

2010
Annual Report

cybf.ca



Canadian
Youth Business
Foundation

MISSION

To champion youth entrepreneurship across Canada by providing pre- and post-launch coaching, business resources, start-up financing and mentoring to empower young Canadians, age 18-34, to start and grow a business that contributes to sustainable economic development in their communities.

VISION

**Driving Canada's business success
by helping youth help themselves.**

cybf.ca

On the cover:

CYBF Entrepreneur: Tal Dehtiar, owner of Oliberté Footwear

CYBF Mentor: Lawrence Zimmering

CYBF Community Partner: CYBF

Inception: 2009

Jobs Supported: 257 in Canada and Africa

Location: Oakville, Ontario

Website: www.oliberte.com

Oliberté, one of CYBF's most successful socially-minded start-ups, manufactures premium casual footwear made exclusively in Africa, providing stable jobs and regular income to a region so desperately in need.

To read more about Tal's entrepreneurial journey, visit <https://www.entrepreneur.com/101/2019/01/01/101tal/>

<http://www.cybf.ca/story-gallery/success-stories/ontario/Oliberte.pdf>

Celebrating and Cultivating **Young Entrepreneurs**

CYBF is the 'go to' place for youth entrepreneurship. As a national charity we invest in aspiring young entrepreneurs, age 18-34, to enable them to start and build successful businesses. These businesses represent a significant economic injection into our communities – creating new jobs and seizing opportunities that will contribute to the overall vitality of our country.

Now celebrating 14 years, CYBF has invested in more than 4,000 young people whose companies have generated more than 17,500 new jobs, CAD \$114 million in tax revenues and hundreds of millions of dollars in sales and export revenues.

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This fiscal 2010 Annual Report was made possible in part by the generous support from Watermark Design, (416) 530-1558, www.watermarkdesign.ca

Message from the Chairman & CEO

For CYBF, 2010 was a year that will be remembered as a giant leap forward and a truly historical one at that. From strong growth to enhanced success ratios, from leading a new culture of entrepreneurship in Canada to international recognition, CYBF proved itself as a leader at all levels of youth entrepreneurship both at home and abroad.

We are most proud of the 17.7 per cent growth in our core start-up program. In fact, we now launch a new entrepreneurial business every 15 hours around the clock! In 2010, our portfolio success rate increased by .42 basis points to over 94 per cent, well above our international peer group in the Prince's Youth Business International network. With 17,500 new jobs created and nearly \$115 million in taxes and revenues pouring in from the businesses we have helped to start, CYBF has grown to become a critical contributor to Canada's economic future from coast to coast to coast.

2010 was also the year in which CYBF hosted the world's inaugural G20 Young Entrepreneur Summit (G20 YES) in Toronto, from which the G20 Young Entrepreneurs' Alliance (G20 YEA) was born. As a founding member of the G20 YEA, we are incredibly proud of the rapid momentum and impact this initiative has taken on in less than a year! The G20 YEA met in Seoul, Republic of Korea in November 2010 to complete our charter and we are preparing for the second G20 Young Entrepreneur Summit to be held November 2011 in Cannes, France where CYBF will represent Canada alongside 20 of our country's top young entrepreneurs.

CYBF is equally proud to be the Canadian lead and host of Global Entrepreneurship Week (GEW) through 2012. We are enormously proud that our efforts were recognized in March 2010 when CYBF accepted the "Country of the Year" award on behalf of Canada for our strong campaign. Last November, we engaged more than 350 partners to hold more than 700 events right across Canada with the common goal of encouraging and building a stronger culture of entrepreneurship.

Perhaps the most exciting part is what the future holds for CYBF. In the next five years, our expansion plans will create nearly 6,800 new businesses and nearly 34,000 new jobs. Our focus on a new innovation program will ensure Canada's most innovative young entrepreneurs can make us proud, and a national peer networking program will bring together young entrepreneurs and their mentors to build a groundswell of ideas, energy and support. We are poised to grow more entrepreneurs, to connect them, and to provide the leadership through partnerships to showcase – to Canadians and to the world – the magic that can happen when you believe in someone with a brilliant idea and the fire of entrepreneurial spirit in their belly.



John Risley

Chairman,
Clearwater Fine Foods
& Chairman, CYBF

Vivian Prokop

Chief Executive Officer,
CYBF

Program & Delivery

Model



Pre-Launch & Post-Launch Coaching



Online Business Resources



Start-Up & Expansion Financing



World-Class Business Mentoring

CYBF knows that encouraging the innovation, creativity and fearless determination of Canada's young people is essential to driving the long-term economic growth, prosperity and competitiveness of our country.

We do this by offering young Canadians, ages 18-34, four fully-integrated programs to ensure the healthy start and sustainability of their new business ventures:

- **Pre- and Post-Launch Coaching**
- **Online Business Resources**
- **Start-Up and Expansion Financing**
- **World-Class Business Mentoring**

With a 94 per cent repayment success rate, we know our business model works.

We invest our time and money in aspiring young entrepreneurs who have a great business idea – but need help to make it happen.

Our core programs provide young people with the tools they need to get started and become the next generation of business leaders and economic contributors.

Through our valued relationships with 161 community partners, CYBF is able to champion economic development from coast to coast to coast. Community partners are the local storefront for CYBF reaching more than 1,200 urban and rural communities. By working with volunteer loan review committee members, our community partners help aspiring young entrepreneurs develop robust business plans while guiding them through the CYBF process, ensuring their future success.

Impact & Highlights

The year 2010 marked a monumental year for CYBF. Not only did we exceed every business objective, we also hosted the inaugural G20 Young Entrepreneur Summit.

Our successes this year were made possible thanks to our hard-working community partners, mentors, loan review committee members and the unwavering support of our board, staff and supporters.

