Interim Unaudited Consolidated Financial Statements of

CERVUS LP

For the three month period ended March 31, 2009

(These interim consolidated financial statements have not been reviewed by Cervus LP's auditors)

CERVUS LP

Interim Unaudited Consolidated Balance Sheets

March 31, 2009 and December 31, 2008

		2009		2008
Assets				
Current assets:				
Cash and cash equivalents	$	22,224,885	$	35,252,348
Short-term loans		365,210		1,027,672
Trade accounts receivable		12,145,270		11,732,104
Advances to related party (note 4)		2,208,993		2,752,480
Inventories (note 5)		88,254,191		62,079,040
Prepaid expenses and deposits		703,282		1,074,559
		125,901,831		113,918,203
Investments and other assets (note 6)		2,796,461		2,403,985
Deposits with manufacturers		1,413,591		1,376,978
Other intangible assets		11,610,946		11,971,815
Buildings and equipment		10,827,423		11,462,399
Goodwill		3,199,680		3,199,680
	$	155,749,932	$	144,333,060
Liability and Partners' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	8,653,666	$	7,345,280
Customer deposits		5,045,322		3,305,616
Floor plan payables (note 8)		43,040,153		33,027,916
Distribution payable		845,750		841,462
Current portion of notes payable (note 10)		600,000		600,000
Current portion of term debt (note 9)		4,710,909		4,319,416
		62,895,800		49,439,690
Term debt (note 9)		2,639,438		4,200,523
Notes payable (note 10)		425,000		525,000
Future income taxes		149,000		149,000
		66,109,238		54,314,213
Partners' equity (note 11):				
Partners' capital		65,218,986		64,933,278
Unit purchase financing		(249,280)		(277,075)
Deferred unit plan		886,184		664,408
Contributed surplus		2,864,415		2,860,125
Accumulated earnings and accumulated other comprehensive income		20,920,389		21,838,111
		89,640,694		90,018,847
Commitments and contingencies (note 14)				
	$	155,749,932	$	144,333,060

See accompanying notes to interim unaudited consolidated financial statements.

Approved by the Board of the General Partner:

Signed "Peter Lacey" Director

Signed "Steven Collicutt" Director

CERVUS LP

Interim Unaudited Consolidated Statement of Earnings and Comprehensive Income

For the Three Month Periods ended March 31, 2009 and 2008

	2009	2008
Revenue:		
Equipment sales	$ 51,227,607	$ 45,575,284
Parts	8,798,795	7,017,803
Service	5,381,121	4,841,032
Rentals	932,178	1,230,188
	66,339,701	58,664,307
Cost of sales (note 12)	53,210,000	47,518,138
Gross profit	13,129,701	11,146,169
Expenses:		
Selling, general and administrative (note 16)	11,395,771	9,076,905
Interest	220,401	363,686
Depreciation and amortization	683,893	534,553
Earnings before other income:	829,636	1,171,025
Interest and other income (note 16)	365,184	561,339
Gain on disposal of assets	87,446	136,162
Equity earnings of significantly influenced companies (note 6)	392,958	372,250
Net earnings and comprehensive income	$ 1,675,224	$ 2,240,776
Net earnings per unit (note 11):		
Basic	$ 0.18	$ 0.28
Diluted	$ 0.18	$ 0.27

See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP

Interim Unaudited Consolidated Statement of Accumulated Earnings and Accumulated Other Comprehensive Income

For the Three Month Period ended March 31, 2009 and the Year ended December 31, 2008

	General Partner	Limited Partners	Total
Balance, December 31, 2007	$ 41,299	$ 9,278,981	$ 9,320,280
Net earnings available to partners	222,076	21,985,486	22,207,562
Distributions declared	(199,097)	(9,490,634)	(9,689,731)
Balance, December 31, 2008	64,278	21,773,833	21,838,111
Net earnings available to partners	16,752	1,658,472	1,675,224
Distributions declared	(64,278)	(2,528,668)	(2,592,946)
Balance, March 31, 2009	$ 16,752	$ 20,903,637	$ 20,920,389

