

Community Futures Parkland Inc.

Financial Statements

For the year ended March 31, 2011

Partnership of Chartered Accountants

Understanding your Business

COMMUNITY FUTURES PARKLAND INC.

FINANCIAL STATEMENTS

For the year ended March 31, 2011

**COMMUNITY FUTURES
PARKLAND INC.
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STATEMENT OF RESPONSIBILITY

The accompanying financial statements are the responsibility of the management of Community Futures Parkland Inc. and have been prepared in compliance with legislation, and in accordance with Canadian generally accepted accounting principles.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, the assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board of Directors of the organization met with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

Sensus Partnership of Chartered Accountants, as the organization's appointed external auditors, have audited the financial statements. The Auditors' Report is addressed to the Board of Directors and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the organization in accordance with Canadian generally accepted accounting principles.

Board of Directors

INDEPENDENT AUDITORS' REPORT



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

Report on the Financial Statements

We have audited the accompanying financial statements of **Community Futures Parkland Inc.**, which comprise of the statements of financial position as at **March 31, 2011** and the statements of operations and surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Community Futures Parkland Inc.** as at **March 31, 2011**, and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

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.

Russell, Manitoba
July 15, 2011


**PARTNERSHIP OF
CHARTERED ACCOUNTANTS**

**COMMUNITY FUTURES
PARKLAND INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2011**

ASSETS	<u>2011</u>	<u>2010</u>
CURRENT		
Cash	\$ 289,713	\$ 266,821
Accounts receivable (Note 11)	61,775	50,326
Due from other funds	17,192	17,426
Prepaid expenses	3,840	2,497
Short term investments (Note 2)	101,721	266,584
Current portion of loans receivable (Note 3)	<u>150,000</u>	<u>150,000</u>
	624,241	753,654
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	150,000	150,000
LONG TERM INVESTMENTS (Note 2)	231,054	60,000
LOANS RECEIVABLE (Note 3)	1,238,126	1,205,453
PATRONAGE DIVIDENDS	4,009	3,856
PROPERTY, PLANT AND EQUIPMENT (Notes 2 & 6)	<u>203,550</u>	<u>199,347</u>
	<u>\$ 2,450,980</u>	<u>\$ 2,372,310</u>
LIABILITIES		
CURRENT		
Bank indebtedness	\$	\$ 63
Accounts payable and accrued liabilities (Note 8)	37,604	32,440
Due to other funds	17,192	17,426
Unspent project funding	<u>14,838</u>	<u>27,775</u>
	69,634	77,704
OTHER LONG TERM LIABILITIES	4,009	3,856
REPAYABLE FUNDS (Note 9)	<u>807,364</u>	<u>807,364</u>
	<u>881,007</u>	<u>888,924</u>
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 7)	203,550	199,347
OPERATING FUND	30,366	(24,112)
SELF EMPLOYMENT PROGRAM FUND	3,460	1,568
HOLDINGS FUND	383,437	368,353
INVESTMENT FUND (Note 10)	<u>949,160</u>	<u>938,230</u>
	<u>1,569,973</u>	<u>1,483,386</u>
	<u>\$ 2,450,980</u>	<u>\$ 2,372,310</u>

COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF FINANCIAL POSITION – OPERATING FUND
As at March 31, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash	\$ 48,090	\$ 3,647
Accounts receivable (Note 11)	1,390	2,184
Prepaid expenses	<u>3,590</u>	<u>2,497</u>
	53,070	8,328
PROPERTY, PLANT AND EQUIPMENT (Note 2 & 6)	<u>201,463</u>	197,260
	<u>\$ 254,533</u>	<u>\$ 205,588</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	<u>\$ 22,704</u>	\$ 32,440
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 7)	201,463	197,260
SURPLUS (DEFICIT)	<u>30,366</u>	(24,112)
	<u>231,829</u>	173,148
	<u>\$ 254,533</u>	<u>\$ 205,588</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF FINANCIAL POSITION – SELF EMPLOYMENT PROGRAM FUND
 As at March 31, 2011**

