

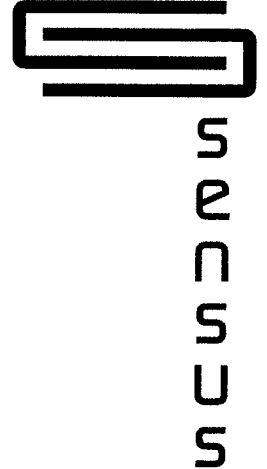
COMMUNITY FUTURES PARKLAND INC.

FINANCIAL STATEMENTS

For the year ended March 31, 2008

**COMMUNITY FUTURES
PARKLAND INC.
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For the year ended March 31, 2008

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AUDITORS' REPORT

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

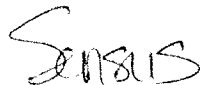
We have audited the statement of financial position of **Community Futures Parkland Inc.** as at **March 31, 2008** and the statement of operations and surplus for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express 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, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Russell, Manitoba
June 2, 2008


**PARTNERSHIP OF
CHARTERED ACCOUNTANTS**

**COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF FINANCIAL POSITION
As at March 31, 2008**

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash	\$ 605,816	\$ 454,697
Accounts receivable (Note 12)	92,340	99,217
Due from CASS program	3,709	31,466
Due from other funds	55,045	112,832
Prepaid expenses	2,479	2,324
Current portion of loans receivable (Note 4)	<u>150,000</u>	<u>150,000</u>
	909,389	850,536
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	150,000	150,000
DEPOSITS TO GUARANTEE LOANS (Note 3)		60,093
LOANS RECEIVABLE (Note 4)	1,202,453	1,117,024
PATRONAGE DIVIDENDS	3,247	2,622
PROPERTY, PLANT AND EQUIPMENT (Notes 2 & 7)	<u>213,822</u>	<u>206,241</u>
	<u>\$ 2,478,911</u>	<u>\$ 2,386,516</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	\$ 38,244	\$ 35,419
Due to other funds	55,045	112,832
Deferred project funding	<u>33,069</u>	<u>27,520</u>
	126,358	175,771
OTHER LONG TERM LIABILITIES	3,247	2,622
REPAYABLE FUNDS (Note 10)	<u>807,364</u>	<u>807,364</u>
	<u>810,611</u>	<u>809,986</u>
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 8)	213,822	206,241
RETAINABLE SURPLUS FROM OTHER PROJECTS	293,057	262,404
SELF EMPLOYMENT PROGRAM FUND	505	2,362
INVESTMENT FUND (Note 11)	<u>1,034,558</u>	<u>929,752</u>
	<u>1,541,942</u>	<u>1,400,759</u>
	<u>\$ 2,478,911</u>	<u>\$ 2,386,516</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF FINANCIAL POSITION – OPERATING FUND
 As at March 31, 2008**

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash	\$ 248,806	\$ 184,281
Accounts receivable (Note 12)	17,929	17,845
Due from CASS program	3,709	31,466
Due from other funds	55,045	84,523
Prepaid expenses	2,479	2,324
	<u>327,968</u>	<u>322,439</u>
PROPERTY, PLANT AND EQUIPMENT (Note 2 & 7)	<u>213,822</u>	<u>206,241</u>
	<u>\$ 541,790</u>	<u>\$ 528,680</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	\$ 34,911	\$ 33,726
Due to other funds		<u>26,309</u>
	<u>34,911</u>	<u>60,035</u>
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 8)	213,822	206,241
RETAINABLE SURPLUS FROM OTHER PROJECTS	<u>293,057</u>	<u>262,404</u>
	<u>506,879</u>	<u>468,645</u>
	<u>\$ 541,790</u>	<u>\$ 528,680</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF FINANCIAL POSITION – SELF EMPLOYMENT PROGRAM FUND
 As at March 31, 2008**

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash	\$ 464	\$ 7,736
Accounts receivable (Note 12)	<u>41</u>	<u>1,588</u>
	<u>\$ 505</u>	<u>\$ 9,324</u>
LIABILITIES		
CURRENT		
Due to operating fund	<u>\$</u>	<u>\$ 6,962</u>
SURPLUS		
SURPLUS	<u>\$ 505</u>	<u>\$ 2,362</u>
	<u>\$ 505</u>	<u>\$ 9,324</u>

**COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF FINANCIAL POSITION – INVESTMENT FUND
As at March 31, 2008**

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash in bank	\$ 321,991	\$ 248,409
Account receivable (Note 12)	17,478	13,283
Current portion of loans receivable (Note 4)	<u>150,000</u>	<u>150,000</u>
	489,469	411,692
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	150,000	150,000
DEPOSITS TO GUARANTEE LOANS (Note 3)		60,093
LOANS RECEIVABLE (Note 4)	1,202,453	1,117,024
PATRONAGE DIVIDENDS	<u>3,247</u>	<u>2,622</u>
	<u>\$ 1,845,169</u>	<u>\$ 1,741,431</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 9)	\$	\$ 1,693
OTHER LONG TERM LIABILITIES	3,247	2,622
REPAYABLE FUNDS (Note 10)	<u>807,364</u>	<u>807,364</u>
	<u>810,611</u>	<u>811,679</u>
SURPLUS		
SURPLUS (Note 11)	<u>1,034,558</u>	929,752
	<u>\$ 1,845,169</u>	<u>\$ 1,741,431</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF FINANCIAL POSITION – PROJECT FUND
 As at March 31, 2008**

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash (Note 19)	\$ 34,555	\$ 14,271
Accounts receivable (Note 12)	56,892	66,501
Due from operating fund		<u>26,309</u>
	<u>\$ 91,447</u>	<u>\$ 107,081</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 9)	\$ 3,333	
Due to operating fund	55,045	79,561
Unspent project funding	<u>33,069</u>	<u>27,520</u>
	<u>91,447</u>	<u>107,081</u>
	<u>\$ 91,447</u>	<u>\$ 107,081</u>

**COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF OPERATIONS AND SURPLUS – OPERATING FUND
For the year ended March 31, 2008**

	<u>2008</u>	<u>2007</u>
REVENUE		
Operational funding	\$ 309,917	\$ 294,037
Other Project revenue	79,562	177,508
Interest	11,563	9,174
Miscellaneous		
	<u>401,566</u>	<u>480,719</u>
EXPENSES		
Aboriginal committee (Note 13)	2,779	5,697
Agricultural committee	212	182
Advertising and promotion	6,789	5,851
Bank charges	113	
Board travel	15,964	11,422
CASS Project loss		408
Conference and seminar	6,842	6,604
Employee related costs	326	738
CASS equipment	7,787	65,021
Office equipment and leases	6,675	8,581
Insurance	3,371	2,671
Janitor	1,183	1,214
Legal, accounting, audit	29,255	4,506
Office supplies	7,936	4,828
Other project expenses (Note 14)	12,162	29,026
Postage	1,803	2,425
Property taxes	2,214	2,184
Repairs and maintenance	1,581	5,397
Salaries and wages	220,290	233,358
Staff development	3,780	4,722
Staff travel	17,946	21,662
Strategic planning	4,389	4,829
Subscriptions/memberships/library	1,142	1,109
Telephone and fax	12,269	14,154
Utilities	3,385	4,160
	<u>370,193</u>	<u>440,749</u>
EXPENSES RECOVERED		
Project copy	6,860	7,055
EXCESS OF REVENUE OVER EXPENSES BEFORE:	38,233	47,025
Investment in property, plant and equipment	7,580	659
EXCESS OF REVENUE OVER EXPENSES FOR YEAR	30,653	46,366
RETAINABLE SURPLUS FROM OTHER PROJECTS, BEGINNING OF YEAR	262,404	216,038
RETAINABLE SURPLUS FROM OTHER PROJECTS, END OF YEAR	\$ 293,057	\$ 262,404

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF OPERATIONS AND SURPLUS - SELF-EMPLOYMENT PROGRAM FUND
 For the year ended March 31, 2008**

