

**ALBERTA
OPPORTUNITY
COMPANY**

**ANNUAL REPORT
For the year ended
March 31, 1981**



ALBERTA OPPORTUNITY COMPANY

THE ALBERTA OPPORTUNITY FUND ACT

"There is hereby established a fund under the name of the Alberta Opportunity Fund, the total amount of which shall not exceed \$150,000,000, and which shall be held and administered by the Company with the object of promoting the development of resources and the general growth and diversification of the economy of Alberta."

The Alberta Opportunity Company reports to the Legislature through:

**THE MINISTER FOR TOURISM & SMALL BUSINESS,
THE HON. J. ALLEN ADAIR**



Heritage Fund

Alberta Heritage Savings Trust Fund

BOARD OF DIRECTORS

"The Board has direction and control over the conduct of the business and affairs of the Company."
(A.O.F. Act)

Chairman:
Managing
Director:

ROBERT W. CHAPMAN, Edmonton

ROY PARKER

LAWRENCE H. BAISLEY, Medicine Hat

W. GORDON BUCHANAN, High Prairie

JAMES D. FLETCHER, C.A., Grande Prairie

(MRS.) BERDIE H. FOWLER, Camrose

CHARLES T. HECKBERT, Vermilion

R. JAMES JENSEN, Edson

D. EDWIN LEWIS, Q.C., Calgary

STANLEY A. MILNER, Edmonton

LORNE C. ORDZE, Camrose

ROBERT M. PARKYN, C.A., Lethbridge

N. F. WILLIAM PICARD, Edmonton

GUY B. WILDERS, Ponoka



ALBERTA OPPORTUNITY COMPANY

MANAGING DIRECTOR'S REPORT

The Alberta Opportunity Company has just completed its ninth fiscal year which was one of challenge and growth. By year end, the level of assistance provided to small businesses in the province by AOC had reached a new high in both dollars and number of loans outstanding. Included in our mandate is the requirement to provide financial assistance and guidance to businesses throughout the province. To meet this requirement, AOC has established branches in eight of the province's major centres. In addition to these locations, AOC staff visit over 70 communities in the province on a regular basis during the year in an attempt to provide all businesses with ready access to our services.

The business community of the province was faced with the dual challenges of high interest rates and economic uncertainty during the past year, which resulted in a slowdown in economic growth. This trend was reflected in a drop in both the number and dollars of AOC loan authorizations from the previous year's record level. The policy of freezing AOC's interest rate, which was introduced in November of 1979 by the provincial government, was of significant assistance to its customers. This policy was the major reason for the company suffering its first loss since inception as its cost of money was not frozen and rose sharply in accordance with the market.

The need for improved management skills in Alberta businesses has been of concern to AOC since its founding. During the past fiscal year in response to the more competitive economy in Alberta, AOC expanded its Consulting Services Division to meet this growing need of its customers. We expect this area of assistance to the small business sector of Alberta to be of increasing significance in the years ahead as growing Alberta businesses will require more sophisticated techniques to operate successfully in a dynamic and competitive economy.

In spite of the decrease in the rate of economic growth in the province during the past year, AOC believes Alberta remains an excellent place to start and expand a business. We look forward in future years to playing a larger role in providing financing and management assistance to entrepreneurs.



R. W. Parker
Managing Director



ALBERTA OPPORTUNITY COMPANY
BALANCE SHEET AS AT MARCH 31, 1981

ASSETS

| | 1981 | 1980 |
|--|-----------------------|-----------------------------|
| Cash | \$ 1,395 | \$ 1,449 |
| Deposits in trust with the Province of Alberta, including accrued interest receivable | 1,929,033 | 2,267,483 |
| Inventories, at cost, subject to repurchase agreements | 28,896 | 54,364 |
| Accounts receivable | 8,240 | 8,650 |
| Prepaid expenses | 10,346 | 11,808 |
| | 1,977,910 | <u>2,343,754</u> |
| | | |
| Loans and accrued interest receivable | 117,219,916 | 102,396,856 |
| Less: Allowance for doubtful accounts (Notes 2 & 3) | 9,377,593 | 8,191,749 |
| | 107,842,323 | <u>94,205,107</u> |
| | | |
| Industrial incentive loans receivable (Note 4) | 427,473 | 427,473 |
| Less: Allowance for possible forgiveness | 427,473 | 427,473 |
| | — | — |
| | | |
| Office equipment and leasehold improvements (Note 5) | 86,453 | 65,138 |
| Property held for resale (Note 6) | 590,529 | 399,861 |
| | 676,982 | 464,999 |
| | | |
| Trust assets (Note 10) | 86,448 | 77,080 |
| | \$ 110,583,663 | \$ <u>97,090,940</u> |

The accompanying notes are part of these financial statements

Accepted on behalf of the Board:



Director



Director



ALBERTA OPPORTUNITY COMPANY

BALANCE SHEET AS AT MARCH 31, 1981

LIABILITIES

| | <u>1981</u> | <u>1980</u> |
|--|-----------------------|----------------------|
| Bank | \$ — | \$ 307,672 |
| Accounts payable | 1,348,101 | 919,889 |
| Holdbacks and accrued interest payable | 271,339 | 343,042 |
| | <u>1,619,440</u> | <u>1,570,603</u> |
| Advances from the Province of Alberta: | | |
| Balance, beginning of year | 612,386 | 832,386 |
| Advances repaid | <u>—</u> | <u>220,000</u> |
| Balance, end of year | <u>612,386</u> | <u>612,386</u> |
| Long term debt (Note 7) | <u>106,800,000</u> | <u>91,000,000</u> |
| Retained earnings: | | |
| Balance, beginning of year | 3,830,871 | 3,304,100 |
| Net income (loss) for the year — Statement "B" | <u>(2,365,482)</u> | <u>526,771</u> |
| Balance, end of year | <u>1,465,389</u> | <u>3,830,871</u> |
| Trust liabilities (Note 10) | <u>86,448</u> | <u>77,080</u> |
| | <u>\$ 110,583,663</u> | <u>\$ 97,090,940</u> |

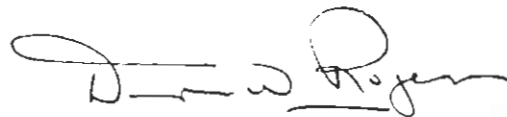
AUDITOR GENERAL'S REPORT

AUDITOR'S REPORT

To the Board of Directors of the
Alberta Opportunity Company

I have examined the balance sheet of the Alberta Opportunity Company as at March 31, 1981 and the statements of income and expenses and source and application of funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at March 31, 1981, the results of its operations and the source and application of its funds for the year then ended in accordance with generally accepted accounting principles which have been applied on a basis consistent with that of the preceding year.



C. A.
Auditor General

Edmonton, Alberta
May 6, 1981



ALBERTA OPPORTUNITY COMPANY
STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1981

| | <u>1981</u> | <u>1980</u> |
|---|-----------------------|--------------------|
| Income: | | |
| Interest revenue | \$ 11,078,453 | \$ 8,541,466 |
| Guarantee fees | 10,001 | 8,251 |
| Miscellaneous | <u>25,353</u> | <u>3,699</u> |
| | <u>11,113,807</u> | <u>8,553,416</u> |
| | | |
| Expenses: | | |
| Interest expense (Note 2) | 10,175,701 | 7,885,622 |
| Staff — Schedule 1 | 2,260,122 | 1,979,770 |
| Other manpower — Schedule 2 | 540,700 | 526,383 |
| Communications — Schedule 3 | 366,463 | 292,845 |
| Other operating expenses — Schedule 4 | 402,863 | 296,037 |
| Loss on property held for sale (Note 6) | <u>36,242</u> | <u>34,400</u> |
| | <u>13,782,091</u> | <u>11,015,057</u> |
| | | |
| Net income (loss) before the undernoted: | (2,668,284) | (2,461,641) |
| Provision for doubtful accounts (Notes 2 & 3) | (4,744,662) | (2,524,389) |
| Bad debt recoveries | 97,464 | 342,801 |
| Extraordinary income | — | 220,000 |
| Net income (loss) on operations | <u>(7,315,482)</u> | <u>(4,423,229)</u> |
| Grant from the Province of Alberta (Note 2) | 4,950,000 | 4,950,000 |
| Net income (loss) | <u>\$ (2,365,482)</u> | <u>\$ 526,771</u> |



ALBERTA OPPORTUNITY COMPANY

SCHEDULES OF EXPENSES

FOR THE YEAR ENDED MARCH 31, 1981

| SCHEDULE 1 | 1981 | 1980 |
|-------------------------------|---------------------|---------------------|
| Staff | | |
| Salaries and wages | \$ 1,953,984 | \$ 1,728,745 |
| Pension plans | 150,780 | 122,567 |
| Unemployment insurance | 19,482 | 17,092 |
| Medical and group insurance | 21,791 | 17,853 |
| Workers' Compensation Board | 3,233 | 2,602 |
| Educational assistance | 308 | 436 |
| Recruitment expense | 7,196 | 7,288 |
| Relocation expense | 103,348 | 83,187 |
| | <u>\$ 2,260,122</u> | <u>\$ 1,979,770</u> |
| SCHEDULE 2 | | |
| Other Manpower: | | |
| Board of Directors' fees | \$ 128,335 | \$ 80,075 |
| Professional and other fees | | |
| Legal | 325,327 | 380,217 |
| Consultants | 83,402 | 62,598 |
| Credit reporting agencies | 3,636 | 3,493 |
| | <u>\$ 540,700</u> | <u>\$ 526,383</u> |
| SCHEDULE 3 | | |
| Communications | | |
| Telephone and telegraph | \$ 48,756 | \$ 44,544 |
| Mail and messenger service | 10,473 | 9,822 |
| Travel | 142,643 | 118,557 |
| Advertising | 164,591 | 119,922 |
| | <u>\$ 366,463</u> | <u>\$ 292,845</u> |
| SCHEDULE 4 | | |
| Other Operating Expenses | | |
| Occupancy costs | \$ 239,666 | \$ 155,828 |
| Data processing | 9,330 | 5,463 |
| Office supplies and services | 44,891 | 44,867 |
| Vehicles and equipment | 50,283 | 44,706 |
| Fees and subscriptions | 14,345 | 14,661 |
| Depreciation and amortization | 13,670 | 11,952 |
| Insurance | 4,761 | 6,633 |
| Audit | 23,750 | 11,000 |
| Miscellaneous | 2,167 | 927 |
| | <u>\$ 402,863</u> | <u>\$ 296,037</u> |

