

**Community Futures Partners of  
Manitoba Inc.**  
**Financial Statements**  
*March 31, 2007*

To the Board members of Community Futures Partners of Manitoba Inc.:

We have audited the balance sheet of Community Futures Partners of Manitoba Inc. as at March 31, 2007 and the statements of revenues and expenses and changes in net assets and cash flows 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 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 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.

*Meyers Morris Penny LLP*

Winnipeg, Manitoba

July 5, 2007

Chartered Accountants

**Community Futures Partners of Manitoba Inc.**

**Balance Sheet**

*As at March 31, 2007*

	2007	2006
<b>Assets</b>		
<b>Current</b>		
Cash	100	100
Accounts receivable	175,598	160,196
Prepaid expenses and deposits	3,284	1,971
	178,982	162,267
<b>Property and equipment (Note 3)</b>	144,354	158,090
	323,336	320,357
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 4)	37,035	24,534
Accounts payable and accruals	53,632	64,800
Deferred contributions	-	1,500
	90,667	90,834
	90,667	90,834
<b>Net Assets</b>		
<b>Unrestricted net assets</b>	232,669	229,523
	323,336	320,357

Approved on behalf of the Board

	<b>Director</b>		<b>Director</b>
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*The accompanying notes are an integral part of these financial statements*

**Community Futures Partners of Manitoba Inc.**  
**Statement of Revenues and Expenses and Changes in Net Assets**  
*For the year ended March 31, 2007*

	2007	2006
<b>Revenues</b>		
Western Economic Diversification grants <i>(Note 7)</i>	498,407	649,737
Other grants	1,500	20,689
Community Futures Development Corporation training fees	15,435	26,867
Interest	2	9
Other revenue	18,977	4,326
Regionalization/e-business 2004-2005 grant	-	2,733
	<b>534,321</b>	<b>704,361</b>
<b>Expenses</b>		
Advertising and promotion	39,494	111,893
Amortization	32,831	35,522
Board travel and honorariums	13,127	6,888
Community Futures Development Corporation training	10,155	20,431
Conferences and seminars	1,215	5,241
Dues and memberships	825	662
Goods and Services Tax	4,474	7,739
Insurance	1,217	1,525
Interest and bank charges	334	472
Interest on long-term debt	-	443
Lease fees	1,301	854
Miscellaneous	53	50
Office	9,688	7,067
Professional fees	4,569	2,858
Rental	18,368	19,462
Repairs and maintenance	4,586	2,229
Salaries, wages and benefits	289,739	293,160
Service delivery	52,276	100,119
Telephone, fax and internet	21,250	11,840
Training and education	676	720
Travel	24,997	16,961
	<b>531,175</b>	<b>646,136</b>
<b>Excess of revenues over expenses</b>	<b>3,146</b>	<b>58,225</b>
<b>Unrestricted net assets, beginning of year</b>	<b>229,523</b>	<b>171,298</b>
<b>Unrestricted net assets, end of year</b>	<b>232,669</b>	<b>229,523</b>

*The accompanying notes are an integral part of these financial statements*

**Community Futures Partners of Manitoba Inc.****Statement of Cash Flows***For the year ended March 31, 2007*

	2007	2006
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Cash received from customers	517,419	711,713
Cash paid to suppliers	(220,754)	(319,160)
Cash paid to employees	(289,739)	(293,160)
Interest received	2	9
Interest paid	(334)	(915)
	6,594	98,487
<b>Financing activities</b>		
Repayments of capital lease obligations	-	(4,902)
<b>Investing activities</b>		
Purchases of property and equipment	(19,096)	(75,655)
Proceeds on disposal of property and equipment	1	4,540
	(19,095)	(71,115)
<b>Decrease in cash resources</b>	(12,501)	22,470
<b>Cash deficiency, beginning of year</b>	(24,434)	(46,904)
<b>Cash deficiency, end of year</b>	(36,935)	(24,434)

*The accompanying notes are an integral part of these financial statements*

**Community Futures Partners of Manitoba Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2007*

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**1. Purpose of the organization**

Community Futures Partners of Manitoba Inc. operates to serve and strengthen the sixteen Manitoba Community Futures Development Corporations by providing a central source of information, exploring avenues for economic and community development, promoting the services and achievements of its members, and representing Community Futures Development Corporations to other departments of government. The Organization is exempt from income tax under the Income Tax Act.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and include the following significant accounting policies:

***Property and equipment***

Property and equipment are recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	30 %
Computer software	100 %
Equipment	20 %

In the year of acquisition, amortization is taken at one-half of the above rates.

***Measurement uncertainty***

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue in the year in which the related expenses are incurred or as receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

***Recent accounting pronouncements***

In January 2005, the Canadian Institute of Chartered Accountants issued new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards, effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2006. Transitional provisions are complex and vary based on the type of financial instruments under consideration. Therefore, the Organization has not yet determined the effect of these new standards on its financial statements.

**Community Futures Partners of Manitoba Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2007*

*Long-lived assets*

Long-lived assets consist of property and equipment with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings for the year.

Prices for similar items are used to measure fair value of long-lived assets.

**3. Property and equipment**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2007 Net book value</i>	<i>2006 Net book value</i>
Computer equipment	96,212	69,179	27,033	36,950
Computer software	1,883	1,883	-	-
Equipment	218,380	101,059	117,321	121,140
	316,475	172,121	144,354	158,090

**4. Bank indebtedness**

Bank indebtedness consists of cheques issued in excess of cash of \$37,035. The organization also has access to a credit line of \$20,000, bearing interest at prime plus 1%, secured by a general security agreement.

**5. Economic dependence**

The Organization's primary source of funding is through grants provided pursuant to agreements with Western Economic Diversification. The Organization's ability to continue viable operations is dependent upon maintaining these agreements.

**6. Financial instruments**

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

*Fair value disclosure*

The carrying amount of accounts receivable, accounts payable and accruals, and deferred contributions approximates their fair value due to the short-term maturities of these items.

**Community Futures Partners of Manitoba Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2007*

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7. **Western Diversification Grants**

Operating Funding	178,500
Aboriginal Business Service Network	108,655
Entrepreneurs with Disabilities Program	88,012
Regionalization	46,419
Video Conferencing	76,725
Other	96
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