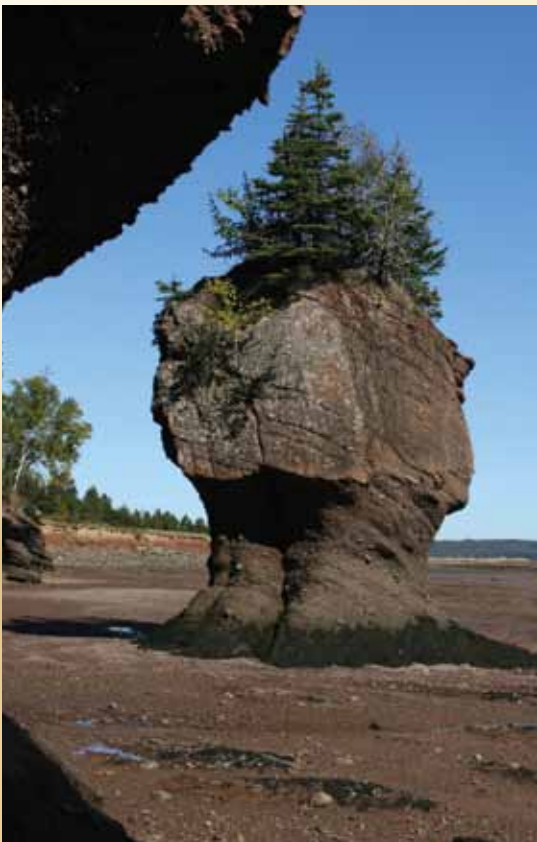


Atlantic Association
of CBDCs

2010-2011 ANNUAL REPORT



25
ANS YEARS



*Celebrating 25 years of the
Community Futures Program*





**The Atlantic Association of CBDCs
2010-2011 Annual Report**
was prepared by the
Atlantic Communications Committee

Graphic Design:
Dan O'Brien, Design North

The Atlantic Association of CBDCs
54 Loggie Street,
P.O. Box 40
Mulgrave, NS, B0E 2G0
(P) 902.747.2232
1.888.303.CBDC (2232)
(F) 902.747.2019
www.cbdc.ca



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

The Atlantic Canada Opportunities Agency is pleased to provide financial support to the CBDCs in Atlantic Canada.

Table of Contents

Message from the President	1
This Mother's Business Takes the Cake	2
Message from the Chief Operating Officer	3
Message from the Minister of State for ACOA	5
Marble Zip Tours	6
Report on ACCBIF	7
Financial Highlights	8
Kara Hachey Is a Rising Star	9
Did you know?	10
Rod and Tanyia Kingyens - ParkHill Place	11

Results of the Financial Year 2010-2011

Auditor's Report	13
Consolidated Statements	14
Notes	17
ACCBIF Segmented Statements	20
AACBDC Fund Segmented Statements	23
WBI Segmented Statements	26
TDF Segmented Statements	29
Map	33



Message from the President



*Celebrating 25 years of the
Community Futures Program*

2010-2011 marks a significant milestone for our organization and sister organizations across Canada as we celebrate the 25th anniversary of the Community Futures (CF) Program. Since the programs inception, the CF Program has assisted 23,692 entrepreneurs and invested over \$768 million directly into the economy of rural Atlantic Canada. This is truly a strong testament to the success of the program and the commitment CBDCs have shown in fulfilling their mandate of helping entrepreneurs succeed.

Last year was also a year of considerable change for the CBDCs of Atlantic Canada. We embarked on an ambitious project with the introduction of a new funding model, the Community Futures of Tomorrow (CFoT) model and the recapitalization of seven CBDCs. We have seen the demand for investment capital remaining strong and the current funding model needed to change in order to continue to meet the needs of our members.

Members of the Executive, ACCBIF, CBDC representatives and ACOA, worked collaboratively to develop this new funding strategy. As a result of this collaborative hard work, the CFoT Model evolved into the following four pillars:

1. to explore an alternative way to manage investment capital
2. to sustain seed capital
3. to address capitalization
4. to explore an alternative way to allocate the Community Futures budget among all CBDCs.

Two special meetings were held in order for boards and staff to be engaged in the process and to provide feedback. In addition, an oversight committee has been established to continue to work on behalf of its members.

In concluding, I would like to commend my fellow Executive members and the CBDC membership for their hard work and dedication throughout this past year. I would also like to acknowledge the staff of the Atlantic Association and ACOA for their dedication, support and assistance. Finally, I would like to recognize retired ACOA personnel Rick Cumerford, Mike Hayes and Brian Briffet for their outstanding contributions and devotion to the CF program throughout Atlantic Canada.

On behalf of our members, I am pleased to present to you the 2010-2011 Atlantic Association of CBDCs Annual Report.

Sincerely,

A handwritten signature in black ink that reads 'Sylvia Alexander'.

Sylvia Alexander

President

Atlantic Association of CBDCs

This Mother's Business Takes the Cake



When Erin Smith realized almost two years ago that the extra bills that come with growing children would be much easier to accommodate with a part-time job, she had no idea that what she would create was one of the most successful home-based businesses in western Shelburne County. “I just wanted to have a business that I enjoyed doing and that would ensure that I could spend as much time as possible with my children.” Erin Says,

She had worked in baking before and, after making a very successful cake for her daughter's birthday, she discovered she had the baking skills, creative knack and the inclination to set up shop making specialty cakes. “One thing just led to another and I realized I may have found the perfect way to create a successful business and be a stay-at-home mom at the same time.”

It's not that it was an easy task by any stretch of the imagination, because it required serious doses of planning and some project management skills. Luckily, this highly organized mom had just what it took to get things on track. One of the things she did was to research what kind of financing was available for projects such as hers and she then proceeded to approach the CBDC in Shelburne. “They were great to work with”, Erin adds, “asking just the right questions

and offering tremendous encouragement and support.” The financing allowed Erin to convert unused space on her property to a fully-functioning bakery, including installation of all of the required plumbing, electrical and appliances. She could probably add project supervisor to her skill set.

In a very short period of time, Erin settled on Erin's Speciality Cakes as a business name and began developing a reputation for some of the most confectionary creations in the region. She is known for the frozen yogurt cakes and especially here elaborate, complex and sometimes themed fondant cakes. Because the ultimate goal of the business was to spend the maximum each day with her nine year-old Hannah and six year-old Olivia, time management is critical. This is no mean feat since she has been fully booked in advance for cakes almost since she started two years ago. “I make sure that I plan all of my days so that I am here and free when the girls get home and I can spend time with them, take them to piano lessons, cubs, beavers and all of that.”