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash	\$ 457	\$ 67
Accounts receivable (Note 11)	<u>3,003</u>	<u>1,501</u>
	<u>\$ 3,460</u>	<u>\$ 1,568</u>
SURPLUS		
SURPLUS	<u>\$ 3,460</u>	<u>\$ 1,568</u>

**COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF FINANCIAL POSITION – INVESTMENT FUND
As at March 31, 2011**

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash in bank	\$ 177,916	\$ 210,138
Account receivable (Note 11)	40,782	30,003
Current portion of loans receivable (Note 3)	<u>150,000</u>	<u>150,000</u>
	368,698	390,141
COMMUNITY FUTURES INVESTMENT FUND (Note 2)	150,000	150,000
LOANS RECEIVABLE (Note 3)	1,238,126	1,205,453
PATRONAGE DIVIDENDS	<u>4,009</u>	<u>3,856</u>
	<u>\$ 1,760,833</u>	<u>\$ 1,749,450</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 8)	\$ 300	\$
OTHER LONG TERM LIABILITIES	4,009	3,856
REPAYABLE FUNDS (Note 9)	<u>807,364</u>	<u>807,364</u>
	<u>811,673</u>	<u>811,220</u>
SURPLUS		
SURPLUS (Note 10)	<u>949,160</u>	<u>938,230</u>
	<u>\$ 1,760,833</u>	<u>\$ 1,749,450</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF FINANCIAL POSITION – PROJECT FUND
 As at March 31, 2011**

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash (Note 16)	\$ 14,156	\$ 12,860
Accounts receivable (Note 11)	15,032	14,915
Prepaid expenses	250	
	<u>29,438</u>	<u>27,775</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 8)	\$ 14,600	\$
Unspent project funding	14,838	27,775
	<u>29,438</u>	<u>27,775</u>

**COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF FINANCIAL POSITION – HOLDINGS FUND
As at March 31, 2011**

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash	\$ 31,902	\$ 23,053
Short term investments (Note 2)	101,721	266,584
Accounts receivable (Note 11)	1,568	1,290
Due from other funds	<u>17,192</u>	<u>17,426</u>
	152,383	308,353
LONG TERM INVESTMENTS (Note 2)	231,054	60,000
PROPERTY, PLANT AND EQUIPMENT (Note 6)	<u>2,087</u>	<u>2,087</u>
	<u>\$ 385,524</u>	<u>\$ 370,440</u>
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 7)	\$ 2,087	\$ 2,087
SURPLUS	<u>383,437</u>	<u>368,353</u>
	<u>\$ 385,524</u>	<u>\$ 370,440</u>

COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF FINANCIAL POSITION – CANADIAN AGRICULTURAL SKILLS SERVICES FUND
As at March 31, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash	\$ <u>17,192</u>	\$ <u>17,056</u>
	<u>\$ 17,192</u>	<u>\$ 17,056</u>
LIABILITIES		
CURRENT		
Due to other funds	\$ <u>17,192</u>	\$ <u>17,056</u>
	<u>\$ 17,192</u>	<u>\$ 17,056</u>

COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF FINANCIAL POSITION – PARKLAND ASSESSMENT SKILLS AND TRADES
As at March 31, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Accounts receivable (Note 11)	\$ _____	\$ 433
	<u>\$ _____</u>	<u>\$ 433</u>
LIABILITIES		
CURRENT		
Bank indebtedness	\$ _____	\$ 63
Due to Holdings		370
	<u>\$ _____</u>	<u>\$ 433</u>

**COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF OPERATIONS AND SURPLUS – OPERATING FUND
For the year ended March 31, 2011**

