
**CASCADE LOWER CANYON COMMUNITY FOREST
LIMITED PARTNERSHIP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2018**



Cascade Lower Canyon Community Forest Limited Partnership
PO Box 377
Hope, BC V0X 1L0

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The board is also responsible for recommending the appointment of the Organization's external auditors.

Manning Elliott Accountants & Business Advisors are appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

July 9, 2018

Director – District of Hope

Director – Fraser Valley
Regional District

Director – Yale First Nation



INDEPENDENT AUDITORS' REPORT

To the Partners of:
Cascade Lower Canyon Community Forest Limited Partnership

Report on the Financial Statements

We have audited the accompanying financial statements of Cascade Lower Canyon Community Forest Limited Partnership which comprise the statement of financial position as at March 31, 2018, and the statements of operations and partners' capital, change in net financial assets and cash flows for the year then ended, and the related notes comprising 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, 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 our 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, we consider 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 in our audit 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 Cascade Lower Canyon Community Forest Limited Partnership as at March 31, 2018, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Partners to evaluate and incorporate the partnership earnings into their separate annual audited statements which are prepared under the Canadian public sector accounting standards framework. The limited partnership should report under International Financial Reporting Standards. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Partners and should not be distributed to or used by parties other than the Partners.

Manning Elliott LLP

Chartered Professional Accountants

Abbotsford, British Columbia

July 9, 2018

CASCADE LOWER CANYON COMMUNITY FOREST LIMITED PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 1,019,947	\$ 825,809
Accounts receivable	597,313	11,915
Advances from Cascade Lower Canyon Community Forest General Partner Corp. (Note 3)	5,850	4,850
	\$ 1,623,110	\$ 842,574
LIABILITIES		
Accounts payable and accrued liabilities	\$ 7,285	\$ 6,467
Government remittances payable	42,240	-
	49,525	6,467
NET FINANCIAL ASSETS	1,573,585	836,107
NON-FINANCIAL ASSETS		
Prepaid expenses	10,481	10,591
PARTNERS' CAPITAL	\$ 1,584,066	\$ 846,698

Approved on behalf of the Board:

_____ Director - District of Hope

_____ Director - Yale First Nation

_____ Director - Fraser Valley Regional District



CASCADE LOWER CANYON COMMUNITY FOREST LIMITED PARTNERSHIP
STATEMENT OF OPERATIONS AND PARTNERS' CAPITAL
FOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018	2017
REVENUE			
Logging revenue	\$ 3,128,430	\$ 2,556,420	\$ 21,142
Interest and other income	840	668	4,547
	3,129,270	2,557,088	25,689
EXPENSES			
Advertising	2,000	760	1,272
Automotive	6,300	1,343	
Contracted services	230,910	160,082	81,119
Consulting fees	36,995	1,492	56,483
Donations	5,000	-	-
Insurance	5,000	3,684	2,488
Logging expenses	1,596,010	1,392,281	0
Management fees	137,000	94,661	83,590
Memberships	16,433	14,807	13,380
Miscellaneous	16,000	440	10,430
Office supplies and expense	7,020	2,429	213
Professional fees	10,000	9,667	6,995
Trail and recreation mitigation	25,000	-	-
Rent	2,200	5,092	548
Repairs and maintenance	33,681	1,229	8,557
Road, bridge, and gate construction	508,200	-	-
Silviculture	127,260	108,992	-
Telephone and website	8,145	2,499	378
Travel	3,000	5,262	1,187
	2,776,154	1,804,720	266,640
Operating (deficit) surplus	353,116	752,368	(240,951)
Partners' capital, beginning of year	846,698	846,698	1,087,649
Partners' drawings	(15,000)	(15,000)	-
Partners' capital, end of year	\$ 1,184,814	\$ 1,584,066	\$ 846,698



CASCADE LOWER CANYON COMMUNITY FOREST LIMITED PARTNERSHIP
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
Operating (deficit) surplus	\$ 752,368	\$ (240,951)
Partners' drawings	(15,000)	-
Acquisition of prepaid expenses	(110)	(10,591)
	<hr/> 737,478	<hr/> (251,542)
Net financial assets, beginning of year	836,107	1,087,649
	<hr/> \$ 1,573,585	<hr/> \$ 836,107



