

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

FINANCIAL STATEMENTS

For the year ended March 31, 2007

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
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For the year ended March 31, 2007**

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AUDITORS' REPORT

TO THE BOARD OF DIRECTORS:
Parkland Community Futures Development Corporation Inc.
Grandview, Manitoba

We have audited the statement of financial position of **Parkland Community Futures Development Corporation Inc.** as at **March 31, 2007** and the statement of operations and surplus for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from 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.

As well, during our audit, we were able to obtain reasonable assurance that the organization is in compliance with its agreement with Western Economic Diversification of Canada.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Russell, Manitoba
May 9, 2007

**PARTNERSHIP OF
CHARTERED ACCOUNTANTS**

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF FINANCIAL POSITION
As at March 31, 2007**

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT		
Cash	\$ 454,697	\$ 678,849
Accounts receivable (Note 12)	99,217	860,786
Due from CASS program	31,466	
Due from other funds	112,832	146,034
Prepaid expenses	2,324	1,837
Current portion of loans receivable (Note 4)	<u>150,000</u>	<u>140,850</u>
	850,536	1,828,356
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	150,000	150,000
DEPOSITS TO GUARANTEE LOANS (Note 3)	60,093	100,245
LOANS RECEIVABLE (Note 4)	1,117,024	1,114,212
PATRONAGE DIVIDENDS	2,622	2,135
PROPERTY, PLANT AND EQUIPMENT (Notes 2 & 7)	<u>206,241</u>	<u>205,582</u>
	<u>\$ 2,386,516</u>	<u>\$ 3,400,530</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	\$ 35,419	\$ 906,326
Due to other funds	112,832	146,034
Unspent project funding	<u>27,520</u>	<u>97,610</u>
	175,771	1,149,970
OTHER LONG TERM LIABILITIES	2,622	2,135
REPAYABLE FUNDS (Note 10)	<u>807,364</u>	<u>807,364</u>
	<u>809,986</u>	<u>809,499</u>
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 8)	206,241	205,582
RETAINABLE SURPLUS FROM OTHER PROJECTS	262,404	216,038
SELF EMPLOYMENT PROGRAM FUND	2,362	771
INVESTMENT FUND (Note 11)	<u>929,752</u>	<u>1,018,670</u>
	<u>1,400,759</u>	<u>1,441,061</u>
	<u>\$ 2,386,516</u>	<u>\$ 3,400,530</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF FINANCIAL POSITION – OPERATING FUND
As at March 31, 2007**

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT		
Cash	\$ 184,281	\$ 149,675
Accounts receivable (Note 12)	17,845	16,823
Due from CASS program	31,466	
Due from other funds	86,523	120,614
Prepaid expenses	<u>2,324</u>	<u>1,837</u>
	322,439	288,949
PROPERTY, PLANT AND EQUIPMENT (Note 2 & 7)	<u>206,241</u>	<u>205,582</u>
	<u>\$ 528,680</u>	<u>\$ 494,531</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	\$ 33,726	\$ 47,491
Due to other funds	<u>26,309</u>	<u>25,420</u>
	<u>60,035</u>	<u>72,911</u>
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 8)	206,241	205,582
RETAINABLE SURPLUS FROM OTHER PROJECTS	<u>262,404</u>	<u>216,038</u>
	<u>468,645</u>	<u>421,620</u>
	<u>\$ 528,680</u>	<u>\$ 494,531</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF FINANCIAL POSITION – SELF EMPLOYMENT PROGRAM FUND
As at March 31, 2007**

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT		
Cash	\$ 7,736	\$ 7,974
Accounts receivable (Note 12)	<u>1,588</u>	<u>2,607</u>
	<u>\$ 9,324</u>	<u>\$ 10,581</u>
LIABILITIES		
CURRENT		
Due to operating fund	<u>\$ 6,962</u>	<u>\$ 9,810</u>
SURPLUS		
SURPLUS	<u>\$ 2,362</u>	<u>\$ 771</u>
	<u>\$ 9,324</u>	<u>\$ 10,581</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF FINANCIAL POSITION – UKRAINE FUND
As at March 31, 2007**

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT		
Cash	\$	\$ 40,151
Accounts receivable (Note 12)		<u>668</u>
	<u>\$</u>	<u>\$ 40,819</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 9)		5,817
Due to operating fund	\$	<u>\$ 35,002</u>
		<u>40,819</u>
SURPLUS		
SURPLUS		
	<u>\$</u>	<u>\$ 40,819</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF FINANCIAL POSITION – INVESTMENT FUND
As at March 31, 2007**