	<u>2011</u>	<u>2010</u>
REVENUE		
Operational funding	\$ 234, 023	\$ 312, 031
Government of Canada		4, 093
Interest	<u>545</u>	<u>15</u>
	<u>234, 568</u>	<u>316, 139</u>
EXPENSES		
Aboriginal committee (Note 12)	1, 485	5, 115
Advertising and promotion	6, 026	3, 297
Bank charges	30	32
Board travel	2, 318	11, 180
Conference and seminar	1, 040	1, 667
Employee related costs	94	27
Office equipment and leases	5, 581	7, 139
Insurance	3, 847	3, 713
Janitor	1, 149	2, 130
Legal, accounting, audit	8, 945	9, 328
Office supplies	2, 080	1, 348
Pan Canadian – Staff		4, 756
- Board		2, 277
Postage	332	1, 216
Property taxes	2, 084	2, 268
Repairs and maintenance	1, 520	3, 620
Salaries and wages	109, 451	206, 771
Staff development	2, 100	2, 509
Staff travel	11, 625	16, 231
Strategic planning		1, 704
Subscriptions/memberships/library	1, 012	1, 336
Telephone and fax	12, 490	13, 807
Utilities	<u>2, 591</u>	<u>4, 209</u>
	<u>175, 800</u>	<u>305, 680</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE:	58, 768	10, 459
Investment in property, plant and equipment	<u>(4, 290)</u>	<u>(4, 225)</u>
EXCESS OF REVENUE OVER EXPENSES FOR YEAR	54, 478	6, 234
RETAINABLE SURPLUS FROM OTHER PROJECTS, BEGINNING OF YEAR	<u>(24, 112)</u>	<u>(30, 346)</u>
SURPLUS (DEFICIT), END OF YEAR	<u>\$ 30, 366</u>	<u>\$ (24, 112)</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF OPERATIONS AND SURPLUS - SELF-EMPLOYMENT PROGRAM FUND
 For the year ended March 31, 2011**

	<u>2011</u>	<u>2010</u>
REVENUE		
Government grant	\$ 11,500	\$ 4,000
Interest	16	1
	<u>11,516</u>	<u>4,001</u>
EXPENSES		
Coordinator costs:		
Mileage	124	54
Delivery agent fees	<u>9,500</u>	<u>3,200</u>
TOTAL EXPENSES	<u>9,624</u>	<u>3,254</u>
EXCESS OF REVENUE OVER EXPENES FOR YEAR	1,892	747
SURPLUS, BEGINNING OF YEAR	<u>1,568</u>	821
SURPLUS, END OF YEAR	<u>\$ 3,460</u>	<u>\$ 1,568</u>

**COMMUNITY FUTURES
PARKLAND INC.
STATEMENT OF OPERATIONS AND SURPLUS - INVESTMENT FUND
For the year ended March 31, 2011**

	<u>2011</u>	<u>2010</u>
REVENUE		
Interest earned	\$ 70,437	\$ 49,392
Loan documentation	<u>9,514</u>	<u>130</u>
	<u>79,951</u>	<u>49,522</u>
EXPENSES		
Bank charges	17	29
Life insurance on loans	5,604	7,130
Loan security fees	251	126
Property insurance on loans	<u>1,461</u>	<u> </u>
	<u>7,333</u>	<u>7,285</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE:	<u>72,618</u>	<u>42,237</u>
Provision for loss on loans (Note 4)	<u>(61,688)</u>	<u>(96,941)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR YEAR	<u>10,930</u>	<u>(54,704)</u>
SURPLUS, BEGINNING OF YEAR	<u>938,230</u>	<u>992,934</u>
SURPLUS, END OF YEAR	<u>\$ 949,160</u>	<u>\$ 938,230</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF OPERATIONS AND SURPLUS - PROJECT FUND
 For the year ended March 31, 2011**

	<u>2011</u>	<u>2010</u>
REVENUE		
Career and Job Fair	\$ 30,108	\$ 39,249
PARC	<u>14,600</u>	<u>10,233</u>
	<u>44,708</u>	<u>49,482</u>
EXPENSES		
Career and Job Fair	40,954	50,474
PARC	14,600	
Agri-Core Youth	<u>2,091</u>	<u>9,585</u>
	<u>57,645</u>	<u>60,059</u>
DEFICIENCY OF REVENUE OVER EXPENSES FOR YEAR	(12,937)	(10,577)
UNSPENT PROJECT FUNDING, BEGINNING OF YEAR	<u>27,775</u>	<u>38,352</u>
UNSPENT PROJECT FUNDING, END OF YEAR	<u>\$ 14,838</u>	<u>\$ 27,775</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF OPERATIONS AND SURPLUS – HOLDINGS FUND
 For the year ended March 31, 2011**

