

**Community Futures
Grande Prairie & Region
Financial Statements**
For the year ended March 31, 2016

Community Futures Grande Prairie & Region
Financial Statements
March 31, 2016

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Independent Auditors' Report

To the Board of Directors of Community Futures Grande Prairie & Region

Report on the Financial Statements

We have audited the accompanying financial statements of Community Futures Grande Prairie & Region, which comprise the statements of financial position as at March 31, 2016, and the statements of changes in fund balances, statements of operations and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of Community Futures Grande Prairie & Region based on the financial reporting provisions of Western Economic Diversification as described in Note 1.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Western Economic Diversification as described in Note 1, 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 purposes 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 Grande Prairie & Region as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions of Western Economic Diversification as described in Note 1.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statement is prepared to assist Community Futures Grande Prairie & Region to meet the requirements of Western Economic Diversification. As a result, the financial statements may not be suitable for another purpose.

Chartered Professional Accountants

Grande Prairie, Alberta
June 23, 2016

Community Futures Grande Prairie & Region
Statement of Financial Position - Combined

March 31 2016 2015

	Operating Fund	Investment Fund	Total	Total
Assets				
Current				
Cash	\$ 34,143	\$ 464,467	\$ 498,610	\$ 302,122
Loan security deposits (Note 2)	-	247,000	247,000	207,000
Accounts receivable	24,879	-	24,879	39,417
Accrued interest receivable (Note 3)	-	69,481	69,481	-
Other receivables	-	51,314	51,314	1,341
Prepaid expenses	5,496	-	5,496	5,496
Interfund receivable	-	50	50	5,453
	64,518	832,312	896,830	560,829
Loans receivable (Note 4)	-	6,972,203	6,972,203	6,127,259
Long-term investments (Note 5)	-	247,935	247,935	424,710
Capital assets (Note 6)	5,416	-	5,416	7,199
	\$ 69,934	\$ 8,052,450	\$ 8,122,384	\$ 7,119,997

Liabilities

Current				
Revolving Loan (Note 7)	\$ -	\$ 4,400,000	\$ 4,400,000	\$ 2,740,000
Accounts payable and accrued liabilities	41,037	-	41,037	21,348
Interfund payable	50	-	50	5,453
Deferred revenue (Note 8)	49,006	-	49,006	23,298
	90,093	4,400,000	4,490,093	2,790,099
Investment funds payable (Note 9)	-	196,765	196,765	216,955
	90,093	4,596,765	4,686,858	3,007,054

Net Assets

Fund balances	(20,159)	3,455,685	3,435,526	4,112,943
	\$ 69,934	\$ 8,052,450	\$ 8,122,384	\$ 7,119,997

Approved by the Board:

 Director

 Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Grande Prairie & Region Statement of Changes in Fund Balances - Combined

For the year ended March 31, 2016

	Operating Fund		Investment Fund	Total
	Capital	Unrestricted		
Balance, beginning of year	\$ 7,199	\$ 37,018	\$ 4,068,726	\$ 4,112,943
Excess (deficiency) of revenue over expenses for the year	-	(197,125)	(480,292)	(677,417)
Disposal of capital assets, net book value	(185)	185	-	-
Amortization	(1,598)	1,598	-	-
Transfers (Note 10)	-	132,749	(132,749)	-
Balance, end of year	\$ 5,416	\$ (25,575)	\$ 3,455,685	\$ 3,435,526

For the year ended March 31, 2015

	Operating Fund		Investment Fund	Total
	Capital	Unrestricted		
Balance, beginning of year	\$ 17,162	\$ 46,324	\$ 4,138,451	\$ 4,201,937
Excess (deficiency) of revenue over expenses for the year	-	(118,873)	29,879	(88,994)
Amortization	(9,963)	9,963	-	-
Transfers (Note 10)	-	99,604	(99,604)	-
Balance, end of year	\$ 7,199	\$ 37,018	\$ 4,068,726	\$ 4,112,943

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Community Futures Grande Prairie & Region
Statement of Financial Position - Operating Fund**