“It is great to see one of our loan programs so successfully used,” says Dixie Redmond. “This kind of grassroots support is critical in smaller communities and is also an essential part of our other programs.”

As a sign of the times for this modern entrepreneur, Erin has even found an equally modern method fo marketing her wares.

“Because it's essential that I spend some amount of each day with my girls, every cake project is scheduled way in advance and planned out.” In the rare event that Erin gets a cancellation, a brief posting on her popular Facebook page never fails to fill the slot. This could be called the icing on the cake for any business woman.

Message from the Chief Operating Officer



- CBDC Youth Loan
- CBDC First Time Entrepreneur Loan
- CBDC General Business Loan
- CBDC Innovation Loan
- CBDC Social Enterprise Loan

Another critical component of the CFoT model has been the inclusion of the Entrepreneurial Training Fund (ETF). Management training for small business clients has been deemed an essential resource for entrepreneurs throughout Atlantic Canada. To this end, the CFoT model allocates a portion of the Community Futures budget annually, to the Entrepreneurial Training Fund for CBDC loan clients.

2010-2011 has been a year of considerable change for the CBDCs of Atlantic Canada with the development and introduction of the Community Futures of Tomorrow (CFoT) model, coupled with an aggressive work plan.

The Atlantic Executive, in conjunction with ACCBIF, member CBDCs, and ACOA began in earnest, laying the foundation for the new CFoT funding model. Together they formed a joint working group to deal with the efficient and effective distribution of investment capital and the recapitalization of member CBDCs. The working group met on numerous occasions to carry out their work, and were instrumental in hosting two special meetings to provide feedback and seek input on the new model. The end result was acceptance of the CFoT model on December 8th, 2010 in Halifax, NS.

In the Community Futures of Tomorrow discussion paper, approved by the membership December 8th, 2010, the desegregation of funds was agreed to as a method of leveraging investment capital. Members agreed to move to a one-fund model for all investment capital, which included offering the following five new loan products suited to individual circumstances:

The CFoT oversight committee will continue to effectively work on behalf of its membership to ensure that sufficient investment capital is available for CBDCs for years to come.

Collectively, the CBDCs were able to have another stellar year, assisting 1,945 entrepreneurs and injecting \$62.9 million into the rural Atlantic Canadian economy. This demonstrates the true commitment and dedication CBDCs continue to show towards community economic development and the betterment of the communities that they serve.

*Collectively, the
CBDCs were able to
have another stellar
year, assisting 1,945
entrepreneurs and
injecting \$62.9 million
into the rural Atlantic
Canadian economy.*

The ACCBIF Board of Governance was an integral part of the deliberations that led to the successful implementation and ongoing monitoring of the CFoT model. In addition to their work with the CFoT model, the ACCBIF Board also completed two external CBDC reviews, re-evaluated the interest rate policy and implemented recommendations outlined in the ACOA and Tuff Risk reports.

The Atlantic Communications Committee continues to work diligently on behalf of the membership as they continue to strengthen the CBDC brand and image. Key initiatives, such as the annual CBDC charity campaign, enhancements to the CBDC website and the successful online banner and TV ad campaigns have been instrumental in strengthening the CBDC brand. In addition, the Atlantic Communications Committee spearheaded the development and implementation of the new loan product communications strategy which was launched April 1st, 2011.

The MIS Project continues to deliver quality IT services to help support and streamline CBDC operations. In addition to the core services provided during the year, the MIS Project also completed several important initiatives such as upgrading to a new email platform; releasing a new MIS Policies and Procedures Manual and ASP Disaster Recovery Plan; coordinating multiple TEA training sessions; negotiating reduced pricing rate for high speed internet service; and completing a TEA delinquency review. As technology and business processes continue to align, MIS will continue to evolve and demonstrate increased value to the membership. To that effect, we are pleased to report that our CF counterparts to the west have recently adopted a similar ASP platform and a national MIS committee has been formed to encourage MIS dialogue and collaboration between regions.

The LLRF Program is continuing with the processing and payment of LLRF claims. During 2010-2011, 16 claims were paid from the LLRF totalling \$282,287. In comparison, during 2009-2010, 22 claims were paid for a total claim value disbursed of \$487,236. As of year

end, there are still 304 loans being managed under the Loan Loss Reserve Fund Program, with a disbursed loan value of \$16,369,792 and a booked value of \$3,273,958. The total value of funding left within the \$4.1m reserve that is uncommitted, through expiries and repayments, as of year end, is \$826,041.

In conclusion, I would like to acknowledge the staff of the Association for their continued commitment and dedication to the CBDCs of Atlantic Canada. I would also like to thank the CBDCs for their understanding, confidence and cooperation throughout this past year, as we carried out on an ambitious work plan. Finally, I would like to thank ACOA, for their continued support and ongoing assistance.

Sincerely,



Basil A. Ryan
Chief Operating Officer
Atlantic Association of CBDCs

*The one unchangeable
certainty is that
nothing is certain or
unchangeable.*

John F. Kennedy





A message from the
Honourable Bernard Valcourt,
Minister of State for the
Atlantic Canada
Opportunities Agency
and La Francophonie

A More Prosperous Atlantic Canada

The past year has been a productive one for economic development in Atlantic Canada. However, even though Canada came out of the global economic crisis stronger than any other industrialized country, we still have a long way to go.

Like you, our Government is focused on economic growth and job creation. We have the interests of Canadian entrepreneurs at heart, especially those in Atlantic Canada's rural communities.

The next phase of the Economic Action Plan includes many important initiatives to reach this goal. We are reducing "red tape" – administrative burdens – for small and medium-sized enterprises. We have also established a Hiring Credit for Small Business.

In recognition of the role of our entrepreneurs, who were largely responsible for our success during the recession, we have announced that 2011 will be the Year of the Entrepreneur.

I would like to thank you for supporting our entrepreneurs, who play a key role in the creation of jobs. Together, we are building a stronger Atlantic Canada.



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

Marble Zip Tours



It's a cross between parachuting and flying and it's the ride of a lifetime. It's a Marble Zip Tour (MZT) experience.

After graduating from Adventure Tourism in 2005, Martin Flynn took some time to explore the world as part of the Royal Caribbean Cruise Line. Upon returning to the West Coast of Newfoundland, Martin's entrepreneurial instincts and childhood dreams took over as he soon started Marble Zip Tours during the summer of 2008.