Fiscal 2010 Highlights

Start-Ups: 579 new businesses launched, representing a 17.7 per cent increase over fiscal 2009

Volunteers: 574 volunteers joined CYBF, a 14 per cent increase over fiscal 2009

Repayment rate: 94 per cent business start-up repayment rate, despite a challenging world economy

Championing Youth Entrepreneurship:

- **Strategic Government Roundtables:** Hosted Hon. Rob Moore, Minister of State (Small Business & Tourism) at two CYBF roundtables on the future of youth entrepreneurship in Canada.
- **G20 Young Entrepreneurs' Summit:** Created and hosted the inaugural Summit resulting in the development of a communiqué identifying five key policy issues to unlock the potential of young entrepreneurs in the G20 countries. This communiqué was presented at the G20 Business Summit in Toronto.
- **G20 Young Entrepreneur Alliance:** Founded a new international team and movement for collaboration among leading organizations supporting entrepreneurship.
- **Global Entrepreneurship Week (GEW):**
 - Signed a three-year MOU to host Global Entrepreneurship Week Canada through 2012.
 - Recognized as Global Entrepreneurship Week Country of the Year 2009, competing against more than 80 countries, including the United Kingdom, Russia and the United States.
 - Hosted GEW Canada 2010. Engaged more than 350 partners, executed more than 700 initiatives that engaged more than 100,000 Canadians. Ran a robust advertising, media and online campaign that reached millions of Canadians with more than 130 million message impressions.



“

Entrepreneurs build businesses.

Businesses build communities.

Who builds entrepreneurs? We do.”



Fiscal 2010 Highlights

Programs:

- **Newcomer Entrepreneur Program:** Launched specialized national program for newcomers to Canada.
- **Innovation Program:** Pilot successfully completed with national launch planned for fiscal 2011.
- **Entrepeer Program:** Launched phase one of this new program dedicated to building a community for CYBF key stakeholder groups, allowing them to share best practices, do business and provide specialized value-based affinity programs. CYBF launched its communication initiative, Entrepeer Weekly, and its first affinity partner, the Canadian Federation of Independent Business.
- **Mentoring:**
 - Executed a comprehensive survey among mentors to create future best practices and programs.
 - Enhanced online tools to meet educational needs of mentors.
 - Launched mentor recruitment campaign to drive successful pipeline.
- **Entrepreneur-In-Residence (EIR):** Expanded EIR educational seminars that directly assisted in meeting start-up objectives.
- **Fundraising:** Contribution revenue raised \$12.8 million in fiscal 2010, a 79 per cent increase over fiscal 2009.
- **Marketing:** Supported business objectives with new and aggressive grassroots marketing and social media initiatives including outreach via Facebook, Twitter, YouTube and educational webinars.



Pre-Launch & Post-Launch Coaching

Entrepreneur-in-Residence

Entrepreneurs are the building blocks of Canadian communities. But just as they provide the foundation for their local economies, they need support and assistance to launch and grow their businesses.

CYBF offers young people a hands-on, business advisor known as an Entrepreneur-in-Residence who can offer the coaching they need to develop a successful business throughout the entrepreneurial lifecycle.

The EIR provides young entrepreneurs with assistance on:

- Creating a solid business plan
- Developing financial strategies
- Obtaining a business license
- Developing a good credit rating
- Sharing best business practices
- Facing and dealing with economic challenges
- Expansion and human resource challenges

Fiscal 2011 Goals:

- Increase the number of young entrepreneurs successfully helped through the Pre- and Post-Launch Coaching process by 20 per cent
- Expand the EIR educational seminar series Canada-wide
- Hire second EIR to work with entrepreneurs in Western Canada



*CYBF made this opportunity work.
Without their support, resources
and investment, we would not be
where we are today.*



Alia El Banna
Owner, KIWI Choice

KIWI Choice

CYBF Entrepreneur: Alia El Banna

CYBF Mentor: John Callahan

CYBF Community Partner:

Ottawa Community Loan Fund

Inception: 2010

Jobs Created: 6

Location: Ottawa, Ontario

Website: www.kiwichoice.com

Combining green technology with business was a perfect career choice for Alia El Banna. Alia launched KIWI Choice Inc., a manufacturer of solar-powered portable device chargers, in 2010, fast becoming a success in the world of eco-electronics. With guidance from her CYBF mentor John Callahan, Alia is in the process of developing two new KIWI Choice products and expanding sales to European and Australian markets.

To read more about Alia's entrepreneurial journey, visit <http://www.cybf.ca/story-gallery/success-stories/ontario/KIWIChoice.pdf>.





Start-Up & Expansion Financing

Start and Grow with up to \$45,000*

CYBF is proud to partner with the Business Development Bank of Canada (BDC) to offer qualified entrepreneurs with up to **\$45,000** in financing – based on character and a great business idea, not collateral. This unique partnership provides young entrepreneurs with access to start-up and growth capital through CYBF's application process.

Starting up: Get up to \$45,000* in start-up financing!

CYBF provides eligible young entrepreneurs with start-up financing of up to \$15,000, with flexible three to five year repayment terms. Through the BDC partnership, CYBF approved applicants have access to two BDC dollars for every one CYBF dollar. That's a total of up to \$45,000 in seed capital with one application!

Growing the Business: Expansion financing up to \$30,000*

CYBF and the BDC recognize that once entrepreneurs have launched their business, supplementary financing may be required to grow or expand their business. That is why we offer qualified entrepreneurs, who have been in operation between 36 to 60 months, with expansion financing of up to \$30,000 with one application.

CYBF's Favourable Interest Rates

1st year: prime lending rate +2 per cent

2nd year: prime lending rate +1 per cent

3rd - 5th years: prime lending rate

*please refer to www.cybf.ca for a complete listing of eligibility criteria and complete details related to all financing options

Fiscal 2011 Goals:

- Invest in 640 new start-up businesses: a 10 per cent increase over fiscal 2010
- Invest in 40 newcomer businesses
- Launch Innovation Program

Eligibility Requirements:*

- Age 18-34
- Eligible to work in Canada (work permit holders not eligible)
- Have a viable business plan
- Business is new or under a year old
- Must agree to work with a business mentor for a minimum of two years
- Business creates full-time sustainable employment for the applicant
- Not a full-time student
- Loan proceeds may not be used for the refinancing of existing debt



CYBF's contributions and assistance were a critically important part of moving from concept to realization. Between the role of our mentor, the support framework and financial assistance, Invenia would not be the company it is today without the help of CYBF.