STATEMENT C

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED MARCH 31, 1981

| | 1981 | 1980 |
|--|----------------------|----------------------|
| Source of funds | | |
| From operations | | |
| Net income (loss) for the year - Statement "B" | \$ (2,365,482) | \$ 526,771 |
| Add: Non-cash transactions | | |
| Provision for doubtful accounts (Notes 2 & 3) | 4,744,662 | 2,524,389 |
| Depreciation and amortization | 34,902 | 33,183 |
| | <u>2,414,082</u> | <u>3,084,343</u> |
| Borrowers repayments | 15,376,523 | 16,860,298 |
| Borrowing from the Province (Note 7) | | |
| Issue of debentures | 28,000,000 | 24,500,000 |
| Less: Repayments | 12,200,000 | 5,220,000 |
| | <u>15,800,000</u> | <u>19,280,000</u> |
| Total source of funds | <u>\$ 33,590,605</u> | <u>\$ 39,224,641</u> |
| Application of funds | | |
| Loan funds disbursed during the year | \$ 33,758,401 | \$ 37,991,615 |
| Increase (decrease) in working capital | (414,681) | 1,210,664 |
| Increase in other assets | 246,885 | 22,362 |
| Total application of funds | <u>\$ 33,590,605</u> | <u>\$ 39,224,641</u> |



ALBERTA OPPORTUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 1981

| Note 1 | <p>Authority</p> <p>The Alberta Opportunity Company operates under the authority of The Alberta Opportunity Fund Act, Chapter 11, Statutes of Alberta 1972.</p> | | | | | | | | | | | | | | | | | | |
|--|---|---------------------|-------------|-------------|----------------------------|--------------|--------------|----------------------|-------------|-------------|-----------|-----------|-----------|--|---|---------|----------------------|---------------------|---------------------|
| Note 2 | <p>Significant Accounting Policies</p> <p>Allowance for doubtful accounts:</p> <p>The provision for doubtful accounts is determined following a detailed review of the accounts and is based on the Company's historical experience.</p> <p>Depreciation and amortization:</p> <p>Office equipment owned by the Company is depreciated on a diminishing balance basis at 20% per annum. Leasehold improvements are amortized over the remaining term of each lease.</p> <p>Interest expense:</p> <p>Interest expense reflects cost of borrowing on long term debt less interest revenue received on the deposits in trust with the Province of Alberta.</p> <p>The issue at March 31, 1979 of the \$50,000,000 Series A, 9.9%, debenture due March 31, 1989, as shown in Note 7, repaid the Province of Alberta's equity investment in the Company which had been by way of a non-interest bearing advance from the General Revenue Fund. The payment of the annual interest charge on this debenture, of \$4,950,000, is by way of a grant provided by the Province of Alberta to the Alberta Heritage Savings Trust Fund.</p> | | | | | | | | | | | | | | | | | | |
| Note 3 | <p>Allowance for Doubtful Accounts</p> <p>An analysis of the account is as follows:</p> <table style="width: 100%; margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>1981</u></th> <th style="text-align: right;"><u>1980</u></th> </tr> </thead> <tbody> <tr> <td>Balance, beginning of year</td> <td style="text-align: right;">\$ 8,191,749</td> <td style="text-align: right;">\$ 6,573,743</td> </tr> <tr> <td>Accounts written off</td> <td style="text-align: right;">(3,558,818)</td> <td style="text-align: right;">(1,091,096)</td> </tr> <tr> <td>Provision</td> <td style="text-align: right;">4,744,662</td> <td style="text-align: right;">2,524,389</td> </tr> <tr> <td>Transfer from industrial incentive loans</td> <td style="text-align: right;">—</td> <td style="text-align: right;">184,713</td> </tr> <tr> <td>Balance, end of year</td> <td style="text-align: right;"><u>\$ 9,377,593</u></td> <td style="text-align: right;"><u>\$ 8,191,749</u></td> </tr> </tbody> </table> | | <u>1981</u> | <u>1980</u> | Balance, beginning of year | \$ 8,191,749 | \$ 6,573,743 | Accounts written off | (3,558,818) | (1,091,096) | Provision | 4,744,662 | 2,524,389 | Transfer from industrial incentive loans | — | 184,713 | Balance, end of year | <u>\$ 9,377,593</u> | <u>\$ 8,191,749</u> |
| | <u>1981</u> | <u>1980</u> | | | | | | | | | | | | | | | | | |
| Balance, beginning of year | \$ 8,191,749 | \$ 6,573,743 | | | | | | | | | | | | | | | | | |
| Accounts written off | (3,558,818) | (1,091,096) | | | | | | | | | | | | | | | | | |
| Provision | 4,744,662 | 2,524,389 | | | | | | | | | | | | | | | | | |
| Transfer from industrial incentive loans | — | 184,713 | | | | | | | | | | | | | | | | | |
| Balance, end of year | <u>\$ 9,377,593</u> | <u>\$ 8,191,749</u> | | | | | | | | | | | | | | | | | |
| Note 4 | <p>Industrial Incentive Loans</p> <p>These loans were made under authority of The Industrial Development Incentives Act which provided that, with the approval of the Lieutenant Governor in Council, repayment of the loans may be forgiven in whole or in part, providing that no loan may be wholly forgiven before the expiration of five years from the date money was first advanced under the loan. During this five year period, no interest is charged on a loan and no repayment of principal is required providing a borrower continues in operation and meets certain other conditions.</p> | | | | | | | | | | | | | | | | | | |
| Note 5 | <p>Office Equipment and Leasehold Improvements</p> <p>These assets are held at cost less accumulated depreciation and amortization of \$54,352 at March 31, 1981 (\$42,270 — 1980).</p> | | | | | | | | | | | | | | | | | | |
| Note 6 | <p>Property Held for Sale</p> <p>Employee residences:</p> <p>These are residences of transferred employees purchased by the Company under its guaranteed home purchase plan and are recorded at market value \$151,900</p> <p>Foreclosed property:</p> <p>The Company acquired, through foreclosure proceeding, the restaurant facility of a borrower whose loan was in default and is recorded at market value. 60,000</p> <p>Assets of borrowers whose business has failed, held at nominal value. 1</p> <p>Other:</p> <p>On land leased from the Province of Alberta at Slave Lake airport the Company constructed a 21,360 sq. ft. commercial hangar. The hangar was initially intended to be leased or sold to a client. However, this client subsequently declared bankruptcy and rental operations of the premises will be conducted until the property is sold. For the year ended March 31, 1981 total income from the facility amounted to \$20,538 (\$25,853 — 1980) and during the same period \$56,780 (\$60,253 — 1980) of expenses were incurred resulting in an operating loss for the year of \$36,242 (\$34,400 — 1980). This asset is held at cost less accumulated amortization of \$99,080 at March 31, 1981 (\$77,848 — 1980). 378,628</p> <p style="text-align: right;"><u>\$590,529</u></p> | | | | | | | | | | | | | | | | | | |