Marble Zip Tours (MZT) is incomparable to any adventure tour. MZT is designed to provide a one-of-a-kind experience

with thrill, excitement, and adventure, in an environmentally-friendly manner that can be enjoyed by all ages, from eight to eighty.

Imagine soaring 280 feet above the ground, which is the highest zip line in Canada! MZT satisfies a diverse range of interests and offers a variety of zipline tours including; award winning zipline tours (summer & winter), night ziplining, zip n chilli, catering to individuals, private and corporate groups and team building. The most recent service added to the list is weddings! February, 2011 was the first zipline wedding for MZT!

Imagine soaring 280 feet above the ground, which is the highest zip line in Canada!

Atlantic Canada Community Business Investment Fund



This past fiscal year has been a very busy and productive year for ACCBIF and the CBDCs of Atlantic Canada. The ACCBIF Board approved 11 loans, assisting 9 CBDCs for a total value of \$4,650,000. To ensure there was enough investment capital on hand to meet demand, the ACCBIF Board borrowed \$10,297,500 from 15 CBDC offices across Atlantic Canada.

In addition to the financial aspects of ACCBIF, the Board has been very proactive in dealing with some important policy decisions surrounding the Central Fund. To ensure the long-term integrity of the Fund, the Board of Governance conducted an interest rate review, several CBDC external reviews, implemented the ACOA and Tuff Risk recommendations, underwent the subscription loan expiry and was an integral player of the Community Futures of Tomorrow (CFoT) deliberations.

In April 2010, ACCBIF reviewed the interest rate policy and as part of their analysis, the Board of Governance considered how a change in interest rate would affect the sustainability of the fund and the impacts on CBDCs. In addition, ACCBIF also looked

at the current market conditions and the operational environment of local CBDC offices. After looking at all the factors, ACCBIF decided to hold the line on interest rates at 1.5% for CBDCs borrowing from ACCBIF for a one-year period.

Another significant accomplishment during last fiscal year was the renewing of the original ACCBIF subscription fee. As part of the CFoT funding model, the original CBDC investment of \$37,500 was to be renewed and set to a non-maturing investment into the central fund.

The ACCBIF Board of Governance were actively involved in the new CFoT funding model and the recapitalization of member CBDCs. ACCBIF members met on numerous occasions throughout the year, in conjunction with their Atlantic Executive counterparts, to move the project along. With the changes in the funding model, ACCBIF seen a one-time draw down on its equity position in the amount of \$3.5 million that would be invested in CBDCs that were deemed to be undercapitalized. The ACCBIF Board is committed to ensuring investment capital is there to meet the needs of members CBDCs and the clients that they serve. In saying that, ACCBIF will continue to proactively respond to meeting the needs of its members as it carries out its mandate.

I would like to sincerely thank my fellow ACCBIF Board of Governance members for their dedication and commitment as we accomplished a very ambitious work plan during 2010-2011. I would also like to thank the staff at the Atlantic Association Office and ACOA for their continued support and dedication throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary R. Anderson".

Gary Anderson,
Chairperson

ACCBIF Financial Highlights

For the period ending 31 March

Investment Fund Results	2003	2004	2005	2006	2007	2008	2009	2010	2011
-------------------------	------	------	------	------	------	------	------	------	------

ACCBIF Investment Activity

Number of Loans Approved	20	17	13	13	17	17	12	15	11
Total CBDCs Assisted	13	12	11	13	14	14	10	14	9
Balance of Portfolio	\$11,621,973	\$18,074,973	\$20,028,645	\$22,755,617	\$25,225,854	\$26,938,795	\$27,322,085	\$28,717,712	\$25,476,667

Investment Funds Received ACCBIF

Fund Disbursed	\$7,582,000	\$8,495,000	\$6,200,000	\$8,475,000	\$7,730,000	\$8,650,000	\$8,450,000	\$8,750,000	\$4,650,000
Funds Repaid	\$1,163,000	\$2,042,000	\$4,246,328	\$5,019,218	\$6,259,764	\$7,389,649	\$7,614,120	\$7,354,373	\$7,891,045

Financial

Total Assets	\$16,307,882	\$19,761,115	\$21,028,787	\$24,317,879	\$25,567,778	\$28,271,766	\$29,299,131	\$30,868,335	\$29,718,722
Total Liabilities	\$1,935,000	\$3,650,202	\$4,607,500	\$7,562,500	\$8,512,500	\$10,962,500	\$11,699,410	\$13,140,000	\$11,835,000
Equity	\$14,372,882	\$16,110,913	\$16,421,287	\$16,755,379	\$17,055,278	\$17,309,266	\$17,599,721	\$17,728,335	\$17,883,722

Income Statement

Revenue	\$382,692	\$2,014,012	\$598,999	\$673,613	\$739,663	\$821,104	\$847,260	\$462,096	\$452,040
Expenditures	\$191,741	\$275,981	\$288,625	\$359,730	\$439,764	\$567,116	\$556,805	\$333,482	\$296,653
Surplus/(Deficit)	\$190,951	\$1,738,031	\$310,375	\$313,883	\$299,899	\$253,988	\$290,455	\$128,614	\$155,387



Kara Hachey is a Rising Star



When asked why she's so outgoing, Kara Hachey simply states 'because I had no other choice!' Kara's father was a military engineer and because of this, their family moved seven times before she was nine years old. Being the new kid all the time, Kara could not be anything but outgoing to make new friends regularly. Finally in 1991, the Hachey's settled in New Maryland, where Kara's lived ever since. From the moment they arrived, the family knew it was home and there would be no more transfers.

Kara's father always taught his children to give back to their community and at the same time learn from these experiences. Her strong work ethic, being active, learning life skills – this is how Kara Hachey has become the successful young entrepreneur she is today. From an early age Kara's energetic and outgoing personality has been in motion.

Kara's ambition has led to countless awards and recognition. Being a certified gymnastics coach and one of UNB's elite MBA students, is a combination that ignited the idea for Go-Go Gymnastics Inc. It began in her New Venture and Entrepreneurship class that challenges students to develop a business plan. She and three group members introduced the class to the dynamic "Go-Go Gymnastics" plan. The group received the \$1000 Merritthew de Grandpre prize in entrepreneurship for having the best business plan in the class.

Kara and fellow group member, Jeff Barrett, went further with the idea and entered the plan in the CIBC Business Plan Competition where it received recognition for best pitch. Determined to get this venture exposed, Kara and Jeff refined the plan and entered it in the NBIF Innovation Student Entrepreneur Awards. The plan won first prize; \$20,000 towards the business's start-up.

