



Progress through Partnership

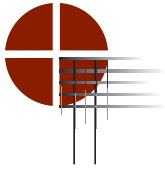
Advancing Aboriginal Financial Management



·ΔΡΒΚ·Δ^ωCD·Δ^ρ Te tsa te'ronhon α^λΓσ^ρβ^ρβ^ρβ^ρ ·ΔΡΟ·Δ^ω

·ΔΡΒΚ·Δ^ωCD·Δ^ρ Te tsa te'ronhon α^λΓσ^ρβ^ρβ^ρβ^ρ ·ΔΡΟ·Δ^ω

ANNUAL REPORT 2001



A F O A
ANNUAL REPORT 2001

Progress through Partnership
Advancing Aboriginal Financial Management

A Message from the Chair



What an exciting year it has been for AFOA. As the Chair of the Board I have had the opportunity to see first hand how quickly the association is progressing from a small organization on the fringe of Aboriginal society to an influential voice on the future of our people and our communities. I am very proud to be a part of it.

The theme for this year's Annual Report is Progress through Partnership. Partnerships are critical to any association – we just don't have the resources to do it all! – but it seems especially true for AFOA. For a young association that is attempting to do so much, with members spread out across the country, partnerships are the foundation for success. From its infancy, AFOA has relied on its partners to help it get on its feet and to walk. AFOA now walks on its own, but its friendships continue to sustain it and nurture it and to lend a hand as it matures. Partnerships have put us on the fast track to success.

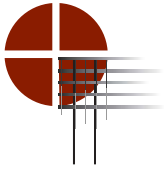
What I enjoy the most about AFOA is its power to bring people together. We are looking forward to another great gathering in Saskatoon in the fall of 2002, where we can discuss the urgent needs of Aboriginal financial managers and share our considerable successes. The Annual Conference in November will be an opportunity for you to participate fully in the future of our people. AFOA is really an opportunity to move forward, to advance, to progress along a path that leads to Aboriginal self-determination. Along the path, we will witness more autonomous, more accountable, and healthier communities from one corner of the country to the other.

Much has been written about the beneficial effects of economic health on the physical and spiritual health of communities and the people who live in them. I am thrilled when I think of the benefits of Aboriginal financial leaders from coast to coast adopting the standards and procedures established by AFOA, and becoming certified professionals in the field of Aboriginal financial management. The ramifications of countrywide certification would be astounding. I dream of the day when Certified Aboriginal Financial Managers (CAFMs) are the norm in Aboriginal and First Nations communities.

If you aren't a CAFM yet, I urge you to investigate the steps you need to take to become certified. If you are a CAFM, I applaud your commitment to lifelong learning and to the well being of your community. Please take a few minutes to read the rest of this Annual Report – it is the summary of a great year in the life of an emerging star on the Aboriginal landscape – a star that could not rise without the help of some key partners.

Sincerely,

Donna Morin, CMA, CAFM
Chair
Aboriginal Financial Officers Association of Canada



AFOA
ANNUAL REPORT 2001

Progress through Partnership
Advancing Aboriginal Financial Management

A Message from the President



"Make new friends and keep the old. One is silver and the other gold." So goes an old kid's song that offers sound advice for anyone in the world of not-for-profit. Friends – new and old – are what keep us going. AFOA Canada, a young association for Aboriginal financial managers and those involved in Aboriginal business, has been forging new friendships all across the country and reinvigorating old partnerships in our efforts to support and promote effective Aboriginal financial management.

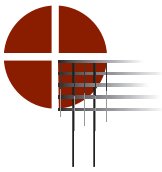
AFOA members come from every corner of this vast country, from communities as far flung as Skidegate on Haida Gwaii in the West to St. John's in the East. We are an association of communities that is trying to unite them all. We all have the same overarching goal: we want to succeed as communities, as a people, and as a nation. Together we can achieve more than as small, individual, remote communities. AFOA Canada is resolute in its mission to reach out to Canada's Aboriginal and First Nation communities, businesses, and organizations to increase their financial management capacity through professional development and certification, and developing and promoting quality standards and practices.

