
COMMUNITY FUTURES GREENSTONE
FINANCIAL STATEMENTS

MARCH 31, 2009

COMMUNITY FUTURES GREENSTONE

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MARCH 31, 2009

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HAUGEN MORRISH ANGERS
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To The Directors
Community Futures Greenstone

We have audited the balance sheet of Community Futures Greenstone as at March 31, 2009 and the operating and investment fund statements of revenue, expenditures and surplus and the statement of 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 and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Haugen Morrish Angers
CHARTERED ACCOUNTANTS

The Pas, Manitoba
September 22, 2009



HAUGEN MORRISH ANGERS
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT ON COMPLIANCE WITH AGREEMENT

To Western Economic Diversification

We have audited Community Futures Greenstone's compliance as at March 31, 2009 with the criteria established in the Contribution Agreement between Western Economic Diversification and the organization dated March 24, 2006 and amended February 27, 2008. Compliance with the criteria established by the provisions of the agreement is the responsibility of the organization's management. Our responsibility is to express an opinion on this compliance 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 organization complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, Community Futures Greenstone is in compliance, in all material respects, with the criteria established by the Contribution Agreement.

CHARTERED ACCOUNTANTS

The Pas, Manitoba
September 22, 2009

COMMUNITY FUTURES GREENSTONE

STATEMENT 1

BALANCE SHEET

MARCH 31

	Operating Fund	Investment Fund	Combined	
			2 0 0 9	2 0 0 8
A S S E T S				
CURRENT				
Cash and term deposits	\$ 105,056	\$ 293,351	\$ 398,407	\$ 542,574
Accounts receivable	9,312		9,312	23,696
Prepaid expenses	3,536		3,536	2,279
Current portion of loans receivable	...	389,750	389,750	217,126
	<u>117,904</u>	<u>683,101</u>	<u>801,005</u>	<u>785,675</u>
DUE FROM INVESTMENT FUND	94,093		94,093	94,093
LOANS RECEIVABLE (Note 4)		1,238,456	1,238,456	1,188,364
INVESTMENTS (Note 5)	60,007	60,000	120,007	59,649
CAPITAL ASSETS (Note 6)	<u>248,738</u>	...	<u>248,738</u>	<u>248,205</u>
	<u>\$ 520,742</u>	<u>\$ 1,981,557</u>	<u>\$ 2,502,299</u>	<u>\$ 2,375,986</u>
LI A B I L I T I E S				
CURRENT				
Accounts payable and accrued liabilities	\$ 38,937	\$	\$ 38,937	\$ 59,567
Deferred revenue	22,779
	<u>38,937</u>		<u>38,937</u>	<u>82,346</u>
REPAYABLE CONTRIBUTION		882,364	882,364	882,364
DUE TO OPERATING FUND	...	94,093	94,093	94,093
	<u>38,937</u>	<u>976,457</u>	<u>1,015,394</u>	<u>1,058,803</u>
CONTINGENCY (Note 9)				
F U N D B A L A N C E S				
FUND BALANCES				
Invested in capital assets	248,738		248,738	248,205
Unrestricted	<u>233,067</u>	...	<u>233,067</u>	<u>232,346</u>
	481,805		481,805	480,551
Externally restricted (Note 7)	...	1,005,100	1,005,100	836,632
	<u>481,805</u>	<u>1,005,100</u>	<u>1,486,905</u>	<u>1,317,183</u>
	<u>\$ 520,742</u>	<u>\$ 1,981,557</u>	<u>\$ 2,502,299</u>	<u>\$ 2,375,986</u>

Approved on behalf of the Board:

.....