See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP

Interim Unaudited Consolidated Statement of Cash Flows

For the Three Month Periods ended March 31, 2009 and 2008

	2009	2008
Cash flows from (used in):		
Operating activities:		
Net earnings	$ 1,675,224	$ 2,240,776
Add items not affecting cash:		
Depreciation and amortization expenses	1,137,054	1,021,808
Amortization of employee purchase loans	27,795	27,795
Unit-based compensation expense	4,290	37,764
Gain on disposal of assets	(87,446)	(138,206)
Equity earnings from significantly influenced companies	(392,958)	(372,250)
	2,363,959	2,817,687
Net change in non-cash working capital related to operations	(12,934,935)	(4,088,998)
Net cash used in operating activities	(10,570,976)	(1,271,311)
Financing activities:		
Issuance of limited partnership units	285,708	1,063,846
Repayment of term debt	(1,169,592)	(823,326)
Distributions to the limited partners	(2,588,658)	(2,167,134)
Decrease (increase) in deposits with John Deere	(36,613)	13,777
Repayments of notes payable	(100,000)	(100,000)
Net cash used in financing activities	(3,609,155)	(2,012,837)
Investing activities:		
Repayment of (advance of) short-term loan	662,462	(3,357,184)
Proceeds from advances to related party	543,487	-
Proceeds from unit purchase financing	-	35,000
Proceeds from disposal (purchase of) equipment, net	(53,763)	25,755
Proceeds from investments and other assets	482	176,105
Net cash provided by (used in) investing activities	1,152,668	(3,120,324)
Decrease in cash	(13,027,463)	(6,404,472)
Cash and cash equivalents, beginning of period	35,252,348	1,800,629
Cash and cash equivalents, end of period	$ 22,224,885	$ (4,603,843)

Cash and cash equivalents is comprised of cash on hand and in bank of $2,442,768 (2008 – bank indebtedness of $4,603,843) and money market funds of $19,782,117 (2008 - $nil).

Supplemental cash flow information (note 13)

See accompanying notes to interim unaudited consolidated financial statements.

CERVUS LP

Notes to the Interim Unaudited Consolidated Financial Statements
For the Three Month Period ended March 31, 2009 and the Year ended December 31, 2008

1. **Description of business:**

   Cervus LP (the "LP") was incorporated under the laws of Alberta as a limited partnership on March 14, 2003. The general partner is Cervus GP Ltd. The LP is a retailer of agricultural and construction equipment and parts and services in Western Canada.

2. **Significant accounting policies:**

   These interim financial statements should be read in conjunction with the audited December 31, 2008 annual financial statements. These interim financial statements follow the same accounting policies and methods of their application as in the December 31, 2008 annual financial statements. These interim financial statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements in that they do not include all note disclosures. These unaudited consolidated financial statements have not been reviewed by the LP's auditors.

   Future Accounting Changes

   The CICA has issued new accounting standards, "Section 1582, Business Combinations", "Section 1601 Consolidated Financial Statements" and "Section 1602, Non-Controlling Interests".

   Section 1582, Business Combinations clarifies how an entity is to account for business combinations. The Section applies prospectively to business combinations for which the acquisition date is on or after January 1, 2011, however earlier adoption is permitted.

   Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interest establishes standards for the preparation of consolidated financial statements and for the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This Section applies to interim and annual financial statements related to fiscal years beginning on or after January 1, 2011, however earlier adoption is permitted as of the beginning of a fiscal year.

   The LP has not yet adopted these new accounting standards. These standards will be applied prospectively and will impact how the LP accounts for business combinations entered into after the date of adoption.

   Conversion to International Financial Reporting Standards in Fiscal 2011

   The CICA Accounting Standards Board requires all Canadian publicly accountable enterprises to adopt International Financial Reporting Standards (IFRS) for years beginning on or after January 1, 2011. The LP will adopt IFRS for the fiscal year 2011 starting January 1, 2011. The fiscal 2011 Consolidated Financial Statements will include comparative 2010 financial results under IFRS.

