

**COMMUNITY FUTURES DEVELOPMENT  
CORPORATION OF THE DEHCHO  
operating as  
Dehcho Business Development Centre**

**FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO  
operating as Dehcho Business Development Centre**

**INDEX TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2015**

Management's Responsibility for Financial Reporting

Auditor's Report

Balance Sheet

Statement of Equity

Statement of Operations

Statement of Cash Flows

Notes to the Financial Statements

Schedule of Project Revenue and Expenditure

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

P.O. Box 238

Fort Simpson, NT X0E 0N0

(867) 695-2441 FAX (867) 695-2052 [tnoseworthy@northwestel.net](mailto:tnoseworthy@northwestel.net)

**Management's Responsibility for Financial Reporting**

June 3, 2015

To the Directors of  
COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO  
Fort Simpson, Northwest Territories

The accompanying financial statements were prepared by management in conformity with generally accepted accounting principles appropriate in the circumstances. The financial statements are considered by management to present fairly the company's financial position and results of operation.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Centre acts in accordance with the laws of the Northwest Territories and Canada. The Centre's management recognizes its responsibility for conducting the Centre's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The external auditor annually provides an independent, objective audit for the purposes of expressing an opinion on the financial statements. He also considers whether transactions which come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

Mr. T. Noseworthy,  
Executive Director  
COMMUNITY FUTURES DEVELOPMENT CORPORATION  
OF THE DEHCHO

Robert  
Stewart

Chartered  
Accountant/  
Management  
Consultants

Box 2196  
Yellowknife, N.W.T. X1A 2P6  
Tel (867) 873-5595  
Fax (309) 407-6576  
Email: stewartr@peace.ca

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO  
operating as Dehcho Business Development Centre  
Fort Simpson, Northwest Territories

We have audited the accompanying financial statements of COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO, which comprise the balance sheet as at March 31, 2015, and the statements of operations, equity 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 generally accepted accounting principles 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 my opinion, the financial statements present fairly, in all material respects, the financial position of the COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.



CHARTERED ACCOUNTANT

June 3, 2015  
Yellowknife, N.W.T

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
operating as Dehcho Business Development Centre

**BALANCE SHEET**

**AS AT MARCH 31, 2015**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>CURRENT</b>		
Cash	\$ 56,472	\$ 82,584
Restricted Cash (Note 3)	136,914	125,926
Accounts receivable	41,615	34,430
Prepaid expenses	<u>1,511</u>	<u>1,511</u>
	236,512	244,451
INVESTMENT FUND ASSETS (Note 2c)	1,143,957	1,100,553
BDIC LOAN FUND ASSETS (Note 2d)	443,783	459,318
NWTCFA LOAN FUND ASSETS (Note 2e)	286,541	284,815
CAPITAL (Note 6)	<u>18,909</u>	<u>24,632</u>
	<u>\$2,129,702</u>	<u>\$2,113,769</u>

**LIABILITIES**

<b>CURRENT</b>		
Accounts Payable and Accrued Liabilities	\$ 27,756	\$ 31,097
Employee Severance Liability	<u>136,914</u>	<u>125,926</u>
	164,670	157,023
BDIC INVESTMENT FUND LIABILITY (Note 7)	454,477	460,000
NWTCFA INVESTMENT FUND LIABILITY (Note 8)	<u>285,000</u>	<u>285,000</u>
	<u>904,147</u>	<u>902,023</u>

**EQUITY**

OPERATING FUND SURPLUS	71,842	87,428
INVESTMENT IN CAPITAL ASSETS	18,909	24,632
INVESTMENT FUND	1,143,957	1,100,553
BDIC INVESTMENT FUND (DEFICIENCY) (Note 7)	( 10,694)	( 682)
NWTCFA INVESTMENT FUND (DEFICIENCY) (Note 8)	<u>1,541</u>	<u>( 185)</u>
	<u>1,225,555</u>	<u>1,211,746</u>
	<u>\$2,129,702</u>	<u>\$2,113,769</u>

Approved on behalf of the  
COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
operating as Dehcho Business Development Centre

**STATEMENT OF EQUITY**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>OPERATING FUND</b>		
SURPLUS, OPENING	\$ 87,428	\$ 84,189
Excess revenues for the year	( 15,586)	<u>3,239</u>
SURPLUS, CLOSING	\$ <u>71,842</u>	\$ <u>87,428</u>

