

**Dakota Ojibway Community
Futures Development
Corporation**

**Financial Statements
For the year ended March 31, 2011**

Dakota Ojibway Community Futures Development Corporation

Financial Statements

For the year ended March 31, 2011

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Auditors' Report

To the Members of Dakota Ojibway Community Futures Development Corporation

We have audited the accompanying financial statements of Dakota Ojibway Community Futures Development Corporation as at March 31, 2011 and the statements of operations and fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

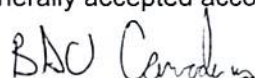
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dakota Ojibway Community Futures Development Corporation as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Brandon, Manitoba

June 17, 2011

**Dakota Ojibway Community Futures Development Corporation
Statement of Financial Position**

March 31

	GENERAL	NON REPAYABLE	REPAYABLE	2011 TOTAL	2010 TOTAL
Assets					
Current Assets					
Cash and short term investments	\$ 100	\$ 206,155	\$ 267,308	\$ 473,563	\$ 507,278
Accounts receivable	154,602			154,602	151,381
Prepaid expenses	691			691	
	<u>155,393</u>	<u>206,155</u>	<u>267,308</u>	<u>628,856</u>	<u>658,659</u>
Loans receivable (Note 2)		182,564	195,775	378,339	309,991
Investments		28,642		28,642	28,641
	<u>\$ 155,393</u>	<u>\$ 417,361</u>	<u>\$ 463,083</u>	<u>\$ 1,035,837</u>	<u>\$ 997,291</u>

Liabilities and Members' Equity

Current Liabilities					
Bank indebtedness	\$ 40,204	\$	\$	\$ 40,204	\$ 40,320
Accounts payable	106,104		2,311	108,415	108,038
	<u>146,308</u>		<u>2,311</u>	<u>148,619</u>	<u>148,358</u>
Long Term Liabilities					
Repayable investment funds (Note 3)			267,307	267,307	290,065
	<u>146,308</u>		<u>269,618</u>	<u>415,926</u>	<u>438,423</u>
Fund Balances	<u>9,085</u>	<u>417,361</u>	<u>193,465</u>	<u>619,911</u>	<u>558,868</u>
	<u>\$ 155,393</u>	<u>\$ 417,361</u>	<u>\$ 463,083</u>	<u>\$ 1,035,837</u>	<u>\$ 997,291</u>

Director _____

Director _____

Dakota Ojibway Community Futures Development Corporation Statement of Operations and Fund Balances

For the year ended March 31

	REVENUE	EXPENDITURES	INTERFUND TRANSFERS	SURPLUS (DEFICIT)	FUND BALANCE BEGINNING OF YEAR	FUND BALANCE END OF YEAR
GENERAL FUND						
Operations	\$ 341,548	\$ 335,584		\$ 5,964	3,121	9,085
Special Projects	156,367	156,367				
	<u>497,915</u>	<u>491,951</u>		<u>5,964</u>	<u>3,121</u>	<u>9,085</u>
NON-REPAYABLE LOAN FUND						
	<u>13,665</u>	<u>(3,323)</u>		<u>16,988</u>	<u>400,373</u>	<u>417,361</u>
REPAYABLE LOAN FUND						
Repayable Investment Fund	6,739			6,739	45,765	52,504
Youth Entrepreneur Fund	(1,915)	(994)		(921)	26,697	25,776
Disabled Entrepreneur Fund	31,384	(889)		32,273	82,912	115,185
	<u>36,208</u>	<u>(1,883)</u>		<u>38,091</u>	<u>155,374</u>	<u>193,465</u>
	<u>\$ 547,788</u>	<u>\$ 486,745</u>		<u>\$ 61,043</u>	<u>\$ 558,868</u>	<u>\$ 619,911</u>