   Although much of Canadian GAAP is similar to IFRS, there are some GAAP differences that may significantly impact the LP's processes and financial results. The LP is currently in the planning phase of the conversion. This includes identifying the differences between existing Canadian GAAP and IFRS, identifying potential business impacts, developing the project plan, assessing resource requirements and training staff. Currently, it is not possible to fully determine the impact to the financial statements and any potential business impacts, as accounting standards and the interpretations of those standards are changing.

3. Seasonality

The Canadian retailing of agricultural and construction equipment is influenced by seasonality. Sales activity for the agriculture segment is normally highest between April and September during growing seasons in Canada. The construction sector is not as volatile but does see slower sales activity in the winter months. As a result, earnings or losses may not accrue uniformly from quarter to quarter.

4. Advances to related party

During 2008, the LP provided a $2,750,000 revolving credit facility to Proventure Income Fund (the "Fund") (see note 16) expiring on November 30, 2013. The facility is due on demand and bears interest at the rate of prime plus 0.25%. The facility can be used for operations, capital acquisitions, and investments and is secured by a general security agreement over the assets of the Fund. Interest income recorded during the three month period ended March 31, 2009 was $18,544 (2008 - $nil).

5. Inventories

	March 31, 2009	December 31, 2008
New equipment	$ 42,975,146	$ 32,161,086
Used equipment	33,055,989	20,188,480
Parts and accessories	11,500,169	9,157,040
Work-in-progress	722,887	572,434
	$ 88,254,191	$ 62,079,040

6. Investments and other assets

	March 31, 2009	December 31, 2008
Investment in significantly influenced companies, at equity:	$ 598,781	$ 540,066
101034350 Saskatchewan Ltd. (33% interest)		
Greenway Sprayers (38% interest)	920,020	666,145
Deer Star Systems Inc. (27% interest)	794,355	713,987
Investment in companies at cost:		
Thunder Rail Ltd., 1,000 Class common shares	1,000	1,000
Agritronics Inc. (a 25.78% interest)	400,000	400,000
Cash surrender value of life insurance	82,305	82,787
	$ 2,796,461	$ 2,403,985

During the three month period ended March 31, 2009, the LP recorded $392,958 (2008 - $372,250) of earnings from significantly influenced companies and received $nil (2008 - $172,960) as a return of capital on these investments. The LP has one representative on each of the respective board of directors.

The LP has been advised by the joint venture partners of Greenway Sprayers that the joint venture will cease operations and distribute its net assets to the venturers during 2009 and as agreed with John Deere, all related sprayer equipment operations (sales, costs and net earnings) will continue to be operated and reported by the related joint venture partners.

7. Bank indebtedness

At March 31, 2009 and December 31, 2008, the LP has an operating bank line of credit to borrow to a maximum amount of $15 million. The operating line of credit bears interest at rates ranging from prime plus 0.25% to prime plus 0.75% based on certain financial covenants and is secured by a general security agreement, a priority agreement; trade accounts receivable, unencumbered inventories, assignment of fire insurance and guarantees from the LP's subsidiaries and the general partner. At March 31, 2009 and December 31, 2008, the LP had not drawn on this operating line.

8. Floor plan payables

The LP utilizes floor plan financing arrangements with various suppliers for inventory purchases. The terms of these arrangements may include a one to ten-month interest-free period followed by a term during which interest is charged ranging from prime plus 0.5% to prime plus 1%. Settlement of the floor plan liability occurs at the earlier of sale of the inventory or in accordance with terms of the financing arrangement. Floor plan payables are secured by specific new and used equipment inventories.

