

**COMMUNITY FUTURES
DEVELOPMENT CORPORATION
OF MOUNT WADDINGTON
Financial Statements - March 31, 2007**

Auditors' Report
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**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT
WADDINGTON
March 31, 2007**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

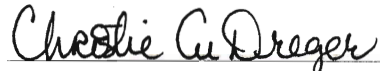
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

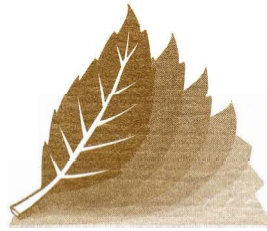
The Board of Directors is composed entirely of members who are neither management nor employees of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors.

Chan Nowosad Boates, Chartered Accountants, an independent firm of Chartered Accountants, has been appointed by the Board of Directors to audit the financial statements and report directly to them. The external auditors have full and free access to, and meet periodically and separately with, both the Board and Management to discuss their audit findings. Their report appears herein.

May 03, 2007


Evelyn Clark, General Manager


Christie Dreger, Comptroller



Chan
Nowosad
Boates

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AUDITORS' REPORT

To: The Directors of
Community Futures Development
Corporation of Mount Waddington

We have audited the balance sheet of Community Futures Development Corporation of Mount Waddington as at March 31, 2007, the statement of net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express and opinion on these financial statements based on our audit.

We conducted our audit 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 Community Futures Development Corporation of Mount Waddington as at March 31, 2007 and the results of it's operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures were audited by another firm of Chartered Accountants.

Chartered Accountants
Campbell River, BC

May 03, 2007

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Balance Sheet

March 31, 2007

	Administration Fund	NISEA/SEP Fund	Economic Fund	Investment Funds	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash	7,279	30,311	-	1,272,097	1,309,687	1,748,069
Restricted Cash (Note 3)	-	-	-	100,000	100,000	90,000
Accounts Receivable	19,971	-	-	3	19,974	64,910
Accrued Interest Receivable	-	-	-	14,447	14,447	7,638
Prepaid Expenses	12,555	-	-	-	12,555	9,892
Current Portion of Loans Receivable (Note 4)	-	-	-	667,904	667,904	512,571
	<u>39,805</u>	<u>30,311</u>	<u>-</u>	<u>2,054,451</u>	<u>2,124,567</u>	<u>2,433,080</u>
Loans Receivable (Note 4)	-	-	-	629,207	629,207	458,995
Due (to) from Funds (Note 5)	(17,342)	10,400	7,000	(58)	-	-
Long Term Investments (Note 6)	-	-	-	100,000	100,000	100,000
Property and Equipment (Note 7)	32,790	-	-	-	32,790	129,803
	<u>55,253</u>	<u>40,711</u>	<u>7,000</u>	<u>2,783,600</u>	<u>2,886,564</u>	<u>3,121,878</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	35,280	3,907	-	-	39,187	127,803
Wages and Benefits	-	3,805	-	-	3,805	11,169
Deferred Revenue (Note 8)	561	20,129	-	-	20,690	121,615
Work in Progress	14,315	-	-	-	14,315	105,715
Current Portion of Long Term Debt (Note 9)	-	-	-	2,085,179	2,085,179	-
	<u>50,156</u>	<u>27,841</u>	<u>-</u>	<u>2,085,179</u>	<u>2,163,176</u>	<u>366,302</u>
Long Term Debt (Note 9)	-	-	-	-	-	2,275,956
	<u>50,156</u>	<u>27,841</u>	<u>-</u>	<u>2,085,179</u>	<u>2,163,176</u>	<u>2,642,258</u>
Net Assets						
Investment in Property and Equipment	18,475	-	-	-	18,475	24,090
Surplus (Deficit)	(13,378)	12,870	7,000	698,421	704,913	455,530
	<u>55,253</u>	<u>40,711</u>	<u>7,000</u>	<u>2,783,600</u>	<u>2,886,564</u>	<u>3,121,878</u>

Approved by the Directors:


Director


Director

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Statement of Changes in Fund Balances