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

Dakota Ojibway Community Futures Development Corporation Statement of Cash Flows

For the year ended March 31	2011	2010
Cash Flows from Operating Activities		
Surplus (deficit) for the year	\$ 61,043	\$ 68,182
Adjustments for		
Change in Western Diversification loan repayable	(22,758)	(51,934)
Changes in non-cash working capital balances		
Accounts receivable	(3,221)	(140,708)
Prepaid expenses	(691)	-
Accounts payable	377	95,887
	<u>(3,535)</u>	<u>(44,821)</u>
	<u>34,750</u>	<u>(28,573)</u>
Cash Flows from Investing Activities		
Change in investments	(1)	(3)
Loans issued in year	(68,348)	(201,241)
Reduction in loans payable	-	46,861
	<u>(68,349)</u>	<u>(154,383)</u>
Decrease in cash and cash equivalents during the year	(33,599)	(182,956)
Cash and cash equivalents, beginning of year	466,958	649,914
Cash and cash equivalents, end of year	\$ 433,359	\$ 466,958
Represented by		
Cash and short term investments	\$ 473,563	\$ 507,278
Bank indebtedness	<u>(40,204)</u>	<u>(40,320)</u>
	\$ 433,359	\$ 466,958

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

Dakota Ojibway Community Futures Development Corporation

Summary of Significant Accounting Policies

March 31, 2011

Financial Instruments

The organization's financial instruments consist of cash and short term investments, accounts receivable, loans receivable, investments, bank indebtedness, accounts payable, and amounts due to (from) related parties. 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 these financial instruments approximate their carrying values, unless otherwise noted.

The entity has classified its cash and short term investments as held-for-trading, accounts, and loans receivable as loans and receivables and its bank indebtedness, accounts payable, and due to related parties, as other liabilities, which are measured at amortized cost.

Contributions

The corporation's financial statements are prepared using the restricted fund method of accounting for contributions. The General Fund accounts for the corporation's delivery and administration activities. The Loan Funds account for the Investment activities to promote new business or the expansion of existing business. Loan funds are segregated into repayable and non-repayable funds.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Funds received but not yet expended or funds expended but not yet received are included in the financial statements as incomplete projects.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Investment income earned on the non-repayable portion of the Investment Fund is recognized as revenue in the Investment Fund when earned.

Repayable Investment Funds

Repayable Investment Funds are recognized as liabilities when received.

Loans Receivable

Loans receivable are stated net of an allowance for loan impairment and net of any unearned interest

Interest income is recorded on an accrual basis unless the loan is classified as an impaired loan. Loans receivable are considered to be impaired when, in management's opinion, there is a reasonable doubt as to the ultimate collectability of some portion of the principal or interest. When a loan is classified as impaired, recognition of interest in accordance with the original loan agreement ceases.

Impaired loans are recorded at their estimated realizable amounts.

Dakota Ojibway Community Futures Development Corporation

Summary of Significant Accounting Policies

March 31, 2011

Allowance For Loan Impairment

The allowance for loan impairment is maintained in an amount considered adequate to absorb anticipated credit losses. This account is increased by the provision for impaired loans charged to income in the case of non-repayable investment fund loans or to the liability in the case of repayable investment fund loans, and reduced by write-offs, net of recoveries.

Specific provisions are established on a loan by loan basis to absorb losses on all doubtful accounts that have been identified as a result of the corporation's regular review of its loan portfolio.

Write-offs are recorded after all restructuring or collection activities have taken place and the possibility of further recovery is considered to be remote.

Capital Assets

Capital assets are not reflected on the balance sheet but are expensed against the related funding. Accordingly, no amortization is charged. There were no capital asset purchases in the current year.

Investments

The company records its long-term investments at cost and records no income until a dividend has been declared by the paying company.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Specifically, the net realizable value of loans receivable represents an area where significant estimates have been made.

Dakota Ojibway Community Futures Development Corporation

Notes to Financial Statements

March 31, 2011

1. Entity Definition

Dakota Ojibway Community Futures Development Corporation is an economic development corporation that invests in first nations' entrepreneurs. The company was incorporated with no authorized share capital, to be carried on without gain to its members, with any profits to be used in furthering its undertaking. Upon the liquidation of the corporation, the net assets of the corporation shall be distributed to a corporation of similar undertaking.

2. Loans Receivable

Loans are receivable from various Aboriginal business ventures with various maturity dates not exceeding March 31, 2011. Effective May 1, 1993 the interest rate charged on all loans receivable was reduced to 7%. Subsequent to that date loans were made at rates ranging from 4.5 - 7%.

	Loans Receivable	Allowance for Impairment	Net 2011	Net 2010
Non-repayable loan fund	\$ 185,121	\$ 2,557	\$ 182,564	\$ 177,480
Youth entrepreneur fund	22,740	1,515	21,225	19,835
Disabled entrepreneur	158,573	24,341	134,232	101,960
Investment fund	40,318	-	40,318	10,716
	\$ 406,752	\$ 28,413	\$ 378,339	\$ 309,991

It is not practical to estimate the fair market value of loans receivable at year end.

