

Community Futures Manitoba Inc.
Financial Statements
March 31, 2008

To the Board members of Community Futures Manitoba Inc.:

We have audited the balance sheet of Community Futures Manitoba Inc. as at March 31, 2008 and the statement 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, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba

June 23, 2008

Meyus Norris Perry LLP

Chartered Accountants

Community Futures Manitoba Inc.**Balance Sheet***As at March 31, 2008*

	2008	2007
Assets		
Current		
Cash	100	100
Accounts receivable	151,829	175,598
Prepaid expenses and deposits	4,121	3,284
	156,050	178,982
Property and equipment <i>(Note 3)</i>	124,387	144,354
	280,437	323,336
Liabilities		
Current		
Bank indebtedness <i>(Note 4)</i>	7,198	37,035
Accounts payable and accruals	54,682	53,632
	61,880	90,667
	61,880	90,667
Net Assets		
Unrestricted net assets	218,557	232,669
	280,437	323,336

Approved on behalf of the Board

Director_____
Director

Community Futures Manitoba Inc.
Statement of Revenues and Expenses and Changes in Net Assets
For the year ended March 31, 2008

	2008	2007
Revenues		
Western Economic Diversification grants <i>(Note 6)</i>	508,743	498,407
Other grants	-	1,500
Community Futures Development Corporation training fees	-	15,435
Interest	211	2
Other revenue	21,517	18,977
	530,471	534,321
Expenses		
Advertising and promotion	19,935	39,494
Amortization	33,353	32,831
Board travel and honorariums	3,742	13,127
Community Futures Development Corporation training	2,704	10,155
Conferences and seminars	4,890	1,215
Dues and memberships	1,244	825
Goods and Services Tax	5,245	4,474
Insurance	2,731	1,217
Interest and bank charges	388	334
Lease fees	1,017	1,301
Miscellaneous	-	53
Office	9,186	9,688
Professional fees	48,460	4,569
Rental	20,766	18,368
Repairs and maintenance	5,036	4,586
Salaries, wages and benefits	252,228	289,739
Service delivery	95,767	52,276
Telephone, fax and internet	19,015	21,250
Training and education	1,884	676
Travel	16,992	24,997
	544,583	531,175
Excess/deficiency of revenues over expenses	(14,112)	3,146
Unrestricted net assets, beginning of year	232,669	229,523
Unrestricted net assets, end of year	218,557	232,669

The accompanying notes are an integral part of these financial statements

Community Futures Manitoba Inc.**Statement of Cash Flows***For the year ended March 31, 2008*

	<i>2008</i>	<i>2007</i>
Cash provided by (used for) the following activities		
Operating activities		
Cash received from customers	554,028	517,419
Cash paid to suppliers	(258,400)	(220,754)
Cash paid to employees	(252,228)	(289,739)
Interest received	211	2
Interest paid	(388)	(334)
	43,223	6,594
Investing activities		
Purchases of property and equipment	(13,386)	(19,096)
Proceeds on disposal of property and equipment	-	1
	(13,386)	(19,095)
Increase (decrease) in cash resources	29,837	(12,501)
Cash deficiency, beginning of year	(36,935)	(24,434)
Cash deficiency, end of year	(7,098)	(36,935)

The accompanying notes are an integral part of these financial statements

1. Purpose of the organization

Community Futures 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.

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.

Community Futures Manitoba Inc.
Notes to the Financial Statements
For the year ended March 31, 2008

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

Held for trading:

The Organization has classified cash as held for trading. This instrument is initially recognized at fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Held for trading financial instruments are subsequently measured at their fair value. Gains and losses arising from changes in fair value are recognized immediately in income.

Loans and receivables:

The Organization has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

Other financial liabilities:

The Organization has classified accounts payable as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Comprehensive income (loss)

The Organization does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in net income for the period.

3. Property and equipment

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2008 Net book value</i>	<i>2007 Net book value</i>
Computer equipment	105,010	78,609	26,401	27,033
Computer software	1,883	1,883	-	-
Equipment	222,968	124,982	97,986	117,321
	329,861	205,474	124,387	144,354

4. Bank indebtedness

Bank indebtedness consists of cheques issued in excess of cash in account in the amount of \$60,684. The organization also has access to a credit line of \$20,000, bearing interest at prime plus 1%, secured by a general security agreement.

Community Futures Manitoba Inc.
Notes to the Financial Statements
For the year ended March 31, 2008

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. Western Diversification Grants

Operating Funding	192,045
Aboriginal Business Service Network	152,194
Entrepreneurs with Disabilities Program	91,000
Video Conferencing	73,504
<hr/>	
	508,743

7. Change in accounting policies

In April 2005, the Accounting Standards Board issued two new Handbook sections on financial instruments that affect the Organization, Section 3855 and Section 3861. Section 3855 Financial Instruments - Recognition and Measurement addresses when financial instruments should be recognized and how they should be measured. Section 3861 Financial Instruments - Disclosure and Presentation provides standards for how financial instruments should be classified on financial statements and the disclosure requirements.

The Organization has adopted both of the sections for the fiscal year ended March 31, 2008. These standards were applied retroactively without restatement of comparative financial statements. There is no effect on the financial statements.