ALBERTA OPPORTUNITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Note 7 Long Term Debt

The following debentures issued to the Province of Alberta are held by the Alberta Heritage Savings Trust Fund.

| Amount Authorized | Principal Outstanding |
|---|-----------------------|
| \$50,000,000 Series A, 9.90% due March 31, 1989 | \$ 50,000,000 |
| 25,000,000 Series B, 9.44% due March 31, 1984 | 15,000,000 |
| 5,000,000 Series B, 10.00% due June 15, 1984 | 4,000,000 |
| 5,000,000 Series B, 10.90% due October 15, 1984 | 4,000,000 |
| 5,000,000 Series B, 11.75% due January 31, 1985 | 4,000,000 |
| 6,000,000 Series B, 11.75% due March 31, 1985 | 4,800,000 |
| 8,000,000 Series B, 10.84% due June 15, 1985 | 8,000,000 |
| 5,000,000 Series B, 13.47% due September 30, 1985 | 5,000,000 |
| 4,000,000 Series B, 12.94% due January 15, 1986 | 4,000,000 |
| 12,000,000 Series B, 14.23% due March 31, 1986 | 8,000,000 |
| | <u>\$106,800,000</u> |

Principal repayments by fiscal year:

| | | | |
|---------|---------------|---------|----------------------|
| 1981-82 | \$ 14,200,000 | 1985-86 | 5,000,000 |
| 1982-83 | 14,200,000 | 1988-89 | 50,000,000 |
| 1983-84 | 14,200,000 | | <u>\$106,800,000</u> |
| 1984-85 | 9,200,000 | | |

Note 8 Contingent Liabilities

Guarantees of bank loans:

The company is contingently liable as a guarantor of bank loans aggregating \$942,000 at March 31, 1981 (\$672,000 — 1980).

Legal actions:

There are 20 claims totalling approximately \$7,400,000 (22 claims totalling approximately \$7,700,000 — 1980) against the Company and/or its various agents. The Company is advised by legal counsel that a valid defense exists in each instance and no loss is anticipated.

Note 9 Commitments

Authorizations to be disbursed at March 31 are as follows:

| | 1981 | 1980 |
|------------|---------------------|---------------------|
| Loans | \$13,738,214 | \$16,998,474 |
| Guarantees | 90,000 | 360,000 |
| Inventory | 55,681 | 19,902 |
| | <u>\$13,883,895</u> | <u>\$17,378,376</u> |

Note 10 Trust Assets and Liabilities

Under the authority of Order in Council 989/71 the Alberta Commercial Corporation, a predecessor organization, administered funds deposited with the Company by the Human Resources Development Authority for the creation of employment opportunities for local people including those of native origin.