9. Term debt

	March 31, 2009	December 31, 2008
Bank term loan, due July 1, 2011, interest at rates ranging from prime plus 0.25% to prime plus 0.75% and principal instalments of $104,167 per month. For security, see note 9.	$ 2,812,500	$ 3,125,000
Finance company, payable in monthly installments of approximately $273,728 (December 31, 2008 - $248,590) including interest at 6.25%, secured by short term rental equipment	4,321,588	5,126,473
Finance contracts and fixed rate bank term loans repayable in monthly instalments ranging from $440 to $4,194 including interest up to 7.25%, secured by related equipment, due at various dates through 2011	216,259	268,466
	7,350,347	8,519,939
Less: current portion	4,710,909	4,319,416
	$ 2,639,438	$ 4,200,523

Estimated principal repayments required over the next five years are as follows:

2010	$ 4,710,909
2011	2,199,113
2012	320,325
2013	-
2014	120,000
	$ 7,350,347

10. Notes payable

	March 31, 2009	December 31, 2008
Notes payable, due in annual instalments of $200,000 including interest at the rate of 6% per annum	$ 625,000	$ 725,000
Notes payable, due September 2, 2009 including interest at the rate of 6% per annum	400,000	400,000
	1,025,000	1,125,000
Less: current portion	600,000	600,000
	$ 425,000	$ 525,000

11. Partners' Capital:

Authorized

Unlimited number of partnership units
Unlimited number of Series A preferred partnership units
803,969 fixed value units, non-voting, entitling the holder to an annual distribution of 5% of the face value; redeemable at the option of the LP at face value

Issued

	Number of units	General partner	Limited partner	Total
Balance December 31, 2007	**7,862,409**	**100**	**36,941,940**	**36,942,040**
Issued on exercise of options through unit purchase loans	10,000	-	90,000	90,000
Contributed surplus adjustment unit options	-	-	14,668	14,668
Issued under DRIP plan	134,497	-	2,392,389	2,392,389
Warrants exercised	262,477		3,492,028	3,492,028
Contributed surplus adjustment for warrants exercised	-	-	581,249	581,249
Units issued in private placement	1,000,000	-	25,000,000	25,000,000
Private placement costs	-	-	(1,441,913)	(1,441,913)
Contributed surplus adjustment for warrants issued in private placement	-	-	(2,850,300)	(2,850,300)
Units purchased for cancellation	(117,000)	-	(813,119)	(813,119)
Units cancelled	(10,800)	-	(73,764)	(73,764)
Preferred partnership units Converted	200,000	-	1,600,000	1,600,000
Balance December 31, 2008	**9,341,583**	**$ 100**	**$64,933,178**	**$ 64,933,278**
Issued under DRIP plan	34,819		285,708	285,708
Balance March 31, 2009	**9,376,403**	**$ 100**	**$65,218,886**	**$ 65,218,986**

Unit option plan:

The LP has a unit option plan available to officers, directors and employees with grants under the plan approved from time to time by the board of directors of the general partner. The exercise price of each option equals the market price of the partnership units at the date of grant. The plan provides for vesting, at the discretion of the board, and the options expire after five years from the date of grant.

Changes in the outstanding options are as follows:

	Number outstanding	Weighted average exercise price
Outstanding and exercisable, December 31, 2007	10,000	$ 9.00
Exercised through unit purchase financing	(10,000)	9.00
Granted under unit option plan	10,000	19.00
Outstanding and exercisable, December 31, 2008	10,000	19.00
Granted under unit option plan	24,479	9.30
Outstanding and exercisable, December 31, 2008	34,479	12.11

The weighted average remaining life of the options is 4.3 years (December 31, 2008 – 4.6 years). During the three month period ended March 31, 2009, 24,479 options were issued to management with an exercise price of $9.30 per unit. The options vest over the next five years at 50% in 3 years, 25% in 4 years and 25% in 5 years. Compensation expense will be recorded on a straight-line basis over this period. The fair value of these options, calculated using the Black-Scholes option pricing model was $2.97 per unit using a risk fee interest rate of 0.7%, expected life of 6 years, expected annual distribution of 11.6% and an expected unit price volatility of 91%. For the three month period ended March 31, 2009, $1,283 has been recorded as compensation cost related to these options.