COMMUNITY FUTURES GREENSTONE

STATEMENT 2

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31

			2009	2008
OPERATING FUND				
	INVESTED IN CAPITAL ASSETS	UNRESTRICTED		
FUND BALANCE, <i>beginning of year</i>	\$ 248,205	\$ 232,346	\$ 480,551	\$ 463,051
Excess of revenue over expenditures (expenditures over revenue)		364	364	(6,301)
Change in investment in Visions North		357	357	(334)
Acquisition of capital assets	<u>533</u>	<u>...</u>	<u>533</u>	<u>24,135</u>
FUND BALANCE, <i>end of year</i>	\$ <u>248,738</u>	\$ <u>233,067</u>	\$ <u>481,805</u>	\$ <u>480,551</u>
INVESTMENT FUND				
	GENERAL	DISABILITY		
EARNED SURPLUS (DEFICIT), <i>beginning of year</i>	\$(513,117)	\$ 32,191	\$(480,926)	\$(771,241)
Excess of revenue over expenditures	<u>168,468</u>	<u>...</u>	<u>168,468</u>	<u>290,315</u>
EARNED SURPLUS (DEFICIT), <i>end of year</i>	(344,649)	32,191	(312,458)	(480,926)
FUNDED SURPLUS	<u>1,317,558</u>	<u>...</u>	<u>1,317,558</u>	<u>1,317,558</u>
FUND BALANCE, <i>end of year</i>	\$ <u>972,909</u>	\$ <u>32,191</u>	\$ <u>1,005,100</u>	\$ <u>836,632</u>

COMMUNITY FUTURES GREENSTONE

STATEMENT 3

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

OPERATING FUND	2009	2008
REVENUE		
Grants - Western Economic Diversification	\$ 294,401	\$ 298,923
Interest earned	2,143	3,415
Other	<u>2,371</u>	<u>836</u>
	<u>298,915</u>	<u>303,174</u>
EXPENDITURES		
Advertising and promotion	3,853	7,316
Assets acquired	533	24,135
Bank charges and interest	52	22
Community gala	3,122	
Goods and services tax	2,650	3,587
Insurance	4,629	4,178
Library	212	512
Office and general	26,270	31,956
Professional fees	10,026	9,160
Projects	15,000	4,881
Rent	19,200	19,200
Telephone	9,630	11,704
Training	418	2,400
Travel	29,225	8,546
Vehicle	7,793	6,245
Wages and benefits	158,908	173,975
Workshops and conferences	<u>7,030</u>	<u>1,658</u>
	<u>298,551</u>	<u>309,475</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE SUPPLEMENTARY PROJECTS	364	(6,301)
Supplementary Projects (Schedule 1)	<u>...</u>	<u>...</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$ <u>364</u>	\$ (<u>6,301</u>)

COMMUNITY FUTURES GREENSTONE

STATEMENT 4

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

INVESTMENT FUND			Total	
	General	Disability	2 0 0 9	2 0 0 8
REVENUE				
Interest income	\$ <u>113,041</u>	\$ <u>2,058</u>	\$ <u>115,099</u>	\$ <u>147,240</u>
EXPENSES				
Bank charges				51
Legal and other loan costs	539		539	3,353
Loan insurance	13,653		13,653	15,749
Loss on loan guarantee				20,472
Provision for loan impairment	(<u>67,561</u>)	<u>...</u>	(<u>67,561</u>)	(<u>182,700</u>)
	(<u>53,369</u>)	<u>...</u>	(<u>53,369</u>)	(<u>143,075</u>)
EXCESS OF REVENUE OVER EXPENDITURES	\$ <u>166,410</u>	\$ <u>2,058</u>	\$ <u>168,468</u>	\$ <u>290,315</u>

COMMUNITY FUTURES GREENSTONE

STATEMENT 5

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

SUPPLEMENTARY PROJECTS	2 0 0 9	2 0 0 8
REVENUE		
Neighbourhoods Alive	\$ 34,042	\$ 34,225
Add: revenue deferred from previous fiscal year	22,779	
Less: revenue deferred to next fiscal year	<u>...</u>	<u>(22,779)</u>
	<u>56,821</u>	<u>11,446</u>
EXPENDITURES		
Office and other	6,016	4,869
Wages and benefits	<u>50,805</u>	<u>6,577</u>
	<u>56,821</u>	<u>11,446</u>
EXCESS OF REVENUE OVER EXPENDITURES	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

COMMUNITY FUTURES GREENSTONE

STATEMENT 6

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

ALL FUNDS	2009	2008
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding sources and clients	\$ 345,198	\$ 323,202
Cash paid to suppliers and employees	(323,891)	(353,440)
Interest earned	<u>117,242</u>	<u>150,655</u>
	<u>138,549</u>	<u>120,417</u>
<i>INVESTING ACTIVITIES</i>		
Repayment of loans	443,099	330,618
Issuance of loans	(725,815)	(293,128)
	<u>(282,716)</u>	<u>37,490</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	(144,167)	157,907
CASH, <i>beginning of year</i>	<u>542,574</u>	<u>384,667</u>
CASH, <i>end of year</i>	\$ <u>398,407</u>	\$ <u>542,574</u>
CASH COMPRISED OF		
Cash	\$ 156,437	\$ 305,752
Short term deposits	<u>241,970</u>	<u>236,822</u>
	\$ <u>398,407</u>	\$ <u>542,574</u>