Matthew Hudson

Owner, Invenia Technical Computing Corporation

Invenia Technical Computing Corporation

CYBF Entrepreneur: Matthew Hudson

CYBF Mentor: Jeff Ryzner

CYBF Community Partner:

Meyers Norris Penny LLP

Inception: 2006

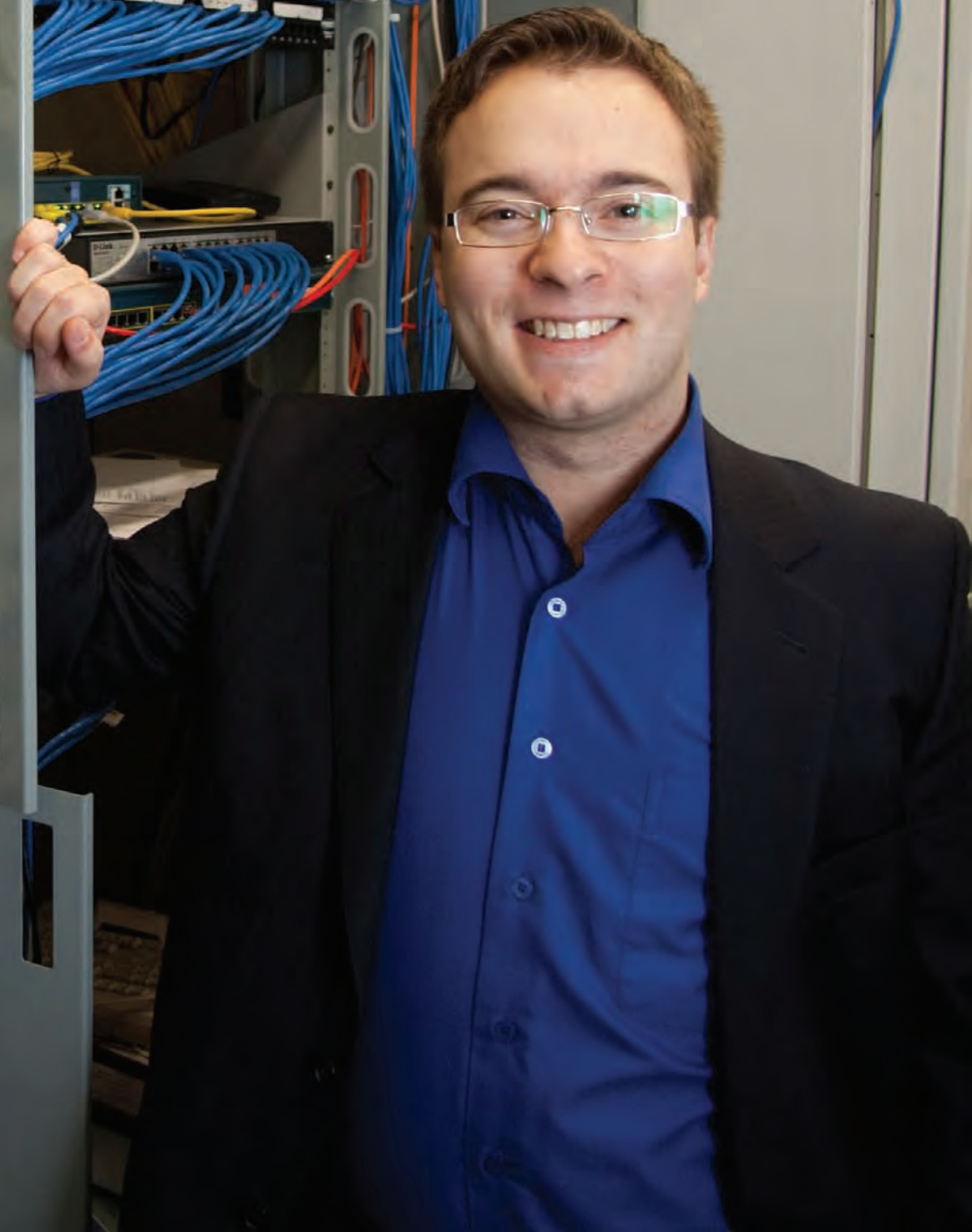
Jobs Created: 16

Location: Winnipeg, Manitoba

Website: www.invenia.ca

As the young entrepreneur behind Invenia Technical Computing Corp., Matthew Hudson is – literally – changing the world for the better. Through the development of Energy Intelligence Systems (EIS), Invenia optimizes wind power to reduce CO2 emissions. In fact, Invenia has already prevented over 36kt of CO2 emissions, and has the potential to reduce CO2 emissions by 35Mt per year. In less than four years, Invenia has grown into an internationally recognized company with global environmental benefits.

To read more about Matthew's entrepreneurial journey, visit <http://www.cybf.ca/story-gallery/success-stories/manitoba/Invenia.pdf>.





World-Class Business Mentoring

Why do the businesses started by CYBF have a successful repayment rate of more than 94 per cent?

Because we believe that CYBF's mentoring program truly works.

Our roster of highly qualified and dedicated business mentors bring years of experience and first-hand knowledge to the young entrepreneur. CYBF mentors encourage, share their knowledge and help to guide young entrepreneurs through every obstacle.

CYBF hand-matches every entrepreneur with a business mentor for a minimum of two years, to ensure they have support during the critical start-up phase. CYBF's MENT2B™ online orientation program creates a framework for and a relationship contract between the mentor and their mentee.

Globally recognized as an industry-leading initiative, CYBF's mentoring program is a template for success for many of the 40 countries within The Prince's Youth Business International network.

Fiscal 2011 Goals:

- Increase mentor pipeline to support the 640 start-ups for fiscal 2011
- Launch ongoing and regular networking events for mentors and entrepreneurs
- Enhance online tools, resources and information for mentors
- Launch Mentor-In-Residence (MIR) pilot program

“

I was so happy and relieved to find CYBF. The fact that I was hand-matched with a mentor to help support and guide me, is far more valuable than any traditional loan I could have received.

”

Mylene Chaumont
President, Sentinelle Santé



Mylène Chaumont

CYBF Entrepreneur: Mylène Chaumont

CYBF Mentor: Raymond Brunet

CYBF Community Partner: CLD Gatineau

Inception: 2008

Jobs Created: 3

Location: Gatineau, Québec

Website: www.sentinellehealthgroup.ca

Mylene credits her mentor, Raymond Brunet, with helping her prioritize her many lives as an entrepreneur, a mother and a successful president of Sentinelle Health Group, a private health clinic located in Gatineau, Québec. "He constantly reminds me that the challenges will make me stronger, that it's a learning opportunity that will only result in successes down the road."

To read more about Mylene's entrepreneurial journey, visit <http://www.cybf.ca/story-gallery/success-stories/quebec/SentinelleHealthGroup.pdf>.



