE Fund** - To account for subcontract services performed for the Self Employment Program on behalf of an external provider.

**Loan Funds** - To account for loan funds received.

**Capital Fund** - To account for all tangible capital assets of the Corporation.

Programs are as follows:

1. Youth Program - to account for monies loaned from the Government of Canada for youth investments.
2. Forest Community Business Program (FCBP) - to account for contribution monies received from the Province of British Columbia for investments in the forest, aquaculture, manufacturing or tourism sector.
3. Disabled Entrepreneur Program - to account for monies loaned from the Government of Canada for small businesses operated by persons with disabilities.
4. Self Employment (SE) Program - this program is to provide advice and temporary financial support to qualifying individuals who wish to develop a business and be self-employed.

#### (b) Cash

The Corporation's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

*(continues)*



COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Loans receivable

The loans receivable represent the outstanding principal at year end.

The Corporation has provided for credit risk, as defined in *(Note 16)*, by establishing allowances for impaired loans and netting the allowances against the carrying value of certain impaired loans. Loans are considered impaired as soon as collection of the full principal and interest on the loan becomes doubtful. The allowance for losses on loans is determined on the basis of historical allowance requirements and specific loans which, in management's opinion, may not be fully collectible. Amounts considered uncollectible are written off through operating expenses and written down to the fair market value of any security held in the appropriate loan fund in the applicable period.

Loans are secured by one, or a combination, of debentures, personal guarantees, promissory notes, general security agreements, mortgages and other charges on property.

(d) Tangible capital assets

Tangible capital assets are recorded at cost and are amortized over their estimated useful lives. Amortization is calculated on a straight-line basis over the following years:

Furniture, fixtures and equipment	5 years
Computer equipment	3 years

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

The Corporation regularly reviews its tangible capital assets to eliminate obsolete items.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(f) Revenue recognition

Community Futures Development Corporation of Sun Country follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year received or receivable. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest on loans to clients is recognized as revenue of the applicable Loan Investment Fund when received or receivable. Interest is not accrued on loans which have been classified as impaired.

*(continues)*

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments policy

*Measurement of financial instruments*

The Corporation initially measures its financial assets and liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and loans receivable.

Financial liabilities measured at amortized cost include the accounts payable, deferred contributions and Government assistance.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenses.

4. ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
<b>Operating Fund</b>		
G.S.T. rebate	\$ 2,288	\$ 2,725
Accounts receivable - general	<u>420</u>	<u>2,645</u>
	<u>\$ 2,708</u>	<u>\$ 5,370</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**5. INTEREST RECEIVABLE**

	<u>2017</u>		<u>2016</u>
<b>Regular Investment Fund</b>			
Loan interest receivable	\$ 5,307	\$	7,271
Less: allowances for loan impairment	-		-
	<u>5,307</u>		<u>7,271</u>
 <b>Youth Loan Fund</b>			
Loan interest receivable	-		60
Less: allowances for loan impairment	-		-
	<u>-</u>		<u>60</u>
 <b>Forest Community Business Program Loan Fund</b>			
Loan interest receivable	17		55
Less: allowances for loan impairment	-		-
	<u>17</u>		<u>55</u>
	<u>\$ 5,324</u>	\$	<u>7,386</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**6. LOANS RECEIVABLE**

	<u>2017</u>	<u>2016</u>
<b>Regular Investment Loan Fund</b>		
Loans receivable	\$ 1,277,789	\$ 1,302,747
Less: allowance for loan impairment	<u>(70,000)</u>	<u>(75,000)</u>
	<b>\$ 1,207,789</b>	<b>\$ 1,227,747</b>
 <b>Youth Loan Fund</b>		
Loans receivable	\$ -	\$ 8,303
Less: allowance for loan impairment	<u>-</u>	<u>-</u>
	<b>\$ -</b>	<b>\$ 8,303</b>
 <b>Forest Community Business Program Loan Fund</b>		
Loans receivable	\$ 3,001	\$ 9,865
Less: allowance for loan impairment	<u>-</u>	<u>-</u>
	<b>\$ 3,001</b>	<b>\$ 9,865</b>
 <b>Disabled Entrepreneur Loan Fund</b>		
Less: allowance for loan impairment	<u>\$ -</u>	<u>\$ -</u>
 <b>Total</b>		
Loans receivable	\$ 1,280,790	\$ 1,320,915
Less: allowance for loan impairment ( <i>Note 7</i> )	<u>(70,000)</u>	<u>(75,000)</u>
	<b>\$ 1,210,790</b>	<b>\$ 1,245,915</b>

The loans bear interest at rates established by contract varying from 4% to 10%. The minimum interest rate that can be charged is generally the bank prime rate plus 2%. The scheduled maturities range from a period of less than one year to a maximum of five years. 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. The Corporation's revenue may be significantly impacted by the varying interest rates available.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**7. ALLOWANCE FOR LOAN IMPAIRMENT**