CASCADE LOWER CANYON COMMUNITY FOREST LIMITED PARTNERSHIP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Operating (deficit) surplus	\$ 752,368	\$ (240,951)
Change in non-cash working capital items:		
Accounts receivable	(585,398)	(9,835)
Prepaid expenses	110	(10,591)
Accounts payable and accrued liabilities	818	(88,512)
Government remittances payable	42,240	-
Due from General Partner Corporation	(1,000)	(1,023)
	209,138	
FINANCING ACTIVITIES		
Partners' drawings	(15,000)	-
INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING THE YEAR	194,138	(350,912)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	825,809	1,176,721
CASH AND EQUIVALENTS, END OF YEAR	\$ 1,019,947	\$ 825,809



CASCADE LOWER CANYON COMMUNITY FOREST LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. OPERATIONS

The Cascade Lower Canyon Community Forest Limited Partnership (the "Partnership") is located in the province of British Columbia, made up of four partners including: the District of Hope, the Fraser Valley Regional District, Yale First Nation, and the Cascade Lower Canyon Community Forest General Partner Corporation.

The Partnership's mission is to promote sustainable community forest management, and share the economic benefits with the community. The Partnership's vision is to invest in and benefit the local community while remaining committed to culturally, ecologically, and economically sustainable forestry.

The Cascade Lower Canyon Community Forest General Partner Corporation (the general partner) holds one partnership unit, with the limited partners (the District of Hope, the Fraser Valley Regional District, and the Yale First Nation) each holding 10,000 units. The partners are allocated the annual surplus based on their proportional share of partnership holdings.

These financial statements reflect only the assets, liabilities, revenue and expenses of the Partnership and therefore do not include any other assets, liabilities, revenues or expenses of the Partners or the liability of the Partners for income taxes on earnings of the Partnership.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Revenue recognition

Revenue is recognized when there is persuasive evidence a final agreement exists, delivery has occurred, the selling price is fixed or determinable and collectability is reasonably assured.

Measurement uncertainty (Use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.



CASCADE LOWER CANYON COMMUNITY FOREST LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

3. ADVANCES FROM CASCADE LOWER CANYON COMMUNITY FOREST GENERAL PARTNER CORP.

The General Partner Corporation conducts management of the operations and in doing so incurs expenses, which are paid by the Partnership as the General Partner does not have a separate bank account. This account reflects those costs incurred by the General Partner and paid by the Partnership.

4. ECONOMIC DEPENDENCE

Cascade Lower Canyon Community Forest Limited Partnership receives substantially all of its revenue from log sales resulting from the logging operations performed by a logging contractor on the lands granted to the Partnership by the BC Ministry of Forests.

5. BUDGET INFORMATION

The disclosed budget information has been approved by the Board of the Cascade Lower Canyon Community Forest Limited Partnership at the meeting held on June 8, 2017.

6. PARTNERS' CAPITAL

The Partners' capital account is made up of the four individual Partner accounts. Each Partner's accounts consists of:

	2018	2017
Cascade Lower Canyon Community Forest General Partner Corp.		
Balance beginning of year	(331)	(322)
Share of operating (deficit) surplus	25	(9)
	<u>(306)</u>	<u>(331)</u>
District of Hope		
Balance beginning of year	281,343	361,657
Share of operating (deficit) surplus	250,781	(80,314)
Partner drawings	(5,000)	-
	<u>527,124</u>	<u>281,343</u>
Fraser Valley Regional District		
Balance beginning of year	284,343	364,657
Share of operating (deficit) surplus	250,781	(80,314)
Partner drawings	(5,000)	-
	<u>530,124</u>	<u>284,343</u>
Yale First Nation		
Balance beginning of year	281,343	361,657
Share of operating (deficit) surplus	250,781	(80,314)
Partner drawings	(5,000)	-
	<u>527,124</u>	<u>281,343</u>
	<u>1,584,066</u>	<u>846,698</u>

