
**COMMUNITY FUTURES
TRIPLE R CORPORATION
FINANCIAL STATEMENTS**

March 31, 2009



Gislason Targownik Pétters

Certified General Accountants

**COMMUNITY FUTURES
TRIPLE R CORPORATION**

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March 31, 2009

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Gislason Targownik Peters

Certified General Accountants

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AUDITORS' REPORT

We have audited the balance sheet of Community Futures Triple R Corporation as at March 31, 2009 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, 2009 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

May 26, 2009

APPROVED ON BEHALF OF THE BOARD


_____ Director


_____ Director


_____ Date

**COMMUNITY FUTURES
TRIPLE R CORPORATION**

**BALANCE SHEET
As at March 31, 2009**

ASSETS	GENERAL FUND	CAPITAL ASSET FUND	CONDITIONALLY REPAYABLE INVESTMENT FUND
CURRENT			
Cash in bank and short-term investments (Note 4)	\$34,512		\$619,410
Cash in bank and short-term investments – SEMBI	22,346		
Project accounts receivable	5,000		
Technology upgrade receivable – WD			
Goods and services tax receivable	1,337		
Accrued interest receivable			42,294
Prepaid expenses	4,020		
Current portion of loans receivable			178,270
	<u>67,215</u>		<u>839,974</u>
LONG-TERM			
Loan – Triple R Foundation Inc. (Note 5)	10,000		
CAPITAL ASSETS (Note 2)			
Computer equipment		16,858	
Furniture and fixtures		55,009	
		<u>71,867</u>	
INVESTMENT LOANS RECEIVABLE (Net of current portion) (Net of allowance for loan impairment) (Note 6 & 7)			<u>513,681</u>
	<u>\$77,215</u>	<u>\$71,867</u>	<u>\$1,353,655</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	\$14,654		795
NET ASSETS			
Balance – Beginning of Year	\$41,864	\$65,343	\$1,276,487
Contribution from General Fund		7,324	
Reduction of capital assets		(800)	
Excess (Deficiency) of revenue over expenses (Statement 2)	20,697		
Excess (Deficiency) of revenue over expenses (Statement 3)			76,373
	<u>62,561</u>	<u>71,867</u>	<u>1,352,860</u>
Balance – End of Year	<u>\$77,215</u>	<u>\$71,867</u>	<u>\$1,353,655</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	2009 TOTAL	2008 TOTAL
\$132,960	\$21,137	\$808,019	\$1,075,802
		22,346	22,083
		5,000	11,543
		---	10,000
		1,337	1,489
63	643	43,000	31,519
		4,020	1,336
10,639	27,873	216,782	144,815
143,662	49,653	1,100,504	1,298,587
		10,000	---
		16,858	17,658
		55,009	47,685
		71,867	65,343
	82,037	595,718	362,521
\$143,662	\$131,690	\$1,778,089	\$1,726,451
		\$15,449	\$8,413
\$140,653	\$193,691	1,718,038	1,623,781
		7,324	15,030
		(800)	---
		20,697	3,960
3,009	(62,001)	17,381	75,267
143,662	131,690	1,762,640	1,718,038
\$143,662	\$131,690	\$1,778,089	\$1,726,451

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



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**COMMUNITY FUTURES
TRIPLE R CORPORATION**

**STATEMENT OF OPERATIONS
GENERAL FUND**

For the Year Ended March 31, 2009

	2009	2008
REVENUE		
Grants – Western Economic Diversification	\$288,750	\$293,088
Manitoba Education and Training fee for service	15,423	5,797
Interest	1,324	2,754
EDP support fund income	---	181
Projects	6,573	23,546
Other	---	2,448
	<u>312,070</u>	<u>327,814</u>
EXPENSES		
Advertising	10,182	7,331
Conferences	7,164	9,062
Contribution to Capital Asset Fund (net of proceeds)	6,524	15,030
Donation to Triple R Foundation Inc.	616	585
Insurance	2,251	2,730
Interest and bank charges	192	676
Office supplies and miscellaneous	12,772	21,006
Professional fees	4,937	3,786
Projects and initiatives	773	2,829
Rent and improvements	17,567	17,442
Repairs and maintenance	20,372	---
Resource materials	3,243	2,389
SEMBI project (Note 8)	---	1,411
Self-Employment Program expense	974	7,778
Telephone	9,614	11,047
Training	2,161	3,990
Travel and meetings	13,161	8,468
Utilities	3,822	2,973
Vehicle expense	6,379	8,645
Wages and employee benefits	168,669	196,676
	<u>291,373</u>	<u>323,854</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$20,697</u>	<u>\$3,960</u>



