

**COMMUNITY FUTURES DEVELOPMENT  
CORPORATION OF STUART NECHAKO**

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**Independent Auditor's Reports**

**Statement 1 - Operations**

**Statement 2 - Changes in Net Assets**

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**Statement 4 - Financial Position**

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**Notes to the Financial Statements**

# **KENNETH B. SIMON CORP.**

## **CHARTERED ACCOUNTANTS**

P.O. BOX 410, 2375 BURRARD AVE., VANDERHOOF, B.C., CANADA V0J 3A0  
PHONE: (250) 567-3155 FAX: (250) 567-3872

### **INDEPENDENT AUDITOR'S REPORT**

To the Directors of Community Futures Development Corporation of Stuart Nechako:

We have audited the accompanying financial statements of Community Futures Development Corporation of Stuart Nechako which comprise the statement of financial position as at March 31, 2014 and the statements of operations, changes in net assets, changes in investment in capital assets 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 of these financial statements and fair presentation in accordance with Canadian accounting standards 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 an audit to obtain reasonable assurance whether the financial statements are free of 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 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 of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the 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 Development Corporation of Stuart Nechako as at March 31, 2014 and the results of its operations and changes in fund balances, and changes in cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Vanderhoof, British Columbia  
July 31, 2014

**CHARTERED ACCOUNTANTS**

# **KENNETH B. SIMON CORP.**

## **CHARTERED ACCOUNTANTS**

P.O. BOX 410, 2375 BURRARD AVE., VANDERHOOF, B.C., CANADA V0J 3A0  
PHONE: (250) 567-3155 FAX: (250) 567-3872

### **AUDITOR'S REPORT ON COMPLIANCE WITH AGREEMENT**

To Western Economic Diversification

We have audited the Community Futures Development Corporation of Stuart Nechako's compliance as at March 31, 2014 with the criteria established in the Contribution Agreement between Western Economic Diversification and the corporation dated April 24, 2006 with the effective date April 1, 2006 and the interpretation of the agreement as set out in Note 1 to the financial statements. Compliance with the criteria established by the provisions of the agreement is the responsibility of the Board of Directors of the corporation. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the corporation complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluation the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, as at March 31, 2014, the Community Futures Development Corporation of Stuart Nechako is in compliance, in all material respects, with the criteria established by the Contribution Agreement.

Vanderhoof, British Columbia

**CHARTERED ACCOUNTANTS**

July 31, 2014

STATEMENT 1

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO

OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2014

	Disabled Entrepreneur Investment Program	Business Loans	Community Business Loans Program	Unrestricted Funds	General Funds	2014 Total	2013 Total
<b>REVENUE</b>							
Western Economic Diversification - core	\$ -	\$ -	\$ -	\$ -	\$ 316,028	\$ 316,028	\$ 316,028
Rent and other	-	-	-	-	7,426	7,426	7,937
Interest	-	-	-	-	679	679	277
Interest on loans	6,072	43,893	52,707	12,301	-	114,973	115,740
Interest from investments	1,740	12,103	8,090	4,259	-	26,192	25,684
Loan fees and commissions	-	25	-	4,714	-	4,739	496
	<u>7,812</u>	<u>56,021</u>	<u>60,797</u>	<u>21,274</u>	<u>324,133</u>	<u>470,037</u>	<u>466,162</u>
Transfer of interest income	-	30,399	(30,399)	-	-	-	-
	<u>7,812</u>	<u>86,420</u>	<u>30,398</u>	<u>21,274</u>	<u>324,133</u>	<u>470,037</u>	<u>466,162</u>
<b>EXPENSES</b>							
Wages and employee benefits	-	-	-	-	215,051	215,051	204,876
Insurance, occupancy and maintenance	-	-	-	-	33,604	33,604	33,250
Advertising and promotion	-	-	-	-	13,740	13,740	16,560
Telephone, fax and mail	-	-	-	-	11,484	11,484	10,516
Professional services	-	-	-	-	10,887	10,887	9,397
Computer supplies and maintenance	-	-	-	-	10,501	10,501	17,459
Travel and accommodation	-	-	-	-	9,230	9,230	7,490
Fees, dues and licenses	-	-	-	5,113	2,511	7,624	5,976
Training and development	-	-	-	-	6,399	6,399	1,800
Office expense and supplies	-	-	-	-	3,051	3,051	7,654
Capital purchases and lease	-	-	-	-	2,885	2,885	3,032
Special project	-	-	-	-	1,896	1,896	2,500
Printing and reference materials	-	-	-	-	394	394	324
Charge for loan and investment impairment	1	-	52,627	-	-	52,628	14,662
Business loans share of charge for loan impairment	-	26,314	(26,314)	-	-	-	-
	<u>1</u>	<u>26,314</u>	<u>26,313</u>	<u>5,113</u>	<u>321,633</u>	<u>379,374</u>	<u>335,496</u>
<b>EXCESS REVENUE (Statement 2)</b>	<u>\$ 7,811</u>	<u>\$ 60,106</u>	<u>\$ 4,085</u>	<u>\$ 16,161</u>	<u>\$ 2,500</u>	<u>\$ 90,663</u>	<u>\$ 130,666</u>

