

# Young Parkyn McNab LLP

CHARTERED ACCOUNTANTS

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of Community Futures – Entre-Corps Business Development

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2011, the summary statements of operations, changes in fund balances and cash flows for the year then ended, and related schedules, are derived from the audited financial statements of Community Futures – Entre-Corps Business Development for the year ended March 31, 2011. We expressed an unmodified audit opinion on those financial statements in our report dated June 22, 2011.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Community Futures – Entre-Corps Business Development.

### Management's Responsibility for the Summary Financial Statements

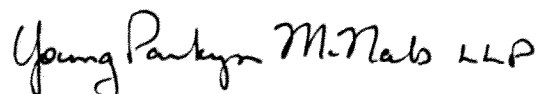
Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian generally accepted accounting standards.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Community Futures – Entre-Corps Business Development for the year ended March 31, 2011 are a fair summary of those financial statements, in accordance with Canadian generally accepted accounting standards.



Taber, Alberta

June 22, 2011

Chartered Accountants

**COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT**  
**SUMMARIZED STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2011

	Loan investment funds						2011 Total	2010 Total
	General	Non- repayable	Repayable	Disabled	CIF	CFLIP		
<b>ASSETS</b>								
<b>Current assets</b>								
Cash	\$ 366,569	\$ 167,109	\$ 82,079	\$ 72,719	\$ -	\$ 134,129	\$ 822,605	\$ 1,058,691
Accounts receivable	223,235	25,052	-	1,130	6,400	7,613	263,430	487,635
Current portion of loans receivable	-	457,615	66,471	40,383	61,094	593,161	1,218,724	1,239,660
Foreclosed assets	-	80,000	-	-	-	-	80,000	1,500
Prepaid expenses	5,599	-	-	-	-	-	5,599	5,594
	595,403	729,776	148,550	114,232	67,494	734,903	2,390,358	2,793,080
<b>Loans receivable</b>	-	1,691,046	208,004	96,779	147,949	2,204,977	4,348,755	3,952,094
<b>Capital assets</b>	1,396,375	-	-	-	-	-	1,396,375	1,382,866
	\$ 1,991,778	\$ 2,420,822	\$ 356,554	\$ 211,011	\$ 215,443	\$ 2,939,880	\$ 8,135,488	\$ 8,128,040
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Current liabilities</b>								
Bank advances	\$ -	\$ -	\$ -	\$ -	\$ 151,900	\$ -	\$ 151,900	\$ 169,858
Accounts payable and accrued liabilities	46,102	-	7,332	-	54,599	-	108,033	433,955
Deferred contributions	204,349	-	-	-	-	-	204,349	190,336
Current portion of long-term debt	38,856	-	-	-	-	-	38,856	33,723
	289,307	-	7,332	-	206,499	-	503,138	827,872
Callable debt	-	-	-	-	-	2,845,562	2,845,562	2,245,562
Due to Government of Canada	-	-	500,000	200,000	-	-	700,000	700,000
	289,307	-	507,332	200,000	206,499	2,845,562	4,048,700	3,773,434
<b>Deferred capital contributions</b>	-	-	-	-	-	-	-	2,273
<b>Long-term debt</b>	988,380	-	-	-	-	-	988,380	1,027,194
	1,277,687	-	507,332	200,000	206,499	2,845,562	5,037,080	4,802,901
<b>Fund balances</b>	714,091	2,420,822	(150,778)	11,011	8,944	94,318	3,098,408	3,325,139
	\$ 1,991,778	\$ 2,420,822	\$ 356,554	\$ 211,011	\$ 215,443	\$ 2,939,880	\$ 8,135,488	\$ 8,128,040

**COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT**  
**SUMMARIZED STATEMENT OF OPERATIONS**  
As at March 31, 2011