Kara has said more than once that Go-Go Gymnastics Inc. would not have been possible without the support and generosity of the people from CBDC. "CBDC provided Go-Go Gymnastics with three of the strongest stepping-stones needed in a start-up venture; hand-on learning opportunities, supportive staff, and required finances to get the business rolling. Without the CBDC's support, I firmly believe that Go-Go Gymnastics would not be where it is today. I am very thankful for their support and encouragement in making my dreams come true."

Kara believes that being an entrepreneur is about bringing your passion to life. Lucky for us, her passion is getting New Brunswick's youth active and fighting the child obesity problem one balance beam at a time. Statistics now reveal that over 30 per cent of children in New Brunswick are considered to be overweight, which is more than the national average. With this growing epidemic, it's becoming so important that our province try to tackle this problem and teach our youth about living a healthy lifestyle right from the beginning; that is why Kara's gymnastics courses begin for those as young as 18 months.

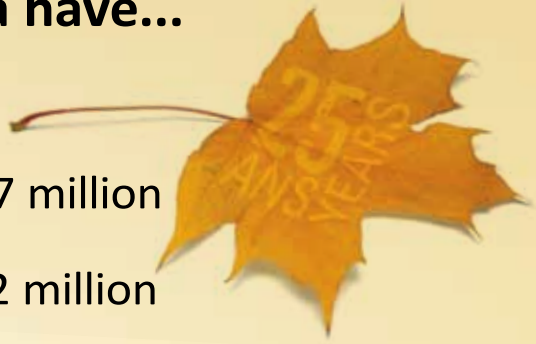
Kara is already thinking about the expansion of her enterprise – new truck and equipment to transport across municipalities in all of Atlantic Canada. Also, her team has drafted an instructional manual for her coaches that she would someday like to see published. This young entrepreneur's refreshing attitude and company is making waves province wide. There is no doubt that this rising star will always be on the go-go.

Did you know?

During 2010-2011

CBDCs of Atlantic Canada have...

- Assisted 1,945 clients
- Advanced in excess of \$62.7 million
- Levered an additional \$63.2 million
- Assisted in the creation of over 5,000 jobs



Rod and Tanya Kingyens ParkHill Place



Rod and Tanya had always felt that they were meant to have their own retirement residence. Relating to seniors came easily for them and caring for them gave them both a sense of purpose.

When the opportunity to purchase and renovate a former nurse's residence into a community care facility presented itself, it seemed too good to be true.

In October 2004, Rod and Tanya signed a contract for the renovation of the nurse's residence and began the painstaking process of securing financing for the project.

Both Rod and Tanya were viewed as "too young for such a large undertaking" by many potential lenders, however when they met with their local CBDC for consideration they were both surprised by the immediate feedback that they received from Ron Holley. Rather than looking for the reasons why this venture would not succeed, Ron was an encourager and really seemed to listen to their vision and began to find ways through CBDC to support them.

CBDC provided operating financing, along with a training grant to assist with accounting training. ParkHill Place is now home to more than 90 area residents and employs more than 50 people.

Thank you CBDC and Ron Holley for helping The Kingyens family realize their personal dream of helping others.

When the opportunity to purchase and renovate a former nurse's residence into a community care facility presented itself, it seemed too good to be true.

Results of the Financial Year **2010 - 2011**



AUDITOR'S REPORT

To the Chairman and Members of Atlantic Association of Community Business Development Corporations:

I have audited the accompanying consolidated financial statements of Atlantic Association of Community Business Development Corporations which comprise the statement of financial position as at 31 March 2011, and the statements of operations and changes in fund balances, and the statement of 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 and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for non 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 and fair presentation 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 on the effectiveness of the entity's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed in the written contractual agreement between the Association and the Atlantic Canada Opportunities Agency and are intended for the use of the Association's Board of Directors and the Atlantic Canada Opportunities Agency. The basis of accounting used in these financial statements differs materially from the Canadian generally accepted accounting principles represented by accounting recommendations of the Canadian Institute of Chartered Accountants because, the Association has not identified and classified all its financial instruments, and recorded its financial instruments at fair value. Rather, all financial instruments are recorded at historical cost. The Association has not specifically disclosed information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance, including exposure to risks, methods of determining fair value and other relevant information.

Qualified opinion

In my opinion these consolidated financial statements present fairly, in all material respects, the financial position of the Association as at 31 March 2011 and the results of its operations and the changes in its cash flow for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements. These financial statements which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are intended for the information of the Board of Directors of the Association and the Atlantic Canada Opportunities Agency and may not be appropriate for any other use.

CERTIFIED GENERAL ACCOUNTANT

Antigonish, Nova Scotia, 4 June 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

– 31 MARCH 2011

<u>Assets</u>	Operating Fund	Investment Fund	2011 Total	Operating Fund	Investment Fund	2010 Total
Current assets						
Cash and term deposits	\$1,371,216	\$7,049,692	\$8,420,908	\$1,639,834	\$5,441,547	\$7,081,381
HST refundable	73,478		73,478	76,532		76,532
Accounts receivable	8,851		8,851	27,108		27,108
Accounts receivable ACOA	128,534		128,534	24,452		24,452
Interfund receivable		29	29		11,804	11,804
Interest receivable	1,320	35,192	36,512		41,300	41,300
Prepaid expenses	113		113	265		265
Principal due within one year on investments		7,425,653	7,425,653		7,467,444	7,467,444
	<u>1,583,512</u>	<u>14,510,566</u>	<u>16,094,078</u>	<u>1,768,191</u>	<u>12,962,095</u>	<u>14,730,286</u>
Capital assets (note 3)	<u>8,585</u>		<u>8,585</u>	<u>11,746</u>		<u>11,746</u>
Investments (note 4)		<u>21,635,807</u>	<u>21,635,807</u>		<u>25,210,367</u>	<u>25,210,367</u>
	<u>\$1,592,097</u>	<u>\$36,146,373</u>	<u>\$37,738,470</u>	<u>\$1,779,937</u>	<u>\$38,172,462</u>	<u>\$39,952,399</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	\$397,613		\$397,613	\$460,705		\$460,705
Unearned revenue	936,566		936,566	1,005,912		1,005,912
Interfund payable	29		29	11,804		11,804
Principal due within one year on long-term debt		9,447,500	9,447,500		11,602,500	11,602,500
	<u>1,334,208</u>	<u>9,447,500</u>	<u>10,781,708</u>	<u>1,478,421</u>	<u>11,602,500</u>	<u>13,080,921</u>
Long-term liability (note 5)		<u>2,387,500</u>	<u>2,387,500</u>		<u>1,537,500</u>	<u>1,537,500</u>
Fund balances						
Externally restricted (note 6)	166,978	21,952,651	22,119,629	212,109	22,829,127	23,041,236
Unrestricted	90,911	2,358,722	2,449,633	89,407	2,203,335	2,292,742
	<u>257,889</u>	<u>24,311,373</u>	<u>24,569,262</u>	<u>301,516</u>	<u>25,032,462</u>	<u>25,333,978</u>
	<u>\$1,592,097</u>	<u>\$36,146,373</u>	<u>\$37,738,470</u>	<u>\$1,779,937</u>	<u>\$38,172,462</u>	<u>\$39,952,399</u>