	<u>2011</u>	<u>2010</u>
REVENUE		
Bank interest	\$ 8,299	\$ 8,863
Other project revenue		6,063
Tourism grant refund		4,000
SE program administration fees	6,500	3,200
Career & Job Fair	10,069	3,500
Miscellaneous	<u>216</u>	<u>1,109</u>
	<u>25,084</u>	<u>26,735</u>
EXPENSES		
Event Sponsorship		200
PCFDC tourism grant	10,000	15,566
Volunteer recognition		<u>1,200</u>
	<u>10,000</u>	<u>16,966</u>
EXCESS OF REVENUE OVER EXPENSES FOR YEAR	15,084	9,769
SURPLUS, BEGINNING OF YEAR	<u>368,353</u>	<u>362,898</u>
	383,437	372,667
Transfer (to) / from Canadian Agricultural Skills Services Fund		<u>(4,314)</u>
SURPLUS, END OF YEAR	<u>\$ 383,437</u>	<u>\$ 368,353</u>

**COMMUNITY FUTURES
 PARKLAND INC.
 STATEMENT OF OPERATIONS AND SURPLUS – CANADIAN AGRICULTURAL SKILLS
 SERVICES FUND
 For the year ended March 31, 2011**

	<u>2011</u>	<u>2010</u>
REVENUE		
Program funding	\$	\$
Interest		1,177
Administration funding		<u>2,303</u>
		<u>3,480</u>
EXPENSES		
Advertising		952
Bad debt expense		2,978
Insurance		9
Salaries and benefits		1,227
Tuition and textbooks		<u>2,628</u>
		<u>7,794</u>
DEFICIENCY OF REVENUE OVER EXPENSES FOR YEAR		(4,314)
SURPLUS, BEGINNING OF YEAR		<u> </u>
		(4,314)
Transfer from / (to) Holdings Fund		<u>4,314</u>
SURPLUS, END OF YEAR	<u>\$</u>	<u>\$</u>

**COMMUNITY FUTURES
PARKLAND INC.**

STATEMENT OF OPERATIONS AND SURPLUS – PARKLAND ASSESSMENT OF SKILLS AND TRADES

For the year ended March 31, 2011

	<u>2011</u>	<u>2010</u>
REVENUE		
Project funding	\$ _____	\$ 50,369
EXPENSES		
Advertising		747
Administration		6,063
Office expenses		524
Rent		3,805
Salaries and benefits		34,940
Telephone		1,508
Travel		<u>2,782</u>
		<u>50,369</u>
 EXCESS OF REVENUE OVER EXPENSES FOR YEAR		
 SURPLUS, BEGINNING OF YEAR		_____
 SURPLUS, END OF YEAR	<u>\$ _____</u>	<u>\$ _____</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2011**

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.

Short term investments

Short term investments represent two GIC's with a maturity date of January 30, 2012 and February 1, 2012. Interest on these investments are 3.45% and 0.15% respectively. The short term investments have been classified as held for trading and therefore, have been recorded at the prevailing market value.

Long term investments

Long term investment represents one term deposit with maturity dates of January 30, 2012. Interest on this term deposit is 2.9%. This long term investments has been classified as held for trading and therefore, has been recorded at its prevailing market value.

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. 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.

Capital management

Community Futures Parkland Inc. considers its capital to be the balance maintained in its surplus. The primary objective of the organization is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the of the Executive Committee of the organization with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The organization is not subject to any externally imposed requirements of its capital.

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. LOANS RECEIVABLE

These loans have been made to 97 (2010 – 93) 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>2011</u>	<u>2010</u>
Loans receivable and accrued interest	\$ 2,754,928	\$ 2,670,467
Less: provisions for doubtful loans and interest	<u>1,366,802</u>	<u>1,315,014</u>
	1,388,126	1,355,453
Less: current portion	<u>(150,000)</u>	<u>(150,000)</u>
	<u>\$ 1,238,126</u>	<u>\$ 1,205,453</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2011**

4. 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.

5. 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.