COMMUNITY FUTURES GREENSTONE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

1. PURPOSE OF ORGANIZATION

Community Futures Greenstone is a community based not-for-profit organization incorporated without share capital under the laws of the Province of Manitoba. The Government of Canada, through the Department of Western Economic Diversification, provides financial assistance to the organization pursuant to an agreement. The purpose of the organization is to support community economic development, diversify the economy, support the creation and expansion of small and medium sized enterprises, maintain and create new employment and maintain the Minister's capacity to deliver business services to rural communities in Western Canada.

The organization is exempt from federal or provincial income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

FUND ACCOUNTING

Community Futures Greenstone follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the program delivery and administration activities of the organization. This fund reports unrestricted resources and restricted operating grants.

The Investment Fund accounts for the investment activities to promote new business or the expansion of existing businesses. Investment funds are segregated into repayable and non-repayable funds.

(a) **General Investment Fund**

A repayable contribution of \$682,364 by Western Diversification to be used for loans, loan guarantees and equity investment in a new business or expansion of an existing business. In 2007 the Youth Entrepreneur Investment Fund was combined with the General Investment Fund.

(b) **Disabled Entrepreneur Investment Fund**

A repayable contribution of \$200,000 by Western Diversification to be used for loans, loan guarantees and equity investment in businesses owned by disabled persons.

For each fund, the maximum amount of an individual loan is normally \$150,000 at a minimum interest rate of prime rate plus two percent.

REVENUE RECOGNITION

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenditures are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collections are reasonably assured.

Investment income is recognized as revenue in the Investment Fund when earned.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES *continued**LOANS RECEIVABLE*

Loans receivable are stated net of an allowance for loan impairment. Interest income is recorded on the accrual basis unless the loan is classified as an impaired loan. Loans are considered to be impaired when, in management's opinion, there is a reasonable doubt as to the ultimate collectibility of some portion of the principal or interest. Impaired loans are recorded at their estimated realizable amounts.

INVESTMENTS

The organization follows the equity method of accounting for investments.

CAPITAL ASSETS

Capital assets primarily consist of office equipment and furniture for use by the organization in its operations. The acquisition of capital assets is expensed in the statement of operations in the year of acquisition. At the same time an entry is made to an asset account at cost with a corresponding entry to investment in capital assets account. Assets are held in the accounts at cost until disposed without any subsequent amortization.

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 amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reported period. Significant areas requiring the use of management estimates include the determination of the recoverability of loan and investments and the classification of amounts between current and non-current assets, determination of allowances for impairment of loans and investments. Actual results could differ from these estimates.

CONTRIBUTED SERVICES

Volunteers on the board of directors contribute about 200 hours collectively per year to assist in control and supervision of the program delivery activities of the organization. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

CHANGES IN ACCOUNTING POLICIES

On April 1, 2008 the organization adopted the provisions of CICA Handbook Section 3862 "Financial Instruments - Disclosures", CICA Handbook Section 3863 "Financial Instruments - Presentation" and CICA Handbook Section 1535 "Capital Disclosures" retroactively.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES *continued*

FINANCIAL INSTRUMENTS - CICA HANDBOOK SECTION 3862 - DISCLOSURES AND CICA HANDBOOK SECTION 3863 - PRESENTATION

These sections complement and enhance the principles for recognizing, measuring and presenting financial assets and financial liabilities initially prescribed in CICA Handbook Section 3855 "Financial Instruments - Recognition and Measurement" and CICA Handbook Section 3861 "Financial Instruments - Disclosure and Presentation". The sections address the classification of financial instruments from the perspective of the issuer between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which the financial assets and financial liabilities offset.

CAPITAL DISCLOSURES - CICA HANDBOOK SECTION 1535

This section addresses the disclosure of information that enables users of the financial statements to evaluate the objectives, policies and processes for managing capital.

3. ECONOMIC DEPENDENCE

Community Futures Greenstone receives most of its operating revenue in the form of an annual grant pursuant to a funding arrangement with Western Economic Diversification Canada. In the absence of this grant, the organization will be forced to curtail or cease its operations.