**INVESTMENT IN CAPITAL ASSETS**

BALANCE, OPENING	\$ 24,632	\$ 28,317
Additions to capital assets	-	3,208
Amortization	( 5,723)	( 6,893)
BALANCE, CLOSING	\$ <u>18,909</u>	\$ <u>24,632</u>

**INVESTMENT FUND**

BALANCE, OPENING	\$ 1,100,553	\$ 1,040,868
Capital Contribution	-	-
Loan Interest Income	52,759	57,685
Administration fees and other expenses	( 15,637)	( 8,799)
Loan Loss Recovery (Provision)	<u>6,282</u>	<u>10,799</u>
BALANCE, CLOSING	\$ <u>1,143,957</u>	\$ <u>1,100,553</u>

**BDIC INVESTMENT FUND**

BALANCE, OPENING	\$ ( 682)	\$ ( 6,055)
Loan Interest Income	10,078	14,644
Administration fees and other expenses	( 10,090)	( 9,271)
Loan Loss Recovery (Provision)	<u>( 10,000)</u>	<u>-</u>
BALANCE (DEFICIENCY), CLOSING	\$ ( <u>10,694</u> )	\$ ( <u>682</u> )

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**STATEMENT OF EQUITY (cont.)**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>NWTCFA INVESTMENT FUND</b>		
BALANCE, OPENING	\$ ( 185)	\$ -
Loan Interest Income	4,848	-
Administration fees and other expenses	( 120)	( 185)
Loan Loss Provision (net)	<u>( 3,000)</u>	<u>-</u>
BALANCE (DEFICIENCY), CLOSING	\$ ( <u>1,541</u> )	\$ ( <u>185</u> )

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
operating as Dehcho Business Development Centre

**OPERATING FUND**  
**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 2i)		
<b>REVENUE</b>			
Core			
Contributions –			
Industry, Tourism and Investment (“ITI”):			
Operating Contribution	\$ 203,630	\$ 203,630	\$ 203,630
Economic Development Officer	108,000	108,000	108,000
Admin fees	15,000	10,148	11,261
Other	-	-	600
Projects			
ECE - Additional Contracts	-	-	1,886
NACCA – Support & Training Fund	-	<u>10,678</u>	<u>9,554</u>
	<u>326,630</u>	<u>332,456</u>	<u>334,931</u>
 <b>EXPENDITURES</b>			
Advertising	1,500	3,489	1,291
Capital Purchases - core	2,000	-	3,208
Communication	7,300	6,352	7,287
Conferences and workshops	4,200	-	3,700
Employee severance expense	11,970	10,987	12,451
Fees, dues and credit checks	4,655	4,488	4,127
Insurance	8,100	7,502	7,164
Miscellaneous	-	100	-
Net Collection Costs	4,200	-	632
Office	3,925	3,914	2,897
Professional Fees	14,000	12,446	12,524
Rent and building overhead	46,231	54,040	45,758
Board Travel	9,600	-	-
Staff Travel	3,600	316	1,603
Training	2,000	10,678	9,554
Wages & Benefits	237,533	233,730	219,496
Workshops & Meetings	-	-	-
	<u>360,814</u>	<u>348,042</u>	<u>331,692</u>
 <b>EXCESS REVENUE (EXPENDITURES)</b>	 <u>\$ ( 34,184)</u>	 <u>\$ ( 15,586)</u>	 <u>\$ 3,239</u>



**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**STATEMENT OF CASH FLOW**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>OPERATING FUND</b>		
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess revenues (expenditures) for the year	\$ ( 15,586)	\$ 3,239
Net change in working capital balances relating to operations:		
Accounts receivable	( 7,185)	( 8,692)
Prepaid expenses	-	-
Accounts payable and accrued liabilities	( 3,340)	8,209
Employee severance liability	<u>10,987</u>	<u>12,451</u>
INCREASE (DECREASE) IN CASH & EQUIVALENTS	( 15,124)	15,207
CASH, OPENING	<u>208,510</u>	<u>193,303</u>
CASH, CLOSING	<u>\$ 193,386</u>	<u>\$ 208,510</u>
<b>INVESTMENT FUND</b>		
FINANCING ACTIVITIES		
Capital contribution	\$ -	\$ -
Interest received (net)	<u>37,123</u>	<u>48,886</u>
	<u>37,123</u>	<u>48,886</u>
INVESTING ACTIVITIES		
Admin fees due from/to Operating Fund	9,091	1,082
Loan repayments (disbursements) (net)	<u>( 32,363)</u>	<u>105,590</u>
	<u>( 23,272)</u>	<u>106,672</u>
INCREASE (DECREASE) IN CASH & EQUIVALENTS	13,851	155,558
CASH & EQUIVALENTS, OPENING	<u>274,781</u>	<u>119,223</u>
CASH & EQUIVALENTS, CLOSING	<u>\$ 288,632</u>	<u>\$ 274,781</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
operating as Dehcho Business Development Centre