Approved by the Board

President  Chief Operating Officer 

Results for the Financial Year 2010-2011

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

YEAR ENDED 31 MARCH 2011

	Operating Fund		Investment Fund	
	2011	2010	2011	2010
Revenue				
ACOA Contribution	\$1,216,172	\$1,386,892		
Membership fees and dues	13,400	13,700		
Other revenue	232,797	297,821		
Interest on loans			401,794	457,463
Interest, other	52,141	33,550	72,317	27,547
	<u>1,514,510</u>	<u>1,731,963</u>	<u>474,111</u>	<u>485,010</u>
Expenses				
Salaries and benefits	440,947	387,577		
Rent and equipment lease	30,020	27,224		
Professional fees	36,427	45,144		
Insurance	5,201	4,471		
Interest on loans			76,558	109,225
Loan loss reserve fund payouts			206,266	385,455
Telephone	10,286	11,067		
Translation	44,905	28,529		
Travel, meetings and training	144,484	129,365		
Office	33,243	24,969		
Annual general meetings	78,263	76,261		
Other	7,800	10,332		
Projects	943,164	1,242,697		
Provision for doubtful loans			692,281	308,659
Amortization	3,492	4,848		
	<u>1,778,232</u>	<u>1,992,484</u>	<u>975,105</u>	<u>803,339</u>
Excess (deficiency) of revenues over expenses	(263,722)	(260,521)	(500,994)	(318,329)
Contribution to operating from investment fund	220,095	224,257	(220,095)	(224,257)
	(43,627)	(36,264)	(721,089)	(542,586)
Fund balances at beginning of year	301,516	337,780	25,032,462	25,575,048
Fund balances at end of the year	\$257,889	\$301,516	\$24,311,373	\$25,032,462

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED 31 MARCH 2011

	Operating Fund		Investment Fund	
	2011	2010	2011	2010
<u>Operating activities</u>				
Excess (deficiency) of revenues over expenses	(\$263,722)	(\$260,521)	(\$500,994)	(\$318,329)
Provision for doubtful loans			692,281	308,659
Amortization	3,492	4,848		
Transfer from investment to operating fund	220,095	224,257	(220,095)	(224,257)
Decrease (increase) HST refundable	3,054	(21,294)		
Decrease (increase) accounts receivable	18,257	(24,451)		
Decrease (increase) accounts receivable ACOA	(104,082)	58,845		
Decrease (increase) interfund receivable/payable	(11,775)	21,214	11,775	(21,214)
Decrease (increase) interest receivable	(1,320)	131,432	6,108	30,884
Decrease (increase) prepaid expenses	152	1,852		
Increase (decrease) accounts payable	(63,092)	87,918		
Increase (decrease) unearned revenue	(69,346)	(56,958)		
	<u>(268,287)</u>	<u>167,142</u>	<u>(10,925)</u>	<u>(224,257)</u>
<u>Financing and investing activities</u>				
Acquisitions of capital assets	(331)	(5,399)		
Loans from CBDCs			(1,305,000)	1,450,000
Loan repayments from CBDCs			8,719,877	8,398,827
Loan advances to CBDCs			(5,795,807)	(10,130,029)
	<u>(331)</u>	<u>(5,399)</u>	<u>1,619,070</u>	<u>(281,202)</u>
Net increase (decrease) in cash and equivalents	(268,618)	161,743	1,608,145	(505,459)
Cash and equivalents at beginning of year	1,639,834	1,478,091	5,441,547	5,947,006
Cash and equivalents at end of year	<u>\$1,371,216</u>	<u>\$1,639,834</u>	<u>\$7,049,692</u>	<u>\$5,441,547</u>
Cash and equivalents are comprised of:				
Cash	\$1,371,216	\$1,639,834	\$7,049,692	\$4,741,054
Short term investments				700,493
	<u>\$1,371,216</u>	<u>\$1,639,834</u>	<u>\$7,049,692</u>	<u>\$5,441,547</u>

Results for the Financial Year 2010-2011

NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

1. Purpose of the organization

The association exists to foster, support and sustain the advancement of members so that they can develop local economies in Atlantic Canada through small business development. The objectives include promoting business education to members, sharing of information amongst members, advising government of small business needs common to Atlantic Canada, assisting members to become self sufficient, providing a forum to discuss common issues and to establish and operate a central fund for the effective use of Community Business Development Corporation funds known as the Atlantic Canada Community Business Investment Fund (ACCBIF). The company is incorporated under the Canada Corporations Act (Supplementary Letters Patent, as a non profit association and is exempt from income tax by virtue of Paragraph 149 (1)(l) of the Income Tax Act.

2. Significant accounting policies

Fund Accounting

The company follows the restricted fund method of accounting for the Investment Funds. The Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and operating contributions. The Investment Fund reports all resources of the Investment Fund and the investment income resulting from investing activities employing the funds.

Investments

Investments are recorded at the lower of cost and estimated market value. Provision for loan losses and collection costs related thereto are reported in the Investment Fund.

Basis of presentation

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed in the written contractual agreement between the Association and the Atlantic Canada Opportunities Agency and are intended for the use of the Association's Board of Directors and the Atlantic Canada Opportunities Agency.

The basis of accounting used in these financial statements differs materially from the Canadian generally accepted accounting principles represented by accounting recommendations of the Canadian Institute of Chartered Accountants because:

The Association has not identified and classified all its financial instruments, and recorded its financial instruments at fair value. Rather, all financial instruments are recorded at historical cost.

The Association has not specifically disclosed information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance, including exposure to risks, methods of determining fair value and other relevant information.

3. Capital assets

Capital assets are recorded at acquisition cost. Amortization is based on the estimated useful life of the assets and is charged on the diminishing balance method at the annual rate of 30% for equipment and 20% straight-line method for leasehold improvements.

