

**Community Futures
Development Corporation of
Central Interior First Nations -
Operating Fund**

For the year ended March 31, 2007

**Community Futures
Development Corporation of
Central Interior First Nations -
Operating Fund**

For the year ended March 31, 2007

Contents

Management's Responsibility for Financial Reporting	3
Auditors' Report	4
Financial Information	
Exhibit A - Statement of Financial Position	5
Exhibit B - Statement of Operations and Net Assets	6
Exhibit C - Statement of Changes in Net Assets Invested in Capital Assets	7
Exhibit D - Statement of Cash Flows	8
Summary of Significant Accounting Policies	9 - 10
Notes to Financial Information	11
Exhibit E - Combined Schedule of Operations and Net Assets	12
Exhibit F - Schedule of Operations and Net Assets - Core Fund	13
Exhibit G - Schedule of Operations and Net Assets - Western Diversification Programs Fund	14
Exhibit H - Schedule of Operations and Net Assets - Special Projects Fund	15
Exhibit I - Schedule of Operations and Net Assets - NACCA - Projects	16
Exhibit J - Schedule of Operations and Net Assets - Mountain Pine Beetle	17
Exhibit K - Schedule of Operations and Net Assets - AHRDA	18
Exhibit L - Schedule of Operations and Net Assets - Other Projects	19

Management's Responsibility for Financial Reporting

The accompanying financial information of the Community Futures Development Corporation of Central Interior First Nations - Operating Fund and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors on behalf of the Corporation.

The financial information has been prepared by management in accordance with Canadian generally accepted accounting principles. Financial information is not precise since it include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial information is presented fairly, in all material respects.

The Corporation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Corporation's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial information.

The Board of Directors reviews the Corporation's financial information and recommend their approval. The Board of Directors meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial information and the external auditors' report. The Board of Directors takes this information into consideration when approving the financial information for issuance to the Corporation. The Board of Directors also consider the engagement of the external auditors.

The financial information has been audited by BDO Dunwoody LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Dunwoody LLP has full access to the Board of Directors and management.

Director

Director



BDO Dunwoody LLP
Chartered Accountants
and Advisors

300-272 Victoria Street
Kamloops British Columbia V2C 1Z6
Telephone: (250) 372-9505
Fax: (250) 374-6323
www.bdo.ca

Driving growth

Auditors' Report

To the Members of Community Futures Development Corporation of Central Interior First Nations - Operating Fund

We have audited the non-consolidated statement of financial position of Community Futures Development Corporation of Central Interior First Nations - Operating Fund as at March 31, 2007 and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended. This financial information is the responsibility of the organization's management. Our responsibility is to express an opinion on these financial information 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 information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by the organization, as well as evaluating the overall presentation of the financial information.

In our opinion, this financial information presents fairly, in all material respects, the financial position of the Operating Fund of the Corporation as at March 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Kamloops, British Columbia
June 18, 2007

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit A - Statement of Financial Position

As at March 31	2007	2006
Assets		
Current		
Cash and bank	\$ 141,582	\$ -
Accounts receivable (Note 1)	40,824	118,999
Prepaid expenses & other current assets	8,744	8,176
	191,150	127,175
Capital assets (Note 2)	9,987	22,337
	\$ 201,137	\$ 149,512

Liabilities and Net Assets

Current		
Cheques issued in excess of funds on hand	-	16,418
Accounts payable & accruals	\$ 5,914	\$ 94,350
Deferred revenue & other long-term liabilities	31,741	-
	37,655	110,768
Commitments (Note 3)		
Net Assets		
Net assets invested in capital assets	9,987	22,337
Externally restricted net assets (deficiency) - Exhibit E	39,525	(36,084)
Unrestricted net assets - Exhibit E	113,970	52,491
	163,482	38,744
	\$ 201,137	\$ 149,512

Approved on behalf of the Board:

_____ Director

_____ Director

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit B - Statement of Operations and Net Assets