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT		
Cash in bank	\$ 248,409	\$ 316,311
Account receivable (Note 12)	13,283	4,860
Current portion of loans receivable (Note 4)	<u>150,000</u>	<u>140,850</u>
	411,692	462,021
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	150,000	150,000
DEPOSITS TO GUARANTEE LOANS (Note 3)	60,093	100,245
LOANS RECEIVABLE (Note 4)	1,117,024	1,114,212
PATRONAGE DIVIDENDS	<u>2,622</u>	<u>2,135</u>
	<u>\$ 1,741,431</u>	<u>\$ 1,828,613</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 9)	\$ 1,693	\$ 444
OTHER LONG TERM LIABILITIES	2,622	2,135
REPAYABLE FUNDS (Note 10)	<u>807,364</u>	<u>807,364</u>
	<u>811,679</u>	<u>809,943</u>
SURPLUS		
SURPLUS (Note 11)	<u>929,752</u>	<u>1,018,670</u>
	<u>\$ 1,741,431</u>	<u>\$ 1,828,613</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF FINANCIAL POSITION – PROJECT FUND
As at March 31, 2007**

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT		
Cash (Note 19)	\$ 14,271	\$ 164,738
Accounts receivable (Note 12)	66,501	835,828
Due from operating fund	<u>26,309</u>	<u>25,420</u>
	<u>\$ 107,081</u>	<u>\$1,025,986</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 9)	\$	\$ 852,574
Due to operating fund	79,561	75,802
Unspent project funding	<u>27,520</u>	<u>97,610</u>
	<u>107,081</u>	<u>1,025,986</u>
	<u>\$ 107,081</u>	<u>\$1,025,986</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF OPERATIONS AND SURPLUS – OPERATING FUND
For the year ended March 31, 2007**

	<u>2007</u>	<u>2006</u>
REVENUE		
Operational funding	\$ 294, 037	\$ 292, 639
Ukraine Project revenue		78, 695
Other Project revenue	177, 508	98, 292
Interest	9, 174	3, 624
Miscellaneous		1, 824
	<u>480, 719</u>	<u>475, 074</u>
EXPENSES		
Aboriginal committee (Note 13)	5, 697	3, 244
Agricultural committee	182	
Advertising and promotion	5,851	7, 450
Bank charges		18
Board travel	11, 422	15, 504
CASS Project loss	408	
Conference and seminar	6, 604	9, 742
Employee related costs	738	192
CASS equipment	65, 021	11, 558
Office equipment and leases	8, 581	41, 975
Insurance	2, 671	3, 013
Janitor	1, 214	1, 224
Legal, accounting, audit	4, 506	4, 909
Office supplies	4, 828	10, 482
Other project expenses (Note 14)	29, 026	17, 411
Postage	2, 425	1, 855
Property taxes	2, 184	2, 341
Repairs and maintenance	5, 397	2, 938
Salaries and wages	233, 358	234, 476
Staff development	4, 722	7, 755
Staff travel	21, 662	22, 632
Strategic planning	4, 829	3, 945
Subscriptions/memberships/library	1, 109	1, 817
Telephone and fax	14, 154	11, 963
Utilities	4, 160	3, 432
	<u>440,749</u>	<u>419,876</u>
EXPENSES RECOVERED		
Project copy	<u>7, 055</u>	<u>5, 512</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE:	47, 025	60, 710
Investment in property, plant and equipment	<u>659</u>	
EXCESS OF REVENUE OVER EXPENSES FOR YEAR	46, 366	60, 710
RETAINABLE SURPLUS FROM OTHER PROJECTS, BEGINNING OF YEAR	<u>216, 038</u>	<u>155, 328</u>
RETAINABLE SURPLUS FROM OTHER PROJECTS, END OF YEAR	<u>\$ 262, 404</u>	<u>\$ 216, 038</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF OPERATIONS AND SURPLUS - SELF-EMPLOYMENT PROGRAM FUND
For the year ended March 31, 2007**

	<u>2007</u>	<u>2006</u>
REVENUE		
Government grant	\$ 11,000	\$ 6,000
Interest	<u>141</u>	<u>192</u>
	<u>11,141</u>	<u>6,192</u>
EXPENSES		
Participating training costs:		
Training sessions and care counseling	1,804	4,334
Coordinator costs:		
Mileage	927	515
Delivery agent fees	<u>6,819</u>	<u>9,470</u>
TOTAL EXPENSES	<u>9,550</u>	14,319
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR YEAR	1,591	(8,127)
SURPLUS, BEGINNING OF YEAR	<u>771</u>	8,898
SURPLUS, END OF YEAR	<u>\$ 2,362</u>	<u>\$ 771</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF OPERATIONS AND SURPLUS - UKRAINE FUND
For the year ended March 31, 2007**

