

**NORTH CENTRAL COMMUNITY
FUTURES
DEVELOPMENT CORPORATION INC.**

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

AUDITOR'S REPORT

To the Board of Directors of North Central Community Futures Development Corporation Inc.:

We have audited the capital, administration, and investment fund balance sheets of North Central Community Futures Development Corporation Inc. as at March 31, 2007 and the statements of income (loss) and surplus (deficit) 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, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Thompson, Manitoba
May 3, 2007

CHARTERED ACCOUNTANTS

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
(Incorporated under the laws of Manitoba)**

**INVESTMENT FUND BALANCE SHEET
AS AT MARCH 31, 2007**

ASSETS	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
YOUTH INVESTMENT FUND		
Bank	<u>\$ 165,864</u>	<u>\$ 153,105</u>
DISABLED ENTREPRENEUR INVESTMENT FUND		
Bank	<u>73,607</u>	<u>73,222</u>
INVESTMENT FUND		
Bank	<u>50,882</u>	245,086
Due from Administration fund	<u>87,883</u>	<u>70,938</u>
	<u>138,765</u>	<u>316,024</u>
PEER CREDIT FUND		
Bank	<u>29,384</u>	<u>35,133</u>
	<u>407,620</u>	<u>577,484</u>
LOANS RECEIVABLE (Note 3)	<u>815,444</u>	<u>609,145</u>
	<u>\$1,223,064</u>	<u>\$1,186,629</u>

See accompanying notes.

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
(Incorporated under the laws of Manitoba)**

**INVESTMENT FUND BALANCE SHEET (con't)
AS AT MARCH 31, 2007**

	LIABILITIES	<u>2007</u>	<u>2006</u>
Current portion of long-term debt		\$ 70,596	\$ 41,667
LONG TERM DEBT (Note 6)		<u>140,871</u>	<u>208,333</u>
		\$ 211,467	\$ 250,000
 SURPLUS 			
YOUTH INVESTMENT FUND			
Funded surplus (Note 9)		200,000	200,000
Earned surplus (deficit)		<u>(35,502)</u>	<u>(39,956)</u>
		<u>164,498</u>	<u>160,044</u>
 DISABLED ENTREPRENEUR FUND			
Funded surplus (Note 9)		200,000	200,000
Earned surplus		<u>48,816</u>	<u>46,969</u>
		<u>248,816</u>	<u>246,969</u>
 INVESTMENT FUND			
Funded surplus (Note 9)		600,000	600,000
Earned surplus (deficit)		<u>(38,367)</u>	<u>(108,394)</u>
		<u>561,633</u>	<u>491,606</u>
 PEER CREDIT FUND			
Funded surplus		40,000	40,000
Earned surplus (deficit)		<u>(3,350)</u>	<u>(1,990)</u>
		<u>36,650</u>	<u>38,010</u>
		<u>\$1,223,064</u>	<u>\$1,186,629</u>

APPROVED BY THE BOARD: _____

See accompanying note.

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
(Incorporated under the laws of Manitoba)**

CAPITAL FUND BALANCE SHEET

AS AT MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
ASSETS		
CAPITAL ASSETS (Note 1)		
Furniture and equipment	\$ 52,221	\$ 51,138
Computer equipment	174,873	169,360
Leasehold improvements	20,488	20,488
Vehicles	<u>15,983</u>	<u>15,983</u>
	263,565	256,969
Less: accumulated amortization	<u>(43,987)</u>	<u>(30,161)</u>
	<u>\$219,578</u>	<u>\$226,808</u>
LIABILITIES		
Due to administration fund	\$ 32,876	\$ 38,181
Deferred contributions	<u>4,087</u>	<u>6,012</u>
	<u>\$ 36,963</u>	<u>\$ 44,193</u>
SURPLUS		
Surplus	<u>\$182,615</u>	<u>\$182,615</u>
TOTAL LIABILITIES AND SURPLUS	<u>\$219,578</u>	<u>\$226,808</u>

APPROVED BY THE BOARD:

See accompanying notes.