Year Ended March 31, 2007

	Administration Fund	NISEA/SEP Fund	Economic Fund	Investment Funds	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Surplus (Deficit) - Beginning	(13,805)	12,902	-	456,433	455,530	33,073
Prior Period Adjustment (Note 14)	-	-	-	-	-	235,549
Surplus (Deficit) - Beginning - As Restated	(13,805)	12,902	-	456,433	455,530	268,622
Excess (Deficiency) of Revenue over Expenditures	7,427	(32)	-	241,988	249,383	186,908
	(6,378)	12,870	-	698,421	704,913	455,530
Interfund Transfer	(7,000)	-	7,000	-	-	-
Surplus (Deficit) - End	(13,378)	12,870	7,000	698,421	704,913	455,530

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Statement of Operations

Year Ended March 31, 2007

	Administration Fund	NISEA/SEP Fund	Economic Fund	Investment Funds	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Revenue						
Federal Government Grants						
- Operating	292,014	-	-	-	292,014	479,667
- Programs	14,876	245,089	-	-	259,965	26,256
Fisheries Legacy Trust						
- CEAI Program	1,919	-	-	-	1,919	139,644
Other Government Funding	2,995	-	-	-	2,995	39,408
Projects, Recoveries and Other	26,072	-	-	74,764	100,836	137,776
Management Fees	66,207	-	-	(66,207)	-	-
Interest	3,008	1,388	-	90,194	94,590	79,000
Recovery of Bad Debt	-	-	-	-	-	1,770
Write Down of Long Term Debt	-	-	-	149,260	149,260	350,337
	<u>407,091</u>	<u>246,477</u>	<u>-</u>	<u>248,011</u>	<u>901,579</u>	<u>1,253,858</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Statement of Operations - Continued

Year Ended March 31, 2007

	Administration Fund	NISEA/SEP Fund	Economic Fund	Investment Funds	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$
Expenses						
Bad Debts	-	-	-	4,489	4,489	224,326
Capital Purchases	-	978	-	-	978	-
Communications	15,791	2,363	-	-	18,154	17,300
Community Projects	15,530	-	-	-	15,530	243,910
Conferences and Meetings	6,378	-	-	-	6,378	12,136
Dues and Subscriptions	5,150	-	-	-	5,150	3,913
WED Portion of Interest	-	-	-	-	-	12,747
Insurance - General	3,597	900	-	-	4,497	3,482
Insurance - Life	675	-	-	-	675	1,303
Interest and Bank Charges	1,454	-	-	1,534	2,988	2,261
Loan Processing Costs	888	-	-	-	888	2,285
Marketing	3,448	4,060	-	-	7,508	7,095
Office and Miscellaneous	13,621	1,741	-	-	15,362	17,312
Participant Wages and Benefits	-	162,765	-	-	162,765	106,290
Professional Fees	36,460	2,120	-	-	38,580	44,922
Rent and Utilities	24,699	5,340	-	-	30,039	33,394
Repairs & Maintenance	7,935	-	-	-	7,935	7,940
Training	2,453	750	-	-	3,203	1,192
Travel	23,789	4,099	-	-	27,888	39,597
Wages and Benefits	237,796	55,243	-	-	293,039	279,654
Workshops	-	6,150	-	-	6,150	5,890
	<u>399,664</u>	<u>246,509</u>	<u>-</u>	<u>6,023</u>	<u>652,196</u>	<u>1,066,949</u>
Amortization of						
Deferred Contributions	11,494	-	-	-	11,494	15,590
Property and Equipment	<u>(11,494)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,494)</u>	<u>(15,590)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures						
	<u>7,427</u>	<u>(32)</u>	<u>-</u>	<u>241,988</u>	<u>249,383</u>	<u>186,909</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Statement of Cash Flows