For the year ended March 31	2007	2006
Revenue		
Western Economic Diversification	\$ 559,981	\$ 521,549
Other income	24,825	125,314
Shuswap Training & Employment Program	9,306	-
Training and mentoring contracts	221,200	60,743
Central Urban Training and Employment Society	56,134	41,730
Interest	14,814	1,571
Mountain Pine Beetle	1,555,250	-
Central Interior Partners in Aboriginal Human Resources Development	5,321	6,372
	2,446,831	757,279
Expenditures		
Amortization	14,798	13,763
Administration fees - external	142,416	33,813
Advertising and marketing	15,759	9,458
Bad debts	-	3,496
Contract services	34,523	80,443
Benefits	38,615	37,370
Materials and supplies	29,512	23,507
Office rental	36,960	19,460
Office supplies and sundry	16,296	8,030
Participant allowance	-	2,152
Photocopy, telephone and sundry	32,449	20,678
Professional fees	9,894	12,882
Travel	91,919	139,161
Wages	408,933	410,517
Workshops and training	43,327	49,085
Amounts transferred to (from) other organizations	1,466,693	-
	2,382,094	863,815
Excess (deficiency) of revenue over expenditures before the other items	64,737	(106,536)
Transfer from Investing Fund	60,000	-
Excess (deficiency) of revenue over expenditures	124,737	(106,536)
Net assets, beginning of the year	38,744	145,280
Net assets, end of year	\$ 163,481	\$ 38,744

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund

Exhibit C - Statement of Changes in Net Assets Invested in Capital Assets

For the year ended March 31	2007	2006
Net assets invested in capital assets , beginning of year	<u>\$ 22,337</u>	<u>\$ 19,901</u>
Add: Capital asset additions	2,448	16,199
Deduct: Amortization	<u>14,798</u>	<u>13,763</u>
Balance , end of year	<u>\$ 9,987</u>	<u>\$ 22,337</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit D - Statement of Cash Flows

For the year ended March 31	2007	2006
Operating activities		
Cash received from all sources	\$ 2,556,750	\$ 744,960
Cash paid to suppliers and employees	<u>(2,456,302)</u>	<u>(832,554)</u>
Cash flows from operating activities	100,448	(87,594)
Financing activity		
Change in funded reserves	<u>60,000</u>	<u>-</u>
Investing activity		
Purchase of capital assets	<u>(2,448)</u>	<u>(16,199)</u>
Increase (decrease) in cash	158,000	(103,793)
Cash (deficiency), beginning of year	<u>(16,418)</u>	<u>87,375</u>
Cash (deficiency), end of year	\$ 141,582	\$ (16,418)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund

Summary of Significant Accounting Policies

March 31, 2007

Nature of Operations The Corporation was incorporated under the Canada Corporations Act on March 31, 1995 as a not-for-profit organization. The Community Futures Development Corporation of Central Interior First Nations promotes and provides community economic development support services to First Nations persons, businesses and communities in the Thompson-Shuswap-Nicola-Fraser Canyon-Lillooet-North Okanagan area. Through the provision of advisory, co-ordination, information, financial and program objectives, the Board will facilitate improved economic self-reliance of First Nations people in this area. The Operating Fund accounts for the Corporation's program delivery and administration activities. The Corporation is a registered charity for income tax purposes.

Fund Accounting The Community Futures Development Corporation of Central Interior First Nations - Operating Fund records accounting transactions using the restricted fund method of accounting for contributions. A fund is determined for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund, within the Operating Fund, has its own statement of operation and net assets which presents the results of operations for the fund. The financial position of the organization's Operating Fund is shown on the statement of financial position which includes the assets, liabilities and net assets of all Operating funds presented in the financial information.

Operations This financial information contains only the transactions of Community Futures Development Corporation of Central Interior First Nations Operating Fund as per the agreement of April 1, 1995 with Western Economic Diversification Canada and those programs funded by employment training agencies.

Revenue Recognition Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.

Unrestricted contributions are recognized as revenue of the Operating Fund in the received or receivable under the terms of applicable funding agreements if the amount to be received can be reasonably estimated and collection is reasonably assured.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund Summary of Significant Accounting Policies

March 31, 2007

Capital Assets Capital assets acquired as part of the Operating Fund are valued at cost and are recorded in the Capital Fund.

Amortization is based on the estimated useful life of the assets. Amortization is charged at the following rates and methods:

Furniture and fixtures	4 years	straight-line
Computer equipment	2 years	straight-line

Capital assets are written down to net realizable value at the point they no longer contribute to the Corporation's ability to provide services.