	<u>2007</u>	<u>2006</u>
REVENUE		
Project funding	\$	\$ 72, 721
Interest		
		<hr/>
		72, 521
		<hr/>
EXPENSES		
Business centre		1, 150
Overhead expenses		28, 127
Project management		1, 001
Salaries		51, 435
Training		2, 781
Travel		39, 047
		<hr/>
		123, 541
		<hr/>
DEFICIENCY OF REVENUE OVER EXPENSES FOR YEAR		(51, 020)
		<hr/>
SURPLUS, BEGINNING OF YEAR		51, 020
		<hr/>
SURPLUS, END OF YEAR	\$	\$
		<hr/> <hr/>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF OPERATIONS AND SURPLUS - INVESTMENT FUND
For the year ended March 31, 2007**

	<u>2007</u>	<u>2006</u>
REVENUE		
Interest earned	\$ 107,860	\$ 176,699
Loan documentation	<u>10</u>	<u>90</u>
	<u>107,870</u>	<u>176,789</u>
EXPENSES		
Bank charges	36	15
Life insurance on loans	4,708	4,534
Loan security fees	<u>576</u>	<u>662</u>
	<u>5,320</u>	<u>5,211</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE:	102,550	171,578
Provision for loss on loans	<u>(191,468)</u>	<u>(486,020)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR YEAR	(88,918)	(314,442)
SURPLUS, BEGINNING OF YEAR	<u>1,018,670</u>	1,333,112
SURPLUS, END OF YEAR	<u>\$ 929,752</u>	<u>\$ 1,018,670</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
STATEMENT OF OPERATIONS AND SURPLUS - PROJECT FUND
For the year ended March 31, 2007**

	<u>2007</u>	<u>2006</u>
REVENUE		
Career and Job Fair	\$ 50,870	\$ 53,793
CMBSC	1,449	1,500
PTN Broadband	<u>1,874,664</u>	<u>2,448,956</u>
	<u>1,926,983</u>	<u>2,504,249</u>
EXPENSES		
AB Joint Coop		144
Agricore Youth		137
Career and Job Fair	50,870	53,793
CMBSC	1,712	1,970
PIPEDA		234
PTN Broadband	<u>1,944,491</u>	<u>2,371,213</u>
	<u>1,997,073</u>	<u>2,427,491</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR YEAR	(70,090)	76,758
UNSPENT PROJECT FUNDING, BEGINNING OF YEAR	<u>97,610</u>	<u>20,852</u>
UNSPENT PROJECT FUNDING, END OF YEAR	<u><u>\$ 27,520</u></u>	<u><u>\$ 97,610</u></u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2007**

1. ENTITY DEFINITION

Parkland Community Futures Development Corporation Inc. (the "Corporation"), located in Grandview, Manitoba, is a community based organization that provides loans and financial services to small businesses in the Parkland Region of Manitoba that are otherwise unable to obtain financing. The program which is being funded by the Federal Government Community Futures Program, was formed to foster the economic development of the region. As well, the Corporation provides assistance to a self employment assistance program and various other projects in the Parkland region. The Corporation was incorporated under the Manitoba Companies Act as a non-profit organization on November 1, 1994. It is exempt from income taxes under the *Income Tax Act section 149(1)(d)* as a non-profit organization.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered to be the more significant policies:

Revenue and expense recognition

Revenue is recorded using the accrual basis of accounting whereby revenue is recognized as it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement are accounted for as deferred revenue until used for the specific purpose. Expenses are recorded in the period the goods and services are acquired and a liability is incurred or payment is due.

Property, plant and equipment

Property, plant and equipment are recorded at cost less recoverable GST. Property, plant and equipment additions are expensed in the year they are purchased. Amortization was provided for on a straight-line basis using various rates, except in the year of acquisition when one half of the rate is used. Effective March 31, 2002, the organization changed its policy regarding amortization of property, plant and equipment. No longer is there to be amortization of property, plant and equipment as an expense on the operating fund statement of operations and surplus. Amortization that has been taken in previous years has been maintained at that value.