Business Resources

The right tools at the right time: one thing every young entrepreneur needs in their toolbox.

As the 'go to' place for youth entrepreneurship, CYBF offers a centralized online Business Resource Centre that provides a wide variety of tools, tips, stories and data to meet the needs of entrepreneurs, mentors and community partners.

Our resource library is always expanding and updated to include:

- Inspiring case studies to get entrepreneurs on the path to success
- An interactive business planner to take the guesswork out of planning
- Financial tips on taxation, cash flow and more
- Marketing tips and other how to's
- Educational tools, forms and applications

Fiscal 2011 Goals:

- Continue to provide robust educational tools for all stakeholders
- Develop new web platform to offer an easily searchable and better organized resource library
- To explore new partnerships that will bring new resources and value to our entrepreneurs, mentors and community partners

“

CYBF's resources were available to us when others were not. They opened doors – something we desperately needed during the growth stages of our business.

”

Ken LeBlanc

President & CEO, PropertyGuys.com

PropertyGuys.com

CYBF Entrepreneurs: Ken LeBlanc, Jeremy Demont, Dale Betts, Walter Melanson

CYBF Mentor: Dannie Brown

CYBF Community Partner: Enterprise Greater Moncton, serving the Greater Moncton area

Inception: 1998

Jobs Created: 345

Location: Moncton, New Brunswick

Website: www.propertyguys.com

Ken LeBlanc, Jeremy Demont, Dale Betts, Walter Melanson of PropertyGuys.com Inc. are true entrepreneurial inspirations. The foursome launched their innovative online real estate business in 1998 with a collective \$100 in their pockets. Today, PropertyGuys.com is Canada's largest private real estate network, with more than 120 franchises serving over 600 communities across Canada.

To read more about Ken, Jeremy, Dale and Walter's entrepreneurial journey, visit http://www.cybf.ca/story-gallery/success-stories/newbrunswick/PropertyGuys_founders.pdf



Championing Youth Entrepreneurship

In today's knowledge-based economy, many young people recognize that they cannot rely on a position in traditional industries. Jobs are scarce, experience levels are high. Young people can no longer expect prosperity or security. They need to create it themselves.

Furthermore, with up to 71 per cent of small business owners set to retire in the next five to 10 years, the future of this country will depend on an increasing number of young people who are willing to start their own business.

We need to transform the Canadian economy from one that relies largely on our resources and the initiative of others to one that is based on the ideas and initiative of each Canadian. We need to support our aspiring young entrepreneurs in order to cultivate the next generation of business leaders.

This is why CYBF has made **“Championing Youth Entrepreneurship” a deliverable for every part of our core program.** We know that by celebrating and encouraging entrepreneurship through grassroots, regional, national and international initiatives, we will be part of the cultural shift that will transform Canada in the coming decades. We will work to find ways to encourage the dreams of entrepreneurs, support their ideas, to fund their businesses and to help make those businesses sustainable.

We believe that young entrepreneurs represent Canada's best future hope for generating the ideas that will drive economic development, innovation and prosperity.

Fiscal 2011 Goals:

- CYBF will once again host Global Entrepreneurship Week Canada efforts for 2011
- CYBF will represent Canada at the G20 Young Entrepreneur Summit 2011 in France
- CYBF will continue to represent Canada through the G20 Young Entrepreneur Alliance
- CYBF will forge new partnerships to drive a culture of youth entrepreneurship across Canada
- CYBF will work with governments to help develop youth entrepreneurship strategies that will further drive economic prosperity

“

Together we can provide the support young people need to fire their imaginations, transform their ideas into businesses, and build a better tomorrow for us all.

”

Vivian Prokop
Chief Executive Officer, CYBF

Sarah's Lemonade Stand

Entrepreneur: Sarah Prashad

CYBF Mentor: Her mom

CYBF Community Partner: Her community

Inception: 2010

Jobs Created: 1

Location: 649 Pineway Drive (on the sidewalk)

Website: www.IAmBuildingMyFuture.com

When life hands you lemons, you make lemonade! Sarah is on a bright path to a bright future thanks to CYBF, who recognizes that it is time to cultivate the next generation of entrepreneurs who will shape the future of this country.

To read more about how CYBF is helping to build Canada's next generation of entrepreneurs, visit http://www.cybf.ca/assets/pdf/NP_Full%20PageGEW2010.pdf



CYBF Fundraising

By investing in CYBF you are investing in Canada's future

CYBF plays a vital role in advancing the economic vitality of communities all across Canada. We cannot do what we do without the partnerships forged and the financial and in-kind investments from corporations, governments, foundations and private individuals. On behalf of thousands of young entrepreneurs we have supported, thank you for believing in CYBF's vision and in helping to realize the dreams of Canada's future business leaders.

Fiscal 2010 Highlights:

CYBF is most grateful to the following partners, who joined us this fiscal year in raising more than \$16,000,000 in new funding to support our programs:

Corporate/Foundations:

- Business Development Bank of Canada
- TD Canada Trust
- The Gwyn Morgan & Patricia Trotter Foundation
- The Keg Spirit Foundation

Governments:

- Government of Alberta
- Government of Canada (Industry Canada)
- Government of Prince Edward Island
- Government of Ontario
- Government of Québec

CYBF's generous media partners enabled us to reach millions of Canadians through extensive advertising and promotional campaigns, by providing us with more than \$1,000,000 of in-kind support:

- National Post
- Clear Channel Outdoor Canada
- Captivate Network
- Outdoor Broadcast Network
- Fokus Media
- Canadian Student Magazine
- Hill & Knowlton Canada

Supporters



\$10,000,000 +



Industry
Canada

Industrie
Canada

Canada



\$5,000,000 - \$10,000,000

CIBC Small Business (Founding Sponsor)
Government of Québec
RBC Foundation (Founding Sponsor)



\$1,000,000 - \$5,000,000

Government of Alberta
Government of Ontario
TD Canada Trust



\$250,000 - \$1,000,000

BMO Financial Group
Bombardier Inc.
Clearwater Fine Foods Inc.
The Counselling Foundation of Canada
Groupe AXOR Inc.
Groupe Canam Inc.
The John Dobson Foundation
Scotiabank



\$50,000 - \$250,000

Accenture
Business Development Bank of Canada
Government of British Columbia
The Gwyn Morgan & Patricia Trotter Foundation
The Keg Spirit Foundation
McCarthy Tétrault LLP
Research In Motion
Spin Master Ltd.
Watermark Design

Fiscal 2011 Goals:

- Raise CAD \$12.8 million for program delivery
Impact: 640 new start-ups; 3,200 new jobs (estimated)
- Obtain CAD \$1 million in in-kind support
Impact: increased program awareness, increase in start-ups and mentors and reduced operational costs
- Continue to build affinity program partnerships
Impact: special discounted offers for CYBF stakeholders

The Need

The small business sector is being negatively impacted by two factors: the retirement of an estimated 71 per cent of small business owners over the next five to 10 years, and ongoing economic challenges. Canada needs to cultivate an entrepreneurial spirit and encourage more young people to become entrepreneurs, and **CYBF needs your investment to help make this happen.**

Ways to Partner

Support your youth-focused social responsibility and business objectives by investing in the CYBF program: start-up financing program, mentoring program, special national programs such as Global Entrepreneurship Week, sponsorship of events, and so much more.