**STATEMENT OF CASH FLOW**

**FOR THE YEAR ENDED MARCH 31, 2015**

**BDIC INVESTMENT FUND**

<b>FINANCING ACTIVITIES</b>		
Loan contribution received (repaid)	\$ ( 5,523)	\$ 250,000
Interest received (net of costs)	<u>( 11)</u>	<u>5,373</u>
	<u>( 5,534)</u>	<u>255,373</u>
<b>INVESTING ACTIVITIES</b>		
Admin fees due from/to Operating Fund	( 546)	156
Loan repayments (disbursements) (net)	<u>84,842</u>	<u>( 15,396)</u>
	<u>84,295</u>	<u>( 15,240)</u>
<b>INCREASE (DECREASE) IN CASH &amp; EQUIVALENTS</b>	78,761	240,133
<b>CASH &amp; EQUIVALENTS, OPENING</b>	<u>269,062</u>	<u>28,929</u>
<b>CASH &amp; EQUIVALENTS, CLOSING</b>	<u>\$ 347,823</u>	<u>\$ 269,062</u>

**NWTCFA INVESTMENT FUND**

<b>FINANCING ACTIVITIES</b>		
Loan contribution received	\$ -	\$ 285,000
Interest received (net of costs)	<u>4,726</u>	<u>( 185)</u>
	<u>4,726</u>	<u>284,815</u>
<b>INVESTING ACTIVITIES</b>		
Admin fees due from/to Operating Fund	19	27
Loan repayments (disbursements) (net)	<u>( 22,447)</u>	<u>( 33,000)</u>
	<u>( 22,428)</u>	<u>( 32,973)</u>
<b>INCREASE (DECREASE) IN CASH &amp; EQUIVALENTS</b>	( 17,702)	251,842
<b>CASH &amp; EQUIVALENTS, OPENING</b>	<u>251,842</u>	<u>-</u>
<b>CASH &amp; EQUIVALENTS, CLOSING</b>	<u>\$ 234,140</u>	<u>\$ 251,842</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO  
operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

1. AUTHORITY AND SUBSEQUENT EVENTS

The COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO operating as Dehcho Business Development Centre (the "Centre") was incorporated as a not-for-profit corporation under the Canada Corporations Act and commenced operations November 26, 1998 to carry out community development activities, establish and administer a loan fund for the purposes of providing financial services and directly related advisory services to businesses in the DEHCHO Region. The Centre is registered as an extra-territorial corporation in the Northwest Territories. The Centre's loan fund capital and operating contribution is provided by the Government of the Northwest Territories. Consequently, the Board is dependent upon funding from the Department of Industry, Tourism and Investment ("ITI").

2. SIGNIFICANT ACCOUNTING POLICIES

a) General

The accounting policies of the Centre are as prescribed for non-profit organizations utilizing fund accounting.

b) Measurement Uncertainty

The preparation of financial statements in accordance with stated accounting policies requires the Centre to make estimates and assumptions that affect the amount of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Centre believes the estimates and assumptions to be reasonable. Some of the more significant management estimates based on past experience relate to allowance for doubtful accounts valuation.

c) Investment Fund

All payments received from the government in respect of the Investment Fund are credited to the Centre's Investment Fund. All revenues from loans and other Investment Fund activities, all revenue from ancillary investments out of the Investment Fund, and all repayments on account of principle in respect of the Investment Fund activities are credited to the Investment Fund. Funds required to be credited to the Investment Fund under the Contribution Agreement shall not be used for purposes other than Investment Fund activities without prior written approval of the Minister responsible. Any amount advanced to the Centre on account of the capital contribution that, at the end of the funding period has not been committed in respect of a loan, loan guarantee or equity

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) Investment Fund (cont.)

investment under a legally binding contractual agreement, is deemed not to be required as a reserve for the Centre's capitalization costs and constitutes an overpayment which may be requested to be repaid to the Government. Such amounts are not accrued in the accounts until notice is given. The Investment Fund is comprised as follows:

	<u>2015</u>	<u>2014</u>
Cash	\$ 288,632	\$ 274,781
Accounts Payable	( 10,539)	( 1,446)
Loans Receivable (notes 2h & 4)	<u>1,103,152</u>	<u>1,070,788</u>
	1,381,245	1,344,123
Allowance for Doubtful Loans (notes 2h & 4)	<u>( 237,288)</u>	<u>( 243,570)</u>
	<u>\$ 1,143,957</u>	<u>\$ 1,100,553</u>

d) NWT Business Development & Investment Corporation ("BDIC") Investment Fund

All payments received from the BDIC in respect of the BDIC Investment Fund are credited to the Centre's BDIC Investment Fund. All revenues from loans and other BDIC Investment Fund activities, all revenue from ancillary investments out of the BDIC Investment Fund, and all repayments on account of principle in respect of the BDIC Investment Fund activities are credited to the BDIC Investment Fund. Funds required to be credited to the BDIC Investment Fund under the Loan Agreement shall not be used for purposes other than BDIC Investment Fund activities without prior written approval of the BDIC. Any amount advanced to the Centre that, at the end of the funding period has not been committed in respect of a loan, loan guarantee or equity investment under a legally binding contractual agreement, is deemed not to be required as a reserve for the Centre's capitalization costs and constitutes an overpayment which may be requested to be repaid to the BDIC. Such amounts are not accrued in the accounts until notice is given. The BDIC Investment Fund is comprised as follows:

	<u>2015</u>	<u>2014</u>
Cash	\$ 347,823	\$ 269,062
Accounts Payable	( 6,119)	( 6,665)
Loans Receivable (note 2h and 5)	<u>112,079</u>	<u>196,921</u>
	453,783	459,318
Allowance for Doubtful Loans (note 2h and 5)	<u>( 10,000)</u>	<u>( -)</u>
	<u>\$ 443,783</u>	<u>\$ 459,318</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

e) NWT Community Futures Association ("NWTCFA") Investment Fund

All payments received from the NWTCFA in respect of the NWTCFA Investment Fund are credited to the Centre's NWTCFA Investment Fund. All revenues from loans and other NWTCFA Investment Fund activities, all revenue from ancillary investments out of the NWTCFA Investment Fund, and all repayments on account of principle in respect of the NWTCFA Investment Fund activities are credited to the NWTCFA Investment Fund. Funds required to be credited to the NWTCFA Investment Fund under the Loan Agreement shall not be used for purposes other than NWTCFA Investment Fund activities without prior written approval of the NWTCFA. Any amount advanced to the Centre that, at the end of the funding period has not been committed in respect of a loan, loan guarantee or equity investment under a legally binding contractual agreement, is deemed not to be required as a reserve for the Centre's capitalization costs and constitutes an overpayment which may be requested to be repaid to the NWTCFA. Such amounts are not accrued in the accounts until notice is given. The NWTCFA Investment Fund is comprised as follows:

	<u>2015</u>	<u>2014</u>
Cash	\$ 234,140	\$ 251,842
Accounts Payable	( 47)	( 27)
Loans Receivable (notes 2h and 6)	<u>55,448</u>	<u>33,000</u>
	289,541	284,815
Allowance for Doubtful Loans	<u>( 3,000)</u>	<u>( -)</u>
	<u>\$ 286,541</u>	<u>\$ 284,815</u>

f) Operating Fund

Operating surpluses constitute an overpayment which may be requested to be repaid to the Government. Such amounts are not accrued in the accounts until notice is given.

g) Capital Fund

Capital Assets are funded by the Operating Contribution and recorded as expenditures in the year of acquisition. To account for the existence of these assets on the Balance Sheet, the cost of capital purchases are recorded in Capital Assets at cost with an offsetting credit to Investment in Capital Assets. Amortization is calculated by the declining balance method at the rates set out in Note 6. In the year of acquisition amortization is calculated at one half of the rates set out in Note 6.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

h) Loans Receivable

Loans receivable are stated at net realizable value. Interest income is recorded on a cash basis for all loans receivable. An Allowance for Doubtful Loans is provided for non-performing loans in the Investment Fund. Non-performing loans consist of those loans for which the collection process has been unsuccessful, or the possible outcome of the collection process is uncertain. The total amount of financial assistance that may be provided in respect of any business at any time shall not exceed \$200,000 from the general investment fund (\$100,000 from the NWT CFA investment fund). The minimum rate of interest charged on any loan will not be less than the prevailing rate charged by a lender, as defined in the Small Business Loans Act, for a similar loan.

i) Budget

The presented budget figures are those approved by the Board and are unaudited.

j) Income Taxes

The Centre is a non-taxable organization as defined under Section 149(1) of the Income Tax Act.

k) Revenue and Expenditure Recognition

The Centre follows the deferral method of accounting for contributions received. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or committed to. Unrestricted contributions are recognized as revenue when received if the amount to be received can be reasonably estimated and collection is reasonably assured. Expenditures are recognized in the year in which legal title transfers or services have been rendered, or commitments have been made to match related funding.

