

ACCESS COMMUNITY CAPITAL FUND

FINANCIAL STATEMENTS

MARCH 31, 2010





AUDITOR'S REPORT

To the Members of
Access Community Capital Fund

I have audited the statement of financial position of Access Community Capital Fund as at March 31, 2010 and the statement of operations and net assets for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2010, and the results of its operations, for the year then ended in accordance with Canadian generally accepted accounting principles.

Richmond Hill, Ontario
August 25, 2010

Chartered Accountant
Licensed Public Accountant

ACCESS COMMUNITY CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2010

	<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
<u>CURRENT</u>			
Cash and Short-term Investments (Note 2)	\$	<u>276,935</u>	<u>\$ 218,128</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT</u>			
Accounts Payable and Accrued Charges	\$	4,290	\$ 7,337
Deferred Operating Grant (Note 4)		<u>31,000</u>	<u>-</u>
		35,290	7,337
<u>LOANS PAYABLE</u> (Note 5)		<u>191,703</u>	<u>166,962</u>
		226,993	174,299
<u>NET ASSETS</u>		<u>49,942</u>	<u>43,829</u>
	\$	<u>276,935</u>	<u>\$ 218,128</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

(see accompanying notes)



ACCESS COMMUNITY CAPITAL FUND

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
<u>REVENUE</u>		
Donations	\$ 12,351	\$ 1,185
Guarantee and Loan Administration Fees	1,625	1,450
Interest Income	4,954	5,198
Other	<u>3,580</u>	<u>1,410</u>
	<u>22,510</u>	<u>9,243</u>
<u>EXPENSES</u>		
Program Costs	3,392	1,107
Interest Expense	452	1,588
Professional Fees	3,075	2,203
Insurance	1,793	1,663
Office and General	2,703	860
Defaulted Loans (Note 3)	4,982	9,327
Honorarium	<u>-</u>	<u>2,000</u>
	<u>16,397</u>	<u>18,748</u>
<u>EXCESS (DEFICIENCY) OF</u>		
<u>REVENUES OVER EXPENSES</u>	6,113	(9,505)
<u>NET ASSETS, Beginning of the Year</u>	<u>43,829</u>	<u>53,334</u>
<u>NET ASSETS, End of the Year</u>	<u>\$ 49,942</u>	<u>\$ 43,829</u>

(see accompanying notes)



ACCESS COMMUNITY CAPITAL FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
<u>OPERATING ACTIVITIES:</u>		
Excess (Deficiency) of Revenues Over Expenses	\$ <u>6,113</u>	\$ <u>(9,505)</u>
<u>Changes In Working Capital:</u>		
Accounts Payable and Accrued Charges	(3,047)	(1,405)
Deferred Operating Grant	31,000	-
Refundable Deposits	<u>-</u>	<u>(2,980)</u>
	<u>27,953</u>	<u>(4,385)</u>
<u>INVESTING ACTIVITIES:</u>		
Loans Payable	<u>24,741</u>	<u>4,657</u>
<u>INCREASE (DECREASE) IN CASH</u>	58,807	(9,233)
<u>CASH AND SHORT-TERM INVESTMENTS,</u>		
Beginning of the Year	<u>218,128</u>	<u>227,361</u>
<u>CASH AND SHORT-TERM INVESTMENTS,</u>		
End of the Year	<u>\$ 276,935</u>	<u>\$ 218,128</u>

(see accompanying notes)



ACCESS COMMUNITY CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

1. PURPOSE OF ORGANIZATION:

Access Community Capital Fund (Access) is a not-for-profit community based Organization whose aim is to improve access to small business loans for viable, emerging small enterprises in Toronto by guaranteeing loans. Access is a registered charity under the Income Tax Act of Canada. The registration number is 868066911 RR0001.

These financial statements represent the combined operations of Access and its chapter the Black Creek West Microcredit Program.

2. CASH AND SHORT-TERM INVESTMENTS:

The market value of the cash and investments as at March 31, 2010 was \$276,935 (2009 - \$218,128). Details are as follows:

	<u>2010</u>	<u>2009</u>
Cash	\$ 98,870	\$ 61,555
G.I.C.'s	177,986	156,496
Alterna Savings Shares	<u>79</u>	<u>77</u>
	<u>\$ 276,935</u>	<u>\$ 218,128</u>

The GIC's bear interest at .90%, 1.00% and 4.10%, and are due between May 2010 and October 2011.

3. ALLOWANCE FOR NON-COLLECTABLE LOANS:

Access has created a program reserve fund (Fund) of not less than 20% of the initial principal amount of the business loans guaranteed by Access.

As part of the agreement in establishing the Fund, Access has agreed to guarantee all loans processed through the Fund if the loan is in excess of 60 days past due. It is agreed that the Alterna Savings is guaranteed repayment by Access only to the extent of the funds in the Fund. The total loans outstanding as at March 31, 2010 was \$36,090.

As at March 31, 2010 a specific reserve for non-collectable loans of \$3,250 (2009 - \$3,250), included in Accounts Payable and Accrued Charges, has been established.

ACCESS COMMUNITY CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

3. Continued:

The continuity of the reserve for non-collectable loans is as follows:

	<u>2010</u>	<u>2009</u>
Reserve Balance, Beginning of the Year	\$ 3,250	\$ 3,000
Increase in reserve	<u>-</u>	<u>250</u>
Reserve Balance, End of the Year	<u>\$ 3,250</u>	<u>\$ 3,250</u>

The continuity of Defaulted Loans expense is as follows:

Loans written off	\$ 4,982	\$ 9,227
Increase in reserve	<u>-</u>	<u>250</u>
Recovery of prior bad debt	<u>-</u>	<u>(150)</u>
	<u>\$ 4,982</u>	<u>\$ 9,327</u>

4. DEFERRED OPERATING GRANT:

Deferred Operating Grant is as follows:

	<u>2010</u>	<u>2009</u>
Ontario Trillium Foundation	<u>\$ 31,000</u>	<u>\$ -</u>

Continuity of Deferred Operating Grant for the year is as follows:

Deferred Operating Grant, Beginning of the year	\$ -	\$ -
Add – Received during the year	<u>31,000</u>	<u>-</u>
Deferred Operating Grant, End of the year	<u>\$ 31,000</u>	<u>\$ -</u>

5. LOANS PAYABLE:

The loans payable are for a fixed period and are repayable with accrued interest as follows:

	<u>2010</u>	<u>2009</u>
- Due within the next five years	\$ 74,520	\$ 22,800
- Due within one year	<u>117,183</u>	<u>144,162</u>
	<u>\$ 191,703</u>	<u>\$ 166,962</u>

Interest rates on the loans payable are between 0% and 3%.

ACCESS COMMUNITY CAPITAL FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

6. CONTRIBUTED SERVICES:

Because of the difficulty of determining the fair value of services provided by volunteers, contributed services are not recognized in the financial statements.

7. USE OF ESTIMATES:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

8. FINANCIAL INSTRUMENTS:

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash, accounts payable and accrued charges on the statement of financial position approximate fair value because of the limited term of these instruments.

9. CAPITAL MANAGEMENT AND ECONOMIC DEPENDENCE:

The Organization includes cash and short-term investments, accounts payable and accrued charges, deferred operating grant, and net assets in its capital management consideration. The Organization's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to execute its mandate within the restrictions that the Organization is not in receipt of core funding.

The Organization monitors these items to assess its ability to fulfil its ongoing financial obligations. The Organization relies primarily on grants and donations to fund its operations and makes adjustments to its budgeted expenditures in light of changes. The Organization is not subject to externally imposed capital requirements.