Use of Estimates The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make assumption and estimates that have an effect on the reported amounts of assets and liabilities and disclosure at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could be different from those estimates.

Financial Instruments Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of its financial instruments approximate their carrying values, unless otherwise noted.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Notes to Financial Information

March 31, 2007

1. Accounts Receivable

	2007	2006
Western Economic Diversification	\$ 8,687	\$ 83,796
Community Economic Development	312	312
Miscellaneous	13,695	29,559
Central Urban Training and Employment Society	10,170	5,332
Shuswap Training and Employment Program	1,760	-
Lacroix & Associates	6,200	-
	\$ 40,824	\$ 118,999

2. Capital Assets

	2007		2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and fixtures	\$ 62,399	\$ 52,650	\$ 62,399	\$ 42,345
Computer equipment	87,965	87,727	85,517	83,234
	150,364	140,377	147,916	125,579
Net book value		\$ 9,987		\$ 22,337

3. Commitments

The Corporation rents office space under a lease which expired during the fiscal year. A new lease has not been finalized at the year end.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit E - Combined Schedule of Operations and Net Assets

For the year ended March 31	Net assets 2006	Revenue	Expenditures	Change in net assets for the year	Capital purchases	Interfund transfers	Surplus (deficit) 2007	
F. Core Fund	\$ (15,514)	\$ 306,419	\$ 342,017	\$ (35,598)	\$ (1,149)	\$ 60,000	\$ 7,739	R
G. Western Diversification Programs Fund	(12,236)	170,590	142,998	27,592	-	17,312	32,668	R
H. Special Projects Fund	52,491	221,200	148,686	72,514	(1,299)	(9,736)	113,970	U
J. Mountain Pine Beetle	-	1,555,250	1,595,200	(39,950)	-	-	(39,950)	R
K. AHRDA	(5,608)	36,389	26,524	9,865	-	2,920	7,177	R
L. Other Projects	(2,726)	156,983	125,179	31,804	-	2,813	31,891	R
Total	\$ 16,407	\$ 2,446,831	\$ 2,380,604	\$ 66,227	\$ (2,448)	\$ 73,309	\$ 153,495	
Unrestricted net assets (U)	52,491	221,200	148,686	72,514	(1,299)	(9,736)	113,970	
Restricted net assets (R)	(36,084)	2,225,631	2,231,918	(6,287)	(1,149)	83,045	39,525	
Total	\$ 16,407	\$ 2,446,831	\$ 2,380,604	\$ 66,227	\$ (2,448)	\$ 73,309	\$ 153,495	

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit F - Schedule of Operations and Net Assets
Core Fund

For the year ended March 31	2007	2006
Revenue		
Western Economic Diversification	\$ 289,780	\$ 284,098
Other income	1,825	37,491
Interest	14,814	1,571
	306,419	323,160
Expenditures		
Advertising and marketing	3,551	5,084
Administration fees - external	2,363	23,595
Benefits	18,656	16,741
Contract services	-	10,000
Materials and supplies	4,359	5,482
Office rental	20,171	10,105
Office supplies and sundry	15,889	8,030
Photocopy, telephone and sundry	2,663	2,713
Professional fees	9,894	12,882
Travel	51,644	66,254
Wages	198,371	185,277
Workshops and training	14,456	832
	342,017	346,995
Deficiency of revenue over expenditures	(35,598)	(23,835)
Net Deficiency, beginning of year	(15,514)	(5,534)
Transfer to other funds:		
Transfers	60,000	15,000
Capital purchases	(1,149)	(1,145)
Net assets (deficiency), end of year	\$ 7,739	\$ (15,514)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit G - Schedule of Operations and Net Assets
Western Diversification Programs Fund