Types of Support:

- **Cash investment**
- **In-kind investment**
- **Stocks, bonds, mutual funds, GIC investments**
- **Affinity program investment**
- **Volunteer investment**

Benefits

- Help drive Canada's entrepreneurial culture and global competitiveness
- Directly contribute to Canada's economic recovery and growth
- Invest in launching new start-up businesses that in turn will invest in you
- Provide skills development and knowledge sharing opportunities for your employees
- Associate your brand with the leading 'go to' place for youth entrepreneurship

Getting Started

To learn more about how you can get involved please contact:

Vivian Prokop, CEO
Tel: (416) 408-2923 ext. 3001
Email: vprokop@cybf.ca



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AUDITORS' REPORT ON CONDENSED FINANCIAL STATEMENTS

To the Board of Directors of The Canadian Youth Business Foundation

The accompanying condensed statement of financial position and statements of operations and cash flows are derived from the complete financial statements of The Canadian Youth Business Foundation ("CYBF") as at September 30, 2010 and for the year then ended on which we expressed an opinion without reservation in our report dated November 19, 2010. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the condensed financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These condensed financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on CYBF's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

November 19, 2010

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Condensed **Financial Statements**

CANADIAN YOUTH BUSINESS FOUNDATION Condensed Financial Results Statement of Financial Position As at September 30

ASSETS	2010	2009
CURRENT		
Cash and cash equivalents	\$ 9,381,901	\$ 4,139,752
Short-term investments	992,086	3,706,362
Loans	4,409,367	3,378,730
Other current assets	263,781	232,971
	15,047,135	11,457,815
LOANS	11,027,741	8,927,477
CAPITAL ASSETS, net	51,753	82,017
	\$ 26,126,629	\$ 20,467,309
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 688,580	\$ 627,586
DEFERRED RENT, CONTRIBUTIONS AND GRANTS	8,008,904	8,213,075
	8,697,484	8,840,661
NET ASSETS	17,429,145	11,626,648
	\$ 26,126,629	\$ 20,467,309

CANADIAN YOUTH BUSINESS FOUNDATION Condensed Statement of Operations Year ended September 30

	2010	2009
REVENUES		
Contributions	\$ 12,854,106	\$ 7,176,384
Loan interest and fees income	871,498	674,630
Investment and other income	59,607	113,579
	13,785,211	7,964,593
EXPENSES		
Entrepreneurial programs	4,277,547	3,476,144
Mentoring	641,003	866,377
Promotional events	1,194,940	141,775
Administration	1,029,615	946,467
Fundraising	839,609	690,534
	7,982,714	6,121,297
EXCESS OF REVENUES OVER EXPENSES	\$ 5,802,497	\$ 1,843,296

CANADIAN YOUTH BUSINESS FOUNDATION Condensed Statement of Cash Flows Year ended September 30

	2010	2009
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING ACTIVITIES		
Cash received from contributors	\$ 12,586,814	\$ 10,603,267
Cash received from principal payments	3,564,886	2,559,645
Loan advances	(8,213,150)	(6,670,600)
Other operating activities	(5,349,794)	(3,840,640)
	2,588,756	2,651,672
FINANCING AND INVESTING	2,653,393	(335,180)
Net increase in cash and cash equivalents during the year	5,242,149	2,316,492
Cash and cash equivalents, beginning of year	4,139,752	1,823,260
Cash and cash equivalents, end of year	\$ 9,381,901	\$ 4,139,752

A complete set of audited financial statements may be obtained through the National office by calling (416) 408-2923 ext. 2124.

Management Commentary On Financial Results For 2010

Fiscal 2010 marked the fifth consecutive year of significant growth as we issued a record 579 advances to young entrepreneurs totaling \$8,213,150, an increase of 87 start-ups over last year. Youth entrepreneurship is leading the way as the Canadian economy grows out of the 2009 recession.

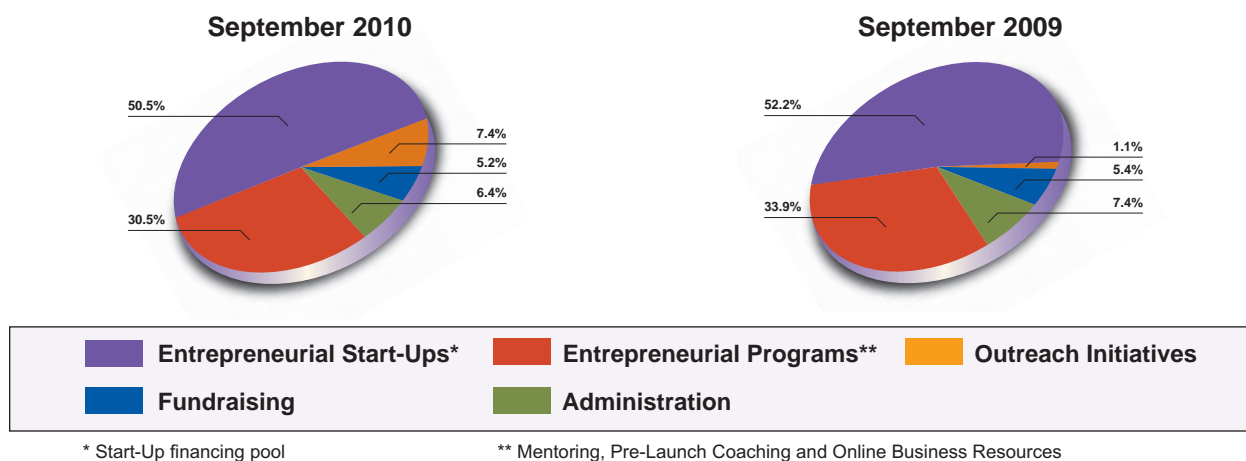
Federal and Provincial government support are key to CYBF's success to date and to our future. The 2009 Federal Government grant of \$10 million provided the key funding for 2010 and the Federal Government has provided a new \$10 million grant to fund our growth in 2011. The \$5 million Province of Québec funding over the next five years was finalized in 2010 and \$1.85 million was received during the year. These funds are critical to continuing the growth of CYBF.

