
**COMMUNITY FUTURES
TRIPLE R CORPORATION
FINANCIAL STATEMENTS**

March 31, 2010



Gislason Targownik Peters

Certified General Accountants

**COMMUNITY FUTURES
TRIPLE R CORPORATION**

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March 31, 2010

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AUDITORS' REPORT

We have audited the balance sheet of Community Futures Triple R Corporation as at March 31, 2010 and the statements of General Fund and Investment Fund revenue and expenditures, and the statement of cash flow for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Gislason Targownik Peters

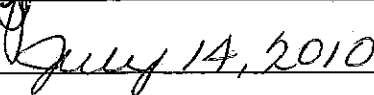
CERTIFIED GENERAL ACCOUNTANTS

**WINKLER, MANITOBA
June 21, 2010**

APPROVED ON BEHALF OF THE BOARD


_____ Director


_____ Director


_____ Date

**COMMUNITY FUTURES
TRIPLE R CORPORATION**

**BALANCE SHEET
As at March 31, 2010**

	GENERAL FUND	CAPITAL ASSET FUND	CONDITIONALLY REPAYABLE INVESTMENT FUND
ASSETS			
CURRENT			
Cash and short-term investments	\$54,887		\$473,448
Cash and short-term investments – SEMBI	22,346		
Project accounts receivable			
Goods and services tax receivable	942		
Accrued interest receivable			52,470
Prepaid expenses			
Current portion of loans receivable			171,947
	<u>78,175</u>		<u>697,865</u>
LONG-TERM			
Loan – Triple R Foundation Inc. (Note 5)	10,000		
CAPITAL ASSETS (Note 2)			
Computer equipment		18,856	
Furniture and fixtures		55,009	
		<u>73,865</u>	
INVESTMENT LOANS RECEIVABLE (Net of current portion) (Net of allowance for loan impairment) (Note 6 & 7)			<u>553,390</u>
	<u>\$88,175</u>	<u>\$73,865</u>	<u>\$1,251,255</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	\$18,423		
NET ASSETS			
Balance – Beginning of Year	\$62,561	\$71,867	\$1,352,860
Contribution from General Fund		1,998	
Reduction of capital assets			
Excess (Deficiency) of revenue over expenses (Statement 2)	7,191		
Excess (Deficiency) of revenue over expenses (Statement 3)			(101,605)
	<u>69,752</u>	<u>73,865</u>	<u>1,251,255</u>
Balance – End of Year	<u>\$88,175</u>	<u>\$73,865</u>	<u>\$1,251,255</u>



The accompanying notes are an integral part of these financial statements.

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NON-REPAYABLE INVESTMENT FUND	ENTREPRENEURS WITH DISABILITIES PROGRAM INVESTMENT FUND	2010 TOTAL	2009 TOTAL
\$48,374	\$43,789	\$620,498	\$656,450
		22,346	22,346
		---	5,000
		942	1,337
350	697	53,517	43,000
		---	4,020
59,259	37,161	268,367	216,782
107,983	81,647	965,670	948,935
		10,000	10,000
		18,856	16,858
		55,009	55,009
		73,865	71,867
37,816	95,089	686,295	747,287
\$145,799	\$176,736	\$1,735,830	\$1,778,089
		\$18,423	\$15,449
\$143,662	\$131,690	1,762,640	1,718,038
		1,998	7,324
		---	(800)
		7,191	20,697
2,137	45,046	(54,422)	17,381
145,799	176,736	1,717,407	1,762,640
\$145,799	\$176,736	\$1,735,830	\$1,778,089



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**COMMUNITY FUTURES
TRIPLE R CORPORATION**