The trust funds under administration at March 31, are as follows:

| | 1981 | 1980 |
|---|------------------|------------------|
| Advances from the Province of Alberta | \$ 229,970 | \$ 229,970 |
| Deduct Deficit: | | |
| Balance, beginning of year | 152,890 | 128,986 |
| Add Expenses: | | |
| Provision for doubtful accounts | 2,683 | 34,511 |
| | 155,573 | 163,497 |
| Less Earnings | 12,051 | 10,607 |
| Balance, end of year | 143,522 | 152,890 |
| Trust funds due to the Province of Alberta | \$ 86,448 | \$ 77,080 |
| Trust assets consist of: | | |
| Cash and short term deposits | \$ 86,448 | \$ 77,080 |
| Loan receivable (less allowance for doubtful accounts of \$37,194, \$34,511 — 1980) | — | — |
| | <u>\$ 86,448</u> | <u>\$ 77,080</u> |

Note 11 Comparative Figures

The 1980 figures have been restated where necessary to conform to 1981 presentation.

Note 12 Financial Statement Review

The Management of the Company and the Audit and Budget Committee of the Board reviewed these financial statements on May 6, 1981, and recommend their acceptance by the Board of Directors.





ALBERTA OPPORTUNITY COMPANY
FIVE-YEAR STATISTIC SUMMARY
FOR YEARS ENDED MARCH 31st

| HIGHLIGHTS | | 1977 | 1978 | 1979 | 1980 | 1981 |
|-------------------------|----------|----------------|--------------|---------------|---------------|------------------|
| New Loan & Guarantee | Number | 268 | 296 | 351 | 370 | 304 |
| | \$ Value | \$17,532,000 | \$23,285,000 | \$27,164,000 | \$38,442,000 | \$31,864,596 |
| Year to Year % Increase | | # 27% \$ (37%) | # 10% \$ 33% | # 19% \$ 17% | # 5% \$ 42% | # (18%) \$ (17%) |
| Total Outstanding and | Number | 746 | 880 | 1,073 | 1412 | 1502 |
| | \$ Value | \$83,557,000 | \$91,810,000 | \$101,835,000 | \$121,105,082 | \$132,539,797 |
| Year to Year % Increase | | # 31% \$ 9% | # 18% \$ 10% | # 22% \$ 11% | # 32% \$ 19% | # 6% \$ 9% |



| | | | | |
|----------------------------|------|------|------|----|
| Branch Staff | 18.5 | 24 | 28 | 31 |
| Ponoka & Head Office Staff | 40.5 | 39.5 | 42.5 | 45 |
| | | | | 50 |

PERSONNEL

| FINANCIAL | | 1977 | 1978 | 1979 | 1980 | 1981 |
|-----------------------------------|------------|--------------|-------------|-------------|--------------|--------------|
| TOTAL REVENUE | | \$5,595,126 | \$6,603,500 | \$7,162,152 | \$8,553,416 | \$11,113,807 |
| Year-to-Year % Increase | | 28% | 18% | 8% | 19% | 30% |
| EXPENSE: % to Revenue | | | | | | |
| Staff Salaries and Expense | 21% | \$ 1,369,667 | \$1,546,675 | \$1,979,770 | \$ 2,260,122 | \$ 2,260,122 |
| Other Operating Expense | 8% | 456,565 | 699,805 | 858,551 | 1,115,265 | 1,310,026 |
| Interest Expense | 11% | 597,033 | 1,161,747 | 1,731,146 | 7,885,622 | 10,175,701 |
| Provision for Loan Losses | 42% | 2,361,966 | 3,264,690 | 2,123,823 | 2,524,389 | 4,744,662 |
| Miscellaneous Expense (Income) | 1% | 20,026 | (445,654) | (622,578) | (528,401) | (61,222) |
| TOTAL EXPENSE | 83% | 4,619,105 | 6,050,255 | 5,637,617 | 12,976,645 | 18,429,289 |
| NET INCOME (LOSS) On Operations | 17% | 976,021 | 553,245 | 1,524,535 | (4,423,229) | (7,315,482) |
| Grant From Province of Alberta | — | — | — | — | 4,950,000 | 4,950,000 |
| NET INCOME (LOSS) | 17% | 976,021 | 553,245 | 1,524,535 | (4,423,229) | (7,315,482) |
| Loans & Interest Receivable | 66,078,520 | 73,581,210 | 82,171,922 | 102,396,856 | 117,219,916 | |
| Undisbursed loan commitments | 13,312,785 | 15,646,377 | 17,984,462 | 17,378,376 | 13,883,895 | |
| Advances From Province of Alberta | 59,289,000 | 65,073,538 | 72,332,386 | 91,612,386 | 107,412,386 | |
| Retained Earnings | 1,226,320 | 1,779,565 | 3,304,100 | 3,830,871 | 1,465,389 | |
| Provision for Loan Losses | 5,303,975 | 5,886,373 | 6,573,743 | 8,191,749 | 9,377,593 | |
| YEAR-END BALANCES | | | | | | |
| Loans & Interest Receivable | 66,078,520 | 73,581,210 | 82,171,922 | 102,396,856 | 117,219,916 | |
| Undisbursed loan commitments | 13,312,785 | 15,646,377 | 17,984,462 | 17,378,376 | 13,883,895 | |
| Advances From Province of Alberta | 59,289,000 | 65,073,538 | 72,332,386 | 91,612,386 | 107,412,386 | |
| Retained Earnings | 1,226,320 | 1,779,565 | 3,304,100 | 3,830,871 | 1,465,389 | |
| Provision for Loan Losses | 5,303,975 | 5,886,373 | 6,573,743 | 8,191,749 | 9,377,593 | |