4. LOANS RECEIVABLE

<u>Investment Fund</u>	General	Disability	TOTAL	
			2 0 0 9	2 0 0 8
Loans receivable	\$ <u>2,470,649</u>	\$ <u>4,003</u>	\$ <u>2,474,652</u>	\$ <u>2,242,003</u>
Less allowance for loan impairment				
Opening balance	836,513		836,513	1,075,086
Bad debt written off (net)	(26,617)		(26,617)	(55,873)
Change in estimate	<u>36,550</u>	...	<u>36,550</u>	(182,700)
Closing balance	<u>846,446</u>	...	<u>846,446</u>	<u>836,513</u>
Less current portion	(<u>387,967</u>)	(<u>1,783</u>)	(<u>389,750</u>)	(<u>217,126</u>)
	\$ <u>1,236,236</u>	\$ <u>2,220</u>	\$ <u>1,238,456</u>	\$ <u>1,188,364</u>

In most cases the loans are secured by a chattel mortgage, personal guarantees, or second mortgage. As the net recoverable value of the underlying security is often difficult to ascertain, measurement uncertainty exists in the valuation of loans and provision for losses. In determining the recognized amounts for these assets and loss provisions, the organization relies on an assessment of prevailing business and economic conditions. Management believes that the recognized amounts are unlikely to change by a material amount in the near term.

During the year ended March 31, 2009, the organization recovered \$41,600 from loans written off in previous periods.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

5.	INVESTMENTS	2 0 0 9	2 0 0 8
	<u>Investment Fund</u>		
	Equity investments	\$ 145,000	\$ 145,000
	Less allowance for loan impairment	(85,000)	(145,000)
		\$ <u>60,000</u>	\$ <u>0</u>
	<u>Operating Fund</u>		
	Investment in Visions North Ltd. at cost	\$ 53,000	\$ 53,000
	66.67% of surplus as at October 31	<u>7,007</u>	<u>6,649</u>
		\$ <u>60,007</u>	\$ <u>59,649</u>

The organization accounts for its investment in Visions North Ltd. using the equity method.

6.	CAPITAL ASSETS	2 0 0 9	2 0 0 8
	Automotive equipment	\$ 41,897	\$ 41,897
	Furniture, fixtures and office equipment	<u>206,841</u>	<u>206,308</u>
		\$ <u>248,738</u>	\$ <u>248,205</u>

7. EXTERNAL RESTRICTIONS ON FUND BALANCES

Investment fund balances are restricted under the contribution agreement by the Government of Canada and are to be used for loans to businesses as a lender of last resort. Loans from the Disabled Entrepreneur Investment Fund are limited to businesses owned and operated by disabled entrepreneurs. The organization is restricted in the types of loans that can be made according to its agreement with the Federal Government.

Under the terms of the contributions agreement, the Conditionally Repayable Loan Funds are repayable if any of the following conditions occur:

- (i) The Conditionally Repayable Investment Loan Fund is not administered according to the terms and conditions specified in this Agreement; or
- (ii) Based on reviews and evaluations of the operations and the Conditionally Repayable Investment Loan Fund of the Corporation, the Conditionally Repayable Investment Loan Fund is not providing a satisfactory level of benefits in terms of employment creation, the development of Community-owned or controlled businesses, and strengthening of the western Canadian economy; or
- (iii) In the opinion of the Minister, the Conditionally Repayable Investment Loan fund is no longer necessary or relevant to the development of the western Canadian economy; or
- (iv) The Agreement is Terminated as described in Section 16; or

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

7. EXTERNAL RESTRICTIONS ON FUND BALANCES *continued*

- (v) An event of default occurs, as described in Section 17 of the Agreement; or
- (vi) The Minister does not approve terms and conditions to extend the project.

8. CONSOLIDATION

The organization owns a 66.67% interest in Visions North Ltd. which is an investment company with a real estate rental property. The organization accounts for its investment in Visions North Ltd. using the equity method. It is management's opinion that consolidation of the organization's statements with that of Visions North Ltd. will not provide additional information except for the cost of the building. Consequently these statements have not been prepared on a consolidated basis.

9. CONTINGENCY

Community Futures Greenstone has guaranteed a loan in the amount of \$50,000 for another organization. If the organization defaults, Community Futures Greenstone may be liable for the amount.