Year Ended March 31, 2007

	2007	2006
	\$	\$
Cash Flows From Operating Activities:		
Cash Received from Funders and Borrowers	834,292	1,657,381
Cash Paid to Suppliers, Employees and Participants	<u>(740,473)</u>	<u>(1,524,826)</u>
	<u>93,819</u>	<u>132,555</u>
Cash Flows From Financing Activities:		
Repayment of Long Term Debt	(190,777)	(762,253)
Deferred Contributions	<u>14,315</u>	<u>105,715</u>
	<u>(176,462)</u>	<u>(656,538)</u>
Cash Flows From Investing Activities:		
Decrease (Increase) in Loans Receivable	(325,545)	610,230
Purchase of Equipment	<u>(20,194)</u>	<u>(109,300)</u>
	<u>(345,739)</u>	<u>500,930</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(428,382)	(23,053)
Cash and Cash Equivalents - Beginning of Year	<u>1,838,069</u>	<u>1,861,122</u>
Cash and Cash Equivalents - End of Year	<u>1,409,687</u>	<u>1,838,069</u>
Cash and Cash Equivalents are represented by:		
Cash on Hand and Held by Bank	491,399	882,665
Cash and Term Deposits - Restricted	100,000	90,000
Term Deposits	<u>818,288</u>	<u>865,404</u>
	<u>1,409,687</u>	<u>1,838,069</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Notes to Financial Statements

Year Ended March 31, 2007

1. Purpose:

Community Futures Development Corporation of Mount Waddington ("CFDCMW") was established to promote employment and economic development in the Northern Vancouver Island area. The activities of the Corporation include delivering various economic development programs on behalf of the Government of Canada, specifically for Western Economic Diversification. Community Futures also operates programs to promote employment and economic development through loans and loan guarantees to qualifying local businesses. Community Futures Development Corporation of Mount Waddington, incorporated without share capital under Part II of the Canada Corporations Act, is a not-for-profit organization and is exempt from corporate income tax under Section 149(1)(L) of the Income Tax Act.

The resources received for each of the specific programs managed by CFDCMW and the expenditures incurred in the delivery of those programs are segregated for accounting and reporting purposes into the following specific funds:

Administration Fund - provides the personnel and other facilities that enable CFDCMW to deliver the Community Futures Contribution Agreement with Western Economic Diversification (WED) and other related programs.

North Island Self-Employment Assistance Fund (NISEP) - provides assistance, training and support to self-employed individuals in the start-up phase of their businesses (who were previously unemployed) to deliver the CFDCMW contribution agreement with Service Canada (formerly Human Resources & Skill Development Canada).

Mount Waddington Economic Fund - promotes economic development in the community.

Investment Funds - promotes economic development in the community by providing assistance to small businesses in the form of loans, guarantees or equity investments.

2. Significant Accounting Policies:

Operations and Basis of Presentation

CFDCMW was incorporated to deliver economic and business development programs and training and to provide access to loan funds for small businesses that have difficulty receiving financing from traditional lending institutions.

It is CFDCMW's policy to follow Canadian generally accepted accounting principles. The resources and operations are, accordingly, segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity.

Investment Fund:

The Investment Funds report restricted resources that are to be used for assistance to small business and entrepreneurs in the form of loan, loan guarantees or equity participation. Loans for the Youth and Disabled Investment Funds are limited to businesses owned by youth and disabled entrepreneurs respectively. CFDCMW is restricted in the types of loans that can be made, according to its agreement with the federal government.

Revenue Recognition

CFDCMW follows the restricted fund method of accounting for contributions. Restricted contributions for which a corresponding restricted fund is presented should be recognized as revenue of that fund in the current year. Restricted contributions for which no corresponding restricted fund is presented are recognized in the Administration Fund as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Grant revenue is recognized when received or receivable. Management fee revenue is recognized when received. Interest income is recognized as revenue as earned.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Notes to Financial Statements

Year Ended March 31, 2007

2. Significant Accounting Policies (cont'd):

Property and Equipment

Property and equipment is recorded at cost. Amortization is calculated on a declining balance basis as follows:

Office Furniture	20%
Office Equipment	40%
Computer Equipment	50%
Leasehold Improvements	40%

Work in progress is recorded at cost and is not amortized.

Investments

CFDCMW follows the cost method of accounting for its investment in the subscription units of Growthstart: A Local Business Development Fund.