ALBERTA OPPORTUNITY COMPANY

APPLICATIONS AND AUTHORIZATIONS

| | 1977 | | 1978 | | 1979 | | 1980 | | 1981 | |
|----------------------------------|------|------------|------|------------|------|------------|------|-------------|------|-------------|
| | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ |
| TOTAL APPLICATIONS | 724 | 76,569,644 | 717 | 77,030,722 | 839 | 77,667,778 | 947 | 118,825,579 | 923 | 140,712,259 |
| Average Amount | | 105,752 | | 107,435 | | 92,572 | | 125,476 | | 152,451 |
| APPLICATIONS AUTHORIZED | 332 | 22,458,188 | 362 | 28,914,645 | 426 | 33,877,701 | 444 | 44,841,400 | 353 | 36,531,378 |
| % to Total Applications | 46% | 29% | 50% | 38% | 51% | 43% | 47% | 38% | 38% | 26% |
| APPLICATIONS DECLINED | 272 | 39,949,786 | 256 | 32,471,285 | 274 | 29,254,678 | 375 | 53,426,229 | 415 | 73,090,284 |
| % to Total Applications | 37% | 52% | 36% | 42% | 33% | 38% | 40% | 45% | 45% | 52% |
| APPLICATIONS WITHDRAWN | 120 | 14,161,670 | 99 | 15,644,792 | 139 | 14,535,399 | 128 | 20,557,950 | 155 | 31,090,597 |
| % to Total Applications | 17% | 19% | 14% | 20% | 16% | 19% | 13% | 17% | 17% | 22% |
| NOT ACCEPTED AFTER AUTHORIZATION | 64 | 4,926,234 | 66 | 5,629,600 | 75 | 6,713,205 | 74 | 6,399,400 | 49 | 4,666,782 |
| % to Applications Authorized | 19% | 22% | 18% | 19% | 18% | 20% | 17% | 14% | 14% | 13% |
| NET NEW AUTHORIZATIONS | 268 | 17,531,954 | 96 | 23,285,045 | 351 | 27,164,496 | 370 | 38,442,000 | 304 | 31,864,596 |
| Average Amount | | 65,418 | | 78,666 | | 77,392 | | 103,897 | | 104,818 |
| Median Amount | | 41,429 | | 46,818 | | 40,714 | | 56,842 | | 59,412 |
| PURPOSE OF AUTHORIZATIONS (\$) | | | | | | | | | | |
| To Establish a New Business | 29% | 5,090,849 | 47% | 11,049,180 | 30% | 8,260,192 | 29% | 11,096,139 | 27% | 8,619,833 |
| To Expand an Existing Business | 56% | 9,746,325 | 41% | 9,559,665 | 57% | 15,397,824 | 60% | 23,156,515 | 60% | 19,145,592 |
| To Purchase an Existing Business | 15% | 2,694,780 | 12% | 2,676,200 | 13% | 3,506,480 | 11% | 4,189,346 | 13% | 4,099,171 |