Per unit amounts

The earnings per unit have been calculated based on the basic weighted average number of units outstanding for the three month period ended March 31, 2009 of 9,359,508 (March 31, 2008 – 8,068,411). For the purposes of calculating the diluted number of units outstanding for the three month period ended March 31, 2009, 99,997 (March 31, 2008 – 154,404) units are added to the basic weighted number of units outstanding. Diluted earnings per unit consists of units that were added to the weighted average number of units outstanding for the dilutive effect of private placement warrants, unit options and units issued under the deferred unit plan.

Distribution reinvestment plan

The LP has a Distribution Reinvestment Plan ("DRIP") entitling limited partners to reinvest cash distributions in additional units. The DRIP allows limited partners to reinvest distributions into new units at 95 percent of the average unit price of the previous 10 trading days prior to distribution. During the three month period ended March 31, 2009, the LP issued 34,819 (March 31, 2008 – 15,437) limited partner units under this plan at an average issue price of $8.21 (March 31, 2008 - $17.39) per unit.

Employee unit purchase plan

The LP has an employee unit purchase plan available to all employees on a voluntary basis. Under the plan, employees are able to contribute 2% to 4% of their annual salaries, based on years of service. The LP contributes at a minimum of 15% to 100% on a matching basis to a maximum of $5,000 per year, per employee. The partnership units are purchased on the open market through a trustee; therefore, there is no dilutive effect to existing Unitholders. Included in general, sales and administrative expenses are $71,548 (March 31 2008 - $59,614) of contributions made on behalf of the LP's employees.

Deferred unit plan:

As at March 31, 2009, 99,997 (December 31, 2008, 40,695) deferred units have been issued under the deferred unit plan and remain outstanding. As at March 31, 2009, the matching component of the plan aggregated $566,333. During the three month period ended March 31, 2009, $27,516 (March 31, 2008 - $32,772) has been recorded as compensation expense.

Unit purchase financing

The LP provides loans to certain employees for limited partnership units issued under the LP's private placement offerings and to pay for the exercise of unit options pursuant to the unit option plan. The loans bear interest at the rate of 4% per annum. The employees have provided the units as security for the loans. During the three month periods ended March 31, 2009 and 2008, $27,795 has been forgiven and recorded as compensation expense.

12. Cost of sales

The following amounts have been included in cost of sales:

		March 31, 2009		March 31, 2008
Depreciation of rental equipment	$	453,161	$	487,237
Interest paid on rental equipment financing		38,574		70,661
	$	491,735	$	557,898

13. Supplemental cash flow information

		March 31, 2009		March 31, 2008
The following cash payments have been included in the determination of net earnings				
Cash interest paid	$	229,381	$	354,010
Supplemental disclosure of non-cash financing and investing activities not included in the statement of cash flows:				
Issuance of (repayment of) partnership units for notes receivable from employees		-		45,000

14. Commitments and contingencies:

(a) John Deere Credit Inc. ("Deere Credit") and other financing companies provide financing to certain of the LP's customers. A portion of this financing is with recourse to the LP if the amounts are uncollectible. At March 31, 2009, payments in arrears by such customers aggregated $182,627 (December 31, 2008 - $188,424). In addition, the LP is responsible for assuming all lease obligations held by its customers with Deere Credit and other financing companies through recourse arrangements for the net residual value of the lease outstanding at the maturity of the contract. At March 31, 2009, the net residual value of such leases aggregated $67,035,388 (December 31, 2008 - $50,653,966).

Management believes that the potential liability in relation to the amounts outstanding is negligible and consequently, no accrual has been made in these financial statements in relation to any potential loss on assumed lease obligations.