Our five year Strategic Plan has been updated to 2015 as we have exceeded the growth targets for the last three years. CYBF is now growing into a much larger organization with significantly increased capacity to support the youth of Canada in their business endeavors. Innovation, green and newcomer funding initiatives are now in their test phases and will be key parts of our growth in the coming years.

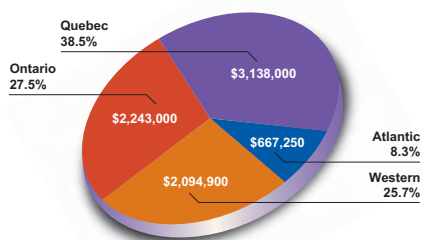
We continue to manage our overall operations in an efficient manner with administration expenses representing only 6.4 per cent of our total resource utilization. 81 per cent of our resources were used to fund our start-up, mentoring and education programs.

CYBF is now the leader of entrepreneurship in Canada. We hosted the extremely successful inaugural G20 Young Entrepreneur Summit in June 2010 and followed this with an a very active set of initiatives during Global Entrepreneurship Week (GEW) in the fall of 2010.

How Our Financial Resources Were Utilized



Loans Advanced In Fiscal 2010

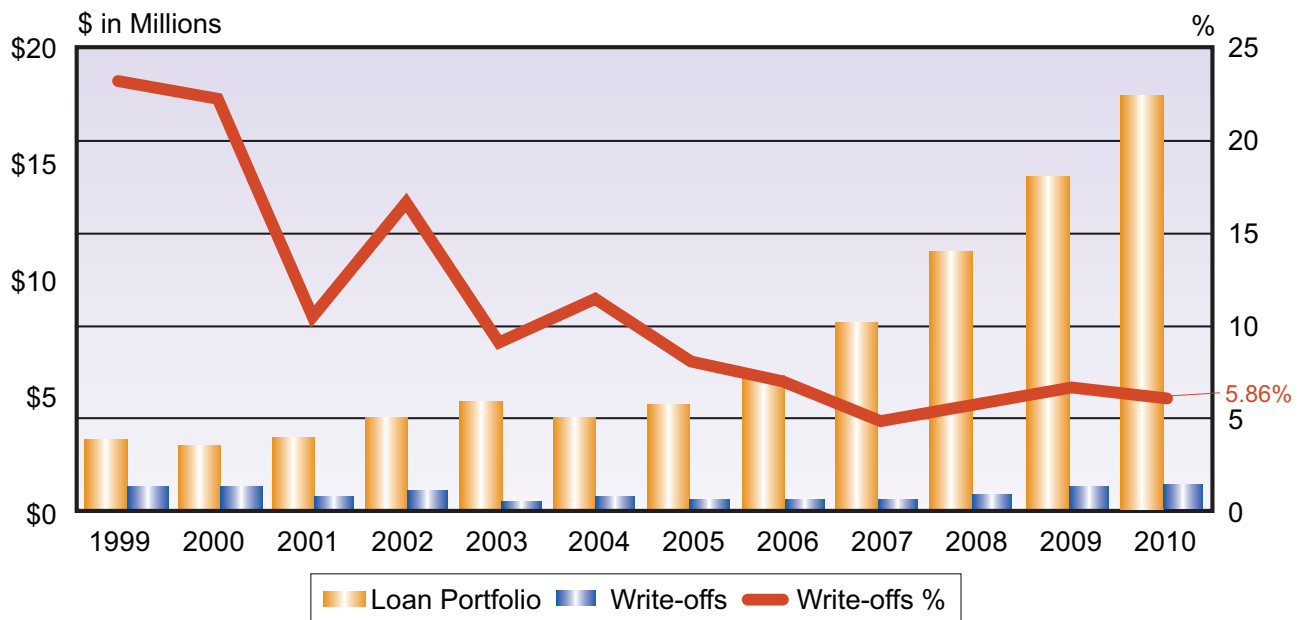


Effectively Managing Our Loan Portfolio

Our loan portfolio, before loan loss provision, has now grown to \$18,079,000 with 1,633 young entrepreneurial companies currently benefiting through our start-up financing. Québec led the way with 221 start-ups totaling \$3,138,000. Ontario followed with 156 start-ups at \$2,243,000 and British Columbia showed strong growth to almost \$1,451,000 in new loans. The annual write-offs decreased slightly to 5.86 per cent of our average loan portfolio during the year as we continue to monitor arrears closely and the quality of applicants sent to us through our community partner network continues to be strong. This is also evidence of the critical role played by the mentors who advise each and every one of our young entrepreneurs on the road to their business success.

Our active community partner network now stands at 161. It is largely through these partnerships and the loan review committees throughout the cities and towns of Canada that we achieve our growth targets. They are all to be congratulated for their role in CYBF's success to date.

Loan Portfolio and Annual Write-offs



Investments**CANADIAN YOUTH BUSINESS FOUNDATION****Investments at Market Value**

As at September 30

	2010	2009
OPERATING CASH	\$ 173,841	\$ 265,461
CASH EQUIVALENTS		
Cash in investment accounts earning 30 day T-bill rate	70,064	146,460
Treasury bills	—	—
Other commercial paper	9,137,996	3,727,831
SHORT TERM INVESTMENTS		
Treasury bills	—	1,099,418
Other commercial paper	992,086	2,606,944
	\$ 10,373,987	\$ 7,846,114

Investment Policy

CYBF has an Investment Policy with an active management strategy that has been approved by the CYBF Board of Directors. The primary objective of CYBF's investment portfolio is to:

1. Preserve its capital;
2. Provide liquidity to meet disbursement requirements as required over the next three to five years;
3. Maintain appropriate diversification; and,
4. Generate investment returns relative to these guidelines and prevailing market conditions.

