

# COMMUNITY FUTURES YELLOWHEAD EAST

## CONSOLIDATED BALANCE SHEET

MARCH 31, 2015 and 2014

2015 2014

	General	Loan Investment Funds			Total	Total
	Fund	Repayable	Nonrepayable	Disabled		
<b>Assets</b>						
<b>Current Assets</b>						
Cash	\$ 908,214	\$ 137,933	\$ 452,159	\$ 27,784	\$ 1,526,090	\$ 1,361,200
Receivables (Note 5)	822	-	-	-	822	265,607
Interfund receivables	-	-	135,762	-	135,762	255,790
Prepaid expenses	1,496	-	-	-	1,496	1,646
	<u>910,532</u>	<u>137,933</u>	<u>587,921</u>	<u>27,784</u>	<u>1,664,170</u>	<u>1,884,243</u>
Investments (Note 6)	-	63,100	1,438,262	152,467	1,653,829	1,387,432
Capital (Note 9)	379,651	-	-	-	379,651	395,990
	<u>\$ 1,290,183</u>	<u>\$ 201,033</u>	<u>\$ 2,026,183</u>	<u>\$ 180,251</u>	<u>\$ 3,697,650</u>	<u>\$ 3,667,665</u>
<b>Liabilities and Fund Balances</b>						
<b>Current Liabilities</b>						
Bank debt (Note 10)	\$ 1,989	\$ -	\$ -	\$ -	\$ 1,989	\$ 1,070
Payables and deferred revenues	16,575	-	-	-	16,575	14,828
Interfund payables	-	-	-	135,762	135,762	255,790
	<u>18,564</u>	<u>-</u>	<u>-</u>	<u>135,762</u>	<u>154,326</u>	<u>271,688</u>
<b>Fund Balances</b>						
Invested in capital	379,651	-	-	-	379,651	395,990
Externally restricted (Note 11)	-	201,033	2,026,183	44,489	2,271,705	2,217,754
Unrestricted	891,968	-	-	-	891,968	782,233
	<u>1,271,619</u>	<u>201,033</u>	<u>2,026,183</u>	<u>44,489</u>	<u>3,543,324</u>	<u>3,395,977</u>
	<u>\$ 1,290,183</u>	<u>\$ 201,033</u>	<u>\$ 2,026,183</u>	<u>\$ 180,251</u>	<u>\$ 3,697,650</u>	<u>\$ 3,667,665</u>

APPROVED ON BEHALF OF THE BOARD:  
 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

SEE ACCOMPANYING NOTES  
 SUBJECT TO AUDIT REPORT DATED JULY 22, 2015

# COMMUNITY FUTURES YELLOWHEAD EAST

## CONSOLIDATED STATEMENT OF INCOME AND CHANGES IN GENERAL FUND BALANCE

YEARS ENDED MARCH 31, 2015 and 2014

	2015	2014
<b>Revenue</b>		
Business Development Fund	\$ 345,250	\$ 310,458
Job Development Contract	<u>280,210</u>	<u>480,537</u>
	<u>625,460</u>	<u>790,995</u>
<b>Expenses</b>		
Business Development Fund	331,365	302,628
Job Development Contract	<u>200,695</u>	<u>372,683</u>
	<u>532,060</u>	<u>675,311</u>
<b>Net Income for the Year</b>	93,400	115,684
<b>General Fund Balance, beginning of year</b>	<u>1,178,219</u>	<u>1,062,535</u>
<b>General Fund Balance, end of year</b>	<u>\$ 1,271,619</u>	<u>\$ 1,178,219</u>

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SUBJECT TO AUDIT REPORT DATED JULY 22, 2015

**COMMUNITY FUTURES YELLOWHEAD EAST**

**CONSOLIDATED STATEMENT OF INCOME AND CHANGES IN RESTRICTED FUND BALANCES**

YEARS ENDED MARCH 31, 2015 and 2014

2015

2014

	<u>Loan Investment Funds</u>				<u>Total</u>
	<u>Repayable</u>	<u>Nonrepayable</u>	<u>Disabled</u>	<u>Total</u>	
<b>Revenue</b>					
Investment interest	\$ -	\$ 97,147	\$ 10,876	\$ 108,023	\$ 77,677
Bank interest & net fees	-	(3,580)	(24)	(3,604)	2,957
	<u>-</u>	<u>93,567</u>	<u>10,852</u>	<u>104,419</u>	<u>80,634</u>
<b>Expenses</b>					
Loan losses (recovery)	-	50,468	-	50,468	111,201
<b>Income before the following:</b>	<u>-</u>	<u>43,099</u>	<u>10,852</u>	<u>53,951</u>	<u>(30,567)</u>
Federal share of income	-	-	-	-	-
<b>Net Income for the year</b>	<u>-</u>	<u>43,099</u>	<u>10,852</u>	<u>53,951</u>	<u>(30,567)</u>
<b>Fund Balances, beginning</b>	<u>201,033</u>	<u>1,983,083</u>	<u>33,638</u>	<u>2,217,754</u>	<u>2,248,321</u>
<b>Fund Balances, end of year</b>	<u>\$ 201,033</u>	<u>\$ 2,026,182</u>	<u>\$ 44,490</u>	<u>\$ 2,271,705</u>	<u>\$ 2,217,754</u>