This Annual Report – fiscal year 2001-2002 – is a witness to the strength of collaboration and partnership in the creation of this association. Our strong commitment to financial excellence is enhanced by our on-going relationship with CGA-Canada. Our technology initiatives – those meant to allow Aboriginal Financial Managers anywhere access to financial management information – is moving ahead with the help of Global Development Group and Health Canada's First Nation and Inuit Health Branch (FNIHB). We are partners with most of Canada's leading Aboriginal organizations like the AFN, the Congress of Aboriginal Peoples (CAP), the Native Women's Association of Canada, and the Inuit Tapiriit Kanatami (ITK). It is only through these friendships and partnerships that AFOA can truly succeed as a national association.

The AFOA is increasingly recognized as an expert in the field of financial management. We must continue to do more. As our star rises, our ability to help our members, and by extension, all Aboriginals, will grow. It is only through continued cooperation and collaboration – friendship and partnership – that AFOA will advance Aboriginal Financial Management. Progress through Partnership.

All the best,

Daniel R. Ryan, CAFM, CMC, IRC
President
AFOA Canada



AFOA
ANNUAL REPORT 2001



Progress through Partnership
Advancing Aboriginal Financial Management

The Aboriginal Financial Officers Association of Canada

AFOA CANADA PROMOTES AND SUPPORTS EFFECTIVE FINANCIAL MANAGEMENT, ACCOUNTABILITY, AND GOVERNANCE IN ABORIGINAL ORGANIZATIONS. IT IS A NATIONAL PROFESSIONAL ASSOCIATION THAT SERVES THE NEEDS OF FINANCIAL MANAGERS IN ABORIGINAL ORGANIZATIONS THROUGH TRAINING, CERTIFICATION, AND PROFESSIONAL DEVELOPMENT OPPORTUNITIES.

AFOA's Mission

To provide leadership in Aboriginal financial management by developing and promoting quality standards, practices, research, certification, and professional development to expand capacity for members, First Nations and Aboriginal organizations.

AFOA Today

As the movement toward self-governance gains momentum, the need for leadership in Aboriginal financial management has never been greater. Our association is the leader in developing Aboriginal financial management capacity. Everything we do is designed to meet the needs of Aboriginal and First Nations communities.

We are a young, vibrant professional association with a rapidly growing membership base (a 56% increase in FY 2001-2002!) and burgeoning influence in the sphere of Aboriginal financial management. At the end of the reporting period, 426 people had joined our association, 174 of them as Certified Aboriginal Financial Managers. As the only organization in the world that offers this designation, we are the authority in developing Aboriginal financial management capacity.

We enjoy broad support from the Federal Government for our goals and objectives. The Federal Government provides ninety-one percent of our operational funding (see pie chart). It is also the principal funding contributor to important AFOA research and development projects like the First Nation and Inuit Health Information System (FINIHIS) Internship Initiative and the Knowledge Sharing Infrastructure (KSI) project. We have the support and encouragement from our sister national Aboriginal organizations. And, we have the support of the Certified General Accountants Association

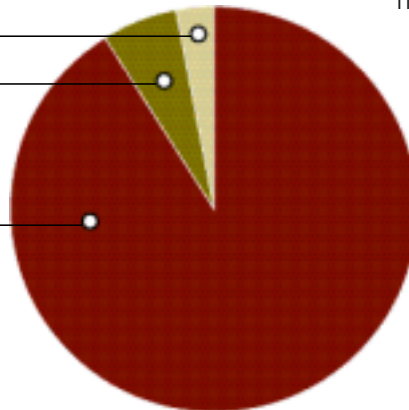
(CGA) of Canada who continues to be significantly involved in the development of our educational programs. There has never been a more promising future for AFOA. We look forward in the next year to building on the support we have received from the Federal Government, other Aboriginal organizations, and CGA-Canada, and we look forward to attracting similar levels of support from Canada's private sector.