**STATEMENT OF OPERATIONS
GENERAL FUND**

For the Year Ended March 31, 2010

	2010	2009
REVENUE		
Grants – Western Economic Diversification	\$294,525	\$288,750
Manitoba Education and Training fee for service	2,185	15,423
Interest	---	1,324
Projects	13,855	6,573
	<u>310,565</u>	<u>312,070</u>
EXPENSES		
Advertising	9,560	10,182
Business Development Week Event	13,764	---
Conferences	7,429	7,164
Contribution to Capital Asset Fund (net of proceeds)	1,998	6,524
Donation to Triple R Foundation Inc.	602	616
Insurance	2,340	2,251
Interest and bank charges	110	192
Office supplies and miscellaneous	12,484	12,772
Professional fees	4,273	4,937
Projects and initiatives	4,186	773
Rent and improvements	17,713	17,567
Repairs and maintenance	8,504	20,372
Resource materials	---	3,243
Self-Employment Program expense	---	974
Telephone	7,855	9,614
Training	3,207	2,161
Travel and meetings	5,764	13,161
Utilities	3,397	3,822
Vehicle expense	9,241	6,379
Wages and employee benefits	190,947	168,669
	<u>303,374</u>	<u>291,373</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$7,191</u>	<u>\$20,697</u>



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**COMMUNITY FUTURES
TRIPLE R CORPORATION**

**STATEMENT OF OPERATIONS
INVESTMENT FUNDS**

For the Year Ended March 31, 2010

	<u>2010</u>	<u>2009</u>
REVENUE		
Interest	\$73,991	\$81,029
Other	1,136	1,293
	<u>75,127</u>	<u>82,322</u>
EXPENSES		
Bank charges	120	120
Creditor life insurance	2,267	1,463
Provision for loan impairment, net of recovery	127,162	63,358
	<u>129,549</u>	<u>64,941</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$(54,422)</u>	<u>\$17,381</u>



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**COMMUNITY FUTURES
TRIPLE R CORPORATION**

STATEMENT OF CASH FLOW

For the Year Ended March 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenses (Statement 2)	\$7,191	\$20,697
Excess (Deficiency) of revenue over expenses (Statement 3)	(54,422)	17,381
Net change in non-cash working capital balances	1,872	9,566
	(45,359)	47,644
INVESTING ACTIVITIES		
Loan – Triple R Foundation Inc.	---	(10,000)
Investment loans receivable	9,407	(456,733)
	9,407	(466,733)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(35,952)	(419,089)
CASH AND EQUIVALENTS – Beginning	678,796	1,097,885
CASH AND EQUIVALENTS – Ending	\$642,844	\$678,796
CASH AND EQUIVALENTS REPRESENTED BY:		
Cash and short term investments	\$620,498	\$656,450
Cash and short term investments – SEMBI	22,346	22,346
	\$642,844	\$678,796



The accompanying notes are an integral part of these financial statements.
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**COMMUNITY FUTURES
TRIPLE R CORPORATION**

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2010

1. NATURE OF OPERATION

Community Futures Triple R Corporation is a community based organization that provides loans and financial services to small businesses that are otherwise unable to obtain financing. The corporation was incorporated on August 30, 1993 without share capital as a non-profit organization. It is exempt from income taxes under the Income Tax Act as a non-profit organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUND ACCOUNTING

Community Futures Triple R Corporation follows the restricted fund 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 Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Community Futures Triple R Corporation's capital assets.

The Investment Funds of the organization are used to record the financial assistance in the form of loans, guarantees and equity participation to individuals and small businesses in the community. The purpose is to assist in the creation or maintenance of long-term employment in the community.

CAPITAL ASSETS

Capital asset purchases are recorded as an expense in the year of acquisition in the General Fund and are recorded at cost in the Capital Fund. Amortization is not recorded.



3. REVENUE RECOGNITION

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assumed.

4. PRESENTATION

Comparative figures have been reclassified where necessary to conform to current presentation.

5. RELATED PARTY TRANSACTIONS

Community Futures Triple R Corporation is controlled by the same board of directors as Triple R Foundation Inc. During the year the following transactions have occurred between related parties and have been recorded at the exchange amount.