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 SUBJECT TO AUDIT REPORT DATED JULY 22, 2015

**COMMUNITY FUTURES YELLOWHEAD EAST**

**CONSOLIDATED STATEMENT OF CHANGES IN CASH RESOURCES**

YEARS ENDED MARCH 31, 2015 and 2014

2015

2014

	General	Loan Investment Funds			Total	Total
	Fund	Repayable	Nonrepayable	Disabled		
<b>Operating Activities</b>						
Net income	\$ 93,400	\$ -	\$ 43,099	\$ 10,852	\$ 147,351	\$ 85,117
Add: non-working capital charges						
Amortization	<u>18,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,086</u>	<u>18,913</u>
	111,486	-	43,099	10,852	165,437	104,030
Net changes in non-cash working capital	401,722	23,381	(85,233)	(72,273)	267,597	(298,324)
Bank loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(308)</u>
	<u>513,208</u>	<u>23,381</u>	<u>(42,134)</u>	<u>(61,421)</u>	<u>433,034</u>	<u>(194,602)</u>
<b>Investing Activities</b>						
Capital assets disposals (acquisitions)	(1,747)	-	-	-	(1,747)	-
Net loan advances	<u>-</u>	<u>(63,100)</u>	<u>(241,907)</u>	<u>38,610</u>	<u>(266,397)</u>	<u>(279,487)</u>
	<u>(1,747)</u>	<u>(63,100)</u>	<u>(241,907)</u>	<u>38,610</u>	<u>(268,144)</u>	<u>(279,487)</u>
Increase (Decrease) in Cash	511,461	(39,719)	(284,041)	(22,611)	164,890	(474,089)
Cash, beginning of year	<u>396,753</u>	<u>177,652</u>	<u>736,200</u>	<u>50,595</u>	<u>1,361,200</u>	<u>1,835,289</u>
Cash, end of year	<u>\$ 908,214</u>	<u>\$ 137,933</u>	<u>\$ 452,159</u>	<u>\$ 27,784</u>	<u>\$ 1,526,090</u>	<u>\$ 1,361,200</u>

SEE ACCOMPANYING NOTES  
 SUBJECT TO AUDIT REPORT DATED JULY 22, 2015

# COMMUNITY FUTURES YELLOWHEAD EAST

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015 and 2014

### 1. Purpose of the Organization

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Community Futures Yellowhead East is a community based organization that provides loans and financial services to small businesses that are otherwise unable to obtain financing. The corporation is incorporated under the Statutes of Alberta as a not for profit organization. It is exempt from income taxes under the Income Tax Act as a non-profit organization.

### 2. Summary of Significant Accounting Policies

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Community Futures Yellowhead East follows the restricted method of accounting for contributions.

The General Fund accounts for the organization's operating costs and general revenues. This fund reports unrestricted resources and restricted operating grants.

The Loan Investment Funds report 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 are limited to businesses owned and operated by disabled entrepreneurs. The organization is restricted in the types of loans that can be made according to its agreement with the federal government.

#### Loans receivable

Loans receivable consist of various loans to businesses with repayment terms from two to ten years, with interest at the rate of prime plus two per cent per annum with a minimum rate of 5.25 per cent per annum. The corporation holds various types of security. To qualify for financial assistance, the borrower must have shown inability to obtain financing from conventional lenders. Accordingly, sufficient security may not exist to recover all loans in the event of default. Provision has been made for potential loan losses as indicated in Note 8.

#### Capital assets

Capital assets are recorded at cost. Amortization is calculated using a declining balance method at the following annual rates:

Office building	4 %
Office equipment	20 %
Computer equipment	30 %
Vehicles	30 %

Only one-half of these rates are used in the year of acquisition.

#### Revenue Recognition

Revenue is recognized when the requirements as to performance for transactions involving the sale of goods are met and ultimate collection is reasonably assured at the time of performance.