	<u>2008</u>	<u>2007</u>
REVENUE		
Government grant	\$ 4,000	\$ 11,000
Interest	90	141
	<u>4,090</u>	<u>11,141</u>
EXPENSES		
Participating training costs:		
Training sessions and care counseling	760	1,804
Coordinator costs:		
Mileage	687	927
Delivery agent fees	4,500	6,819
	<u>5,947</u>	<u>9,550</u>
TOTAL EXPENSES		
	<u>5,947</u>	<u>9,550</u>
EXCESS OF REVENUE OVER EXPENSES FOR YEAR	1,857	1,591
SURPLUS, BEGINNING OF YEAR	<u>2,362</u>	771
SURPLUS, END OF YEAR	<u>\$ 505</u>	<u>\$ 2,362</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF OPERATIONS AND SURPLUS - INVESTMENT FUND
 For the year ended March 31, 2008**

	<u>2008</u>	<u>2007</u>
REVENUE		
Interest earned	\$ 110,478	\$ 107,860
Loan documentation	60	10
	<u>110,638</u>	<u>107,870</u>
EXPENSES		
Bank charges	301	36
Life insurance on loans	2,917	4,708
Loan security fees	2,863	576
	<u>6,081</u>	<u>5,320</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE:	104,557	102,550
Provision for recovery (loss) on loans	249	(191,468)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR YEAR	104,806	(88,918)
SURPLUS, BEGINNING OF YEAR	<u>929,752</u>	<u>1,018,670</u>
SURPLUS, END OF YEAR	<u>\$ 1,034,558</u>	<u>\$ 929,752</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF OPERATIONS AND SURPLUS - PROJECT FUND
 For the year ended March 31, 2008**

	<u>2008</u>	<u>2007</u>
REVENUE		
Career and Job Fair	\$ 43,298	\$ 50,870
CMBS	13,139	1,449
PTN Broadband	<u>387</u>	<u>1,874,664</u>
	<u>56,824</u>	<u>1,926,983</u>
EXPENSES		
Career and Job Fair	35,934	50,870
CMBS	13,322	1,712
PTN Broadband	<u>2,019</u>	<u>1,944,491</u>
	<u>51,275</u>	<u>1,997,073</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR YEAR	5,549	(70,090)
UNSPENT PROJECT FUNDING, BEGINNING OF YEAR	<u>27,520</u>	<u>97,610</u>
UNSPENT PROJECT FUNDING, END OF YEAR	<u>\$ 33,069</u>	<u>\$ 27,520</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2008**

1. ENTITY DEFINITION

Community Futures Parkland 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.

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2008**

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.

Risk management policies and hedging activities

Consistent with other small entities, management's risk management policies are typically performed as a part of the overall management of the entity's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. Management's close involvement in operations identifies risks and variations from expectations leading to changes in risk management activities and requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations management considers avoidance of undue concentration of risk, and may require collateral to mitigate credit risk.

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>2008</u>	<u>2007</u>
Term deposits	\$	\$ 60,000
Accrued interest		93
	<u>\$</u>	<u>\$ 60,093</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2008**

4. LOANS RECEIVABLE

These loans have been made to 89 (2007 – 90) 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>2008</u>	<u>2007</u>
Loans receivable and accrued interest	\$ 2,363,387	\$ 2,278,208
Less: provisions for doubtful loans and interest	<u>1,010,934</u>	<u>1,011,184</u>
	1,352,453	1,267,024
Less: current portion	<u>(150,000)</u>	150,000
	<u>\$ 1,202,453</u>	<u>\$ 1,117,024</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.

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	
			<u>2008</u>	<u>2007</u>
Land	\$ 2,000		\$ 2,000	\$ 2,000
Building	45,796	17,356	28,440	28,440
Furniture & equipment	254,779	75,503	179,276	171,695
Leasehold improvements	<u>25,924</u>	<u>21,818</u>	<u>4,106</u>	<u>4,106</u>
	<u>\$ 328,499</u>	<u>114,677</u>	<u>\$ 213,822</u>	<u>\$206,241</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2008**

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>2008</u>	<u>2007</u>
Operating fund		
Auditing	\$ 4,500	\$ 4,060
Trade	1,426	4,307
Vacation payable	<u>28,985</u>	<u>25,359</u>
	<u>34,911</u>	33,726
Investment fund		
TD loan guarantee interest		1,655
Trade		<u>38</u>
		<u>1,693</u>
Project fund		
Dauphin Clippers		
Inet Link	<u>3,333</u>	
TOTAL ACCOUNTS PAYABLE	<u>\$ 38,244</u>	<u>\$ 35,419</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2008**

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, 2008, no new funds were received for the Investment Fund from this source.