	<u>2010</u>	<u>2009</u>
Interest revenue	\$406	\$1,230
Rental expense	12,000	12,000
Donation paid	616	616

The loan receivable from Triple R Foundation Inc. has no fixed terms of repayment and no interest is being charged.



6. INVESTMENT LOANS RECEIVABLE

**CONDITIONALLY REPAYABLE
INVESTMENT FUND**

	2010	2009
Loans receivable	\$749,837	\$732,330
Less: Allowance for loan impairment (Note 7)	172,000	40,379
	577,837	691,951
Less: Principal portion due within one year	171,947	178,270
	<u>\$405,890</u>	<u>\$513,681</u>

NON-REPAYABLE INVESTMENT FUND

	2010	2009
Loan receivable	\$97,075	\$10,639
Less: Principal portion due within one year	59,259	10,639
	<u>\$37,816</u>	<u>\$ ---</u>

**ENTREPRENEURS WITH DISABILITIES
PROGRAM INVESTMENT FUND**

	2010	2009
Loans receivable	\$104,250	\$184,035
Less: Allowance for loan impairment (Note 7)	32,000	74,125
	72,250	109,910
Less: Principal portion due within one year	37,161	27,873
	<u>\$35,089</u>	<u>\$82,037</u>

Outstanding loans are interest bearing at fixed rates varying from 4.5% to 9.0% with monthly blended principal and interest repayments. Security taken on these loans is dependant upon the situation and includes personal guarantees, general security agreements covering business assets and mortgages on land and building.

7. ALLOWANCE FOR LOAN IMPAIRMENT

	2010	2009
Loan # 05-03	\$ ---	\$12,000
Loan # 06-02	---	5,379
Loan # 07-09	---	20,000
Loan # 08-06	50,000	---
Loan # 08-08	74,500	---
Loan # 08-09	---	3,000
Loan # 08-11	---	6,134
Loan # 09-01	10,000	45,991
Loan # 09-02	10,000	---
Loan # 09-05	22,000	22,000
Loan # 09-11	37,500	---
	<u>\$204,000</u>	<u>\$114,504</u>

8. SEMBI PROJECT

The SEMBI (South Eastern Manitoba Broadband Initiative) project is operated jointly with several municipalities in the area. Revenue and expenditures for the project are recognized as received or paid. Community Futures Triple R Corporation is the community champion for the project and as such is responsible for ensuring that the work is completed and the invoices are properly documented.

9. CONTINGENT LIABILITIES

The company is contingently liable for \$181,064 in respect of amounts pledged as security for third party loans.



10. EXTERNALLY RESTRICTED NET ASSETS

Under the terms and conditions of the Western Economic Diversification Canada's (WD) Contribution Agreement with the corporation, the Conditionally Repayable Loan Funds are repayable if any of the following conditions occur:

- i. The Conditionally Repayable Investment Fund is not administered according to the terms and conditions specified in the Agreement; or
- ii. Based on reviews and evaluations, by the Minister of WD, 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
- iii. In the opinion of the Minister of WD, the Conditionally Repayable Investment Fund is no longer necessary or relevant to the development of the western Canadian economy; or
- iv. The Agreement is terminated as described in Section 12 of the Agreement; or
- v. An event of default occurs, as described in Section 7 of the Agreement; or
- vi. The Minister of WD does not approve terms and conditions to extend the project beyond March 31, 2011.

11. FINANCIAL INSTRUMENTS

The corporation's financial assets and liabilities at March 31, 2010 include all current assets, investment loans receivable and accrued liabilities. Management believes that the carrying amounts approximate fair value.

12. LEASE COMMITMENTS

The Organization has entered into a lease agreement until December 2010 for premises with minimum annual payments of \$12,000.



13. ECONOMIC DEPENDENCE

The corporation receives 76% (2009 – 73%) of its operating revenues from the federal government and is economically dependant upon it.