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.
(Incorporated under the laws of Manitoba)**

ADMINISTRATION FUND BALANCE SHEET

AS AT MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 200	\$ 200
Bank – NACCA	100	100
Accounts receivable	26,689	66,454
GST receivable	7,556	13,080
Grants receivable (Note 4)	124,634	147,097
Prepaid expenses	4,651	4,183
Employee advances	-	1,150
Due from capital fund	<u>32,876</u>	<u>38,181</u>
	<u>\$196,706</u>	<u>\$270,445</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank advances	\$ 59,071	\$ 13,482
Accounts payable and accrued liabilities	66,708	90,912
Unexpended revenue	-	56,424
Due to Investment fund	<u>87,883</u>	<u>70,938</u>
	<u>213,662</u>	<u>231,756</u>
SURPLUS (DEFICIT)		
SURPLUS (DEFICIT)	<u>(16,956)</u>	<u>38,689</u>
	<u>\$196,706</u>	<u>\$270,445</u>

APPROVED BY THE BOARD:

See accompanying notes.

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

INVESTMENT FUND

STATEMENT OF INCOME AND SURPLUS (DEFICIT)

YEAR ENDED MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
INCOME		
Interest (Note 6)	\$ 86,872	\$ 74,025
Other income	<u>8,096</u>	<u>-</u>
	<u>94,968</u>	<u>74,025</u>
EXPENSES		
Bad debts	\$ 10,393	\$ 99,176
Bank charges	663	162
Interest on long term debt	<u>8,940</u>	<u>9,227</u>
	<u>19,996</u>	<u>108,565</u>
NET INCOME (LOSS) FOR THE YEAR	\$ 74,972	\$ (34,540)
Surplus (Deficit) at beginning of year	<u>(103,375)</u>	(39,835)
Transfer to Administration fund (Note 8)	<u>-</u>	<u>(29,000)</u>
SURPLUS (DEFICIT) AT END OF YEAR	<u>\$ (28,403)</u>	<u>\$ (103,375)</u>

See accompanying notes.

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

**ADMINISTRATION FUND
STATEMENT OF INCOME (LOSS) AND SURPLUS (DEFICIT)**

YEAR ENDED MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
INCOME		
Grants - Western Economic Diversification Canada	\$ 323,536	\$ 295,000
Other	<u>874,232</u>	<u>1,021,795</u>
	<u>1,197,768</u>	<u>1,316,795</u>
EXPENSES		
Advertising	5,977	10,647
Amortization	13,826	11,818
Bad debts	31,003	-
Bank and service charges	3,854	3,851
Computer repair and maintenance	1,762	2,038
Contract expenses	48,410	67,160
Equipment repair & maintenance	1,043	418
Group benefits	30,586	24,892
Insurance	2,694	2,671
Internet	2,768	2,239
Meetings	16,168	12,147
Membership fees	3,536	4,255
Miscellaneous	5,466	2,511
Office	21,436	24,942
Other programs and conferences	285,585	435,338
Professional fees	10,586	15,832
Rent	46,406	42,859
Telephone	27,867	26,459
Training	4,929	5,455
Travel - board	15,668	11,453
- staff and other	117,176	99,013
Vehicle	38,610	37,724
Wages and benefits	<u>519,196</u>	<u>448,877</u>
	<u>1,254,552</u>	<u>1,292,599</u>
Income (loss) from operations	(56,784)	24,196
Interest income	<u>1,139</u>	<u>317</u>
NET INCOME (LOSS) FOR THE YEAR	(55,645)	24,513
Surplus at beginning of year	38,689	(14,824)
Transfer from Investment fund(Note 8)	<u>-</u>	<u>29,000</u>
SURPLUS (DEFICIT) AT END OF YEAR	<u>\$ (16,956)</u>	<u>\$ 38,689</u>

See accompanying notes.

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

**STATEMENT OF CASH FLOW
INVESTMENT, CAPITAL AND ADMINISTRATION FUNDS**

YEAR ENDED MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
FUNDS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Cash receipts from clients, programs and grants	\$ 936,655	\$1,590,422
Cash paid to suppliers, programs and employees	(1,206,411)	(1,309,382)
Cash received on taxes	5,524	357
Interest received	<u>88,011</u>	<u>74,342</u>
Funds provided by/used in operating activities	\$ (187,269)	\$ 355,739
FUNDS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets	<u>(6,596)</u>	<u>(23,331)</u>
Funds used in investing activities	(6,596)	(23,331)
FUNDS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Issuance of long-term debt	\$ -	\$ 250,000
Repayment of long-term debt	<u>(38,533)</u>	<u>(165,509)</u>
Funds provided by (used in) financing activities	\$ (38,533)	\$ 84,491
INCREASE (DECREASE) IN FUNDS	(232,398)	416,899
Cash and cash equivalents at beginning of year	<u>493,364</u>	<u>76,465</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 260,966</u>	<u>\$ 493,364</u>

Cash and cash equivalents, consist of cash on hand and balances with banks.