	WBI	AACBDC	ACCBIF	Tech	2011	2010
Equipment	\$6,275	\$20,177	\$10,376	\$3,210	\$40,038	\$39,707
Leasehold improvement		1,312			1,312	1,312
	6,275	21,489	10,376	3,210	41,350	41,019
Accumulated amortization	5,252	16,307	8,832	2,374	32,765	29,273
Net book value	\$1,023	\$5,182	\$1,544	\$836	\$8,585	\$11,746

4. Investments

	ACCBIF	TDF	2011	2010
Loans due from subscribing members	\$25,476,667	\$5,273,574	\$30,750,241	\$33,738,981
Principal payments due within one year	6,754,526	671,127	7,425,653	7,467,444
	18,722,141	4,602,447	23,324,588	26,271,537
Allowance for doubtful loans		(1,688,781)	(1,688,781)	(1,061,170)
	\$18,722,141	\$2,913,666	\$21,635,807	\$25,210,367

The loans due from subscribing members is comprised of:

	ACCBIF	TDF	2011	2010
Balance at beginning of year	\$28,717,712	\$5,575,027	\$34,292,739	\$33,173,102
Loans advanced during the year	4,650,000	1,145,807	5,795,807	10,130,029
Loans repaid during the year	(7,891,045)	(828,832)	(8,719,877)	(8,398,827)
Loans written off during the year		(64,670)	64,670	(104,153)
Principal balance	25,476,667	5,827,332	31,303,999	34,800,151
Allowance for doubtful accounts		(1,688,781)	(1,688,781)	(1,061,170)
Balance at end of year	\$25,476,667	\$4,138,551	\$29,615,218	\$33,738,981

5. Loans payable

2011

2010

Subscription loans payable

Noninterest bearing promissory notes payable to subscribing members with no set terms of repayment. During such time as this promissory note remains outstanding, the subscribing CBDC shall, subject to the by-laws of the Association, be a subscribing member of the Association and the Fund under clause 7.0(a) of by-law 9.

\$1,537,500

\$1,537,500

Other loans payable

Loans due to member CBDCs are secured by promissory notes.

10,297,500

11,602,500

11,835,000

13,140,000

Less principal due within one year on long-term debt

9,447,500

11,602,500

\$2,387,500

\$1,537,500

Principal repayment due within each of the next three years is as follows:

2012	\$9,447,500
2013	\$250,000
2014	\$600,000

NOTES TO FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2011

6. Externally restricted funds

Atlantic Canada Community Business Investment Fund (ACCBIF)

The net assets contributed by Atlantic Canada Opportunities Agency to the investment fund are restricted by an Agreement to use the funds only for loans to “subscribing” CBDCs as set out in note 1. All investment income earned by the organization from net assets of the ACCBIF Investment Fund is reinvested in the fund and is accumulated as unrestricted.

Women in Business Initiative (WBI) Investment Fund

The net assets contributed by Atlantic Canada Opportunities Agency to the Loan Loss Reserve Fund (LLRF) are restricted by an Agreement to use the funds to provide a 20% guarantee on loans made to eligible female clients by the CBDCs. The intent of the LLRF is to offset loan structural risk, rather than business viability risk. The amount of exposure on loans issued by CBDCs under this program, as at the balance sheet date is \$1,363,825 (2010 -\$1,684,397).

All investment income earned by the organization from net assets of the WBI Investment Fund shall be applied to the incremental operating costs of the Fund. Any surplus created by investment income is to be used in future years to offset operational expenses.

Technology Development Fund

The assets contributed by Atlantic Canada Opportunities Agency to be administered under the Technology Development Investment Fund, are to be loaned to CBDCs, on a conditionally repayable basis. The CBDCs will then make loans to qualifying Small-Medium size businesses (SMEs). The loans are intended to assist SMEs to remain competitive in an ever increasing technical environment. The loans are for activities which are high risk by their nature. The funds within the operating fund are to be used by AACBDC to administer and evaluate the program.

7. Operating leases

The company is party to lease agreements for equipment and office space. The lease for equipment is paid quarterly and expires August 2015. The lease for the office space is renewed annually. Assuming the lease for the premises remains unchanged. Future minimum lease payments for the next five years are as follows:

2012	\$30,840
2013	\$30,840
2014	\$30,840
2015	\$30,840
2016	\$26,985

ACCBIF Segment

STATEMENT OF FINANCIAL POSITION

– 31 MARCH 2011

<u>Assets</u>	Operating Fund		Investment Fund	
	2011	2010	2011	2010
Current assets				
Cash and term deposits	\$12,872	\$8,728	\$4,207,429	\$2,103,184
HST refundable	3,313	3,255		
Due from Atlantic Association Division				8,830
Interfund receivable			29	2,974
Interest receivable	8		34,597	35,635
Principal due within one year on investments			6,754,526	5,665,174
	<u>16,193</u>	<u>11,983</u>	<u>10,996,581</u>	<u>7,815,797</u>
Capital assets (note 3)	<u>1,544</u>	<u>2,206</u>		
Investments (note 4)			<u>18,722,141</u>	<u>23,052,538</u>
	<u>\$17,737</u>	<u>\$14,189</u>	<u>\$29,718,722</u>	<u>\$30,868,335</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$17,708	\$11,215		
Interfund payable	29	2,974		
Principal due within one year on long-term debt			9,447,500	11,602,500
	<u>17,737</u>	<u>14,189</u>	<u>9,447,500</u>	<u>11,602,500</u>
Long-term liability (note 5)			<u>2,387,500</u>	<u>1,537,500</u>
Fund balances				
Externally restricted (note 6)			15,525,000	15,525,000
Unrestricted			2,358,722	2,203,335
			<u>17,883,722</u>	<u>17,728,335</u>
	<u>\$17,737</u>	<u>\$14,189</u>	<u>\$29,718,722</u>	<u>\$30,868,335</u>