	Loan investment funds						2011 Total	2010 Total
	General	Non- repayable	Repayable	Disabled	CIF	CFLIP		
<b>Revenue</b>								
WD contributions	\$ 308,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,493	\$ 308,493
Other government contributions	390,999	-	-	-	-	-	390,999	466,158
Program revenues	174,352	-	-	-	-	-	174,352	41,798
Administration fees	46,193	-	-	-	-	-	46,193	16,461
Loan fees	10,556	-	-	-	-	-	10,556	9,665
Loan interest	-	140,702	20,117	11,012	19,295	178,145	369,271	474,452
Bank interest	5,581	682	387	359	(25)	1,812	8,796	12,919
Recovery of loan write-offs	-	81,195	-	-	-	-	81,195	730
Building rent	202,261	-	-	-	-	-	202,261	183,250
Miscellaneous	6,995	-	-	-	-	-	6,995	8,039
Gain on disposal of capital assets	1,500	-	-	-	-	-	1,500	-
Amortization of deferred capital contributions	2,273	-	-	-	-	-	2,273	3,091
	<b>1,149,203</b>	<b>222,579</b>	<b>20,504</b>	<b>11,371</b>	<b>19,270</b>	<b>179,957</b>	<b>1,602,884</b>	<b>1,525,056</b>
<b>Expenditures</b>								
Wages and benefits	601,248	-	-	-	-	-	601,248	463,871
Contractor fees	49,625	-	-	-	-	-	49,625	71,363
Consulting fees	79,011	-	-	-	-	-	79,011	25,167
Staff expenses	12,143	-	-	-	-	-	12,143	12,979
Courses and training	8,148	-	-	-	-	-	8,148	14,354
Rent	-	-	-	-	-	-	-	5,437
Equipment rental	1,440	-	-	-	-	-	1,440	1,777
Insurance	8,290	-	-	-	-	-	8,290	10,933
Repairs and maintenance	67,454	-	-	-	-	-	67,454	73,591
Property taxes	25,578	-	-	-	-	-	25,578	23,673
Telephone	10,390	-	-	-	-	-	10,390	10,612
Utilities	44,738	-	-	-	-	-	44,738	44,032
Travel	25,196	-	-	-	-	-	25,196	15,709
Advertising	29,633	-	-	-	-	-	29,633	35,802
Administration	5,900	-	-	-	-	-	5,900	-
Project costs	6,863	-	-	-	-	-	6,863	3,160
Supplies	14,881	-	-	-	-	-	14,881	15,961
Professional fees	14,803	-	-	-	-	-	14,803	16,654
Licences, dues and fees	4,446	-	-	-	-	-	4,446	6,484
Seminars	10,689	-	-	-	-	-	10,689	10,771
Bad debts	-	160,514	105,066	20,775	6,057	308,772	601,184	290,963
Non-refundable GST	13,487	-	-	-	-	-	13,487	4,400
Interest and bank charges	9,444	-	-	-	-	-	9,444	7,651
Interest on long-term debt	64,325	-	-	-	-	36,505	100,830	78,239
Miscellaneous	2,193	-	-	-	-	-	2,193	367
Amortization	82,001	-	-	-	-	-	82,001	82,032
	<b>1,191,926</b>	<b>160,514</b>	<b>105,066</b>	<b>20,775</b>	<b>6,057</b>	<b>345,277</b>	<b>1,829,615</b>	<b>1,325,982</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (42,723)</b>	<b>\$ 62,065</b>	<b>\$ (84,562)</b>	<b>\$ (9,404)</b>	<b>\$ 13,213</b>	<b>\$ (165,320)</b>	<b>\$ (226,731)</b>	<b>\$ 199,074</b>

**COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT**  
**SUMMARIZED STATEMENT OF CHANGES IN FUND BALANCES**  
**As at March 31, 2011**