3. RESTRICTED FUNDS

Certain funds have been set aside as restricted, as follows.

	<u>2015</u>	<u>2014</u>
Operating Fund -		
Employee Severance Liability	\$ <u>136,914</u>	\$ <u>125,926</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

**4. GENERAL INVESTMENT LOAN PORTFOLIO CONTINUITY**

	<u>2015</u>	<u>2014</u>
Loans Receivable		
Opening Balance	\$ 1,070,788	\$ 1,176,378
Loans disbursed	744,890	711,782
Principal repayments	(712,526)	(817,372)
Loans written off	-	-
Closing Balance	<u>1,103,152</u>	<u>1,070,788</u>
 Doubtful Accounts		
Opening Balance	243,570	254,369
Allowances (recoveries) (net)	( 6,282)	( 10,799)
Loans written off	-	-
Closing Balance	<u>237,288</u>	<u>243,570</u>
 Net Loans Receivable	 \$ <u>865,864</u>	 \$ <u>827,218</u>

**5. NWT BDIC LOAN PORTFOLIO CONTINUITY**

	<u>2015</u>	<u>2014</u>
Loans Receivable		
Opening Balance	\$ 196,921	\$ 181,525
Loans disbursed	9,000	261,310
Principal repayments	( 93,842)	(245,914)
Loans written off	<u>( - )</u>	<u>( - )</u>
Closing Balance	<u>112,079</u>	<u>196,921</u>
 Doubtful Accounts		
Opening Balance	-	-
Allowances (recoveries) (net)	10,000	-
Loans written off	<u>-</u>	<u>-</u>
Closing Balance	<u>10,000</u>	<u>-</u>
 Net Loans Receivable	 \$ <u>102,079</u>	 \$ <u>196,921</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

**6. NWTCA LOAN PORTFOLIO CONTINUITY**

	<u>2015</u>	<u>2014</u>
Loans Receivable		
Opening Balance	\$ 33,000	\$ -
Loans disbursed	91,415	33,000
Principal repayments	( 68,967)	( -)
Loans written off	( -)	( -)
Closing Balance	<u>55,448</u>	<u>33,000</u>
 Doubtful Accounts		
Opening Balance	-	-
Allowances (recoveries) (net)	3,000	-
Loans written off	-	-
Closing Balance	<u>3,000</u>	<u>-</u>
 Net Loans Receivable	 \$ <u>52,448</u>	 \$ <u>33,000</u>

**7. CAPITAL ASSETS**

		2015			2014
Rate	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Furniture & equip.	20%	\$ 39,456	\$ 34,502	\$ 4,954	\$ 6,193
Computer equipment	30%	28,923	23,347	5,576	7,965
Leasehold improv.	20%	25,842	18,352	7,490	9,363
Library materials	20%	19,162	18,273	889	1,111
Software	100%	10,129	10,129	-	-
		<u>\$123,512</u>	<u>\$104,603</u>	<u>\$ 18,909</u>	<u>\$ 24,632</u>



**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

**8. BDIC INVESTMENT FUND LIABILITY AND EQUITY DEFICIENCY**

The Centre has entered into a Loan Agreement with NWT Business Development & Investment Corporation ("BDIC") for a total loan amount of \$900,000, secured by a Demand Promissory Note and General Security Agreement covering all present and after acquired property, to provide capital funding to the Centre, for providing loans to businesses in the Dehcho. The loan is amortized over 20 years and the term is for 3 years interest only. At the end of the 3 years of interest only the loan will be amortized over the remaining 17 years. The interest rate is 2% per annum.

The Centre may request to assign uncollectable Loans (from BDIC proceeds) to the BDIC from time to time. The BDIC has full discretion whether to accept such requests. If an assignment is completed the Centre ceases to have any interest in the subject Loan. If the BDIC accepts such an assignment, the BDIC shall then credit the Centre's Loan with the amount that the principal value of the assigned loan exceeds the accumulated profits that the Centre has generated through lending out the proceeds. Should the Centre suffer losses as a result of the BDIC Investment Fund, currently the Centre would have to fund such losses out of either the regular Investment Fund or the Operating Fund, however the current Contribution Agreements with the Department of Industry, Tourism and Investment do not cover such a possibility as an eligible cost.