AFOA FUNDING

3% FUNDING FROM OTHER CATEGORIES OF REVENUE

6% FUNDING FROM MEMBERSHIP

91% FUNDING FROM FEDERAL GOVERNMENT





The Aboriginal Financial Officers Association of Canada

AFOA's Origins

In 1998 the Government of Canada responded to the Royal Commission on Aboriginal Peoples with a long-term, broad-based approach designed to increase the quality of life of Aboriginal people and to promote self-sufficiency. The Federal Government identified capacity development, especially in the areas of financial management and accountability, as a critical element and precondition to self-government. In support of this initiative the Assembly of First Nations (AFN) and the Certified General Accountants Association of Canada (CGA-Canada) launched a partnership aimed at raising the financial management skills and standards of First Nations and building the foundation for self-government by First Nations. AFOA is the legacy of this initiative.

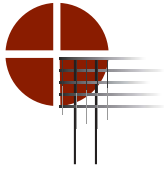
Why AFOA is important

We provide professional development programs, establish standards of professional competency, and standards of ethical conduct for Aboriginal financial managers. We also manage the Aboriginal Financial Management Program – a professional education program designed to build financial management capacity within Aboriginal communities. By following the program and meeting all requirements, a member can become a Certified Aboriginal Financial Manager (CAFM) – the only professional designation of its kind in the world. In addition to these formal roles, we provide members with a community within which they can learn, exchange ideas, and grow. Aboriginal organizations are assuming more and more responsibility for their own finances and as they pursue new opportunities, these organizations need the knowledge and professionalism that AFOA training and certification provides.

The AFOA logo was designed by Toronto-based Manitoba Cree artist David Beyer

The logo is intended to represent the Indian Medicine Wheel and the circular Aboriginal worldview. In the lower right quadrant of the design, this worldview is adapted to the linear and ordered perspective of accounting and financial management – recognizing that these concepts must be appropriate and acceptable to the needs of the Aboriginal communities and their financial officers.





AFOA's Services and Products

AFM COURSES

1. FINANCIAL ACCOUNTING
2. COMMUNICATION
3. LAW
4. STRATEGY AND DECISIONS
5. COMPUTER APPLICATIONS
6. ABORIGINAL HISTORY & DEVELOPMENTS
7. MANAGEMENT INFORMATION SYSTEMS
8. ECONOMICS
9. FINANCIAL ACCOUNTING 2
10. FINANCIAL ACCOUNTING 3
11. QUANTITATIVE METHODS
12. MANAGEMENT ACCOUNTING
13. FINANCE
14. ABORIGINAL, HUMAN & FISCAL ISSUES

A CAFM DESIGNATION:

- OFFERS GREATER CAREER OPPORTUNITIES
- IS A PREFERRED HIRING CREDENTIAL
- ENSURES YOU ARE UP-TO-DATE
- SHOWS YOUR COMMITMENT TO LIFELONG LEARNING
- IS A MARK OF PROFESSIONALISM
- PROVIDES A COMPETITIVE EDGE

SERVICES TO MEMBERS

- Monthly electronic newsletter
- Annual conference and trade show
- Professional development programs and workshops
- Career support and networking opportunities
- Preferred learning opportunities with strategic partners
- Standards of ethical conduct
- Professional competency standards
- Access to on-line courses through www.afoa.ca
- Membership in the AFOA Affinity Program

PRODUCTS

Aboriginal Financial Management Program

We manage the Aboriginal Financial Management Program. The curriculum of 14 courses is delivered through strategic educational partners across the country. Three of the courses are accessible on-line at www.afoa.ca. Our professional competency standards for Aboriginal financial managers serve as the basis for the curriculum used in granting credits towards the *Aboriginal Financial Management Program Certificate and Diploma*, and *Certified Aboriginal Financial Manager (CAFM)* professional designation. In establishing the designation criteria, we focused on competencies that are essential for a professional active in Aboriginal financial management. The educational training progresses as follows:

1. **AFM Certificate:** requires the completion of 6 financial courses and is the first of three steps towards the CAFM designation
2. **AFM Diploma:** requires the completion of 8 additional courses following the Certificate; and is the second step to CAFM designation
3. **Certified Aboriginal Financial Manager (CAFM):** awarded following completion of the Diploma, a 24 month work experience, and successful completion of a written exam.