For the year ended March 31	CEDO VA WD MKT	Curriculum Development	CEDO Fire Response	CAEDI Stage 1	HITT	CED Facilitator	Kwolek Creek	Lillooet Capacity	Marketing Outreach Project	Total 2007	Total 2006
Revenue											
Western Economic Diversification	\$ -	\$ -	\$ 8,770	\$ 7,500	\$ 92,177	\$ 40,337	\$ 12,500	\$ -	\$ -	\$ 161,284	\$ 63,285
Shuswap Training & Employment Program	-	9,306	-	-	-	-	-	-	-	9,306	-
	-	9,306	8,770	7,500	92,177	40,337	12,500	-	-	170,590	63,285
Expenditures											
Administration fees - external	-	-	-	-	364	56	-	-	-	420	2,318
Benefits	-	836	1,581	-	5,287	458	-	-	-	8,162	4,345
Contract services	-	-	225	375	3,127	150	12,776	-	-	16,653	2,750
Advertising and marketing	-	-	-	428	4,650	-	-	-	-	5,078	1,468
Materials and supplies	-	-	387	521	548	937	-	-	-	2,393	5,668
Office rental	-	-	275	375	-	300	-	-	-	950	5,000
Workshops and training	-	-	-	3,101	-	8,449	-	-	-	11,550	846
Travel	-	25	527	2,270	4,218	2,001	-	-	-	9,041	3,783
Wages	-	7,800	12,976	-	59,238	6,482	-	-	-	86,496	73,529
Participant allowance	-	-	-	-	-	-	-	-	-	-	60
Photocopy, telephone and sundry	-	-	358	952	538	-	-	-	-	1,848	5,065
	-	-	-	-	351	56	-	-	-	407	-
	-	8,661	16,329	8,022	78,321	18,889	12,776	-	-	142,998	104,832
Excess (deficiency) of revenue over expenditures	-	645	(7,559)	(522)	13,856	21,448	(276)	-	-	27,592	(41,547)
Net assets (deficiency), beginning of year	(1,138)	-	-	-	-	-	-	(7,999)	(3,099)	(12,236)	26,808
Transfers from other funds											
Transfers	1,138	-	-	-	-	-	276	(509)	3,099	4,004	2,740
Amounts transferred from (to) other organizations	-	-	4,800	-	-	-	-	8,508	-	13,308	-
Capital purchases	-	-	-	-	-	-	-	-	-	-	(238)
Net assets (deficiency), end of year	\$ -	\$ 645	\$ (2,759)	\$ (522)	\$ 13,856	\$ 21,448	\$ -	\$ -	\$ -	\$ 32,668	\$ (12,237)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit H - Schedule of Operations and Net Assets
Special Projects Fund

For the year ended March 31	2007	2006
Revenue		
Other income	<u>\$ 221,200</u>	<u>\$ 60,743</u>
Expenditures		
Advertising and marketing	4,011	192
Administration fees - external	23,634	-
Benefits	5,035	894
Contract services	1,740	1,400
Materials and supplies	10,732	2,278
Office rental	11,263	-
Photocopy, telephone and sundry	13,769	(135)
Travel	17,894	(2,381)
Wages	52,854	12,139
Workshops and training	7,754	1,603
	<u>148,686</u>	<u>15,990</u>
Excess of revenue over expenditures	<u>72,514</u>	<u>44,753</u>
Net assets, beginning of year	52,491	143,554
Transfer from (to) other funds:		
Transfers	(9,736)	(122,145)
Capital purchases	(1,299)	(13,671)
Net assets, end of year	<u>\$ 113,970</u>	<u>\$ 52,491</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit I - Schedule of Operations and Net Assets
NACCA - Projects

For the year ended March 31	Policy and Planning	Marketing	Total 2007	Total 2006
Expenditures				
Bad debts	\$ -	\$ -	\$ -	\$ 3,496
Excess (deficiency) of revenue over expenditures	-	-	-	(3,496)
Net assets (deficiency), beginning of year	-	-	-	(34,781)
Transfers from other funds				
Transfers	-	-	-	38,277
Net assets (deficiency), end of year	\$ -	\$ -	\$ -	\$ -

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit J - Schedule of Operations and Net Assets
Mountain Pine Beetle

For the year ended March 31	2007	2006
Revenue		
Other income	<u>\$ 1,555,250</u>	<u>\$ -</u>
Expenditures		
Administration fees - internal	<u>115,200</u>	<u>-</u>
Amounts transferred from (to) other organizations	<u>1,480,000</u>	<u>-</u>
	<u>1,595,200</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(39,950)	-
Net assets (deficiency), beginning of year	-	(149)
Transfers from other funds		
Transfers	<u>-</u>	<u>149</u>
Net assets (deficiency), end of year	<u>\$ (39,950)</u>	<u>\$ -</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit K - Schedule of Operations and Net Assets
AHRDA