STATEMENT 2

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO

CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2014

	<u>Disabled Entrepreneur Investment Program</u>	<u>Business Loans</u>	<u>Community Business Loans Program</u>	<u>Unrestricted Funds</u>	<u>General Funds</u>	<u>2014 Total</u>	<u>2013 Total</u>
<b>Balance, opening</b>	\$ <u>(21,507)</u>	\$ <u>614,017</u>	\$ <u>369,936</u>	\$ <u>185,635</u>	\$ <u>7,197</u>	\$ <u>1,155,278</u>	\$ <u>1,024,612</u>
<b>Revenue</b>	7,812	86,420	30,398	21,274	324,133	470,037	466,162
<b>Expenses</b>	<u>1</u>	<u>26,314</u>	<u>26,313</u>	<u>5,113</u>	<u>321,633</u>	<u>379,374</u>	<u>335,496</u>
<b>Excess revenue (Statement 1)</b>	<u>7,811</u>	<u>60,106</u>	<u>4,085</u>	<u>16,161</u>	<u>2,500</u>	<u>90,663</u>	<u>130,666</u>
<b>Balance, closing (Statement 4)</b>	\$ <u>(13,696)</u>	\$ <u>674,123</u>	\$ <u>374,021</u>	\$ <u>201,796</u>	\$ <u>9,697</u>	\$ <u>1,245,941</u>	\$ <u>1,155,278</u>

**STATEMENT 3**

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO**

**CHANGES IN INVESTMENT IN CAPITAL ASSETS**

**FOR THE YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>BALANCE, OPENING</b>	\$ 12,996	\$ 9,179
Capital asset additions during the year	8,225	7,111
Depreciation expense	<u>(3,510)</u>	<u>(3,294)</u>
<b>BALANCE, CLOSING (Statement 4)</b>	<u>\$ 17,711</u>	<u>\$ 12,996</u>

## STATEMENT 4

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO**  
**FINANCIAL POSITION**  
**AS AT MARCH 31, 2014**