In addition, the LP is contingently liable for certain finance obligations of its customers through a revolving line of credit known as AgLine. AgLine is primarily used by agriculture related customers and the LP has certain merchant authorized accounts for which the LP is contingently liable in the event of default. As at March 31, 2009, our merchant authorized accounts totaled $75,761 (December 31, 2008 - $111,085).

(b) The LP is committed to the following minimum payments under operating leases for equipment, land and buildings:

2010	$	3,234,270
2011		2,660,143
2012		1,903,443
2013		1,726,994
2014		1,382,901
Thereafter		3,141,632
	$	14,049,383

15. Economic dependence:

A significant source of the LP's revenue is from the sale of farm equipment products and services pursuant to agreements to act as an authorized dealer for John Deere Limited. The agreement with John Deere Limited provides a framework under which John Deere Limited can terminate a John Deere dealership if such dealership fails to maintain certain performance or equity covenants. Each contract also provides a one-year remedy period whereby the LP has one year to restore any deficiencies. The LP also has dealership agreements with Bobcat, JCB and JLG.

Management is not aware of any deficiencies or non-renewal of its current dealership agreements that would have a material effect on the LP's ability to continue as a going concern.

16. Related party transactions:

(a) The CEO of the LP is the CEO of Proventure Income Fund (the "Fund"). In addition, the CEO is the single largest equity holder of the LP and the Fund and the LP and the Fund share a common board of directors. Other than previously disclosed above, the Fund had the following transactions with the Fund:

		March 31, 2009		March 31, 2008
Expenses:				
Real estate leases	$	627,844	$	382,779
Guarantee fees	$	20,625	$	20,625
Revenue:				
Management fees for administration	$	7,500	$	7,500
Interest on advances	$	18,544	$	-

The LP receives $2,500 per month to carry out all administrative and management tasks related to the Fund's operations. The amount charged is the amount agreed to between the related parties.

The LP pays a guarantee fee to the Fund equal to 3% of the guaranteed amounts that the fund has provided to John Deere. This guarantee is a result of guarantees provided to John Deere prior to the establishment of the Fund and for which John Deere has not yet released the Fund from the contractual obligation. At March 31, 2009 and 2008, the Fund has outstanding guarantees with John Deere aggregating $2,750,000.

(b) Certain officers and dealer managers of the LP have provided guarantees to John Deere aggregating $6,400,000 (March 31, 2008 - $7,150,000). During the three month period ended March 31, 2009, the LP paid these individuals $48,000 (March 31, 2008 -$53,625) for providing these guarantees. These transactions were recorded at the amount agreed to between the LP and the guarantors and are included in selling, general and administrative expense.

(c) The general partner of the LP is Cervus GP Ltd., a private company. Under the amended and restated limited partnership agreement, Cervus GP Ltd. is entitled to reimbursement of all reasonable direct and indirect costs incurred on behalf of the LP and to 1% of the net earnings. For the three month period ended March 31, 2009, $16,752 (December 31, 2008 - $222,076) and has been recorded as a distribution of earnings on the statement of accumulated earnings. In addition, the LP has made distributions of $64,278 (December 31, 2008 - $199,097) to the general partner.

(d) During the three month period ended March 31, 2009, the LP transacted in the normal course of business, $1,855 (2008 - $12,822) of equipment, parts and service sales with companies in which the Board of Directors are Directors of or Control those companies.

17. Segment information:

The LP operates in two main industry segments with all of the operations being in Western Canada. These segments are agricultural and construction equipment. The operating results and other financial information for each of the segments are as follows:

March 31, 2009	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 52,464,170	$ 13,875,531	$ 66,339,701
Net earnings available to partners	2,267,235	(592,011)	1,675,224
Earnings of significantly influenced companies	392,958	-	392,958
Investment in significantly influenced companies	2,313,156	-	2,313,156
Depreciation and amortization	430,947	706,107	1,137,054
Interest expense	131,554	127,421	258,975
Capital expenditures	556,981	235,933	792,914
Total assets	95,745,113	60,004,819	155,749,932
Other intangible assets	6,587,196	5,023,750	11,610,946
Goodwill	1,672,680	1,527,000	3,199,680