	Loan investment funds						2011 Total	2010 Total
	General	Non- repayable	Repayable	Disabled	CIF	CFLIP		
<b>Fund balances</b>								
<b>Equity in capital assets, beginning of year</b>	\$ 319,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,676	\$ 337,021
Purchase of capital assets	95,510	-	-	-	-	-	95,510	25,677
Proceeds of long-term debt	2,273	-	-	-	-	-	2,273	3,091
Repayment of long-term debt	33,681	-	-	-	-	-	33,681	35,919
Amortization	(82,001)	-	-	-	-	-	(82,001)	(82,032)
<b>Equity in capital assets, end of year</b>	369,139	-	-	-	-	-	369,139	319,676
<b>Externally restricted funds, beginning of year</b>	-	2,443,757	(66,216)	20,415	-	-	2,397,956	2,442,851
Excess (deficiency) of revenue over expenditures	-	62,065	(84,562)	(9,404)	13,213	(165,320)	(184,008)	182,989
Interfund transfers	-	(85,000)	-	-	(4,269)	259,638	170,369	(227,884)
<b>Externally restricted funds, end of year</b>	-	2,420,822	(150,778)	11,011	8,944	94,318	2,384,317	2,397,956
<b>Unrestricted funds, beginning of year</b>	607,407	-	-	-	-	-	607,407	346,093
Purchase of capital assets	(95,510)	-	-	-	-	-	(95,510)	(25,677)
Excess (deficiency) of revenue over expenditures	(42,723)	-	-	-	-	-	(42,723)	16,085
Repayment of long-term debt	(33,681)	-	-	-	-	-	(33,681)	(35,919)
Amortization	82,001	-	-	-	-	-	82,001	82,032
Amortization	(2,273)	-	-	-	-	-	(2,273)	(3,091)
Interfund transfers	(170,369)	-	-	-	-	-	(170,369)	227,884
<b>Unrestricted funds, end of year</b>	344,852	-	-	-	-	-	344,852	607,407
	\$ 713,991	\$ 2,420,822	\$ (150,778)	11,011	\$ 8,944	\$ 94,318	\$ 3,098,308	\$ 3,325,039

**COMMUNITY FUTURES - ENTRE-CORP BUSINESS DEVELOPMENT**  
**SUMMARIZED STATEMENT OF CASH FLOWS**  
**For the year ended March 31, 2011**

	Loan investment funds						2011 Total	2010 Total
	General	Non- repayable	Repayable	Disabled	CIF	CFLIP		
<b>Cash flows from operating activities</b>								
Excess (deficiency) of revenue over expenditures	\$ (42,723)	\$ 62,065	\$ (84,562)	\$ (9,404)	\$ 13,213	\$ (165,320)	\$ (226,731)	\$ 199,074
Items not involving cash:								
Gain on sale of capital assets	(1,500)	-	-	-	-	-	(1,500)	-
Provision for credit losses	-	63,020	96,424	14,056	8,824	202,865	385,189	290,963
Amortization	82,001	-	-	-	-	-	82,001	82,032
Amortization of deferred capital contributions	(2,273)	-	-	-	-	-	(2,273)	(3,090)
	35,505	125,085	11,862	4,652	22,037	37,545	236,686	568,979
Net change in non-cash working capital items	96,165	(158,847)	9,560	(3,709)	(13,833)	(60,594)	(131,258)	455,584
	131,670	(33,762)	21,422	943	8,204	(23,049)	105,428	1,024,563
Loan payments	-	436,259	75,086	6,122	106,605	478,091	1,102,163	1,463,312
Advances of loans receivable	-	(619,024)	(115,884)	(2,075)	(93,964)	(1,231,248)	(2,062,195)	(2,149,837)
Allowance for doubtful accounts, net of provision for credit losses	-	76,815	(3,887)	4,127	(2,887)	90,000	164,168	(65,158)
	131,670	(139,712)	(23,263)	9,117	17,958	(686,206)	(690,436)	272,880
<b>Cash flows from investing activities</b>								
Purchase of capital assets	(95,510)	-	-	-	-	-	(95,510)	(25,677)
Proceeds from disposal of capital assets	1,500	-	-	-	-	-	1,500	-
	(94,010)	-	-	-	-	-	(94,010)	(25,677)
<b>Cash flows from financing activities</b>								
Net loan activity	(33,681)	-	-	-	-	600,000	566,319	544,081
	(33,681)	-	-	-	-	600,000	566,319	1,689,106
<b>Increase (decrease) in cash</b>	3,979	(139,712)	(23,263)	9,117	17,958	(86,206)	(218,127)	222,305
<b>Cash, beginning of year</b>	362,590	306,821	105,342	63,602	(169,858)	220,335	888,833	666,528
<b>Cash, end of year</b>	\$ 366,569	\$ 167,109	\$ 82,079	\$ 72,719	\$ (151,900)	\$ 134,129	\$ 670,705	\$ 888,833