3. Repayable Investment Funds

Investment funds are repayable to Western Economic Diversification Canada (WD) as follows:

	2011	2010
Youth entrepreneur fund	\$ 103,645	\$ 99,082
Disabled entrepreneur fund	93,234	115,983
Repayable loan fund	70,428	75,000
	\$ 267,307	\$ 290,065

The lesser of the uncommitted cash balance remaining or the original principle balance shall be repaid to WD no sooner than March 31, 2011 at the request of the Minister.

4. Economic Dependence

The company receives a major portion of its revenues pursuant to a funding arrangement with Western Economic Diversification Canada.

Dakota Ojibway Community Futures Development Corporation

Notes to Financial Statements

March 31, 2011

5. Related Party Transactions

Dakota Ojibway Community Futures Development Corporation is related to Dakota Ojibway Tribal Council (DOTC) as their board of directors is appointed by the same group of Chief and Councils that appoint the Council of Chiefs that control DOTC. Administration fees were paid to DOTC in year for payroll services in the amount \$6,598 (2010 - \$7,917).

6. Financial Risk Management

There have been no substantive changes in the entity's exposure to financial instrument risks. The board monitors the financial statements including its financial instruments on a monthly basis to determine if there any increases or changes in its risk.

The principal financial instruments used by the entity, from which financial risk arises, are as follows: cash, receivables and payables, loans receivable, accrued liabilities and long term debt.

Market Risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk.

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The entity is exposed to interest rate risk on its interest bearing investments.

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The entity is not exposed to foreign exchange risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The entity is exposed to other price risk to the extent that it affects the entities who have been loaned money by Dakota Ojibway Community Futures Development Corporation.

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in having available sufficient funds to meet its commitments. It is the entity's policy to ensure that it will have sufficient cash and short term investments to allow it to meet its liabilities when they come due.

Credit Risk

Credit risk arises principally from receivables. The credit risk is significant due to the collectability of the loans outstanding to various businesses.

Dakota Ojibway Community Futures Development Corporation

Notes to Financial Statements

March 31, 2011

7. Capital

The organization considers its capital to be its net assets. The organization's objectives when managing its capital are to safeguard its ability as a going concern so it can continue to provide services to its members. Annual budgets are developed and monitored to ensure the organization's capital is maintained at an appropriate level.



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Auditors' Comments on Supplementary Financial Information

**To the Members of
Dakota Ojibway Community Futures Development Corporation**

The audited financial statements of the organization as at March 31, 2011 and our report thereon dated June 17, 2011 are presented in the preceding section of this annual report. The financial information presented hereinafter, including the Departmental Statements of Operations was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "BDO Canada LLP".

Chartered Accountants

Brandon, Manitoba
June 17, 2011

**Dakota Ojibway Community Futures Development Corporation
Statement of Operations - Operations**

For the year ended March 31	2011		2010
	Budget (Unaudited)	Actual	Actual
Revenue			
NACCA Training	\$ 5,000	\$ -	\$ -
Western Economic Diversification	302,483	302,483	302,483
Recovery - other	-	3,322	4,475
Administration fees	-	34,992	8,582
Application fee	-	325	125
Interest	240	426	171
	307,723	341,548	315,836
Expenditures, per schedule	332,723	335,584	319,522
Surplus (deficit) for year	\$ (25,000)	\$ 5,964	\$ (3,686)

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

**Dakota Ojibway Community Futures Development Corporation
Schedule of Expenditures - Operations**

For the year ended March 31	2011		2010
	Budget (Unaudited)	Actual	Actual
Administration	\$ 7,038	\$ 6,598	\$ 8,958
Advertising / marketing	2,500	1,500	1,274
Application processing	-	176	58
Audit	5,000	5,580	5,400
Benefits	30,581	30,647	30,132
Board - travel/meetings	10,000	11,510	9,139
Community Development Planning	-	1,177	-
Computer maintenance	2,400	4,072	2,425
Dues and subscriptions	4,507	3,738	4,106
Equipment lease	1,560	2,608	1,937
GST	694	-	-
Insurance	2,290	2,037	1,677
Legal	-	107	-
Office supplies	7,000	5,017	7,438
NACCA training	5,000	1,350	-
Photocopy	6,000	3,980	3,991
Postage	400	368	334
Professional development	-	-	800
Rent	17,280	18,630	18,630
Staff meetings	-	-	1,522
Telephone / fax	6,500	5,750	5,116
Travel	15,000	16,761	8,478
Wages	205,473	208,078	205,512
Workshops, seminars, training	3,500	5,900	2,595
	\$ 332,723	\$ 335,584	\$ 319,522