March 31	2016	2015
Assets		
Current		
Cash	\$ 34,143	\$ 42,204
Accounts receivable	24,879	39,417
Prepaid expenses	5,496	5,496
	<u>64,518</u>	<u>87,117</u>
Capital assets (Note 6)	5,416	7,199
	<u>\$ 69,934</u>	<u>\$ 94,316</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 41,037	\$ 21,348
Due to Investment Fund	50	5,453
Deferred revenue (Note 8)	49,006	23,298
	<u>90,093</u>	<u>50,099</u>
Net Assets		
Fund balances		
Unrestricted	(25,575)	37,018
Capital	5,416	7,199
	<u>(20,159)</u>	<u>44,217</u>
	<u>\$ 69,934</u>	<u>\$ 94,316</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Community Futures Grande Prairie & Region
Statement of Changes in Fund Balances - Operating Fund**

For the year ended March 31 **2016** **2015**

Unrestricted Fund Balance

Balance, beginning of year	\$	37,018	\$	46,324
Excess (deficiency) of revenue over expenses		(197,125)		(118,873)
Transfer from investment fund (Note 10)		132,749		99,604
Transfer of net operating funds invested in capital assets		1,783		9,963
		1,783		9,963
Balance, end of year	\$	(25,575)	\$	37,018

Capital Fund Balance

Balance, beginning of year	\$	7,199	\$	17,162
Amortization		(1,598)		(9,963)
Purchase of capital assets		-		-
Net book value on disposal of capital assets		(185)		-
		(185)		-
Balance, end of year	\$	5,416	\$	7,199

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Community Futures Grande Prairie & Region
Statement of Changes in Fund Balances - Investment Fund

	2016			2015		
	Regular Non-Repayable	Regular Repayable	Disabled Repayable	Total	Total	Total
Balance, beginning of year	\$ 3,929,094	\$ (2,116)	\$ 141,748	\$ 4,068,726	\$ 4,138,451	
Excess of revenue over expenses for the year	(219,607)	(242,014)	(18,671)	(480,292)	29,879	
Transfer to operating fund (Note 10)	(132,749)	-	-	(132,749)	(99,604)	
Balance, end of year	\$ 3,576,738	\$ (244,130)	\$ 123,077	\$ 3,455,685	\$ 4,068,726	

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Community Futures Grande Prairie & Region
Statement of Operations - Operating Fund**

For the year ended March 31	2016	2015
Revenue		
Business Coaching Revenue	\$ 10,000	\$ -
Business Incubator Program	-	5,000
Business Workshops	-	48,276
Career Practitioner Program	28,270	121,115
Career Workshops	-	113,965
Contributions from federal government	308,493	282,785
Community Futures Network Society of Alberta	-	1,181
NADC Ventures Program	-	20,475
Northern Alberta Youth Entrepreneur Camp	-	30,000
Other - projects and services	43,713	109,655
Rent	22,053	11,429
	412,529	743,881
Expenses		
General and administrative (Schedule)	\$ 609,654	\$ 862,754
Deficiency of revenue over expenses	\$ (197,125)	\$ (118,873)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Grande Prairie & Region Statement of Operations - Investment Fund

	2016		2015	
	Regular Non-Repayable	Regular Repayable	Disabled Repayable	Total
Revenue				
Interest and fees	\$ 494,733	\$ 133,342	\$ 14,652	\$ 642,727
Investment income and bank interest	2,018	2,018	2,018	6,054
Debt forgiven - WED (Note 9)	-	20,190	-	20,190
	496,751	155,550	16,670	668,971
				\$ 527,443
Expenses				
Bad debts - interest receivable	53,286	49,950	-	103,236
Bad debts - loans receivable	292,931	312,273	-	605,204
Bank charges and other	766	766	766	2,298
Collection	8,025	-	-	8,025
Revolving loan interest	34,575	34,575	34,575	103,725
	389,583	397,564	35,341	822,488
				\$ 347,564
Excess (deficiency) of revenue over expenses before the undernoted	107,168	(242,014)	(18,671)	(153,517)
Impairment loss on investments (Note 5)	(326,775)	-	-	(326,775)
Excess (deficiency) of revenue over expenses	\$ (219,607)	\$ (242,014)	\$ (18,671)	\$ (480,292)
				\$ 29,879