The Investment Guidelines of this policy are quite extensive and in all instances CYBF shall adhere to the Prudent Person Principle whereby it shall invest and manage investments according to investment policies, standards and procedures that a prudent person would exercise in making investment decisions regarding property belonging to others.

In general, eligible investments include high quality government and commercial paper that do not exceed three years in maturity. No asset-backed securities, mortgage-backed securities, equity securities, derivatives, commodities, and securities not denominated in Canadian dollars are allowed.

The long-term return objective of CYBF's investments will be to meet or exceed the annual inflation rate as denominated by the published Canadian Consumer Price Index.

CYBF's return objectives will only be pursued in accordance with CYBF's tolerance for risk and ability to take risk with invested funds. Risk mitigating action with respect to funds invested will be focused on ensuring that CYBF maintains the real (inflation adjusted) value of its investment portfolio, meets its disbursement requirements and protects its capital.

CYBF will engage investment advisors/managers who have an industry proven record of adhering to internal investment guidelines designed to ensure a consistent approach to risk control through well-defined diversification and quality standards.

A copy of our full investment portfolio and Investment Policy may be obtained through the National Office by calling (416) 408-2923 ext 2101.

CYBF's Fiscal 2010 Board of Directors, Business Advisors & Executive Team

A national organization such as CYBF could not succeed without significant leadership and involvement from a highly engaged and effective Board of Directors and Business Advisors. On behalf of Canada's young entrepreneurs, mentors and partners, we would like to thank these individuals who freely give their time; providing us with strategic advice, operating experience, support for our fundraising efforts, and help to champion youth entrepreneurship.

Board of Directors

Officers



John Risley, O.C.
CYBF Chairman
Chairman, Clearwater Fine Foods Inc.



David Stewart-Patterson
CYBF Vice-Chairman



Jonathan Simmons
CYBF Treasurer
Partner, PricewaterhouseCoopers LLP



Steve Farlow
CYBF Secretary
Executive Director, Schlegel Centre for Entrepreneurship

Directors



David Aisenstat
President and CEO, The Keg Steakhouse & Bar
Chairman, The Keg Spirit Foundation



Harry Chemko
CEO, Elastic Path Software Inc.
(CYBF 2005 National Best Business Winner)



Ronnen Harary
Co-CEO
Spin Master Ltd.



Michel Kelly-Gagnon
President & CEO
Montreal Economic Institute



Honourable Ralph Klein
Former Premier
Province of Alberta



George Marsland
President
Global Development Corp.



Edmée Métivier
Executive Vice President
Business Development Bank of Canada



Sarah Prevette
Founder & CEO
Sprouter



Mark Segal
Chief Financial Officer
Spin Master Ltd.



Catherine Swift
CYBF Fundraising Committee Chairwoman
Chairwoman, President & CEO
Canadian Federation of Independent Business



Lorna Telfer
Senior Vice President, General Counsel & Secretary
Ivanhoe Cambridge Inc.

Business Advisors



Laurent Beaudoin, C.C., FCA
Chairman of the Board and Chief Executive Officer
Bombardier Inc.



Serge Godin
Founder & Executive Chairman of the Board
CGI Group Inc.

Executive Team

Chief Executive Officer
Vivian Prokop

**Senior Vice President
& Chief Operating Officer**
Terry Campbell

**Senior Vice President, Marketing,
Communications & Strategic Partnerships**
Katrina White

Chief Financial Officer
John Clark, CA

**Vice President, Human Resources,
Governance & Administration**
Danielle Mandell


Vice President, Programs
Tessa Mintz
Mahsa Taheri (currently on maternity leave)

CYBF **Offices**


National Office

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Toronto, Ontario M5H 1S3
National office - Tel: (416) 408-2923, 1 (866) 646-2922
Regional offices - Tel: 1 (800) 464-2923
Email: info@cybf.ca
 @CYBFCanada
 Canadian Youth Business Foundation
(CYBF / FCJE)

British Columbia

13545 64 Avenue, Suite 203
Surrey, British Columbia V3W 1Y2
Tel: (604) 598-2923
Email: cdelaney@cybf.ca
 @CYBFBC

Alberta

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Calgary, Alberta T3E 7P7
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Email: cmillar@cybf.ca
 @CYBFWest


Manitoba & North

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 @CYBFMB

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Toronto, Ontario M5H 1S3
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 @CYBFOntario

Ontario – North

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North Bay, Ontario P1B 2H3
Tel: (705) 840-1909
Email: tbedard@cybf.ca
 @CYBFOntario

Ontario – South

285 King Street, Suite 203
London, Ontario N6B 3M6
Tel: (519) 439-2923
Email: asimm@cybf.ca
 @CYBFOntario

Québec

4707 boulevard Des Laurentides, bureau 101
Laval, Québec H7K 3G4
Tel: (514) 225-7035
Email: vbellavance@fcje.ca
 @FCJE

Atlantic - Nova Scotia

1575 Brunswick Street
Halifax, Nova Scotia B2J 2G1
Tel: (902) 426-6530
Email: nsmith@cybf.ca

Community Partners

Thank you to the 161 community partners who help us deliver our program from coast to coast to coast. Our partners truly are our community connection.

