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# *Community Futures Development Corporation of the North Cariboo*

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*2018 year-end report  
to the Board of  
Directors*

*Prepared as of  
June 25, 2018*





June 25, 2018

Members of the Board of Directors  
Community Future Development Corporation of the North Cariboo  
335 Vaughan Street  
Quesnel, BC  
V2J 1T2

Dear Members of the Board of Directors:

We have been engaged to audit the financial statements of the Community Future Development Corporation of the North Cariboo for the year ending March 31, 2018.

We prepared the accompanying report to assist you in your review of the financial statements. It includes a discussion on the significant accounting and financial reporting matters dealt with during the audit process as well as communications required by Canadian generally accepted auditing standards for audit.

We would like to express our sincere thanks to the management and staff of the organization who have assisted us in carrying out our work. If you have any questions or concerns prior to the board meeting, please do not hesitate to contact me in advance.

Yours very truly,

A handwritten signature in black ink that reads "Allison Beswick". The signature is written in a cursive, flowing style.

Allison Beswick, CPA, CA  
Partner  
Assurance

c.c.: Greg Lawrence, General Manager

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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

## **Significant Deficiencies in Internal Control**

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies.

## **Fraud and Illegal Acts**

No fraud involving management, or contractors with a significant role in internal control or that would cause a material misstatement of the financial statements and no illegal acts came to our attention as a result of our audit procedures. We wish to reconfirm that the Board of Director is not aware of any known, suspected or alleged incidents of fraud or illegal acts not previously discussed with us.

## **Significant Unusual Transactions**

We are not aware of any significant or unusual transactions entered into by Community Futures Development Corporation of the North Cariboo that you should be informed about.

## **Difficulties Encountered During the Audit**

We encountered no significant difficulties during our audit that should be brought to the attention of the audit committee.

## **Significant Accounting Principles**

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by Community Futures Development Corporation of the North Cariboo are described in Note 2, Significant Accounting Policies, in the financial statements.

There were no new accounting policies adopted or changes to the application of accounting policies of Community Futures Development Corporation of the North Cariboo during the year.

We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.

We did not identify any significant accounting policies in controversial or emerging areas.

## Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

## Subsequent Events

No subsequent events which would impact the financial statements other than those disclosed have come to our attention.

We would like to reconfirm that the Board of Director is not aware of any other subsequent events that might affect the financial statements.

## Accounting Estimates

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

The following significant estimates/judgments are contained in the financial statements:

- Allowance for doubtful accounts;
- Useful lives of capital assets.

Based on audit work performed, we are satisfied with estimates made by management.

## Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the entity's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

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### **Consultation with Other Accountants (Second Opinions)**

Management may consult with other accountants about auditing and accounting matters to obtain a "second opinion". When an entity requests that another accountant provide a written report or oral advice on the application of accounting principles to a specific transaction or the type of opinion that may be rendered on the entity's financial statements, we are required to ensure that the accountant has ensured that the reporting accountant has knowledge of all facts and circumstances and has conducted the engagement in accordance with Canadian generally accepted auditing standards on the Reports on the Application of Accounting Principles.

We are not aware of any consultations that have taken place with other accountants.

### **Issues Discussed**

The auditor generally discusses among other matters, the application of accounting principles and auditing standards, and fees, etc. with management during the initial or recurring appointment of the auditor. There were no major issues discussed during our audit with regards to our retention that were not in the normal course of business.

### **Materiality**

Misstatements are considered to be material if they could reasonably be expected to influence the economic decisions of users of the financial statements.

We have set materiality of \$45,000.

We will report unadjusted and adjusted items over \$4,500 to the Board of Directors on completion of the audit.

### **Uncorrected Misstatements**

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All identified uncorrected misstatements for the current period have been corrected.

A list of corrected misstatements has been provided in Appendix A.

### **Other Audit Matters of Governance Interest**

We did not identify any other matters to bring to your attention at this time and would be pleased to discuss with you further any matters mentioned above, at your convenience.

This communication is prepared solely for the information of those charged with governance of Community Futures Development Corporation of the North Cariboo to carry out and discharge their responsibilities and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

To ensure there is a clear understanding and record of the matters discussed, we ask that a representative of the board of directors their acknowledgement in the space provided below.


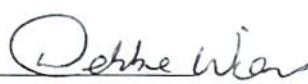
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Should any member of the board of directors wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours very truly,

Acknowledgement of Representative of the Board of Directors' Members:

We have read and reviewed the above disclosures and understand and agree with the comments therein:

Signature:  .   
Date: June 25, 2018

**Appendix A**  
**Summary of Corrected Misstatements:**

Number	Date	Name	Account No	Debit	Credit
1	3/31/2018	TO/FROM - Forestry Fund	1200-700		(76,938)
1	3/31/2018	Loans Receivable-WED	1220-700	76,938	

To agree general ledger to loan schedule.