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Grande Prairie & Region Statement of Cash Flows

For the year ended March 31	<u>Financing and Investing Activities</u> <u>Loan Investment Fund</u>				Total 2015
	Operating Fund	Non- Repayable	Repayable	Disabled	
Operating activities					
Cash received from government contracts	\$ 389,874	\$ -	\$ -	\$ -	\$ 389,874
Cash received from other revenue	62,900	-	-	-	62,900
Cash paid to suppliers for goods and services	(455,432)	(300,955)	(312,273)	-	(1,068,660)
Interest received	-	221,292	65,636	11,816	298,744
Interest paid	-	(35,340)	(35,340)	(35,340)	(106,020)
	(2,658)	(115,003)	(281,977)	(23,524)	(423,162)
Financing activities					
Transfer (to) from other funds	(5,403)	(287,611)	252,686	34,921	(5,407)
Loan proceeds	-	1,660,000	-	-	1,660,000
	(5,403)	1,372,389	252,686	34,921	1,654,593
Investing activities					
Loans advanced, net	-	(377,300)	(422,807)	(84,836)	(884,943)
Equity investments	-	(150,000)	-	-	(150,000)
	-	(527,300)	(422,807)	(84,836)	(1,034,943)
Net change in cash	(8,061)	730,086	(452,098)	(73,439)	196,488
Cash, beginning of year	42,204	578,234	(364,876)	46,560	302,122
Cash, end of year	\$ 34,143	\$ 1,308,320	\$ (816,974)	\$ (26,879)	\$ 498,610
					\$ 302,122

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Grande Prairie & Region

Notes to the Financial Statements

March 31, 2016

1. Summary of Significant Accounting Policies

(a) Purpose of the Organization

Community Futures Grande Prairie & Region has a mandate to increase economic and social well-being throughout the region by assisting, supporting and investing in small business. The main focus is to maximize job creation and maintenance by providing small business consulting services and management of an investment fund. Community Futures Grande Prairie & Region is exempt from income taxes under Section 149 of the Income Tax Act.

(b) Basis of Accounting

These statements are prepared on an accrual basis of accounting using Canadian accounting standards for not-for-profit organizations as the underlying basis of accounting. As required by Western Economic Diversification, the Organization follows Canadian accounting standards for not-for-profit organizations except with regards to the initial measurement of financial instruments. Accounting for the conditionally repayable investment fund balance to Western Economic Diversification is as described in Note 9.

(c) Management Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management include the valuation provision for loans in arrears. Actual results could differ from management's best estimates as additional information becomes available in the future.

(d) Financial Instruments

The Organization initially measures its financial assets and liabilities at cost adjusted by the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed on by the related parties.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations.

Community Futures Grande Prairie & Region Notes to the Financial Statements

March 31, 2016

(e) Funding Accounting

Community Futures Grande Prairie & Region follows the restricted fund method of accounting for contributions. The Operating Fund accounts for the Organization's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants. The Investment Fund reports externally restricted resources that are to be used for assistance to small businesses and entrepreneurs in the form of loans, loan guarantees or equity participation. Loans from the loan investment fund for the disabled and youth are limited to businesses owned and operated by disabled and youth entrepreneurs, respectively. The Organization is restricted in the types of loans that can be made according to its agreement with the federal government. The non-repayable funds are not conditionally repayable to Western Economic Diversification. These funds represent the year over year growth of initial dollars that were invested by the Federal Government for the purposes of providing financial assistance to individuals or companies planning to start, grow or purchase a business in the Grande Prairie Region. The repayable fund represents funds that are conditional repayable to Western Economic Diversification. The disabled fund represents funds that are conditional repayable to Western Economic Diversification, but to disabled individuals.

(f) Long-term Investments

The long-term investments are accounted for using the equity method. A provision is made for impairment in value when there is a significant adverse change in the expected timing or amount of future cash flows.

