

THE CANADIAN YOUTH BUSINESS FOUNDATION

Condensed Financial Report



2012



Canadian Youth
Business Foundation
cybf.ca

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 18-39, 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.

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Contents

Fiscal 2012: April 1, 2011 to March 31, 2012

Condensed Financial Statements	Page 1
Financial Reports	Page 3

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 Canadian Youth Business Foundation (CYBF / FCJE)

Condensed **Financial Statements**

CANADIAN YOUTH BUSINESS FOUNDATION

Condensed Statement of Financial Position

As at March 31

ASSETS	2012	2011
CURRENT		
Cash and cash equivalents	\$ 7,952,644	\$ 6,238,760
Short-term investments	–	499,127
Loans	6,022,706	4,957,136
Other current assets	561,740	252,267
	14,537,090	11,947,290
LOANS	12,130,244	11,397,721
ADVANCES TO RELATED PARTY	462,771	505,000
CAPITAL ASSETS, net	502,726	60,835
	\$ 27,632,831	\$ 23,910,846
LIABILITIES		
CURRENT		
Bank Indebtedness	\$ 137,842	\$ –
Accounts payable and accrued liabilities	457,087	429,047
DEFERRED RENT, CONTRIBUTIONS AND GRANTS	513,463	921,331
	1,108,392	1,350,378
NET ASSETS	26,524,439	22,560,468
	\$ 27,632,831	\$ 23,910,846

CANADIAN YOUTH BUSINESS FOUNDATION

Condensed Statement of Operations

Year ended March 31, 2012, with comparative figures for the six months ending March 31, 2011

	2012	2011
REVENUE		
Contributions	\$ 12,705,081	\$ 8,928,829
Loan interest and fees income	1,238,480	562,766
Investment and other income	85,612	61,056
	14,029,173	9,552,651
EXPENSES		
Entrepreneurial programs	6,774,550	2,715,600
Outreach initiatives	1,468,610	847,773
Fundraising development	672,513	344,599
Administration	1,149,529	513,356
	10,065,202	4,421,328
EXCESS OF REVENUE OVER EXPENSES	\$ 3,963,971	\$ 5,131,323

Condensed **Financial Statements**

CANADIAN YOUTH BUSINESS FOUNDATION

Condensed Statement of Cash Flows

Year ended March 31, 2012, with comparative figures for the six months ending March 31, 2011

	2012	2011
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING ACTIVITIES		
Cash received from contributors	\$ 12,210,638	\$ 1,970,003
Cash received from principal repayments	5,238,154	2,071,839
Loan advances	(8,605,005)	(3,911,000)
Other operating activities	(7,246,915)	(3,331,666)
	1,596,872	(3,200,824)
FINANCING AND INVESTING	117,012	57,683
Net increase/(decrease) in cash and cash equivalents	1,713,884	(3,143,141)
Cash and cash equivalents, beginning of period	6,238,760	9,381,901
Cash and cash equivalents, end of period	\$ 7,952,644	\$ 6,238,760

A complete set of audited financial statements for the 6 month March 31, 2011 and the year ending March 31, 2012 can be obtained by calling the National office at (416) 408-2923 ext. 2124.

A YEAR OF TRANSFORMATION

Management Commentary on Financial Results for 2012

Change in Year End and the Audited Financial Statements

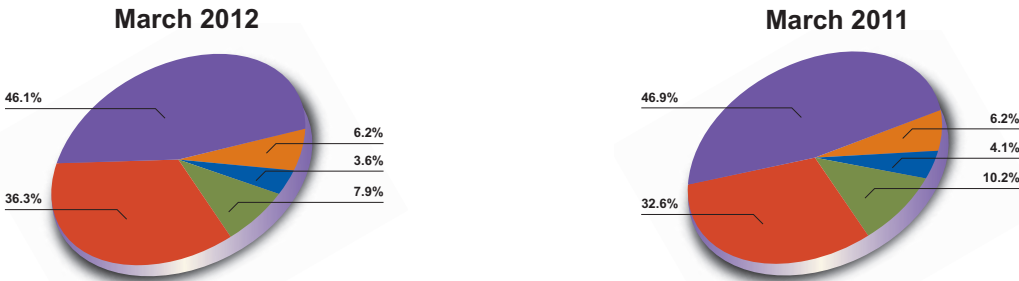
The Canadian Youth Business Foundation (CYBF) changed the fiscal year end to March 31 in the year 2011 from the previously reported September 30th. The purpose of this change is to create greater alignment with major funding agreements which are from April 1 to March 31st each year. The condensed financial statements included on the preceding pages are for the 12 month period ending March 31, 2012 and the 6 month period ending March 31, 2011. Audited financial statements for the 12 months ending March 31, 2012 and the 6 months ending March 31, 2011 are available with a request to the National office.

Serving More Entrepreneurs in Fiscal 2012

In Fiscal 2012 CYBF served a growing number of entrepreneurs – 625. As a comparison, CYBF served 280 entrepreneurs in the 6 months ending, March 31, 2011 and 579 entrepreneurs in the 12 months ending September 30, 2010.

Eighty two percent (82%) of all resources go directly to support young entrepreneurs including loans advanced in Fiscal 2012 which total \$8,605,000. Administration costs are efficiently managed to 6.2% of our total resource utilization. Other non-program costs including outreach initiatives and fundraising are required to build pipeline to support future entrepreneurs. We provide resources to program recipients across all major provinces and a regional distribution of loans advanced is provided.