Deferred Contributions - Property and Equipment

Deferred contributions relating to property and equipment represent restricted contributions with which the property and equipment was purchased in the Administration Fund. These contributions will be recognized as revenue over the useful life of the acquired property and equipment to reflect the fact that the contribution provides benefits in all the years in which CFDCMW has the use of the property and equipment.

Financial instruments

CFDCMW's financial instruments consist of cash and term deposits, accrued interest and accounts receivable, loans receivable, long-term investment, bank indebtedness, trade accounts, wages and benefits and repayable contributions from Western Economic Diversification and BC Ministry of Forests. Unless otherwise noted, it is management's opinion that CFDCMW is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

2. Significant Accounting Policies (cont'd):

Financial Instruments (cont'd)

With respect to loans receivable, concentration of credit risk may arise from exposures to a single debtor or a group of debtors having similar characteristics, such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. To alleviate potential risk concentration, credit limits are established and monitored in light of changing debtor and market conditions. The majority of loans receivable have interest tied to the prime rate, which increases the exposure to interest rate risk.

The carrying amount of cash, term deposits, accounts receivable, accrued interest receivable, trade accounts and wages and benefits approximates their fair value due to the short-term maturities of these items.

It is not practical, within the constraints of timelines or cost to determine the fair value of loans receivable, long-term investments or repayable contributions because these instruments are not traded in an organized financial market.

Fair values are based on management's best estimates after consideration of current market conditions. The estimates are subjective and involve considerable judgement, and as such are not necessarily indicative of the amounts that CFDCMW may incur in actual market transactions.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Accounts receivable and loans receivable are stated after evaluations as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Provision is made for a decline in fair value of long-term assets where considered necessary.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Notes to Financial Statements

Year Ended March 31, 2007

3. Restricted Cash:

As at March 31, 2007 the Corporation had \$100,000 in restricted cash. This consists of funds held on deposit that are committed for an approved loan that has not yet been dispersed.

4. Loans Receivable:

	2007	2006
	\$	\$
Investment Funds		
Loans Receivable	1,951,437	1,638,297
Less: Allowance for Doubtful Accounts	<u>(654,326)</u>	<u>(666,731)</u>
	1,297,111	971,566
Less: Current Portion of Loan Receivable	<u>667,904</u>	<u>512,571</u>
	<u>629,207</u>	<u>458,995</u>

Credit Risk is the risk assumed by the lender that the borrower will fail to honour its financial obligation. The Corporation has provided for credit risk by establishing allowances against the carrying value of certain impaired loans. Loans are considered impaired as soon as collection of the full principle and interest on the loan becomes doubtful. Each impaired loan is evaluated separately and written down to the fair market value of any security held. Various forms of security are taken on loans ranging from promissory notes and personal guarantees of principals to chattel mortgages and mortgages over real property.

The carrying values of specifically identified impaired loans included in loans receivable is as follows:

	2007	2006
	\$	\$
Investment Funds		
Gross Impaired Loans	500,964	556,288
Allowance	<u>(500,964)</u>	<u>(556,288)</u>
Carrying Value	<u>-</u>	<u>-</u>

5. Due to (from) Other Funds:

	2007	2006
	\$	\$
Administration Fund		
Due from JCP Fund	-	300
Due (to) from NISEA Fund	(10,400)	331
Due (to) from Economic Fund	(7,000)	-
Due from Investment Funds	<u>58</u>	<u>(10,155)</u>
	<u>(17,342)</u>	<u>(9,524)</u>
NISEA/SEP Fund		
Due (to) from Administration Fund	<u>10,400</u>	<u>(331)</u>
JCP Fund		
Due (to) from Administration Fund	<u>-</u>	<u>(300)</u>
Economic Fund		
Due from Administration Fund	<u>7,000</u>	<u>-</u>
Investment Funds		
Due (to) from Administration Fund	<u>(58)</u>	<u>10,155</u>