**9. NWTCFA INVESTMENT FUND LIABILITY AND EQUITY DEFICIENCY**

The Centre has entered into a Loan Agreement with NWT Community Futures Association ("NWTCFA") for a total loan amount of \$285,000, secured by a Demand Promissory Note, to provide capital funding to the Centre, for providing loans to businesses in the Dehcho. The loan has no amortization term. The interest rate is 0% per annum.

Should the Centre suffer losses as a result of the NWTCFA Investment Fund, currently the Centre would have to fund such losses out of either the regular Investment Fund or the Operating Fund, however the current Contribution Agreements with the Department of Industry, Tourism and Investment do not cover such a possibility as an eligible cost.

**10. COMMITMENTS**

The Centre has current commitments as follows:

- a) lease of office accommodations to September 30, 2015 \$56,280 annually.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF THE DEHCHO**  
**operating as Dehcho Business Development Centre**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

**11. CONTINGENT LIABILITIES**

a) Letter of Credit and Loan Guarantees

There are no Loan Guarantees outstanding on behalf of clients at year end (2014 - NIL). There are no Irrevocable Letter of Credits outstanding at year end.

b) Financial Instruments

The Centre's financial instruments consist of cash, treasury bill mutual funds, loans receivable, accounts receivable and accounts payable. The financial statements and accompanying notes contain, according to management's best efforts, the relevant information necessary for a reasonable assessment of these risks. The Centre is exposed to financial risk that arises from the credit quality of the entities to which it provides loans. Credit risk arises from the possibility that the entities to which the Centre provides loans may experience financial difficulty and be unable to fulfill their obligations. A concentration of credit risk also arises as the debtors of the Centre are concentrated in the Dehcho Region, and the Centre is a lender of last resort.

The fair value of these financial instruments, where determinable, approximate their carrying amounts unless otherwise noted. However, the fair value of the loan fund cannot be determined. There is no secondary market for the loan portfolio and the uncertainty and potential broad range of outcomes pertaining to future cash flow related renders the calculation of a fair value with appropriate reliability impractical. If the circumstances under which these estimates and judgements were made change there could be a significant change to the allowance for credit losses and the calculation of the fair value of the loans.

**DEH CHO BUSINESS DEVELOPMENT CENTRE**

**SCHEDULE OF PROJECT REVENUE AND EXPENDITURES**

**FOR THE YEAR ENDING MARCH 31, 2015**

	<u>Operations</u>	<u>EDO Project</u>	<u>NACCA S &amp; T Projects</u>	<u>Total</u>
<b>REVENUE:</b>				
4022 Operating Funds	\$203,630			\$203,630
4028 EDO Contract		\$108,000		108,000
4244 Other Contributions			\$10,678	10,678
4246 Admin. Fees from Loan Fund	10,148			10,148
4250 Miscellaneous				0
	<u>213,778</u>	<u>108,000</u>	<u>10,678</u>	<u>332,456</u>
<b>EXPENDITURE:</b>				
5410 Wages and Benefits	132,776	100,953		233,729
5450 Other Employee Benefits	6,641	4,346		10,987
5610 Accounting and Legal	7,936	4,510		12,446
5612 Net Collection Costs	0			0
5615 Advertising and Promotions	3,489			3,489
5620 Bad Debts				0
5630 Board Travel				0
5635 Copier Lease and Charges	834	556		1,390
5645 Conferences				0
5660 Fees, Dues and Credit Checks	4,488			4,488
5670 Insurance	3,254	443		3,697
5679 Loan Life Insurance	3,805			3,805
5700 Office Expense	643	558		1,201
5710 Postage and Freight	212			212
5740 Meeting Costs	29			29
5750 Capital Asset Purchases				0
5760 Rent & Building Overhead	32,424	21,616		54,041
5780 Telephone and Internet	3,978	2,373		6,352
5785 Seminars and Workshops				0
5787 Training Board & Staff			10,678	10,678
5790 Staff Travel	316			316
5795 Miscellaneous	1,083			1,083
5798 Adjustment Acct	100			100
	<u>202,009</u>	<u>135,356</u>	<u>10,678</u>	<u>348,042</u>
<b>Excess Revenues (Expenditures)</b>	<u>\$11,769</u>	<u>-\$27,356</u>	<u>\$0</u>	<u>-\$15,586</u>