### 3. Financial Instruments

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The company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

# COMMUNITY FUTURES YELLOWHEAD EAST

## 4. Use of 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they became known.

## 5. Receivables

	2015	2014
Customers	\$ <u>822</u>	\$ <u>265,607</u>

## 6. Investments

	2015	2014
<b>Western Economic Diversification Fund</b>		
Loans receivable (restricted and unrestricted)	\$ 1,681,927	\$ 1,308,412
Less: provision for loan losses	<u>180,566</u>	<u>112,057</u>
Net loans receivable	\$ <u>1,501,361</u>	\$ <u>1,196,355</u>
<b>Disability Investment Fund</b>		
Loans receivable	\$ 152,467	\$ 191,077
Less: provision for loan losses	<u>-</u>	<u>-</u>
Net loans receivable	\$ <u>152,467</u>	\$ <u>191,077</u>

## 7. Impaired Loans

Impaired loans and the related allowance for credit losses are as follows:

	2015			2014
	Gross Loans	General Allowance	Specific Allowance	Carrying Amount
General investment fund	\$ 329,604	\$ -	\$ 180,566	\$ 149,038
Disability investment fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 329,604</u>	<u>\$ -</u>	<u>\$ 180,566</u>	<u>\$ 149,038</u>

# COMMUNITY FUTURES YELLOWHEAD EAST

## STATEMENT OF BUSINESS DEVELOPMENT FUND OPERATIONS

YEARS ENDED MARCH 31, 2015 and 2014

	2015	2014
<b>Revenue</b>		
Western Economic Diversification contributions	\$ 294,963	\$ 294,963
Career and Education Expo	37,200	-
Contract revenue	10,035	9,875
Consulting fees	715	950
Other revenue	<u>2,337</u>	<u>4,670</u>
	<u>\$ 345,250</u>	<u>\$ 310,458</u>

# COMMUNITY FUTURES YELLOWHEAD EAST

## STATEMENT OF BUSINESS DEVELOPMENT FUND OPERATIONS

YEARS ENDED MARCH 31, 2015 and 2014

	2015	2014
<b>Wage Expense</b>		
Wages and benefits	\$ 151,932	\$ 138,613
Employer CPP/EI	<u>11,904</u>	<u>13,036</u>
	<u>163,836</u>	<u>151,649</u>
<b>Professional Expenses</b>		
Credit/reference searches	168	267
Training - staff and board	4,175	2,889
Business services	4,106	1,616
Professional fees	<u>8,707</u>	<u>13,826</u>
	<u>17,156</u>	<u>18,598</u>
<b>Administration and Other</b>		
Advertising and promotions	34,517	30,066
Bank charges and interest	1,707	1,368
Photocopier and computer costs	2,116	11,292
Insurance	4,129	4,710
Office/supplies expense	13,098	18,050
Postage	414	77
Accommodations rental	-	2,565
Property taxes	5,966	5,173
Seminar course costs	13,007	873
Telecommunications	7,409	9,055
Travel (board)	16,396	16,783
Travel (staff)	13,518	8,645
Janitorial services	-	336
Contract expense	20,010	4,475
Amortization	<u>18,086</u>	<u>18,913</u>
	<u>150,373</u>	<u>132,381</u>
<b>Total Expenses</b>	<u>331,365</u>	<u>302,628</u>
<b>Net</b>	<u>\$ 13,885</u>	<u>\$ 7,930</u>



# COMMUNITY FUTURES YELLOWHEAD EAST

## STATEMENT OF JOB DEVELOPMENT CONTRACT

YEARS ENDED MARCH 31, 2015 and 2014

	2015	2014
<b>Revenue</b>		
Operating - Alberta Human Services	\$ 258,235	\$ 480,537
Contract revenue	<u>21,975</u>	<u>-</u>
	<u>\$ 280,210</u>	<u>\$ 480,537</u>
<b>Salary Expenses</b>		
Staff salary expense	84,067	160,799
Administrative support	1,878	-
Client salaries	72,522	169,725
Employee benefits	10,086	20,509
Workers' compensation	<u>2,533</u>	<u>2,309</u>
	<u>171,086</u>	<u>353,342</u>
<b>Administration</b>		
Advertising and promotions	588	850
Audit fees	3,119	2,460
Bad debts	4,800	-
Client training	3,056	6,360
Office supplies and postage	613	843
Bank service charges	37	464
Travel	3,900	649
Telecommunications	<u>32</u>	<u>-</u>
	<u>16,145</u>	<u>11,626</u>
<b>Shop Costs</b>		
Computer lease	-	174
Materials and supplies	11,004	2,621
Shop/classroom rental/utilities	<u>2,460</u>	<u>4,920</u>
	<u>13,464</u>	<u>7,715</u>
<b>Transportation</b>		
<b>Total Expenses</b>	<u>200,695</u>	<u>372,683</u>
<b>Net</b>	<u>\$ 79,515</u>	<u>\$ 107,854</u>