For the year ended March 31	Pre-employment Training	CUTES - Youth	ISET - JD Training	CUTES - Disability Video	CED Facilitator	Total 2007	Total 2006
Revenue							
Western Economic Diversification	\$ -	\$ -	\$ -	\$ 13,389	\$ -	\$ 13,389	\$ 74,515
Other income	-	-	-	-	23,000	23,000	41,730
	-	-	-	13,389	23,000	36,389	116,245
Expenditures							
Administration fees - internal	-	-	-	-	-	-	1,635
Benefits	-	-	-	-	1,862	1,862	8,133
Contract services	-	-	-	-	530	530	10,966
Advertising and marketing	-	-	-	-	-	-	1,015
Materials and supplies	-	-	-	-	991	991	4,930
Office rental	-	-	-	-	1,000	1,000	2,580
Workshops and training	-	-	-	-	539	539	26,732
Travel	-	-	-	-	1,703	1,703	9,392
Wages	-	-	-	-	18,304	18,304	71,658
Participant allowance	-	-	-	-	-	-	1,755
Photocopy, telephone and sundry	-	-	-	-	1,595	1,595	5,471
	-	-	-	-	26,524	26,524	144,267
Excess (deficiency) of revenue over expenditures	-	-	-	13,389	(3,524)	9,865	(28,022)
Net deficiency, beginning of year	26	(1,664)	(1,282)	(2,688)	-	(5,608)	(790)
Transfers from (to) other funds							
Transfers	(26)	1,664	1,282	-	-	2,920	24,349
Capital purchases	-	-	-	-	-	-	(1,145)
Net assets (deficiency), end of year	\$ -	\$ -	\$ -	\$ 10,701	\$ (3,524)	\$ 7,177	\$ (5,608)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Community Futures Development Corporation of Central Interior First Nations - Operating Fund
Exhibit L - Schedule of Operations and Net Assets
Other Projects

For the year ended March 31	SE - WED Phase 1	FNEC - Phase 2	ACES	ACED	Economic Development Program	Central Urban Training and Employment Society	Self Employment Program Coordinator	Total 2007	Total 2006
Revenue									
Western Economic Diversification	\$ -	\$ 3,899	\$ -	\$ 91,629	\$ -	\$ -	\$ -	\$ 95,528	\$ 99,651
Miscellaneous income	-	-	-	-	5,321	21,047	35,087	61,455	58,630
Province of British Columbia	-	-	-	-	-	-	-	-	40,000
	-	3,899	-	91,629	5,321	21,047	35,087	156,983	198,281
Expenditures									
Administration fees - external	-	-	-	800	-	-	-	800	10,700
Benefits	-	245	-	-	-	1,263	3,392	4,900	7,257
Contract services	-	-	-	14,525	-	-	1,075	15,600	55,327
Advertising and marketing	-	-	-	1,978	-	-	1,140	3,118	1,700
Materials and supplies	-	85	-	5,929	-	639	4,385	11,038	5,149
Office rental	-	-	-	825	-	-	2,750	3,575	1,775
Workshops and training	-	-	-	-	-	1,895	7,134	9,029	19,073
Travel	-	4,149	-	3,334	-	1,380	2,772	11,635	62,113
Wages	-	2,315	-	-	-	18,211	32,382	52,908	67,914
Participant allowance	-	-	-	-	-	-	-	-	336
Photocopy, telephone and sundry	-	485	-	8,684	-	472	2,935	12,576	7,564
	-	7,279	-	36,075	-	23,860	57,965	125,179	238,908
Excess (deficiency) of revenue over expenditures	-	(3,380)	-	55,554	5,321	(2,813)	(22,878)	31,804	(40,627)
Net assets (deficiency), beginning of year	(384)	3,380	(632)	(5,090)	-	-	-	(2,726)	2,733
Transfers from (to) other funds									
Transfers	-	-	-	-	-	2,813	-	2,813	35,168
Net assets (deficiency), end of year	\$ (384)	\$ -	\$ (632)	\$ 50,464	\$ 5,321	\$ -	\$ (22,878)	\$ 31,891	\$ (2,726)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.