ALBERTA OPPORTUNITY COMPANY

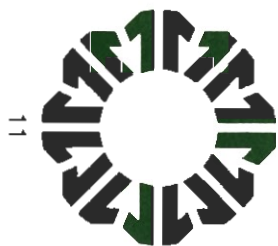
REGIONAL DISTRIBUTION OF AUTHORIZATIONS

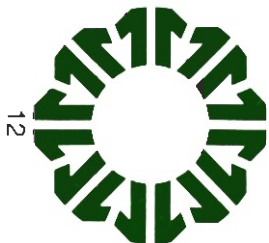
| | 1977 | | 1978 | | 1979 | | 1980 | | 1981 | |
|-----------------------------|------|------------|------|------------|------|------------|------|------------|------|------------|
| | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ |
| Northern Alberta | 64 | 5,198,339 | 78 | 7,444,050 | 113 | 7,695,277 | 132 | 12,092,664 | 101 | 12,894,781 |
| % to Total | 24% | 30% | 26% | 32% | 32% | 28% | 36% | 32% | 33% | 40% |
| Central Alberta | 70 | 4,119,330 | 79 | 5,175,165 | 94 | 9,601,050 | 96 | 10,315,550 | 62 | 5,293,784 |
| % to Total | 26% | 23% | 27% | 22% | 27% | 35% | 26% | 27% | 21% | 17% |
| Southern Alberta | 61 | 3,963,350 | 71 | 4,892,000 | 91 | 6,396,680 | 92 | 11,649,574 | 86 | 9,182,595 |
| % to Total | 23% | 23% | 24% | 21% | 26% | 24% | 25% | 30% | 28% | 29% |
| Sub-Total - Non-Metro Areas | 195 | 13,281,019 | 228 | 17,511,215 | 298 | 23,693,007 | 320 | 34,057,788 | 249 | 27,371,160 |
| % to Total | 73% | 76% | 77% | 75% | 85% | 87% | 87% | 89% | 82% | 86% |
| Edmonton | 33 | 3,045,500 | 30 | 2,463,380 | 27 | 1,675,000 | 24 | 2,291,452 | 20 | 2,200,615 |
| % to Total | 12% | 17% | 10% | 11% | 8% | 6% | 6% | 6% | 7% | 7% |
| Calgary | 40 | 1,205,435 | 38 | ,310,450 | 26 | 1,796,489 | 26 | 2,092,760 | 35 | 2,292,821 |
| % to Total | 15% | 7% | 13% | 14% | 7% | 7% | 7% | 5% | 11% | 7% |

CUMULATIVE TO MARCH 31, 1980

(Including all prior years' authorizations by Alberta Opportunity Company and its predecessor Alberta Commercial Corporation)

| | | Northern Alberta | | Edmonton | | Central Alberta | | Calgary | | Southern Alberta | |
|------------|-------------|------------------|------------|----------|------------|-----------------|------------|---------|------------|------------------|------------|
| # | \$ | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ |
| 2389 | 237,118,248 | 685 | 71,311,549 | 277 | 25,535,243 | 582 | 53,123,397 | 295 | 28,488,189 | 550 | 58,659,870 |
| % to total | | 29% | 30% | 12% | 11% | 24% | 22% | 12% | 12% | 23% | 25% |





ALBERTA OPPORTUNITY COMPANY

DISTRIBUTION OF AUTHORIZATIONS BY SIZE

| | 1977 | 1978 | 1979 | 1980 | 1981 |
|------------------------|------|------|------|------|------|
| \$0 to \$50,000 | 59% | 52% | 56% | 43% | 45% |
| \$50,001 to \$100,000 | 24% | 29% | 20% | 25% | 23% |
| \$100,001 to \$200,000 | 10% | 10% | 16% | 20% | 20% |
| \$200,001 to \$500,000 | 7% | 8% | 7% | 10% | 10% |
| Over \$500,000 | -- | 1% | 1% | 2% | 2% |

FINANCING BY PROJECT AND SOURCE

| Project | 1977 | | 1978 | | 1979 | | 1980 | | 1981 | |
|------------------------|------|------------|------|------------|------|------------|------|------------|------|------------|
| | % | \$ | % | \$ | % | \$ | % | \$ | % | \$ |
| Land | 8 | 2,086,068 | 9 | 3,207,406 | 15 | 5,705,471 | 11 | 5,715,637 | 14 | 6,166,022 |
| Buildings | 37 | 9,215,740 | 40 | 13,740,553 | 42 | 15,719,611 | 38 | 19,632,767 | 38 | 16,761,797 |
| Machinery and Vehicles | 26 | 6,387,058 | 21 | 7,280,242 | 23 | 8,384,590 | 25 | 13,337,094 | 22 | 9,682,394 |
| Working Capital | 23 | 5,589,333 | 23 | 8,136,451 | 16 | 5,985,382 | 20 | 10,284,136 | 21 | 8,906,666 |
| Miscellaneous | 6 | 1,453,873 | 7 | 2,419,973 | 4 | 1,502,840 | 6 | 2,967,720 | 5 | 2,266,454 |
| TOTAL | 100 | 24,732,072 | 100 | 34,784,625 | 100 | 37,297,894 | 100 | 51,937,354 | 100 | 43,783,333 |
| Financing | | | | | | | | | | |
| A.O.C. - Loan | 66 | 16,231,704 | 63 | 21,858,045 | 73 | 27,164,496 | 72 | 37,512,000 | 71 | 30,982,596 |
| A.O.C. - Guarantee | 5 | 1,300,250 | 4 | 1,427,000 | -- | -- | 2 | 930,000 | 2 | 882,000 |
| New Equity Investment | 19 | 4,778,305 | 18 | 6,179,315 | 18 | 6,595,768 | 15 | 8,018,589 | 17 | 7,292,893 |
| Other Lenders | 7 | 1,671,985 | 11 | 3,811,002 | 4 | 1,644,451 | 5 | 2,628,472 | 6 | 2,713,110 |
| Miscellaneous | 3 | 749,828 | 4 | 1,509,263 | 5 | 1,893,179 | 6 | 2,848,293 | 4 | 1,912,734 |
| TOTAL | 100 | 24,732,072 | 100 | 34,784,625 | 100 | 37,297,894 | 100 | 51,937,354 | 100 | 43,783,333 |