Community Futures Investment Fund

The Corporation (the "Member") has entered into a cash pooling agreement with Community Futures Investment Fund (the "CFIF") and has transferred to the CFIF \$150,000 that is possessed and beneficially owned by the Member. Such monies will be administered under the control and supervision of the persons authorized to do so in accordance with the terms of the agreement. The monies shall comprise all monies advanced from time to time by the Member to the CFIF, together with interest thereon, less any fees, expenses and other charges of the CFIF in accordance with the terms of the agreement.

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. DEPOSITS TO GUARANTEE LOANS

The Corporation has lodged term deposits with various financial institutions in the Parkland region to guarantee one loan and lines of credit made by Parkland clients.

	<u>2007</u>	<u>2006</u>
Term deposits	\$ 60,000	\$ 100,000
Accrued interest	93	245
	<u>\$ 60,093</u>	<u>\$ 100,245</u>

4. LOANS RECEIVABLE

These loans have been made to 90 (2006 – 89) Parkland residents to create new small businesses to expand, stabilize, and protect existing businesses resulting in the generation and maintenance of permanent employment in the Parkland Region. All loans issued by the Corporation have been for the purpose represented by the Board of Directors in its Corporate Mandate.

	<u>2007</u>	<u>2006</u>
Loans receivable and accrued interest	\$ 2,278,208	\$ 2,075,554
Less: provisions for doubtful loans and interest	<u>1,011,184</u>	<u>820,492</u>
	1,267,024	1,255,062
Less: current portion	<u>150,000</u>	<u>140,850</u>
	<u>\$ 1,117,024</u>	<u>\$ 1,114,212</u>

5. PROVISIONS FOR DOUBTFUL LOANS

The Board of Directors and management have agreed upon and created an account for potential doubtful accounts. Loans that are determined to be uncollectible will be offset against the Provisions for Doubtful Loans.

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2007**

6. NON-PERFORMING LOANS

There are non-performing loans that have been reviewed by the Board of Directors and management. It is the opinion of management and the Board of Directors that the provisions for doubtful loans at present is sufficient to cover any potential net default, after the realization on the security.

7. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value	
			2007	2006
Land	\$ 2,000		\$ 2,000	\$ 2,000
Building	45,796	17,356	28,440	28,440
Furniture & equipment	247,198	75,503	171,695	171,036
Leasehold improvements	25,924	21,818	4,106	4,106
	<u>\$ 320,918</u>	<u>114,677</u>	<u>\$ 206,241</u>	<u>\$205,582</u>

8. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2007</u>	<u>2006</u>
Operating fund		
Auditing	\$ 4,060	\$ 4,060
Trade	4,307	13,828
Vacation payable	<u>25,359</u>	<u>29,603</u>
	<u>33,726</u>	47,491
Ukraine fund		
Confederation College		<u>5,817</u>
Investment fund		
TD loan guarantee interest	1,655	444
Trade	<u>38</u>	
	<u>1,693</u>	444
Project fund		
Dauphin Clippers		300
Inet Link		<u>852,274</u>
		<u>852,574</u>
TOTAL ACCOUNTS PAYABLE	<u>\$ 35,419</u>	<u>\$906,326</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2007**

10. REPAYABLE FUNDS

The Corporation recognizes that:

Upon notice by the Minister, the Corporation agrees to immediately repay the lesser of:

- i. The uncommitted cash balance of the Conditionally Repayable Investment Fund, and
- ii. The amount of the Conditionally Repayable Contribution paid by WD to the Corporation.

Upon notice by the Minister, the Corporation agrees to immediately give possession to the Minister all documents evidencing investments made by the Corporation with the Conditionally Repayable Investment Fund and take immediate steps to assign all of its interest in all debts owing to it to the Minister.

Upon notice by the Minister, the Corporation agrees to liquidate all debts owing to it via sales to a third party satisfactory to the Minister, or via other means satisfactory to the Minister, and to remit the proceeds of liquidation to the Minister.

	High Risk Fund	Youth Fund	Disabled Fund	Total
Amount advanced	<u>\$ 407,364</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 807,364</u>

11. INVESTMENT FUND

The Corporation entered into an agreement with the federal government from November 1, 1992 to October 31, 1995 whereby the Corporation was eligible to receive grants up to \$749,446 for the period ended October 31, 1999 for the purpose of financing new small businesses and to expand, stabilize and protect existing businesses resulting in the generation and maintenance of permanent employment in the Parkland Region.

The original contract amount was for a maximum of \$1,555,000 but was closed at \$749,446.

During the year ended March 31, 2007, no new funds were received for the Investment Fund from this source.