	<b>Disabled Entrepreneur Investment Program</b>	<b>Business Loans</b>	<b>Community Business Loans Program</b>	<b>Unrestricted Funds</b>	<b>General Funds</b>	<b>2014 Total</b>	<b>2013 Total</b>
<b><u>ASSETS</u></b>							
<b>CURRENT</b>							
Cash	\$ 166,730	\$ 579,784	\$ 173,234	\$ 205,579	\$ 14,553	\$ 1,139,880	\$ 1,030,610
Accounts receivable	-	349	-	-	1,324	1,673	360
GST/HST refundable	-	-	-	-	1,885	1,885	8,874
Interfund receivable	-	776,624	-	-	30,084	806,708	791,509
Prepaid expenses	-	-	-	-	3,274	3,274	8,047
	<u>166,730</u>	<u>1,356,757</u>	<u>173,234</u>	<u>205,579</u>	<u>51,120</u>	<u>1,953,420</u>	<u>1,839,400</u>
<b>LOANS RECEIVABLE, net of allowance for impaired loans (Notes 4 and 5)</b>	21,809	617,366	993,297	8,180	-	1,640,652	1,624,689
<b>CAPITAL (Notes 2 and 6)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,711</u>	<u>17,711</u>	<u>12,996</u>
	<u>\$ 188,539</u>	<u>\$ 1,974,123</u>	<u>\$ 1,166,531</u>	<u>\$ 213,759</u>	<u>\$ 68,831</u>	<u>\$ 3,611,783</u>	<u>\$ 3,477,085</u>
<b><u>LIABILITIES</u></b>							
<b>CURRENT</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 10,314	\$ 10,314	\$ 17,302
Government remittances payable	-	-	-	-	4,773	4,773	-
Deferred revenue	-	-	-	-	26,336	26,336	-
Interfund payable	<u>2,235</u>	<u>-</u>	<u>792,510</u>	<u>11,963</u>	<u>-</u>	<u>806,708</u>	<u>791,509</u>
	2,235	-	792,510	11,963	41,423	848,131	808,811
<b>CONDITIONALLY REPAYABLE INVESTMENT FUND CONTRIBUTIONS (Note 7)</b>	200,000	1,300,000	-	-	-	1,500,000	1,500,000
<b>NET ASSETS</b>							
<b>RESTRICTED FUNDS (Statement 2) (Notes 7 and 8)</b>	(13,696)	674,123	374,021	-	-	1,034,448	962,446
<b>UNRESTRICTED FUNDS (Statement 2)</b>	-	-	-	201,796	-	201,796	185,635
<b>INVESTMENT IN CAPITAL ASSETS (Statement 3)</b>	-	-	-	-	17,711	17,711	12,996
<b>NET ASSETS (Statement 2)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,697</u>	<u>9,697</u>	<u>7,197</u>
	<u>\$ 188,539</u>	<u>\$ 1,974,123</u>	<u>\$ 1,166,531</u>	<u>\$ 213,759</u>	<u>\$ 68,831</u>	<u>\$ 3,611,783</u>	<u>\$ 3,477,085</u>

APPROVED BY THE DIRECTORS:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## STATEMENT 5

## COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO

## CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2014

	<b>Disabled Entrepreneur Investment Program</b>	<b>Business Loans</b>	<b>Community Business Loans Program</b>	<b>Unrestricted Funds</b>	<b>General Funds</b>	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from contribution agreements	\$ -	\$ -	\$ -	\$ -	\$ 342,364	\$ 342,364	\$ 316,028
Cash received from investments	-	-	-	-	679	679	277
Cash received from other sources	-	-	-	-	6,113	6,113	13,302
Cash paid for salaries and benefits	-	-	-	-	(215,051)	(215,051)	(204,876)
Cash paid for goods and services	-	-	-	(5,113)	(88,810)	(93,923)	(98,222)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,113)</u>	<u>(88,810)</u>	<u>(93,923)</u>	<u>(98,222)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,113)</u>	<u>45,295</u>	<u>40,182</u>	<u>26,509</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Loans advanced	(25,000)	(250,000)	(702,573)	(9,425)	-	(986,998)	(724,061)
Repayment of loans	122,306	494,664	292,455	8,982	-	918,407	464,544
Interest and fees received on loans and investments	7,812	56,021	60,797	21,274	-	145,904	141,920
	<u>105,118</u>	<u>300,685</u>	<u>(349,321)</u>	<u>20,831</u>	<u>-</u>	<u>77,313</u>	<u>(117,597)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Acquisition and lease of capital assets	-	-	-	-	(8,225)	(8,225)	(7,111)
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	105,118	300,685	(349,321)	15,718	37,070	109,270	(98,199)
<b>CASH, OPENING</b>	60,987	497,664	437,819	54,152	(20,012)	1,030,610	1,128,809
<b>INTERFUND TRANSFERS</b>	625	(218,565)	84,736	135,709	(2,505)	-	-
<b>CASH, CLOSING</b>	<u>\$ 166,730</u>	<u>\$ 579,784</u>	<u>\$ 173,234</u>	<u>\$ 205,579</u>	<u>\$ 14,553</u>	<u>\$ 1,139,880</u>	<u>\$ 1,030,610</u>



# COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

### 1. PURPOSE OF THE ORGANIZATION

Community Futures Development Corporation of Stuart Nechako is a non-profit organization incorporated under the Canada Corporations Act. The corporation is charged with the development and implementation of a strategic plan for the community economic development of the Stuart Nechako area in the form of small business advisory and counselling services and loans to qualified applicants. Funding for the corporation is provided through contribution agreements with Western Economic Diversification. The corporation is exempt from income taxes under the Income Tax Act as a non-profit organization.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Corporation follows the restricted method of accounting for contributions.

#### A. Revenue Recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### B. Cash

Cash consists of cash on hand, cash on deposit and cheques issued and outstanding.

#### C. Capital Asset Valuation and Depreciation

Capital assets are treated as expenditures in the year of acquisition. These assets are carried at cost and accumulated in the statement of financial position. Depreciation is calculated using the declining balance method, except for leasehold improvements which are amortized on a straight line basis, at the rates set out in Note 6.

#### D. Impairment of Long-Lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

#### E. Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2014**

**3. CASH**

Integrus Credit Union line of credit is secured by general security agreement over all assets of the corporation. Interest is payable at 4.55%. Current line of credit limit is \$45,000.

**4. INVESTMENT LOANS RECEIVABLE**

Outstanding loans to entrepreneurs are interest bearing at variable rates from Integrus Credit Union prime (3.55% at March 31, 2014) plus a minimum of 2% with monthly blended principal and interest repayments for terms up to 60 months. Security is taken on these loans as appropriate to the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land, building and equipment.

**5. ALLOWANCE FOR IMPAIRED LOANS**

An allowance for losses on investment loans is made based on expected loan default rates, potential loss ratios and review of loans portfolio, as determined by management, as follows:

	<u>2014</u>	<u>2013</u>
Loan investment fund - community business loans	\$ -	\$ 32,389

Actual write-off, net of recoveries, will be deducted from the allowance for impaired loans. The provision for impaired loans in the statement of changes in loan fund balances is charged with an amount sufficient to keep the balance in the allowance for impaired loans adequate to absorb all credit related losses.

The amounts of the loans written off in the year are as follows:

Delbrema Industries	\$ 41,023
Sunrise Bioenergy Limited	7,747
Nulki Hills Contracting Ltd.	<u>3,857</u>
	<u>\$ 52,627</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2014**

**6. CAPITAL ASSETS**

		<u>2014</u>		
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Office furniture and equipment	20%	\$ 52,656	\$ 49,551	\$ 3,105
Computer equipment	30%	82,373	68,776	13,597
Website	30%	6,000	4,991	1,009
Leasehold improvements	1/7 S.L.	<u>9,592</u>	<u>9,592</u>	<u>-</u>
		<u>\$ 150,621</u>	<u>\$ 132,910</u>	<u>\$ 17,711</u>
		<u>2013</u>		
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Office furniture and equipment	20%	\$ 52,656	\$ 48,775	\$ 3,881
Computer equipment	30%	74,148	66,474	7,674
Website	30%	6,000	4,559	1,441
Leasehold improvements	1/7 S.L.	<u>9,592</u>	<u>9,592</u>	<u>-</u>
		<u>\$ 142,396</u>	<u>\$ 129,400</u>	<u>\$ 12,996</u>

**7. CONDITIONALLY REPAYABLE INVESTMENT FUND CONTRIBUTIONS**

In 2006 the Department of Western Economic Diversification amended the terms and conditions of its contribution agreement with the corporation. Under the revised terms and conditions the Conditionally Repayable Loan Funds are repayable if any of the following conditions occur:

- a. The Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in the agreement; or
- b. Based on reviews and evaluations of the operations and the Conditionally Repayable Investment Fund of the corporation, the Conditionally Repayable Investment Fund is not providing a satisfactory level of benefits in terms of employment creation, the development of community-owned or controlled businesses, and strengthening of the western Canadian economy; or
- c. In the opinion of the Minister, the Conditionally Repayable Investment Fund is no longer necessary or relevant to the development of the western Canadian economy; or
- d. The agreement is terminated as described in Section 12; or
- e. An event of default occurs, as described in Section 7 of the Agreement; or
- f. The Minister does not approve terms and conditions to extend the project beyond March 31, 2015.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

8. COMPOSITION OF INVESTMENT FUNDS

The restricted funds balance comprise:

Net Investment Funds Contributed by Western Economic Diversification:

(a) Accumulated net earnings and losses of:		
Business loans fund	\$ 443,427	
Disabled entrepreneur investment fund	(13,696)	
(b) Non-repayable contribution	100,000	
(c) Accumulated net earnings on non-repayable contribution	<u>130,696</u>	660,427

Community Business Loans Program

(a) Original contribution	250,000	
(b) Additional contributions	237,000	
(c) Accumulated net earnings, losses and transfers	<u>(112,979)</u>	<u>374,021</u>

Total of Restricted Funds (Statement 4) \$ 1,034,448

9. COMMUNITY BUSINESS LOANS PROGRAM CONTRIBUTION (formerly Forest Community Business Program)

In 1999 the Corporation received \$487,000 from Forest Renewal B.C. for the purpose of providing loans, business counselling and training to small and medium sized Forest Sector Enterprises in British Columbia. As a condition of receiving this funding, the corporation matched the contribution, segregating \$487,000 of its business loans contribution from Western Economic Diversification for Forest Sector Enterprises purposes. In 2011 the agreement was amended by the Province of British Columbia, represented by the Minister of Community and Rural Development, and the Corporation. The amended agreement allows the Corporation to provide loans to enterprises meeting certain new eligibility criteria not restricted to the forest sector.

The funding agreement with the Province can be terminated by either party giving 90 days notice of termination. Upon termination of the agreement, the Province's proportion (50%) of the community business loan funds not lent out as at the date of termination of the agreement is to be repaid at the direction of the Province of B.C. As long as the corporation continues in operation, amount equal to the Province's proportion (50%) of any receipts of principal and interest payments on the loans after the date of termination of the agreement, net of all reasonable costs, up to 15% of the value of the balance of the fund as at the date of termination, are to be repaid on a quarterly basis commencing 90 days following the date of termination, at the direction of the Province of B.C. If the corporation discontinues operations, the Province of B.C. will be given a first assignment and security interest in the Province's proportion (50%) of the outstanding loans and in the Province's proportion (50%) undivided beneficial interest in all securities obtained for such loans.

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2014**

**10. ECONOMIC DEPENDENCE**

The Corporation is economically dependent on Western Economic Diversification Canada for funding. Any disruption of funding from these sources would limit the long term financial viability of the Corporation.

**11. FINANCIAL INSTRUMENTS**

**Credit risk**

The Corporation is exposed to credit risk on the loans receivable from its clients. The Corporation provides credit to its clients in the normal course of its operations. The Corporation determines, on a continuing basis, the probable losses and sets a provision for losses based on the estimated realizable value.

**Liquidity risk**

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Corporation's cash requirements. Additional cash requirements are met with the use of the available operating line of credit. The Corporation's borrowing arrangements are concentrated with a single Canadian financial institution.

**Fair value of financial instruments**

The carrying amount of the accounts receivable and accounts payable approximates their fair value because of the short-term maturities of these items.

The carrying amount of loans receivable approximates fair value because the interest rates are close to the market rates.

The fair value of conditionally repayable investment fund contributions is not determinable as it is due without interest with related parties and accordingly cannot be ascertained with reference to similar debt with non-related parties.