(g) Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is recorded on the diminishing balance basis at rates designed to amortize the cost of the capital assets over their estimated useful lives. Amortization rates are as follows:

Furniture and fixtures	20 %
Computer equipment	30 %
Computer software	100 %
Leasehold improvements	5 year straight line

(h) Contributed Services

Volunteers contribute many hours annually to assist Community Futures Grande Prairie & Region in carrying out specific program activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(i) Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a capital asset and the incurrence of an obligation. The obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.

Community Futures Grande Prairie & Region Notes to the Financial Statements

March 31, 2016

(j) Impairment of Long-Lived Assets

If events or circumstances indicate that the carrying value of any long-lived asset may be impaired, a recoverability analysis is performed based upon estimated undiscounted cash flows to be generated by the long-lived asset. If the analysis indicates that the carrying value is not recoverable from future cash flows, the asset is written down to estimated fair value and an impairment loss is recognized.

(k) Revenue Recognition

The Organization recognizes operating fund revenue when earned based on the terms of the agreements. Deferred revenue consists of funds received under such agreements for which the related expenses have not been incurred. They will be recognized as revenue in the year in which the related expenses are incurred.

Interest revenue is recorded when the amount to be received can be reasonably estimated and collection is reasonably assured.

Community Futures Grande Prairie & Region Notes to the Financial Statements

March 31, 2016

2. Loan Security Deposits

The Organization's term deposits consist of the following :

	2016	2015
Loan security deposit consisting of a Guaranteed Investment Certificate bearing interest at 0.65% per annum and maturing in July 2016	\$ 100,000	\$ -
Loan security deposit consisting of a Guaranteed Investment Certificate bearing interest at 0.65% per annum and maturing in January 2017	135,000	-
Loan security deposit consisting of a Guaranteed Investment Certificate bearing interest at 0.65% per annum and maturing in February 2017	12,000	-
Loan security deposits, matured during the year	-	207,000
Total loan security deposit	\$ 247,000	\$ 207,000

The loan security deposits are related to customers who needed to obtain a loan from another lending institution. The purpose of these loan guarantees is to provide confidence to the external lender that, in the event that the customer defaults on the loan, Community Futures Grande Prairie & Region will repay the loan. The security deposits are separated into current and long-term portions based on the expiration dates of the underlying guarantees.

3. Accrued Interest Receivable

Accrued interest receivable is the interest that has been earned but not yet received by the organization. This is a current asset as it is expected to be received within one fiscal year and is summarized as follows:

	Regular Non-Repayable	Regular Repayable	Disabled Repayable	2016 Total	2015 Total
Accrued Interest	\$ 98,070	\$ 69,795	\$ 4,854	\$ 172,719	\$ -
Accrued interest on doubtful loans	(53,287)	(49,950)	-	(103,237)	-
	\$ 44,783	\$ 19,845	\$ 4,854	\$ 69,482	\$ -

Community Futures Grande Prairie & Region Notes to the Financial Statements

March 31, 2016

4. Loans Receivable

Loans receivable are classified as long-term assets. No current portion has been set up as it is difficult to estimate the amount that can be reasonably considered to be collectible within a one-year period. Loans bear interest at fixed rates from 3% to 10%. Fixed rate loans are subject to interest rate risk as the value of the loans will fluctuate based on changes in market interest rates. Loans receivable, consisting of loans to businesses, have varying maturity dates ranging from June 2016 to August 2026. Substantially all loans require monthly, bi-weekly or weekly repayments. An allowance has been set up for the entire loan balance of all loans determined to be impaired. The three loan categories are summarized as follows:

	Regular Non-Repayable	Regular Repayable	Disabled Repayable	2016 Total	2015 Total
Loan portfolio	\$ 6,141,484	\$ 1,890,713	\$ 212,143	\$ 8,244,340	\$ 6,877,361
Allowance for doubtful loans	(753,908)	(518,229)	-	(1,272,137)	(750,102)
	<u>\$ 5,387,576</u>	<u>\$ 1,372,484</u>	<u>\$ 212,143</u>	<u>\$ 6,972,203</u>	<u>\$ 6,127,259</u>

There are securities held against the loans advanced to all the borrowers. Generally the securities include borrowers' personal and/or company assets, and there is always a continuing personal guarantee from the shareholders for all the loans.