6. Long Term Investment:

	2007	2006
	\$	\$
Investment Funds		
Growthstart	<u>100,000</u>	<u>100,000</u>

A Local Business Development Fund. Subscription units consist of 1,000 units with a market value of \$100,676 (2006 - \$100,849), with no repayment terms or stated interest rate. No portion is shown as current. The investment represents 1% of the total fund.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Notes to Financial Statements

Year Ended March 31, 2007

7. Property and Equipment:

	2007	
	Cost	Accumulated Amortization
	\$	\$
Administration Fund		
Furniture and Equipment	67,822	61,407
Computer Equipment	42,790	30,730
Work in Progress	<u>14,315</u>	<u>-</u>
	<u>124,927</u>	<u>92,137</u>

Unamortized Cost 32,790

	2006	
	Cost	Accumulated Amortization
	\$	\$
Administration Fund		
Furniture and Equipment	72,434	66,281
Computer Equipment	45,599	28,632
Leasehold Improvements	64,696	63,728
Work in Progress	<u>105,715</u>	<u>-</u>
	<u>288,444</u>	<u>158,641</u>

Unamortized Cost 129,803

8. Deferred Revenue:

Deferred revenue reported in the Administration Fund and NISEP Fund represent funds for restricted program funding, received in the current year that are related to the subsequent year.

	2007	2006
	\$	\$
Administration Fund		
Western Economic Diversification	<u>561</u>	<u>90,149</u>
NISEA/SEP Fund		
Service Canada	<u>20,129</u>	<u>31,466</u>

9. Long Term Debt:

	2007	2006
	\$	\$
Investment Funds		
WED - Forestry Investment Fund Loan Contribution	<u>500,000</u>	<u>500,000</u>
WED - Fishing Investment Fund Fisheries Legacy Trust Loan Contribution	<u>420,000</u>	<u>420,000</u>
WED - Youth Investment Fund Loan Contribution	<u>200,000</u>	<u>200,000</u>
WED - Disabled Investment Fund Loan Contribution	<u>200,000</u>	<u>200,000</u>
WED - Recreational Fishing Investment Fund Loan Contribution	170,690	219,132
Write Down Bad Debts	<u>(55,511)</u>	<u>(155,435)</u>
	<u>115,179</u>	<u>63,697</u>
WED - Community Economic Adjustment Initiative Investment Fund Loan Contribution	736,490	731,826
Write Down Bad Debts (Note 14)	<u>(736,490)</u>	<u>(489,567)</u>
	<u>-</u>	<u>242,259</u>
WED - Repayable Investment Fund Loan Contribution	<u>150,000</u>	<u>150,000</u>
Forestry Renewal BC, Forestry Investment Fund Loan Contribution	<u>500,000</u>	<u>500,000</u>
	2,085,179	2,275,956
Less: Current Portion	<u>(2,085,179)</u>	<u>-</u>
	<u>-</u>	<u>2,275,956</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Notes to Financial Statements

Year Ended March 31, 2007

9. Long Term Debt (cont'd):

The Repayable Investment, Youth Investment (classified in the contribution agreement as Investment) and Disabled Investment Fund contributions from Western Economic Diversification Canada are conditionally repayable. If specific conditions (as set out in the agreement) occur, Western Economic Diversification Canada can, by providing notice, request immediate repayment of the lower of, the conditionally repayable contribution or the uncommitted cash balance of the conditionally repayable contribution. It is not anticipated that any condition would occur in the next fiscal period that would result in the request for immediate repayment of these loan dollars.

The Community Economic Adjustment Initiative loan fund contributions from Western Economic Diversification Canada have varying repayment and interest terms (from prime to prime plus 4%) over the next five years.

The Forest Renewal BC contributions under the terms of the Forest Community Business Program are repayable at 100% of the unloaned fund at termination (plus interest from that date until repaid) and 100% of all loan payments received, net of costs, up to 15% of the balance of funds as at date of termination. Balances are due on 90 days notice or no demand if in default under the terms of the agreement.

The cash balances of the Fishing Investment Fund and the Recreational Fishing Investment Fund contributions are repayable on demand.