March 31, 2008	Agricultural Equipment	Construction Equipment	Total
Revenue	$ 34,863,639	$ 23,800,668	$ 58,664,307
Net earnings available to partners	837,245	1,403,531	2,240,776
Earnings of significantly influenced companies	372,250	-	372,250
Investment in significantly influenced companies	1,449,512	-	1,449,512
Depreciation and amortization	285,032	736,776	1,021,808
Interest expense	195,300	239,047	434,347
Capital expenditures	209,923	1,189,442	1,399,365
Total assets	60,226,752	58,031,104	118,257,856
Other intangible assets	4,104,012	5,683,750	9,787,762
Goodwill	1,672,680	1,527,000	3,199,680

18. Capital management:

The LP's objective when managing its capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for Unitholders and benefits for other stakeholders and to provide an adequate return to Unitholders by pricing products and services commensurately with the level of risk. In the management of capital, the LP monitors its adjusted capital which comprises all components of equity (i.e. units issued, accumulated earnings, unit holder distributions and dilutive instruments).

The LP sets the amount of capital in proportion to risk. The LP manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the LP may issue partnership units to facilitate business combinations and or retire term debt or may adjust the amount of distributions paid to the Unitholders.

The LP uses the following ratios in determining its appropriate capital levels; a) total debt to adjusted equity ratio (calculated as total debt divided by adjusted equity) and; b) adjusted assets to adjusted equity ratio (adjusted assets divided by adjusted equity). Adjusted assets comprise all components of assets other than other intangible assets and goodwill. Adjusted equity comprises of all components of Partner's equity and is reduced by other intangible assets and goodwill.

During 2009, the LP's strategy has remained unchanged and was to maintain the total debt to equity and total adjusted net assets to adjusted equity ratio at no greater than 4 to 1 in order to comply with its dealership arrangements with John Deere and to meet its covenant conditions with the LP's lender. The total debt to adjusted equity ratios and total adjusted net assets to adjusted equity ratios were as follows:

		March 31, 2009		**December 31, 2008**
Total debt	$	66,109,238	$	54,314,213
Adjusted equity:				
Total equity	$	89,640,694	$	90,018,847
Less other intangible assets and goodwill		(14,810,626)		(15,171,495)
Adjusted equity	$	74,830,068	$	74,847,352
Total debt to adjusted equity ratio		0.88 to 1		0.73 to 1
Adjusted assets:				
Total assets	$	155,749,932	$	144,333,060
Less other intangible assets and goodwill		(14,810,626)		(15,171,495)
Adjusted assets	$	140,939,306	$	129,161,565
Adjusted equity (above)	$	74,830,068	$	74,847,352
Adjusted assets to adjusted equity ratio		1.88 to 1		1.73 to 1

19. Financial instruments

Fair value of financial instruments

The carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, and Unitholder distributions payable approximate their fair values given the short-term maturity of these instruments. The carrying values of the current and long-term portions of debt approximate fair value because the applicable interest rates on these liabilities are fixed at rates similar to prevailing market rates.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market factors and adverse economic conditions which may impact the timing of collection and ultimate realization of equipment sales, parts, service and rental revenue. The LP derives substantially all of its operating revenue from agricultural and construction based clients. The agriculture segment is primarily based on commodity prices and the construction segment is primarily based on both housing and infrastructure starts. A 5% to 10% change in the market conditions affecting these segments would result in an increase or decrease to revenue of between $17.8 and $35.6 million on a rolling 12 month basis. Based on the return on sales experienced for the rolling 12 month period ended March 31, 2009, this would result in an increase or decrease in net earnings of between $1.1 and $2.2 million.