ALBERTA OPPORTUNITY COMPANY

**AUTHORIZATIONS BY
INDUSTRY SECTOR**

| | 1977 | | 1978 | | 1979 | | 1980 | | 1981 | |
|-----------------------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|
| | % | \$ | % | \$ | % | \$ | % | \$ | % | \$ |
| Manufacturing | | | | | | | | | | |
| Food & Beverage | 2 | 390,000 | 2 | 513,750 | 1 | 197,000 | 2 | 685,500 | 3 | 976,700 |
| Agricultural Products & Machinery | (4) | (625,000) | 5 | 1,085,000 | 1 | 197,000 | 2 | 592,534 | 2 | 672,000 |
| Furniture & Wood Products | 4 | 672,781 | 4 | 866,000 | 2 | 688,000 | 4 | 1,362,500 | 4 | 1,109,521 |
| Metal Fabrication & Machinery | 10 | 1,690,335 | 11 | 2,522,300 | 5 | 1,515,050 | 11 | 4,439,250 | 10 | 3,118,300 |
| Structures & Vehicle Manufacture | 4 | 688,000 | 2 | 474,000 | 3 | 792,000 | 4 | 1,553,500 | 1 | 444,000 |
| Textiles & Clothing | 1 | 213,500 | 1 | 320,500 | 3 | 700,000 | — | 174,500 | 4 | 1,400,000 |
| Petrochemical & Plastic Products | 4 | 621,000 | 1 | 202,000 | 4 | 1,168,000 | — | 115,000 | — | 30,000 |
| Other Manufactured Products | 8 | 1,412,000 | 3 | 655,500 | 2 | 514,209 | 3 | 1,124,550 | 4 | 1,243,000 |
| TOTAL MANUFACTURING | 29 | 5,062,616 | 29 | 6,639,050 | 21 | 5,771,259 | 26 | 10,047,334 | 28 | 8,993,521 |
| Service | | | | | | | | | | |
| Tourist & Entertainment | 9 | 1,611,500 | 14 | 3,309,815 | 14 | 3,844,200 | 6 | 2,435,900 | 17 | 5,511,906 |
| Construction | -- | (3,950) | 3 | 795,300 | 5 | 1,422,000 | 4 | 1,337,400 | 2 | 740,560 |
| Transportation | 2 | 290,000 | -- | 34,000 | 2 | 447,450 | -- | 103,150 | -- | -- |
| Business Services | 10 | 1,785,009 | 16 | 3,591,750 | 17 | 4,675,810 | 20 | 7,862,401 | 12 | 3,920,200 |
| Personal Services | 32 | 5,636,300 | 25 | 5,860,890 | 22 | 5,841,467 | 20 | 7,561,490 | 22 | 6,813,754 |
| Other Services | 18 | 3,150,479 | 13 | 3,054,240 | 19 | 5,162,310 | 24 | 9,094,325 | 19 | 5,884,655 |
| TOTAL SERVICE | 71 | 12,469,338 | 71 | 16,645,995 | 79 | 21,393,237 | 74 | 28,394,666 | 72 | 22,871,075 |
| TOTAL AUTHORIZATIONS | 100 | 17,531,954 | 100 | 23,285,045 | 100 | 27,164,496 | 100 | 38,442,000 | 100 | 31,864,596 |



ALBERTA OPPORTUNITY COMPANY

HEAD OFFICE

PONOKA

5110 - 49 Avenue, P.O. Box 1860, T0C 2H0
Telephone (403) 783-4481

Managing Director: Roy Parker

Deputy Managing Director - Loans: Jim Anderson

Deputy Managing Director - Administration: Brian Parsk, C.A.

Credit Superintendents: Art Hahn, John Kennedy

Comptroller: Jim Gill

Director, Support Services: Don Trenergy

Director, Legal & Disbursement: Amir Dattoo

BRANCH OFFICES

EDMONTON

19th Floor, Capitol Square
10065 Jasper Ave., T5J 3B1
Telephone (403) 427-2140
Manager: Frank Rogers

CALGARY

Ste. 403, Centre 70
7015 Macleod Trail S., T2H 0L7
Telephone (403) 261-6437
Manager: Dick Demers

GRANDE PRAIRIE

Ste. 102, Provincial Building
9905 - 100 St., T8V 2L8
Telephone (403) 539-2220
Manager: Gordon Johnston

LETHBRIDGE

Ste. 254, Provincial Building
200 - 5 Avenue S., T1J 4C7
Telephone (403) 329-5474
Manager: Wayne Blair

ST. PAUL

4th Floor, Provincial Building
P.O. Box 1990, T0A 3A0
Telephone (403) 645-2112
Manager: Doug Gilles

MEDICINE HAT

Ste. 202, Royal Bank Building
578 - 3rd St. S.E., T1A 0H3
Telephone (403) 529-3594
Manager: Gordon Taylor

EDSON

107A - 50 St.
P.O. Box 2940, T0E 0P0
Telephone (403) 723-6260
Manager: Bob Harris