5. Long-term Investments

Long-term investments are comprised of the following:

	2016	2015
Liquid Chicks Inc.		
Cost	\$ 150,000	\$ 150,000
Less valuation provision	(150,000)	(150,000)
Elevated Robotic Services Ltd.		
Cost	120,000	120,000
Share of deficit	(22,065)	-
Blackout Rental Services Ltd.		
Cost	40	40
Blackout Rental Services Ltd. loan, unsecured, non-interest bearing, with no specific terms of repayment	149,960	149,960
Blackout Rental Services Ltd. loan, secured by a general security agreement, non-interest bearing, due February 2017	154,710	154,710
Less valuation provision	(304,710)	-
GP Brewing Co. Ltd.	150,000	-
	<u>\$ 247,935</u>	<u>\$ 424,710</u>

In the 2014 fiscal year, Community Futures Grande Prairie and Region purchased 100% of the Class B shares representing a 40% voting interest in Liquid Chicks Inc. for \$150,000. Once the shares were issued, a corporate resolution was passed by Liquid Chicks Inc. to reduce the stated capital of the 40 class B voting shares to \$1 per share (\$40). In the 2015 fiscal year, the investment in Liquid Chicks Inc. was written down to its expected net realizable value.

Community Futures Grande Prairie & Region Notes to the Financial Statements

March 31, 2016

5. Long-term Investments (cont.)

In the 2015 fiscal year, Community Futures Grande Prairie and Region purchased 35% of the Class A shares representing a 35% voting interest in Elevated Robotic Services Ltd. for \$120,000. In the 2016 fiscal year, Elevated Robotics Services Ltd. operated at a loss. Community Futures Grande Prairie & Region's share of this loss has reduced the value of the investment accordingly.

In the 2015 fiscal year, Community Futures Grande Prairie and Region purchased 40% of the Class A shares representing a 40% voting interest in Blackout Rental Services Ltd. for \$40. In the 2016 fiscal year, the investment in Blackout Rental Services Ltd. was written down to its net realizable value.

In the 2016 fiscal year, Community Futures Grande Prairie and Region purchased 5% of the Class A shares representing a 5% voting interest in GP Brewing Co. Ltd. for \$150,000.

6. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and fixtures	\$ 42,302	\$ 38,250	\$ 47,160	\$ 42,055
Computer equipment	18,624	17,260	31,056	28,962
Computer software	7,790	7,790	7,790	7,790
Leasehold improvements	102,131	102,131	102,131	102,131
	<u>\$ 170,847</u>	<u>\$ 165,431</u>	<u>\$ 188,137</u>	<u>\$ 180,938</u>
Net book value		<u>\$ 5,416</u>		<u>\$ 7,199</u>

Community Futures Grande Prairie & Region Notes to the Financial Statements

March 31, 2016

7. Revolving Loan

	2016	2015
Loan payable to CFNA	\$ 4,400,000	\$ 2,740,000

The loan has a stated interest rate of the RBC prime rate and is secured by a promissory note and a general security agreement covering all assets of the Organization. The maximum loan amount available is \$4,400,000. The loan is payable on demand and matures in November 2018. Interest payments are made monthly, with the entire principal amount being paid in November of 2018.

Interest rate risk:

Floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service debt will fluctuate as a result of changes in market interest rate.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations to creditors. The Organization is subject to this risk in that when the revolving loan becomes due in 2018, it will need to repay this balance or obtain alternate financing. The majority of the Organization's assets are tied up in loans and equity investments which are not easily liquidated should the need arise. The Organization is subject to interest rate risk on its loan receivable (Note 4) and revolving loan. Were interest rates to increase significantly, the Organization would not experience a higher rate of return on the loans receivable in the short term as they are at fixed interest rates. However, the cash flows associated with servicing the revolving loan would increase. This could contribute to the risk the Organization will encounter difficulty meeting its obligations as they become due.