	<u>2017</u>	<u>2016</u>
<b>Regular Investment Loan Fund</b>		
#09-101186	\$ 50,000	\$ 50,000
#13-101267	15,000	20,000
#13-101269	5,000	5,000
	<u>\$ 70,000</u>	<u>\$ 75,000</u>

**8. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture, fixtures and equipment	\$ 40,776	\$ 35,535	\$ 5,241	\$ 918
Computer equipment	35,412	32,610	2,802	5,563
Leasehold improvements	11,119	3,150	7,969	10,192
	<u>\$ 87,307</u>	<u>\$ 71,295</u>	<u>\$ 16,012</u>	<u>\$ 16,673</u>

**9. ACCOUNTS PAYABLE AND ACCRUALS**

	<u>2017</u>	<u>2016</u>
<b>Operating Fund</b>		
Auditing accrual	\$ 16,000	\$ 15,000
Wages payable	3,630	1,043
Funds held on behalf of external entities:		
Recreation Committee - recreation guides	208	858
Farmers' Market	930	1,284
2010 Legacies Now Society - Literacy Now Communities Program	25,668	30,165
Branding Committee Volunteer Group	-	2,104
	<u>46,436</u>	<u>50,454</u>
<b>SE Fund</b>		
Auditing accrual	-	1,000
	<u>\$ 46,436</u>	<u>\$ 51,454</u>

**10. DEFERRED REVENUE**

In March of 2017, the Corporation received an advance contribution of \$24,942 from the federal government.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

Notes to Financial Statements

Year Ended March 31, 2017

11. GOVERNMENT ASSISTANCE

**Youth Loan Fund**

The Corporation received a repayable contribution in the amount of \$200,000 from the Government of Canada to administer, through the Youth Loan Fund, loans, loan guarantees and equity participation in businesses owned and operated by youths. The contribution is non-interest bearing and conditionally repayable.

**Disabled Entrepreneur Loan Fund**

The Corporation received a repayable contribution in the amount of \$1 from the Government of Canada to administer, through the Disabled Entrepreneur Loan Fund, loans, loan guarantees and equity participation in businesses owned and operated by disabled entrepreneurs. The contribution is non-interest bearing and conditionally repayable.

12. GOVERNMENT CONTRIBUTIONS

**Regular Investment Loan Fund**

The Corporation received a \$864,052 non-repayable contribution from the Government of Canada to administer, through the Regular Investment Loan Fund, loans, loan guarantees and equity participation in order to create new small businesses and to expand, stabilize and protect existing businesses resulting in the generation and maintenance of employment. As a condition of funding, the Corporation agrees to retain its non-profit status and to continue to administer the Investment Fund in conformity with criteria outlined in the original contribution agreement. Upon dissolution of the Corporation, assets shall be disposed of in a manner acceptable to the Government of Canada.

**Forest Community Business Program Loan Fund**

The Corporation received a contribution in the amount of \$100,000 from Forest Community Business Program of British Columbia which was matched by \$100,000 in funding transferred from the Corporation's Loan Fund. The \$200,000 in funds are to be used by the Corporation to provide loans, business counselling and training to small and medium sized forest sector enterprises in British Columbia. As a condition of the funding, the Corporation has agreed to administer the funds in accordance with the contribution agreement. If these conditions are not met, the agreement will be terminated and the funds will be disbursed as described in the terms of the contribution agreement.

13. ADMINISTRATIVE BILLINGS

	2017	2016
<b>Operating Fund</b>		
Administration fee - Literacy Now Project	\$ 1,622	\$ -
Board room rental	-	100
Miscellaneous revenue	1,894	1,264
Photocopies and fax	2,558	2,485
	<u>\$ 6,074</u>	<u>\$ 3,849</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**14. OTHER CONTRACT REVENUE**

	<u>2017</u>	<u>2016</u>
<b>SE Fund</b>		
Subcontract - Self Employment Program		
Orientation/Assessment	\$ 4,560	\$ 21,600

The contract for the Self Employment (SE) Program was completed during the year.

**15. COMMITMENTS**

The Corporation rents office space under a long term lease which expires September 30, 2018. There is an option to extend the lease a further four years. Future minimum lease payments for the use of office space will aggregate \$70,875 over the next five years:

2018	\$ 14,175
2019	14,175
2020	14,175
2021	14,175
2022	14,175
	<u>70,875</u>
	\$ <u>70,875</u>

Future minimum payments under operating leases and maintenance agreements relating to equipment will aggregate \$14,280 including the following payments over the next five years:

2018	\$ 3,150
2019	3,150
2020	3,150
2021	3,150
2022	1,680
	<u>14,280</u>
	\$ <u>14,280</u>

# COMMUNITY FUTURES DEVELOPMENT CORPORATION OF SUN COUNTRY

## Notes to Financial Statements

Year Ended March 31, 2017

---

### 16. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2017.

#### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risks relate to its accounts receivable, interest receivable and loans receivable. The Corporation provides credit to its clients in the normal course of business.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed interest rate financial instruments. Given the current composition of loans receivable, these fixed-rate instruments subject the Corporation to a fair value risk.