- CLD Domaine-du-Roy
- CBDC Cumberland
- South Central Community Futures Development Corporation
- CLD de la MRC de Memphremagog
- CLD de Shawinigan
- CFDC of the SE Region - BC
- Whitehorse Chamber of Commerce
- The Thunder Bay & District Entrepreneur Centre
- Small Business Resource Centers Inc
- Ottawa Community Loan Fund
- YWCA
- The Business Centre Nipissing Parry Sound
- Kawartha Lakes Small Business Enterprise Centre
- Centennial College
- Okanagan Valley Entrepreneurs Society
- Small Business BC
- CLD Cote-de-Gaspé
- CBDC Chaleur
- CLD de la MRC de Charlevoix
- CBDC Trinity Conception Corporation
- Centre Local de développement (CLD) Maria-Chapdelaine
- Akaitcho Business Development Corporation
- SADC de la MRC de Rivière-du-Loup
- Dauphin Economic Development Centre
- CBDC West Prince Ventures Limited
- Manitoba Education, Citizenship and Youth, MB4 Youth Division
- University of Saskatchewan
- YMCA Business Centre
- Réseau Accès Crédit
- CBDC Northumberland Inc.
- Global Infobrokers Inc
- Sahtu Business Development Centre
- CLD de la Vallée-du-Richelieu
- Carrefour Jeunesse Emploi (CJE) de D Autray-Joliette
- Superior North Community Futures Development Corporation
- Corporation de Développement Economique des Bois-Francs (CLD)
- Trenval Business Development Corporation
- Interconnection Research Intemation Ltd
- Baffin Business Development Corporation
- CLD Rivière du Nord
- Self Employment & Entrepreneur Development Society (SEEDS)
- CLD de la MRC de Maskinongé
- Celtic Business Development Corporation
- CLD de Robert-Cliche
- Naicam Business Opportunity Co-operative
- Toronto Business Development Centre - West Campus
- Greater Victoria Economic Development Commission
- Centre for Entrepreneurship Education and Development (Halifax)
- Enterprise Centre Sault Ste Marie
- Société d'aide au développement de la collectivité de L'Amiante (SADC)
- SADC de Baie-des-Chaleurs
- The University of Winnipeg
- Global Infobrokers Inc
- Centre d'Aide aux Entreprises Haute-Yamaska et Region
- Dinsmore Small Business Loans Association Inc.
- CBDC Central PEI
- Cabot Community Business Development Corporation
- CLD de Longueuil
- Blue Water Business Development Corporation Limited
- Bruce Community Futures Development Corporation
- Community Opportunity & Innovation Network Inc. (COIN)
- CLD De la Ville de Saguenay
- Dogrib Area Community Futures
- CLD de la MRC de L'Assomption
- Kingston Economic Development Corporation
- CLD Pierre-De Saurel
- Community Futures Heartland
- Women Entrepreneurs of Saskatchewan Inc. - Saskatoon
- Conseil Economique de Haut-Richelieu
- CBDC Péninsule acadienne Inc.
- Mount Royal College
- Capilano University
- LAMBAC (LaCloche Manitoulin Business Assistance Corporation's)
- Société de Développement économique de Drummondville (CLD Drummond)
- Société de Développement Économique de Lévis
- YMCA-YWCA of Northeast Avalon
- Toronto Business Development Centre
- Bow Valley College
- Stratford Perth Centre for Business Development Corporation
- SAJE Montreal Metro
- Community Futures Winnipeg River
- The Business Enterprise Centre of Samia-Lambton
- NAIT
- S.U.C.C.E.S.S
- Hants-Kings Business Development Centre Limited
- Northwest Business Centre
- Bear Hills Rural Development Corporation
- SAIT Polytechnic
- Société d'aide au développement de la collectivité (SADC) Achigan-Montcalm
- SADC du Suroit-Sud
- CLD de la MRC du Val-Saint-Francois
- WindsorEssex Development Commission (WEDC)
- Community Futures Triple R Corporation
- DMH Public Relations & Communications Inc.
- Discovery Center for Entrepreneurship
- Centre Local de Développement Economique des Moulins
- Global Business Centre
- Community Futures Prince Albert & District
- CLD de Roussillon
- IDÉ Trois-Rivières
- CLD de Sept-Rivières et Minganie
- Hamilton Small Business Enterprise Centre
- CLD du Haut Saint-Francois
- Metro Business Opportunities Corporation
- CLD de Laval
- Corporation of the City of St. Catharines
- CLD de Portneuf
- Prescott-Russell Entrepreneurship Centre
- Canada International College
- Cornwall Business Enterprise Centre
- CLD de Lajemmerais
- Women Entrepreneurs of Saskatchewan Inc.- Regina
- SOCCA (Société de Crédit Commercial Autochtone)
- Victoria Madawaska-South Business Development Centre Inc
- Deh Cho Business Development Centre
- CLD MRC Rouyn-Noranda
- Richmond Chamber of Commerce
- Red River College
- CLD de la Côte-de-Beaupré
- CYBF Calgary
- Centre Local de Développement (CLD) de La Matapédia
- CBDC Yarmouth
- Waterloo Region Small Business Centre
- CFDC of Chatham-Kent
- Community Futures Development Corporation of Okanagan-Similkameen
- CBDC Westmorland Albert Inc
- Prince George Chamber of Commerce
- Alberta Women Entrepreneurs
- Centre local de développement L'Islet
- Restigouche CBDC Inc.
- North Claybelt Community Futures Development Corporation
- Salmon Arm Economic Development Society
- Nickel Basin Federal Development Corporation
- Enterprise Renfrew County
- Centre Local de Développement (CLD) Gatineau
- Southwest Valley Development Corporation Inc.
- CLD de la MRC de Lotbinière
- Community Futures Westman Inc
- Thebacha Business Development Services
- YES Montreal (Youth Employment Services)
- Huron Business Development Corporation
- George Brown College
- Regina Chamber of Commerce
- Enterprise Greater Moncton
- Norfolk District Business Development Corporation
- Enterprise Saint John
- CYBF
- Centre Local de Développement (CLD) Les Maskoutains
- FONDS COMMUNAUTAIRE D'ACCÈS AU MICRO-CRÉDIT
- Timmins Business Enterprise Centre
- South Lake Community Futures Development Corporation
- Pro-Gestion Estrie
- Prince Edward, Lennox and Addington (PELA) CFDC
- Community Futures Development Corporation of 16/37
- CLD Antoine-Labelle
- CBDC Madawaska Inc.
- Goldensouth Business Deveopment
- CLD de Québec
- Community Futures North Central Development
- London Small Business Centre
- CYBF Western
- Enterprise Temiskaming
- CLD de la Haute-Côte-Nord

On the back cover:

CYBF Entrepreneur: Monica Mei, owner of Aime Luxury

CYBF Mentor: Rajan Krishnamachan

CYBF Community Partner: CYBF

Inception: 2008

Jobs Created: 40

Location: Toronto, Ontario

Website: www.aimeluxury.com

Aime Luxury is a socially responsible luxury fashion brand – using all-natural, eco-friendly and organic materials to design and manufacture effortlessly chic yet comfortable clothing for women.

To read more about Monica's entrepreneurial journey, visit

<http://www.cybf.ca/story-gallery/success-stories/ontario/Aime.pdf>

Entrepreneurs
JOBS
Potential
BOSS
Dream
Youth
ECONOMY
Inspire
Power
BOSS
Dr
te
y
P
ECO



Canadian
Youth Business
Foundation