Results for the Financial Year 2010-2011

ACCBIF Segment

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

– Year ended 31 March 2011

	Operating Fund		Investment Fund	
	2011	2010	2011	2010
Revenue				
Interest on loans			\$401,794	\$457,463
Interest on investments	157	28	50,246	4,633
	<u>157</u>	<u>28</u>	<u>452,040</u>	<u>462,096</u>
Expenses				
Salaries and benefits	99,805	98,539		
Interest on loans			76,558	109,225
Rent	8,375	7,567		
Professional fees	16,833	10,048		
Insurance	1,696	1,628		
Telephone	2,897	3,156		
Translation	69	157		
Travel, meetings and training	34,339	39,684		
Office	5,293	4,997		
Other	283	428		
Amortization	662	946		
	<u>170,252</u>	<u>167,150</u>	<u>76,558</u>	<u>109,225</u>
Excess (deficiency) of revenues over expenses	(170,095)	(167,122)	375,482	352,871
Contribution to Association operating			(50,000)	(57,135)
Contribution to operating from investment fund	170,095	167,122	(170,095)	(167,122)
			<u>155,387</u>	<u>128,614</u>
Fund balances at beginning of period			17,728,335	17,599,721
Fund balances at end of the year			<u>\$17,883,722</u>	<u>\$17,728,335</u>

ACCBIF Segment

STATEMENT OF CASH FLOW

– Year ended 31 March 2011

	Operating Fund		Investment Fund	
	2011	2010	2011	2010
Operating activities				
Excess (deficiency) of revenues over expenses	(\$170,095)	(\$167,122)	\$375,482	\$352,871
Amortization	662	946		
Transfer from investment fund to operating fund	170,095	167,122	(170,095)	(167,122)
Transfer from ACCBIF to Association operating fund			(50,000)	(57,135)
Decrease (increase) HST refundable	(58)	(237)		
Decrease (increase) interfund receivable ACCBIF	(2,945)	2,974	2,945	(2,974)
Decrease (increase) interfund receivable AACBDC			8,830	(11,253)
Decrease (increase) interest receivable	(8)		1,038	34,135
Increase (decrease) accounts payable and accruals	6,493	(5,465)		
Decrease (increase) interfund payable ACCBIF		6,987		(6,987)
	<u>4,144</u>	<u>5,205</u>	<u>168,200</u>	<u>141,535</u>
Financing and investing activities				
Acquisitions of capital assets		(781)		
Increase (decrease) in loans due to CBDCs			(1,305,000)	1,450,000
Loan repayments from CBDCs			7,891,045	7,354,373
Loan advances to CBDCs			(4,650,000)	(8,750,000)
		<u>(781)</u>	<u>1,936,045</u>	<u>54,373</u>
Net increase in cash and short term investments	4,144	4,424	2,104,245	195,908
Cash and equivalents at beginning of year	<u>8,728</u>	<u>4,304</u>	<u>2,103,184</u>	<u>1,907,276</u>
Cash and equivalents at end of year	<u>\$12,872</u>	<u>\$8,728</u>	<u>\$4,207,429</u>	<u>\$2,103,184</u>

Results for the Financial Year 2010-2011

AACBDC Segment

STATEMENT OF FINANCIAL POSITION

– 31 MARCH 2011

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets		
Cash	\$172,520	\$259,576
HST refundable	69,167	71,799
Accounts receivable, other	8,851	4,335
Accounts receivable ACOA	128,534	24,452
Accounts receivable Industry Canada		22,773
Prepaid expenses	113	265
	<u>379,185</u>	<u>383,200</u>
Capital assets (note 3)	<u>5,182</u>	<u>6,884</u>
	<u><u>\$384,367</u></u>	<u><u>\$390,084</u></u>
<u>Liabilities</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$296,249	\$294,572
Due to ACCBIF investment fund		8,830
	<u>296,249</u>	<u>303,402</u>
<u>Fund balances</u>		
Unrestricted	<u>88,118</u>	<u>86,682</u>
	<u><u>\$384,367</u></u>	<u><u>\$390,084</u></u>

AACBDC Segment
STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCES
– YEAR ENDED 31 MARCH 2011

<u>Revenue</u>	<u>2011</u>	<u>2010</u>
ACOA Contribution	\$1,146,826	\$1,329,934
Membership fees and dues	13,400	13,700
Other revenue	256,797	321,821
Investment income	1,839	250
	<u>1,418,862</u>	<u>1,665,705</u>
<u>Expenses</u>		
Salaries and benefits	231,924	194,301
Rent and equipment lease	8,480	7,762
Professional fees	12,266	27,189
Insurance	3,481	2,822
Telephone and communications	5,212	5,724
Translation	44,742	28,372
Travel, meetings and training	107,455	85,906
Office	23,500	16,816
Annual general meetings	78,263	76,261
Other	6,906	8,227
Projects	943,164	1,242,697
Amortization	2,033	2,763
	<u>1,467,426</u>	<u>1,698,840</u>
Excess (deficiency) of revenues over expenses	(48,564)	(33,135)
Contribution of funds from ACCBIF	50,000	57,135
	<u>1,436</u>	<u>24,000</u>
Fund balances at beginning of period	<u>86,682</u>	<u>62,682</u>
Fund balances at end of period	<u><u>\$88,118</u></u>	<u><u>\$86,682</u></u>

Results for the Financial Year 2010-2011

AACBDC Segment STATEMENT OF CASH FLOW – YEAR ENDED 31 MARCH 2011

	<u>2011</u>	<u>2010</u>
<u>Operating activities</u>		
Excess (deficiency) of revenues over expenses	(\$48,564)	(\$33,135)
Amortization	2,033	2,763
Transfer from ACCBIF investment fund	50,000	57,135
Decrease (increase) HST refundable	2,632	(21,439)
Decrease (increase) accounts receivable	18,257	(24,451)
Decrease (increase) ACOA receivable	(104,082)	58,845
Increase (decrease) prepaid expenses	152	1,852
Increase (decrease) accounts payable	1,677	192,331
Increase (decrease) payable ACCBIF	(8,830)	11,253
	<u>(86,725)</u>	<u>245,154</u>
<u>Financing and investing activities</u>		
Acquisitions of capital assets	<u>(331)</u>	<u>(3,972)</u>
Net increase in cash and equivalents	(87,056)	241,182
Cash at beginning of period	<u>259,576</u>	<u>18,394</u>
Cash at end of period	<u><u>\$172,520</u></u>	<u><u>\$259,576</u></u>

Women in Business Initiative Fund Segment

STATEMENT OF FINANCIAL POSITION – 31 MARCH 2011

<u>Assets</u>	Operating		Investment	
	2011	2010	2011	2010
Current assets				
Cash and term deposits	\$504,267	\$624,446	\$2,189,869	\$2,396,135
HST refundable	487	830		
Interest receivable	1,312			
	<u>506,066</u>	<u>625,276</u>	<u>2,189,869</u>	<u>2,396,135</u>
Capital assets (note 3)	1,023	1,462		
	<u>\$507,089</u>	<u>\$626,738</u>	<u>\$2,189,869</u>	<u>\$2,396,135</u>
 Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$73,885	\$148,403		
Unearned revenue	266,226	266,226		
	<u>340,111</u>	<u>414,629</u>		
Fund balances				
Externally restricted (note 6)	166,978	212,109	2,189,869	2,396,135
	<u>\$507,089</u>	<u>\$626,738</u>	<u>\$2,189,869</u>	<u>\$2,396,135</u>