The accompanying notes are an integral part of these financial statements.
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**COMMUNITY FUTURES
TRIPLE R CORPORATION****STATEMENT OF OPERATIONS
INVESTMENT FUNDS**

For the Year Ended March 31, 2009

	<u>2009</u>	<u>2008</u>
REVENUE		
Interest	\$81,029	\$82,802
Other	1,293	1,085
	<u>82,322</u>	<u>83,887</u>
EXPENSES		
Bank charges	120	387
Creditor life insurance	1,463	975
Provision for loan impairment, net of recovery	63,358	7,258
	<u>64,941</u>	<u>8,620</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$17,381</u>	<u>\$75,267</u>



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

STATEMENT OF CASH FLOW

For the Year Ended March 31, 2009

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenses (Statement 2)	\$20,697	\$3,960
Excess (Deficiency) of revenue over expenses (Statement 3)	17,381	75,267
Net change in non-cash working capital balances	9,566	(27,187)
	<u>47,644</u>	<u>52,040</u>
INVESTING ACTIVITIES		
Loan – Triple R Foundation Inc.	(10,000)	---
Investment loans receivable	(305,164)	(130,349)
	<u>(315,164)</u>	<u>(130,349)</u>
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(267,520)	(78,309)
CASH AND EQUIVALENTS – Beginning	1,097,885	1,176,194
CASH AND EQUIVALENTS – Ending	\$830,365	\$1,097,885
CASH AND EQUIVALENTS REPRESENTED BY:		
Cash in bank and short term investments	\$808,019	\$1,075,802
Cash in bank and short term investments – SEMBI	22,346	22,083
	<u>\$830,365</u>	<u>\$1,097,885</u>

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, 2009

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.

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.

3. PRESENTATION

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

4. CASH AND SHORT TERM INVESTMENTS

Short term investments include term deposits of \$151,569 (2008 - \$NIL) which have been pledged as security for third party loans.

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>2009</u>	<u>2008</u>
Interest revenue	\$1,230	\$2,036
Rental expense	12,000	12,000
Donation paid	616	585

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**

	2009	2008
Loans receivable	\$732,330	\$397,582
Less: Allowance for loan impairment (Note 7)	40,379	55,387
	691,951	342,195
Less: Principal portion due within one year	178,270	97,745
	<u>\$513,681</u>	<u>\$244,450</u>

NON-REPAYABLE INVESTMENT FUND

	2009	2008
Loan receivable	\$10,639	\$21,409
Less: Principal portion due within one year	10,639	10,759
	<u>\$ ---</u>	<u>\$10,650</u>

**ENTREPRENEURS WITH DISABILITIES
PROGRAM INVESTMENT FUND**

	2009	2008
Loans receivable	\$184,035	\$143,732
Less: Allowance for loan impairment (Note 7)	74,125	---
	109,910	143,732
Less: Principal portion due within one year	27,873	36,311
	<u>\$82,037</u>	<u>\$107,421</u>

Outstanding loans are interest bearing at fixed rates varying from 7.0% 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

	2009	2008
Loan # 99-09	\$ ---	\$3,000
Loan # 04-03	---	30,087
Loan # 05-03	12,000	16,000
Loan # 06-02	5,379	3,300
Loan # 07-04	---	3,000
Loan # 07-09	20,000	---
Loan # 08-09	3,000	---
Loan # 08-11	6,134	---
Loan # 09-01	45,991	---
Loan # 09-05	22,000	---
	<u>\$114,504</u>	<u>\$55,387</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. 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, 2010.

10. FINANCIAL INSTRUMENTS

The corporation's financial assets and liabilities at March 31, 2009 include all current assets, investment loans receivable and accrued liabilities. Management believes that the carrying amounts approximate fair value.

11. LEASE COMMITMENTS

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



12. ECONOMIC DEPENDENCE

The corporation receives 73% (2008 – 71%) of its operating revenues from the federal government and is economically dependant upon it.