See accompanying notes.

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

1. SIGNIFICANT ACCOUNTING POLICY

CAPITAL ASSETS AND AMORTIZATION

Commencing in the year March 31, 2003, the organization began amortizing capital assets based on the following policy:

AMORTIZATION

Capital Assets

Amortization has been calculated using the declining balance method at the following rates:

Furniture and Equipment	20%
Computer hardware	30%
Leasehold Improvements	5 years

In the year of acquisition, assets are amortized at half the corresponding rate.

Prior to this fiscal year, the organization followed the policy of capitalizing assets in the Capital Fund and expensing them in the Administration Fund. The total purchases in 2007 were \$6,596 (2006-\$15,983).

2. INCORPORATION AND INCOME TAXES

The organization was incorporated without share capital, and accordingly is non-taxable under Sec. 149 (1) (e) of the Income Tax Act.

3. LOANS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Regular	\$676,524	\$657,337
Youth	12,558	20,452
Disability	186,961	93,875
Peer Credit	<u>8,322</u>	<u>3,361</u>
	\$884,365	\$775,025
Less: Allowance for doubtful accounts	<u>(68,921)</u>	<u>(165,880)</u>
	<u>\$815,444</u>	<u>\$609,145</u>

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

4. GRANTS RECEIVABLE	<u>2007</u>	<u>2006</u>
Aboriginal Business Canada	\$ 16,330	\$ 2,700
CVRD Inco	18,720	-
Departmental Affairs Branch	-	16,375
Environment Canada	9,100	49,100
HRDC Canada	1,782	2,304
Indian and Northern Affairs	1,300	2,575
Junior Achievement	-	8,750
Ma-Mow-We-Tak Friendship Centre	11,003	18,750
Manitoba Conservation	4,491	3,000
Manitoba Education & Training	14,306	19,403
Natural Resources Canada	30,603	9,640
Province of Manitoba	5,000	13,000
Tourism North	1,400	-
Western Diversification	8,842	-
Y.W.C.A.	<u>1,757</u>	<u>1,500</u>
	<u>\$ 124,634</u>	<u>\$ 147,097</u>
5. GRANTS - WESTERN ECONOMIC DIVERSIFICATION CANADA	<u>2007</u>	<u>2006</u>
Operating Grant	<u>\$323,536</u>	<u>\$295,000</u>

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

6. LONG TERM DEBT	<u>2007</u>	<u>2006</u>
Loan Payable – Community Futures Investment Funds monthly installments of \$5,692 including interest at 4.5% secured by a general security agreement, Principal payments to commence one year after disbursement of loan proceeds, Due July 1, 2010	211,467	\$250,000
Less portion due within one year	<u>(70,596)</u>	<u>(41,667)</u>
	<u>\$ 140,871</u>	<u>\$ 208,333</u>

Amount due in next 5 years:

2008	\$ 70,596
2009	62,500
2010	62,500
2011	<u>20,833</u>
	<u>\$250,000</u>

**NORTH CENTRAL COMMUNITY FUTURES
DEVELOPMENT CORPORATION INC.**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

7 REPAYABLE FUNDS

These funds were provided by repayable contributions from Western Economic Diversification Canada. There is no specific date for repayment. Repayment will not include interest.

8. ECONOMIC DEPENDENCE

North Central Community Futures Development Corporation Inc. is dependent on ongoing funding from Western Economic Diversification Canada.

9. DISCOVER MANITOBA CONFERENCE AND EXPO INC.

The corporation was incorporated October 30, 2002 mainly to facilitate, aid and promote interest in and the development of tourism for northern and rural community and regions within Manitoba. North Central Community Futures Development Corporation Inc. has incurred net expenditures of \$845 during the year ended March 31, 2007 (\$110,351 – 2006) to assist this project with it's endeavours.

10. SUBSEQUENT EVENT

Subsequent to the end of the year, the organization transferred \$48,405 from the administration fund to the regular investment fund.