How Financial Resources Were Utilized

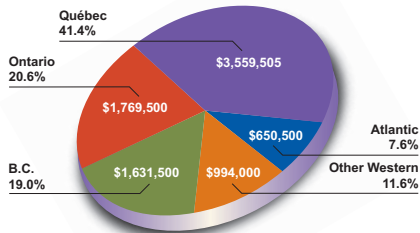


Entrepreneurial Start-Ups*	Entrepreneurial Programs**	Outreach Initiatives
Fundraising Development	Administration	

* Start-Up financing pool

** Mentoring, Pre-Launch Coaching and Online Business Resources

Loans Advanced In Fiscal 2012

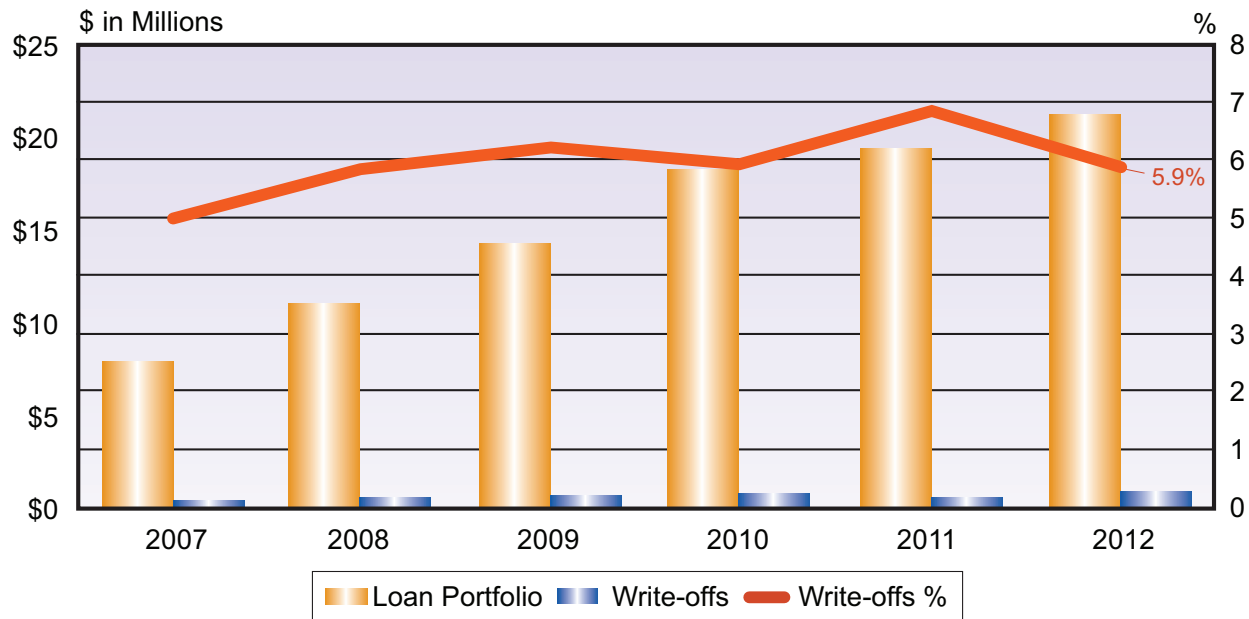


Effectively Managing Investments

Capital - After a decade of minimal investments in capital, in Fiscal 2012 CYBF did invest in infrastructure and completed some major technology projects to ensure programs will continue to be efficiently available nationally to a growing number of emerging entrepreneurs. These investments included systems upgrades and an expansion of the national office for the centralized support teams so that the regional offices and the community partner network can have real time access to adequate resources, additional interactive tools and support via the web.

Loan Assets - The loan portfolio at March 31, 2012 includes more than 2,000 active accounts and a total net value of \$18.2 million. Annually, approximately 6% of the loan portfolio is written off and this strong experience of the unsecured loan collection is attributable to the character and quality of applicants from the community partners and the added value in the CYBF program of the mentoring support.

Loan Portfolio and Annual Write-offs



Investments

CANADIAN YOUTH BUSINESS FOUNDATION

Investments at Market Value

As at March 31

	2012	2011
OPERATING CASH	\$ 468,809	\$ 494,953
CASH EQUIVALENTS		
Cash in investment accounts earning T-bill rate	708,960	107,721
Other commercial paper	6,780,875	5,886,776
SHORT TERM INVESTMENTS		
Other commercial paper	–	499,127
	\$ 7,952,644	\$ 6,988,577

Investment Policy - CYBF has an investment policy that is reviewed by the Board of Directors annually to ensure; CYBF preserves capital, provides liquidity to meet approved loan advances, maintains appropriate diversification and generates returns relative to these guidelines and market conditions.

Other Fiscal 2012 Highlights

Key Government Partnerships - Federal and provincial governments together with private sector support provide entrepreneurs with key resources including financing and mentoring to launch new businesses. In particular, key funding for this reporting period includes; a \$10 million grant from the Federal government, \$1 million annual funding from the Province of Quebec, and annual Government of Alberta support of \$500,000 to September 2012. A new grant for a two year \$4 million funding agreement with the Province of Ontario was also signed in this reporting period.

Transformation - During Fiscal 2012 a new Board of Directors was established and they have applied for the registration of a new charity, Foundation for An Entrepreneurial Canada. CYBF will continue to operate as a separate not-for-profit organization with a separate Board of Directors and with an updated mission and vision in Fiscal 2013. The core activities of CYBF will essentially be the same as the existing programs and will continue to meet all funder deliverables. In future, the change in status to a not-for-profit will allow CYBF to meet new demand and to develop new programs beyond the previously approved CRA charitable activities.



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