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

Dakota Ojibway Community Futures Development Corporation Statement of Operations - Special Projects

For the year ended March 31	2011		2010
	Budget (Unaudited)	Actual	Actual
Revenue			
Vision Quest flow through	\$ -	\$ 80,000	\$ 99,999
Vision Quest reimbursements	-	15,130	-
C.F.P.M.	-	-	5,000
Uniquely Manitoba - ABSN project	-	-	750
CED Computer Transport	-	-	21,000
Marketing project	-	6,577	-
INAC - EDC	-	9,660	-
INAC flow thru	-	-	26,250
INAC - Junior achievement	-	-	14,961
KTC - community development planning	25,000	25,000	-
NACCA computer	-	-	2,773
NACCA training	-	-	1,878
CIEP	-	20,000	-
	25,000	156,367	172,611
Expenses			
C.F.P.M.	-	-	5,750
Information sessions	-	9,660	-
Junior achievement	-	-	14,961
NACCA training	-	-	1,878
Uniquely Manitoba	-	-	26,250
Vision Quest	-	80,000	99,999
Vision Quest special expense	-	15,130	-
CED special project	-	-	21,000
Marketing project	-	6,577	2,774
CIEP - website	-	20,000	-
Community development planning	-	25,000	-
	-	156,367	172,612
Surplus (deficit) for year	\$ 25,000	\$ -	\$ (1)

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

Dakota Ojibway Community Futures Development Corporation
Statement of Operations - Non-Repayable Loan Fund

For the year ended March 31	2011	2010
Revenue		
Bank and short term investment interest	\$ 892	\$ 1,132
Loan interest - cash	7,204	3,436
Recoveries	5,569	50
	<hr/> 13,665	<hr/> 4,618
Expenses		
Bad debts	(3,323)	479
	<hr/>	<hr/>
Surplus for year	\$ 16,988	\$ 4,139

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

**Dakota Ojibway Community Futures Development Corporation
Statement of Operations - Repayable Investment Fund**

For the year ended March 31	2011	2010
Revenue		
Bank and short-term investment interest	\$ 519	\$ 237
Loan interest - cash	1,648	1,136
Repayable to Western Diversification	<u>4,572</u>	<u>(30,611)</u>
	<u>6,739</u>	<u>(29,238)</u>
Expenses		
Bank interest	<u>-</u>	<u>1,236</u>
Deficit for year	\$ 6,739	\$ (30,474)

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

**Dakota Ojibway Community Futures Development Corporation
Statement of Operations - Youth Entrepreneur Fund**

For the year ended March 31	2011	2010
Revenue		
Bank and short-term investment interest	\$ 718	\$ 285
Loan interest - cash	402	1,052
Recoveries	1,528	-
Repayable to Western Diversification	<u>(4,563)</u>	<u>(1,471)</u>
	<u>(1,915)</u>	<u>(134)</u>
Expenses		
Bad debts	<u>(994)</u>	<u>(1,153)</u>
Surplus (deficit) for year	\$ (921)	\$ 1,019

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

Dakota Ojibway Community Futures Development Corporation
Statement of Operations - Disabled Entrepreneur Fund

For the year ended March 31	2011	2010
Revenue		
Bank and short term investment interest	\$ 592	\$ 947
Loan Interest - accrued	7,284	585
Recoveries	759	208
Repayable to Western Diversification	<u>22,749</u>	<u>84,017</u>
	<u>31,384</u>	<u>85,757</u>
Expenses		
Bad debts	<u>(889)</u>	<u>(11,427)</u>
Surplus (deficit) for year	\$ 32,273	\$ 97,184

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

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Dakota Ojibway Community Futures Development Corporation and all the information in this annual report are the responsibility of management and have been approved by the Chairman on behalf of the Board of Directors.

The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles. Financial statements are not precise since they 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 statements are 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 statements.

The Board of Directors reviews and approves the Corporation's financial statements. The Board of Directors meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Board of Directors also considers the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Board of Directors.

Chairman _____