Credit risk

By granting credit sales to customers, it is possible these entities, to which the LP provides services, may experience financial difficulty and be unable to fulfill their obligations. A substantial amount of the LP's revenue is generated from customers in the farming and construction industries. This results in a concentration of credit risk from customers in these industries. A significant decline in economic conditions within these industries would increase the risk customers will experience financial difficulty and be unable to fulfill their obligations to the LP. The LP's exposure to credit risk arises from granting credit sales and is limited to the carrying value of accounts receivable and deposits with John Deere. The LP's revenues are normally invoiced with payment terms of net, 30 days. In our industries, customers typically pay invoices within 30 to 60 days. The average time to collect LP's outstanding accounts receivable was approximately 14 days for the three month period ended March 31, 2009 (year ended December 31, 2008 - 13 days) and no single outstanding customer balance represented more than 10% of total accounts receivable. The LP mitigates its credit risk by assessing the credit worthiness of its customers on an ongoing basis. The LP closely monitors the amount and age of balances outstanding and establishes a provision for bad debts based on specific customers' credit risk, historical trends, and other economic information. For the three month periods ended March 31, 2009 and 2008, all customer balances provided as bad debts were calculated based on 25% of accounts between 90 to 120 days outstanding and 85% on amounts over 120 days outstanding unless allowance for certain specified accounts requires a greater amount to be allowed for. Of the $12,145,270 of trade accounts receivable outstanding, $4,361,706 is represented by sales contract financing receivables in transit and $7,783,564 is represented by customer accounts receivable and other accounts receivable. The following is a summary of our aged accounts receivable and activity in our allowance for doubtful accounts as at March 31, 2009 and for the three months then ended:

Accounts receivable:		
Current	$	10,474,998
30 – 60		742,201
Over 90 days		928,071
Total	$	12,145,270
Allowance for doubtful accounts:		
Balance, December 31, 2008	$	878,297
Additional allowance recorded		181,537
Amounts written-off as uncollectible		(194,476)
Balance, March 31, 2009	$	865,358

Liquidity risk

The LP's exposure to liquidity risk is dependent on the collection of accounts receivable and the ability to raise funds to meet purchase commitments and financial obligations and to sustain operations. The LP controls its liquidity risk by managing its working capital, cash flows, and the availability of borrowing facilities. At March 31, 2009, the LP's contractual obligations are described in note 15 above. As described in note 7, the LP has available for its current use, $15 million of operating credit facilities for which no advances have been made. In addition, the LP has a committed reducing term facility in the amount of $1.5 million to finance capital asset additions of which no amounts have been advanced.

Significant challenges are currently being experienced in both the domestic and international financial markets. These challenges are having an impact on the ability of certain borrowers to finance existing operations and to fund capital programs. To date, these issues in the financial markets have not had a direct impact on the operations of the LP. While the current financial situation has not directly impacted the LP's ability to fund capital projects and ongoing operations, future borrowing may be impacted by these financial markets through increased carrying costs and the ability to raise debt and capital. The LP is unable to determine the outcome of these issues or how they may affect future operations.

Interest rate risk

The LP's cash flow is exposed to changes in interest rates on its floor plan arrangements and certain term debt which bear interest at variable rates. The cash flows required to service these financial liabilities will fluctuate as a result of changes in market interest rates. Based on LP's outstanding long-term debt and obligations under capital lease at March 31, 2009, a one percent increase or decrease in market interest rates would impact LP's annual interest expense by approximately $200,000. LP's other financial instruments are not exposed to interest rate risk.

Foreign currency exposure

The LP is not exposed to fluctuations in foreign currency to the extent that all sales and expenditures are incurred in Canadian dollars. However, many of our products, including equipment and parts are based on a U.S. dollar price as they are supplied primarily by U.S. manufacturers. This may cause fluctuations in the sales values assigned to equipment and parts inventories as the LP's price structure is to maintain consistent gross margins. Both sales revenues and gross margins may fluctuate based on the foreign exchange rate in effect at the time of purchase. Certain of the LP's manufacturers also have programs in place to facilitate and/or reduce the effect of foreign currency fluctuations, primarily on new equipment inventory purchases.