Economic dependence

The Organization is economically dependent on CFNA to not demand repayment of the loan.

8. Deferred Revenue

Deferred revenue is comprised of the following:

	2016	2015
Northern Alberta Youth Entrepreneurship Camp	\$ 23,298	\$ 23,298
WED Grant	25,708	-
	\$ 49,006	\$ 23,298

Community Futures Grande Prairie & Region Notes to the Financial Statements

March 31, 2016

9. Investment Funds Payable

Investment funds payable consist of funds advanced from the Western Economic Diversification (WED) Fund that are repayable on dissolution of Community Futures Grande Prairie & Region. Interest would be payable at the Bank of Canada rate plus 3%. As it is highly unlikely that dissolution would occur, no interest amount has been accrued in these financial statements. The investment funds payable balance consists of the following:

	Regular	Disabled	2016 Total	2015 Total
Balance, beginning of year	\$ 109,707	\$ 107,248	\$ 216,955	\$ 280,413
Write off of delinquent loans	(20,190)	-	(20,190)	(63,458)
Balance, end of year	<u>\$ 89,517</u>	<u>\$ 107,248</u>	<u>\$ 196,765</u>	<u>\$ 216,955</u>

Under the agreement with Western Economic Diversification, when loans are considered uncollectable, the loan amount reduces the investment payable respectively. Since the balance payable is non-interest bearing and it is unknown when the balance will be repaid, the fair value of the balance is less than the carrying amount. Management has determined that it is not practical within the constraints of time or cost to reliably measure the actual fair value.

10. Inter-fund Transfers

Transfers authorized by the Board of Directors were \$132,749 (2015 - \$99,604) from the Non-Repayable Regular Investment Fund to the Operating Fund to be used to cover operating expenditures. The Organization submitted a request to Western Economic Diversification and approval was received during the year.

11. Funding

Community Futures Grande Prairie & Region has been formally re-selected as a Community Futures Project by the Department of Western Economic Diversification. Community Futures Grande Prairie & Region has contracts in place for funding until March 31, 2018. Contracts for renewal are approved annually upon review of operations.

In the event that Community Futures Grande Prairie & Region's contract is not renewed, Community Futures Grande Prairie & Region may cease operations and its loan portfolio will be transferred to another agency.

12. Economic Dependence

The Organization received 89% of its operating grant revenue from the federal department of Western Economic Diversification and the remainder by way of outside contracts.

12. Comparative Figures

Certain comparative figures have been reclassified in order to conform with the current year financial presentation.

Community Futures Grande Prairie & Region
Schedule of General and Administrative Expenses - Operating Fund

For the year ended March 31	2016	2015
Amortization	\$ 1,598	\$ 9,963
Advertising	2,075	7,363
Bad debts	-	3,060
Bank charges	3,179	2,646
Books and publications	198	176
Career Practitioner project	33,233	85,517
CEDO and special projects:		
- Business Coaching Expense	9,000	-
- Agri Business Conference	-	2,796
- Business Workshops	-	27,424
- Business Incubator	17	5,000
- Career Workshops	-	83,479
- Innovation Conference	-	52,236
- Northern Alberta Youth Entrepreneur Camp	-	5,000
- Seminars	13,005	15,480
- Ventures/NADC	-	8,403
Consulting fees	68,333	37,778
Credit investigation	4,710	3,245
Equipment rental	14,496	14,455
Insurance	3,774	3,465
Loss on disposal of equipment	183	-
Office	7,946	9,585
Postage and freight	1,504	1,669
Professional fees	33,875	23,027
Rent	68,219	68,358
Repairs and maintenance	12,975	19,416
Telephone	16,296	16,269
Travel and conferences:		
- board travel	6,966	6,476
- staff travel	26,343	28,807
- conference and training	2,768	8,201
Wages and benefits	278,961	313,460
	\$ 609,654	\$ 862,754

