

Community Futures Manitoba Inc.
Financial Statements
March 31, 2009

Auditors' Report

To the Board members of Community Futures Manitoba Inc.:

We have audited the statement of financial position of Community Futures Manitoba Inc. as at March 31, 2009 and the statements of operations and 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, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba

June 22, 2009

Meyers Norris Penny LLP

Chartered Accountants

Community Futures Manitoba Inc.
Statement of Financial Position

As at March 31, 2009

	2009	2008
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Assets		
Current		
Cash	100	100
Accounts receivable	131,363	151,829
Prepaid expenses and deposits	6,717	4,121
	<hr/>	<hr/>
	138,180	156,050
Property and equipment <i>(Note 3)</i>	107,513	124,387
	<hr/>	<hr/>
	245,693	280,437
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Liabilities		
Current		
Bank indebtedness <i>(Note 4)</i>	14,498	7,198
Accounts payable and accruals	44,207	54,682
	<hr/>	<hr/>
	58,705	61,880
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Net Assets		
Unrestricted net assets	186,988	218,557
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	245,693	280,437
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Approved on behalf of the Board

_____ Director

_____ Director

Community Futures Manitoba Inc.
Statement of Operations and Net Assets
For the year ended March 31, 2009

	2009	2008
Revenues		
Western Economic Diversification grants (Note 6)	525,007	508,743
Interest	87	211
Other revenue	10,290	21,517
	535,384	530,471
Expenses		
Advertising and promotion	19,179	19,935
Amortization	29,335	33,353
Board travel and honorariums	3,817	3,742
Community Futures Development Corporation training	3,000	2,704
Conferences and seminars	3,793	4,890
Dues and memberships	1,061	1,244
Goods and Services Tax	4,533	5,245
Insurance	2,833	2,731
Interest and bank charges	335	388
Lease fees	1,305	1,017
Office	5,690	9,186
Professional fees	71,962	48,460
Rental	22,384	20,766
Repairs and maintenance	4,123	5,036
Salaries, wages and benefits	267,117	252,228
Service delivery	89,707	95,767
Telephone, fax and internet	10,392	19,015
Training and education	2,873	1,884
Travel	23,514	16,992
	566,953	544,583
Deficiency of revenues over expenses	(31,569)	(14,112)
Unrestricted net assets, beginning of year	218,557	232,669
Unrestricted net assets, end of year	186,988	218,557

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, 2009

	2009	2008
Cash provided by (used for) the following activities		
Operating activities		
Cash received from funders	555,763	554,028
Cash paid to suppliers	(283,237)	(258,400)
Cash paid to employees	(267,117)	(252,228)
Interest received	87	211
Interest paid	(335)	(388)
	5,161	43,223
Investing activities		
Purchases of equipment	(12,461)	(13,386)
Increase (decrease) in cash resources	(7,300)	29,837
Cash deficiency, beginning of year	(7,098)	(36,935)
Cash deficiency, end of year	(14,398)	(7,098)
Cash deficiency is composed of:		
Cash on hand	100	100
Bank indebtedness	(14,498)	(7,198)
	(14,398)	(7,098)

Community Futures Manitoba Inc.
Notes to the Financial Statements
For the year ended March 31, 2009

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:

Equipment

Equipment is 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.

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 Organization 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.

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 and bank indebtedness 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.

Recent accounting pronouncements

Financial statement presentation by not-for-profit organizations

In September 2008, amendments were made to CICA Handbook Section 4400 Financial Statement Presentation by Not-for-profit Organizations. Amendments to the section included the removal of the requirement to treat net assets invested in capital assets as a separate component of net assets, and, instead, permitting such an amount to be presented as a category of internally restricted net assets. In addition, the requirement to recognize and present revenues and expenses on a gross basis when a not-for-profit organization is acting as a principal in the transaction was clarified. Finally, guidance was included to reflect that Section 1540 Cash Flow Statements and Section 1751 Interim Financial Statements are applicable to not-for-profit organizations.

These amendments apply to interim and annual financial statements relating to fiscal years beginning on or after, January 1, 2009. The Organization does not expect the changes to the standard to have a material impact on its financial statements.

Capital assets held by not-for-profit organizations

CICA Handbook Section 4430 Capital Assets Held by Not-for-profit Organizations has been amended to provide additional guidance with respect to the appropriate use of the scope exemption for smaller entities that expense their capital assets. It was clarified that the exemption does not allow not-for-profit organizations to capitalize but not amortize their capital assets, nor does it allow difference methods of accounting for various types of capital assets.

This amendment applies to interim and annual statements relating to fiscal years beginning on or after January 1, 2009. The Organization does not expect the change to this standard to have a material impact on its financial statements.

Disclosure of allocated expenses by not-for-profit organizations

In September 2008, the Canadian Institute of Chartered Accountants issued new recommendations for disclosures regarding allocated expenses by not-for-profit organizations. CICA Handbook Section 4470 Disclosure of Allocated Expenses by Not-for-profit Organizations requires disclosure by not-for-profit organizations that allocate fundraising and general support expenses to other functions of the policies adopted for the allocation of such expenses among functions, the nature of the allocated expenses, and the basis on which allocations are made. The section also requires disclosure of the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated.

This new Section is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The Organization does not expect this new standard to have a material impact on its financial statements.

Community Futures Manitoba Inc.
Notes to the Financial Statements
For the year ended March 31, 2009

3. Equipment

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2009 Net book value</i>	<i>2008 Net book value</i>
Computer equipment	116,426	88,242	28,184	26,401
Computer software	1,883	1,883	-	-
Equipment	224,013	144,684	79,329	97,986
	342,322	234,809	107,513	124,387

4. Bank indebtedness

Bank indebtedness consists of cheques issued in excess of cash in account in the amount of \$25,390. The Organization also has access to a credit line of \$20,000, bearing interest at prime plus 1%, secured by a general security agreement and not drawn upon as at March 31, 2009.

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

	<i>2009</i>	<i>2008</i>
Operating Funding	185,711	192,045
Aboriginal Business Service Network	168,279	152,194
Entrepreneurs with Disabilities Program	106,570	91,000
Video Conferencing	64,447	73,504
	525,007	508,743

7. Commitments

The Organization has entered into a lease agreement with an estimated minimum annual payment as follows:

<u>2010</u>	<u>20,124</u>
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8. Capital management

The Organization defines its capital as the amount included in Unrestricted Net Assets balances.

The Organization's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to serve and strengthen the sixteen Manitoba Community Futures Development Corporations.