Results for the Financial Year 2010-2011

Women in Business Initiative Fund Segment STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES – YEAR ENDED 31 MARCH 2011

	Operating		Investment	
	2011	2010	2011	2010
Revenue				
Interest on investments	\$50,077	\$33,259		
Expenses				
Communications	483	328		
Loan loss reserve fund payouts			206,266	385,455
Office	2,663	1,429		
Administrative fees	9,000	9,000		
Professional fees	3,320	5,327		
Rent	7,650	6,912		
Telephone and fax	1,510	1,428		
Translation	94	1,230		
Travel, meetings and training	1,046	1,224		
Wages and employee benefits	69,003	66,031		
Amortization	439	627		
	95,208	93,536	206,266	385,455
Excess (deficiency) of revenues over expenses for the year	(45,131)	(60,277)	(206,266)	(385,455)
Externally restricted fund balance at beginning of year	212,109	272,386	2,396,135	2,781,590
Externally restricted fund balance at end of year	\$166,978	\$212,109	\$2,189,869	\$2,396,135

Women in Business Initiative Fund Segment

STATEMENT OF CASH FLOW

– YEAR ENDED 31 MARCH 2011

	Operating		Investment	
	2011	2010	2011	2010
<u>Operating activities</u>				
Excess (deficiency) of revenues over expenses for the year	(\$45,131)	(\$60,277)	(\$206,266)	(\$385,455)
Amortization	439	627		
Decrease (increase) HST refundable	343	196		
Decrease (increase) interest receivable	(1,312)	131,432		
Increase (decrease) accounts payable and accruals	(74,518)	(101,106)		
Change in cash and cash equivalents during year	(120,179)	(29,128)	(206,266)	(385,455)
Cash and short term investments at beginning of year	624,446	653,574	2,396,135	2,781,590
Cash and cash equivalents at end of year	\$504,267	\$624,446	\$2,189,869	\$2,396,135

Results for the Financial Year 2010-2011

Technology Development Fund Segment

STATEMENT OF FINANCIAL POSITION

– 31 MARCH 2011

Assets	2011	Operating 2010	2011	Investment 2010
Current assets				
Cash and term deposits	\$681,557	\$747,084	\$652,394	\$942,228
Accrued interest receivable			595	5,665
HST refundable	511	648		
Principal due within one year on investments			671,127	1,802,270
	<u>682,068</u>	<u>747,732</u>	<u>1,324,116</u>	<u>2,750,163</u>
Capital assets (note 3)	<u>836</u>	<u>1,194</u>		
Investments (note 4)			<u>2,913,666</u>	<u>2,157,829</u>
	<u>\$682,904</u>	<u>\$748,926</u>	<u>\$4,237,782</u>	<u>\$4,907,992</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$9,771	\$6,515		
Unearned revenue	670,340	739,686		
	<u>680,111</u>	<u>746,201</u>		
Fund balances				
Externally restricted (note 6)			4,237,782	4,907,992
Unrestricted	2,793	2,725		
	<u>2,793</u>	<u>2,725</u>	<u>4,237,782</u>	<u>4,907,992</u>
	<u>\$682,904</u>	<u>\$748,926</u>	<u>\$4,237,782</u>	<u>\$4,907,992</u>

Technology Development Fund Segment

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

– YEAR ENDED 31 MARCH 2011

	Operating		Investment	
	2011	2010	2011	2010
Revenue				
ACOA Contribution	\$69,346	\$56,958		
Interest on investments	68	13	22,071	22,914
	<u>69,414</u>	<u>56,971</u>	<u>22,071</u>	<u>22,914</u>
Expenses				
Communications	128	119		
Office supplies and equipment	1,787	1,727		
Administrative fees	15,000	15,000		
Insurance	24	21		
Professional fees	4,008	2,580		
Provision for doubtful loans			692,281	308,659
Rent and leasehold improvements	5,515	4,983		
Salaries and benefits	40,215	28,706		
Travel, meetings and training	1,644	2,551		
Telephone	667	759		
Amortization	358	512		
	<u>69,346</u>	<u>56,958</u>	<u>692,281</u>	<u>308,659</u>
Excess of revenues over expenses for the year	68	13	(670,210)	(285,745)
Externally restricted fund balance at beginning of year	<u>2,725</u>	<u>2,712</u>	<u>4,907,992</u>	<u>5,193,737</u>
Externally restricted fund balance at end of year	<u>\$2,793</u>	<u>\$2,725</u>	<u>\$4,237,782</u>	<u>\$4,907,992</u>

Results for the Financial Year 2010-2011

Technology Development Fund Segment

STATEMENT OF CASH FLOW

– YEAR ENDED 31 MARCH 2011

	Operating		Investment	
	2011	2010	2011	2010
Operating activities				
Excess of revenues over expenses for the year	\$68	\$13	(\$670,210)	(\$285,745)
Provision for doubtful loans			692,281	308,659
Amortization	358	512		
Decrease (increase) HST refundable	137	186		
Decrease (increase) interest receivable			5,070	(3,251)
Increase (decrease) accounts payable and accruals	3,256	2,158		
Increase (decrease) unearned revenue	(69,346)	(56,958)		
	<u>(65,527)</u>	<u>(54,089)</u>	<u>27,141</u>	<u>19,663</u>
Financing and investing activities				
Loan repayments from CBDCs			828,832	1,044,454
Loan advances to CBDCs			(1,145,807)	(1,380,029)
Addition to capital assets		(646)		
		<u>(646)</u>	<u>(316,975)</u>	<u>(335,575)</u>
Net increase in cash and short term investments	(65,527)	(54,735)	(289,834)	(315,912)
Cash and short term investments at beginning of year	747,084	801,819	942,228	1,258,140
Cash and cash equivalents at end of year	<u>\$681,557</u>	<u>\$747,084</u>	<u>\$652,394</u>	<u>\$942,228</u>
Cash and equivalents are comprised of:				
Cash	\$681,557	\$747,084	\$652,394	\$241,735
Short term investments				700,493
	<u>\$681,557</u>	<u>\$747,084</u>	<u>\$652,394</u>	<u>\$942,228</u>

Atlantic Association of CBDCs