	<u>2007</u>	<u>2006</u>
Contributed surplus	\$ 749,446	\$ 749,446
Operating surplus, beginning of year	269,224	583,666
Excess of revenue over expenses for year	<u>(88,918)</u>	(314,442)
Investment surplus, end of year	<u>\$ 929,752</u>	<u>\$ 1,018,670</u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2007**

12. ACCOUNTS RECEIVABLE	<u>2007</u>	<u>2006</u>
Operating fund		
Accrued interest	\$ 634	\$ 514
GST receivable	6,427	5,502
C. F. P. M.	2,117	1,500
Miscellaneous		175
PJOC	7,689	3,200
Trade	978	5,932
	<u>17,845</u>	<u>16,823</u>
Self Employment Program fund		
Accrued interest	24	21
Manitoba Education and Training	1,500	2,500
GST receivable	64	86
	<u>1,588</u>	<u>2,607</u>
Ukraine fund		
Accrued interest		110
GST receivable		558
		<u>668</u>
Investment fund		
Accrued interest	12,807	3,906
Charges/fees/NSF	468	939
GST receivable	8	15
	<u>13,283</u>	<u>4,860</u>
Project fund		
Accrued interest	73	251
Canadian Forces	200	
C. F. P. M.	1,449	
GST receivable	784	1,041
Inet Link		203,258
Manitoba Aboriginal & Northern Affairs		75,000
Manitoba E Association		5,780
Manitoba Education and Training	7,431	17,001
Province of Manitoba	56,064	448,497
R. C. M. P.	200	
Red River College	300	
Rural Municipalities		85,000
	<u>66,501</u>	<u>835,828</u>
TOTAL ACCOUNTS RECEIVABLE	<u><u>\$ 99,217</u></u>	<u><u>\$ 860,786</u></u>

**PARKLAND COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2007**

13. SUMMARY OF EXPENSES ABORIGINAL COMMITTEE

	<u>2007</u>	<u>2006</u>
Conference board	\$ 1,836	\$ 1,484
Conference staff	1,361	1,334
Tourism grant	1,000	
Travel board	442	380
Travel staff	158	46
Volunteer recognition	900	
	<u>\$ 5,697</u>	<u>\$ 3,244</u>

14. OTHER PROJECT EXPENSES

	<u>2007</u>	<u>2006</u>
PAN CDN 2006	\$ 16,491	\$ 5,216
Tourism grant	10,050	10,200
Volunteer recognition	2,060	1,995 Youth
project <u>425</u>		
	<u>\$ 29,026</u>	<u>\$ 17,411</u>

15. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist mainly of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial assets and liabilities approximate their fair values due to their short term maturity or capacity for prompt liquidation.

The fair values of the due from CASS program, due from other funds, and due to other funds have not been presented as there is no ready market for these financial instruments. The fair values of the community futures investment fund, the deposits to guarantee loans, loans receivable, other long term liabilities and repayable funds have not been presented as they are not readily determinable.

Credit risk management

The Corporation is exposed to credit risk on the accounts and loans receivable from its customers. In order to reduce its credit risk, the Corporation has adopted credit policies, which include the analysis of the financial position of its customers and the regular review of their credit limits.

The Corporation does not have a significant exposure to any individual customer or counterpart. Its customers are mainly small business owners.

16. ECONOMIC DEPENDENCE

Parkland Community Futures Development Corporation receives at least 65% of its operating revenue from the Department of Western Economic Diversification, a sub-division of the federal government and is economically dependent on it. The present contract the Corporation has with the Department expires March 31, 2010. As well if the Department requests repayment of the repayable funds, the Corporation would lose the revenue generated by the loan portfolio.

17. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

18. STATEMENT OF CASH FLOWS

A Statement of Cash Flows has not been provided as it would not provide any further information to the users of the financial statements.

19. PROJECT FUND - CASH

	<u>2007</u>	<u>2006</u>
Aboriginal Coop	\$ 12, 595	\$ 12, 859
Agricore Youth	4, 659	4, 650
Bank interest	561	662
Broadband	4, 471	161, 905
Canada/MB Business library	(1, 195)	734
Career Fair	(8, 873)	(18, 392)
EDP		33
PEDPG	2, 053	2, 053
PIPEDA		234
	<u>\$ 14, 271</u>	<u>\$ 164, 738</u>

20. MEASUREMENT UNCERTAINTY

The allowance for loans receivable is subject to measurement uncertainty. The recognized amount is based on management's best information and judgement. Amounts could change by more than a material amount due to economic circumstances of the individual client and the underlying economic situation of the industry and community in which they are located.