10. Lease Commitments:

The Corporation leases premises under an operating lease in Port McNeill with a remaining term of three years. In addition to basic rent, the Corporation is required to pay a portion of certain operating costs. The commitment in the Administration Fund under this operating lease is as follows:

	\$
2008	23,607
2009	23,607
2010	5,902

11. Inter-Fund Transactions:

During the year ended March 31, 2007 certain loan, bank and term deposit interest amounting to \$66,207 (2006 - \$46,611) was transferred from the Investment Funds to the Administration Fund as management fees (this fee was allocated to the various investment funds as follows:

General Investment Fund	\$55,300
Recreational Fishing	\$2,907
Community Economic Adjustment	\$8,000

12. Economic Dependence:

The Corporation is dependent upon contributions from the Government of Canada; specifically:

Administration Fund by funding from the WED.

North Island Self-Employment Program by funding from Service Canada.

Forestry Investment Fund by funding from BC Ministry of Forests.

General Investment Fund, Fishing Investment Fund, Youth Investment Fund, Disabled Investment Fund, Recreational Fishing Investment Fund, Community Economic Adjustment Initiative Investment Fund, and Repayable Investment Fund by funding from WED.

13. Term Deposits:

Term deposits are earning interest at rates ranging from 3% to 4%. Term deposits maturing within twelve months amount to \$818,288.

14. Prior Period Adjustment:

Last year, the prior year's Western Economic Diversification Canada long-term debt of \$235,549 in the Community Economic Adjustment Initiative Investment Fund was written off. This represented \$1,080 that occurred in 2005 and \$234,469 from 2004 and prior. The effect of this change on the comparative financial statements is that long-term debt decreased by \$235,549, surplus increased by \$235,549 and write down of long-term debt increased by \$1,080.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Notes to Financial Statements

Year Ended March 31, 2007

15. Comparative Figures:

The comparative figures were audited by another firm of Chartered Accountants.

Comparatives figures may have been reclassified to conform to the current year's presentation.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Schedule 1 - General Investment Fund

Statement of Operations and Changes in Fund Balance

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	27,642	36,980
Interest and Other	22,591	9,510
Recovery of Bad Debts	<u>1,912</u>	<u>1,770</u>
	<u>52,145</u>	<u>48,260</u>
Expenses		
Bad Debts (Recovery)	(18,049)	(40,895)
Loan Processing Cost	-	-
Interest and Bank Charges	280	280
Management Fees	<u>55,300</u>	<u>-</u>
	<u>37,531</u>	<u>(40,615)</u>
Excess of Revenue over Expenditures	14,614	88,875
Surplus - Beginning of Year	<u>796,710</u>	<u>707,835</u>
Surplus - End of Year	<u>811,324</u>	<u>796,710</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Schedule 2 - Forestry Investment Fund

Statement of Operations and Changes in Fund Balances

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	20,297	9,262
Interest and Other	15,614	9,522
Write Down of Long-Term Debt	<u>7</u>	<u>-</u>
	<u>35,918</u>	<u>18,784</u>
Expenses		
Bad Debts (Recovery)	(54,288)	(10,361)
Interest and Bank Charges	280	240
Management Fees	<u>-</u>	<u>1,573</u>
	<u>(54,008)</u>	<u>(8,548)</u>
Excess of Revenue over Expenditures	89,926	27,332
Surplus (Deficit) - Beginning of Year	<u>(487,141)</u>	<u>(514,473)</u>
Surplus (Deficit) - End of Year	<u>(397,215)</u>	<u>(487,141)</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Schedule 3 - Fishing Investment Fund

Statement of Operations and Changes in Fund Balances

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	20,087	9,946
Interest and Other	<u>19,542</u>	<u>9,774</u>
	<u>39,629</u>	<u>19,720</u>
Expenses		
Bad Debts (Recovery)	(66,252)	(48,190)
Interest and Bank Charges	160	240
Management Fees	<u>-</u>	<u>-</u>
	<u>(66,092)</u>	<u>(47,950)</u>
Excess of Revenue over Expenditures	105,721	67,670
Surplus - Beginning of Year	<u>140,926</u>	<u>73,256</u>
Surplus - End of Year	<u>246,647</u>	<u>140,926</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Schedule 4 - Youth Investment Fund