	<u>2008</u>	<u>2007</u>
Contributed surplus	\$ 749,446	\$ 749,446
Operating surplus, beginning of year	180,306	269,224
Excess of revenue over expenses for year	<u>104,806</u>	<u>(88,918)</u>
Investment surplus, end of year	<u>\$ 1,034,558</u>	<u>\$ 929,752</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2008**

12. ACCOUNTS RECEIVABLE	<u>2008</u>	<u>2007</u>
Operating fund		
Accrued interest	\$	\$ 634
GST receivable	4,582	6,427
C. F. P. M.	448	2,117
Miscellaneous	10,000	
PJOC	1,952	7,689
Trade	947	978
	<u>17,929</u>	<u>17,845</u>
Self Employment Program fund		
Accrued interest		24
Manitoba Education and Training		1,500
GST receivable	41	64
	<u>41</u>	<u>1,588</u>
Investment fund		
Accrued interest	16,982	12,807
Charges/fees/NSF	495	468
GST receivable	1	8
	<u>17,478</u>	<u>13,283</u>
Project fund		
Accrued interest		73
Canadian Forces		200
C. F. P. M.		1,449
GST receivable	570	781
Manitoba Education and Training		7,431
Province of Manitoba	56,322	56,064
R. C. M. P.		200
Red River College		300
	<u>56,892</u>	<u>66,501</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 92,340</u>	<u>\$ 99,217</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2008**

13. SUMMARY OF EXPENSES ABORIGINAL COMMITTEE

	<u>2008</u>	<u>2007</u>
Conference board	\$	\$ 1,836
Conference staff		1,361
Tourism grant		1,000
Travel board	1,371	442
Travel staff	1,408	158
Volunteer recognition		900
	<u>\$ 2,779</u>	<u>\$ 5,697</u>

14. OTHER PROJECT EXPENSES

	<u>2008</u>	<u>2007</u>
PAN CDN 2006	\$	\$ 16,491
Tourism grant	10,000	10,050
Volunteer recognition	1,982	2,060
Youth project	180	425
	<u>\$ 12,162</u>	<u>\$ 29,026</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.

**COMMUNITY FUTURES
 PARKLAND INC.
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended March 31, 2008**

15. FINANCIAL INSTRUMENTS (CONTINUED)

Price risk management

The organization is exposed to currency risk, interest rate risk, and market risk. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The organization does not currently conduct transactions in or hold any foreign currency. Interest rate risk is the risk that the value of a financial instrument will change due to changes in market interest rates. The organization does not currently have any outstanding loans due or any liabilities bearing interest. Finally, market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market. The organization is not exposed to market risk because their short term investments are guaranteed.

Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The organization is currently not in any position where related parties are involved or any other such instances where they are exposed to credit risk.

Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. At this time, the organization has more than adequate current assets to cover its current liabilities, therefore liquidity risk is minimal.

Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. Given the organization's financial instruments are primarily short term in nature, cash flow risk is low.

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.

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2008**

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>2008</u>	<u>2007</u>
Aboriginal Coop	\$ 12,189	\$ 12,595
Agricore Youth	4,659	4,659
Bank interest	799	561
Broadband	4,203	4,471
Canada/MB Business library	295	(1,195)
Career Fair	10,357	(8,873)
PEDPG	<u>2,053</u>	<u>2,053</u>
	<u>\$ 34,555</u>	<u>\$ 14,271</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 judgment. 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.

21. CHANGE IN ACCOUNTING POLICY

The organization adopted the provisions of Section 3855, Financial Instruments - Recognition and Measurement and Section 3861, Financial Instrument - Disclosure and Presentation on January 1, 2007, which address the classification, recognition, and measurement of the financial instruments in the financial statements. There has been no impact to the surplus of the organization as a result of adopting these standards.