10. FINANCIAL INSTRUMENTS

In accordance with section 3855, financial assets and financial liabilities are initially recognized at fair value. Measurement in subsequent periods is dependent upon the classification of each instrument. The standard requires that all financial assets be classified as either held for trading (HFT), available for sale (AFS), held to maturity (HTM) or loans and receivables. Financial liabilities are classified as HFT or other.

AFS assets are initially recorded at fair value on the settlement date in the balance sheet and are re-measured at fair value with unrealized gains and losses, including changes in foreign exchange rates, recognized in other comprehensive income (OCI) until the financial asset is disposed of or becomes permanently impaired. Transaction costs related to AFS are expensed.

HFT assets are initially recorded at fair value on the settlement date in the balance sheet and are re-measured at fair value, with the changes in fair value reported in earnings. Transaction costs related to HFT securities are expensed.

Loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method. Transaction costs related to loans and receivables, deposits and other financial liabilities are typically expensed when incurred.

In accordance with section 3855, the organization has implemented the following classifications:

- Cash and term deposits and accounts receivable are classified as "held for trading" and are measured at fair value. Changes in fair value are recognized in net earnings for the year.
- Loans receivable and inter-fund balances are classified as "loans and receivables" and are measured at cost or amortized cost. Impairment losses equal to the difference between the carrying amount and estimated realizable amount are recognized when the organization no longer has reasonable assurance of timely collection.
- Accounts payable and accrued liabilities and repayable contributions are classified as "other financial liabilities" and are measured at cost or amortized cost.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

10. FINANCIAL INSTRUMENTS *continued*

FAIR VALUE

At March 31, 2009 the estimated fair values of cash and term deposits, accounts receivable, loans receivable, inter-fund balances, accounts payable and accrued liabilities and repayable contributions approximate their respective carrying values.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business the organization is exposed to credit risk, liquidity risk and market risk. The organization does not undertake hedging transactions to manage risk. As part of its overall risk assessment process management takes steps to identify and mitigate undue concentrations of risk.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Financial instruments that subject the organization to concentrations of credit risk consist of cash and term deposits, accounts receivable and loans receivable. The maximum exposure to credit risk at the balance sheet date is the fair value of the cash and term deposits, accounts receivable and loans receivable.

The organization has deposited the cash and term deposits with a reputable financial institution from which management believes the risk of loss to be remote.

Accounts receivable and loans receivable are due from diverse parties primarily located in the Northwestern Manitoba region. As mining, mineral exploration, forestry and tourism are significant regional economic drivers a general decline in these industries exposes the organization to an elevated level of credit risk.

LIQUIDITY RISK

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities.

The following table shows the timing of cash outflows relating to accounts payable and accrued liabilities and repayable contributions:

	2 0 0 9		2 0 0 8	
	Current	Non-Current	Current	Non-Current
Accounts payable and accrued liabilities	\$ <u>38,937</u>		\$ <u>59,567</u>	
Repayable contribution		\$ <u>882,364</u>		\$ <u>882,364</u>

The organization manages liquidity risk as a component of its overall budgeting, financial reporting and financial monitoring processes. As the organization has a significant working capital surplus management does not believe it is exposed to significant liquidity risk.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

MARKET RISK

Market risk is comprised of the following three types of risk:

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The organization operates domestically and does not have significant financial instruments denominated in a foreign currency. Consequently, the organization is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The organization's term deposits bear interest at fixed rates over a one year term and loans receivable bear interest at variable rates. Consequently, a decline in market interest rates would negatively impact the organization's cash flows from these financial instruments.

All other financial assets and liabilities are non-interest bearing and do not expose the organization to significant further interest rate risk.

Other Price Risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The organization does not hold any financial assets or liabilities subject to this type of fluctuation and consequently is not exposed to significant other price risk.

12. CAPITAL MANAGEMENT

The organization manages the following as capital:

	2 0 0 9	2 0 0 8
Fund balances	\$ <u>1,486,905</u>	\$ <u>1,317,183</u>

The organization manages capital in order to safeguard its ability to continue as a going concern and provide appropriate stewardship of its financial resources.

The organization manages capital as a component of its overall budgeting, financial reporting and financial monitoring processes through internal use of GAAP and non-GAAP financial measures.

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2009**

13. COMMITMENTS

Future minimum payments for leases of office equipment for each of the next four years are estimated to be as follows:

2010	\$ 4,870
2011	4,870
2012	4,870
2013	2,435