Statement of Operations and Changes in Fund Balances

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	871	-
Interest and Other	<u>8,093</u>	<u>3,231</u>
	<u>8,964</u>	<u>3,231</u>
Expenses		
Bad Debts	3,418	2,682
Interest and Bank Charges	80	182
Management Fees	<u>-</u>	<u>2,500</u>
	<u>3,498</u>	<u>5,364</u>
Excess (Deficiency) of Revenue over Expenditures	5,466	(2,133)
Surplus - Beginning of Year	<u>33,847</u>	<u>35,980</u>
Surplus - End of Year	<u>39,313</u>	<u>33,847</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Schedule 5 - Disabled Investment Fund

Statement of Operations and Changes in Fund Balances

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	960	2,957
Interest and Other	<u>6,116</u>	<u>3,433</u>
	<u>7,076</u>	<u>6,390</u>
Expenses		
Bad Debts (Recovery)	1,284	(4,302)
Interest and Bank Charges	240	240
Management Fees	<u>-</u>	<u>-</u>
	<u>1,524</u>	<u>(4,062)</u>
Excess of Revenue over Expenditures	5,552	10,452
Surplus (Deficit) - Beginning of Year	<u>(9,704)</u>	<u>(20,156)</u>
Surplus (Deficit) - End of Year	<u>(4,152)</u>	<u>(9,704)</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF MOUNT WADDINGTON**

Schedule 6 - Recreational Fishing Fund

Statement of Operations and Changes in Fund Balances

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	4,591	3,961
Interest and Other	1,335	1,519
Write Down (Recovery) of Long-Term Debt	<u>(97,662)</u>	<u>96,319</u>
	<u>(91,736)</u>	<u>101,799</u>
Expenses		
Bad Debts (Recovery)	(97,662)	60,283
Interest and Bank Charges	40	240
Management Fees	2,907	28,529
WED portion of Interest	<u>-</u>	<u>12,747</u>
	<u>(94,715)</u>	<u>101,799</u>
Excess of Revenue over Expenditures	2,979	-
Surplus - Beginning of Year	<u>-</u>	<u>-</u>
Surplus - End of Year	<u>2,979</u>	<u>-</u>

**COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF MOUNT WADDINGTON**

**Schedule 7 - Community Economic Adjustment Initiative Investment Fund
Statement of Operations and Changes in Fund Balances**

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	6,996	6,290
Interest and Other	929	5,294
Write Down of Long-Term Debt	<u>246,921</u>	<u>254,018</u>
	<u>254,846</u>	<u>265,602</u>
Expenses		
Bad Debts	241,609	250,000
Interest and Bank Charges	-	20
Management Fees	<u>8,000</u>	<u>15,582</u>
	<u>249,609</u>	<u>265,602</u>
Excess of Revenue over Expenditures	<u>5,237</u>	-
Surplus (Deficit) - Beginning of Year		
- As Previously Stated	-	(235,549)
Prior Period Adjustment (Note 14)	<u>-</u>	<u>235,549</u>
Surplus - Beginning of Year		
- As Restated	<u>-</u>	<u>-</u>
Surplus - End of Year	<u>5,237</u>	<u>-</u>

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF MOUNT WADDINGTON

Schedule 8 - Repayable Investment Fund

Statement of Operations and Changes in Fund Balances

Year Ended March 31, 2007

	2007	2006
	\$	\$
Revenue		
Loan Portfolio Interest	8,750	8,275
Interest and Other	<u>544</u>	<u>647</u>
	<u>9,294</u>	<u>8,922</u>
Expenses		
Bad Debts (Recovery)	(3,653)	14,950
Interest and Bank Charges	<u>454</u>	<u>20</u>
	<u>(3,199)</u>	<u>14,970</u>
Excess (Deficiency) of Revenue over Expenditures	12,493	(6,048)
Surplus (Deficit) - Beginning of Year	<u>(18,206)</u>	<u>(12,158)</u>
Surplus (Deficit) - End of Year	<u>(5,713)</u>	<u>(18,206)</u>