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value	
			2011	2010
Land	\$ 2,000		\$ 2,000	\$ 2,000
Building	45,796	17,356	28,440	28,440
Furniture & equipment	244,507	75,503	169,004	164,801
Leasehold improvements	25,924	21,818	4,106	4,106
	<u>\$ 318,227</u>	<u>114,677</u>	<u>\$ 203,550</u>	<u>\$199,347</u>

7. 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.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2011</u>	<u>2010</u>
Operating fund		
Auditing	\$ 7,610	\$ 7,614
Trade		3,649
Vacation payable	<u>15,094</u>	<u>21,177</u>
	<u>22,704</u>	<u>32,440</u>
Project fund		
Trade	<u>14,600</u>	
Investment fund		
GST payable	<u>300</u>	
TOTAL ACCOUNTS PAYABLE	<u>\$ 37,604</u>	<u>\$ 32,440</u>

**COMMUNITY FUTURES
PARKLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2011**

9. 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>

10. 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, 2010, no new funds were received for the Investment Fund from this source.

	<u>2011</u>	<u>2010</u>
Contributed surplus	\$ 749,446	\$ 749,446
Operating surplus, beginning of year	188,784	243,488
Excess (Deficiency) of revenue over expenses for year	<u>10,930</u>	<u>(54,704)</u>
Investment surplus, end of year	<u>\$ 949,160</u>	<u>\$ 938,230</u>

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11. ACCOUNTS RECEIVABLE	<u>2011</u>	<u>2010</u>
Operating fund		
GST receivable	\$ 1,390	\$ 2,184
Self Employment Program fund		
GST receivable	3	1
Province of Manitoba	<u>3,000</u>	<u>1,500</u>
	<u>3,003</u>	<u>1,501</u>
Investment fund		
Accrued interest	32,612	28,610
Charges/fees/NSF	8,115	1,366
GST receivable	<u>55</u>	<u>27</u>
	<u>40,782</u>	<u>30,003</u>
Project fund		
Accrued Interest		400
Government of Canada		200
University of Manitoba		250
GST receivable	432	735
Province of Manitoba	<u>14,600</u>	<u>13,330</u>
	<u>15,032</u>	<u>14,915</u>
Holding fund		
Accrued interest	<u>1,568</u>	<u>1,290</u>
Parkland Assessment of Skills and Trades		
GST receivable		226
Province of Manitoba		<u>207</u>
		<u>433</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 61,775</u>	<u>\$ 50,326</u>

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12. SUMMARY OF EXPENSES ABORIGINAL COMMITTEE

	<u>2011</u>	<u>2010</u>
Promotion	\$ 1,485	\$
Travel board		1,314
Travel staff		1,444
Pan CDN		<u>2,357</u>
	<u>\$ 1,485</u>	<u>\$ 5,115</u>

13. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist mainly of cash, accounts receivable, short term investments, long term investments, bank indebtedness, 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.

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.

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13. FINANCIAL INSTRUMENTS (CONTINUED)

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

14. 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.

15. 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.

16. PROJECT FUND - CASH

	<u>2011</u>	<u>2010</u>
Aboriginal Coop	\$ 12,661	\$ 12,661
Agricore Youth	804	3,176
Canada/MB Business library	295	295
Career Fair	(3,779)	(7,413)
PEDPG	2,043	2,043
EDP Web page	<u>2,132</u>	<u>2,098</u>
	<u>\$ 14,156</u>	<u>\$ 12,860</u>

**COMMUNITY FUTURES
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17. 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.

18. WD FUNDING

The organization received WD Funding for the fiscal year 2011 of \$234,023. Cash expenditures for the year totaled \$178,490. Therefore, not all of the funding for the year was spent. Due to accrual adjustments done in order to comply with Canadian generally accepted accounting principles, expenditures on the income statement appear to be \$180,090.

19. OTHER MATTERS

The organization has exercised their right to obtain the title of property due to loan payments that were in default. The organization has obtained title of land of Lot 12 Block 9 Plan 243, Dauphin, Manitoba with a sworn value of \$59,100. In 2011, the property is being rented to a prospective buyer.