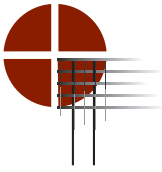
Professional Certification

The Certified Aboriginal Financial Manager (CAFM) designation is proof of knowledge and competence in Aboriginal financial management. The CAFM designation is a valuable hiring standard for First Nations and a measure of capacity for funding agencies and financial institutions across the country. The CAFM designation:

- is one of the preferred credentials for Aboriginal financial management
- offers a wide range of career opportunities and challenges
- is a mark of professionalism
- Ensures you are up to date on the latest Aboriginal financial management practices
- Provides a competitive edge
- Identifies you as a highly qualified professional
- Demonstrates your commitment to lifelong learning

First Nations Fiscal Planning Calendar

We are pleased to continue to maintain and promote the First Nations Fiscal Planning Calendar – developed by the Metepenagiag First Nation. The Fiscal Planning Calendar can be used by any First Nations to take control of program budgets as operations become more complex.



AFOA
ANNUAL REPORT 2001



Progress through Partnership
Advancing Aboriginal Financial Management

AFOA's Services and Products

The calendar provides an integrated set of materials to prompt and facilitate community-based programs and financial reporting. The calendar software and materials have been distributed to every First Nation in the country, and training sessions have been held by several Chapters across Canada. For more detailed information on the First Nations Fiscal Planning Calendar visit www.fnfp.ca or visit www.afoa.ca and follow the links.

Financial Management Workshops

On a regular basis, AFOA, in partnership with provincial and territorial chapters, hosts professional development workshops on topics critical to members' success. Topics of workshops include issues crucial to the success of program managers, Band managers and leaders, financial managers, administrators, and others.

Highlights of 2001-2002

"IMAGINE THE POWERHOUSE WE CAN BE IF WE HARNESS THE TALENTS, SKILLS, AND ENERGY OF OUR 1.5 MILLION PEOPLE. AND IMAGINE THE EFFECT THAT WOULD HAVE ON THE REST OF THE COUNTRY WE LIVE IN."

DANIEL RYAN, IN A SPEECH TO THE NATIVE INVESTMENT TRADE ASSOCIATION, ON APRIL 19, 2001.

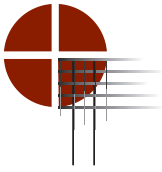
We are thrilled with our successes on a number of fronts during this fiscal year. The association is moving forward with increasing membership and certification, enhancements to our educational programs and membership services, a new marketing and communications plan, strengthened relations with old partners, and new partnerships with a broad range of stakeholder organizations.

Professional Certification

- As of March 2002, 174 members were Certified Aboriginal Financial Managers. During the past fiscal year, 74 individuals were accredited through the Special Arrangement Provision which recognizes prior learning and experience.
- The Special Arrangement Provision was adopted as a permanent certification policy of the CAFM designation. Initially set to expire January 1st, 2001, and then extended to December 31st, 2001, the prior learning accreditation was approved by the AFOA Board of Directors.
- Identified as a requirement for certification under regular conditions and Arrangement #3 of the Special Arrangements Provision, the CAFM Professional Examination was developed by AFOA and piloted in the fall of 2001. We are developing and enhancing the CAFM Professional Examination to accurately measure the knowledge and skill capacity of CAFM applicants.
- CGA-Canada continues to be a guiding influence in the development and maintenance of standards and policies relating to the CAFM designation.

Professional Services

- Our second Annual Conference held in Vancouver in February 2001, was a great success. Over 400 senior Aboriginal professionals from across the country filled the meeting rooms at the Hyatt Regency Hotel in Vancouver to hear more than 40 guest speakers. Among the speakers were Grand Chief Matthew Coon Come, Gordon Shanks, Deputy



AFOA
ANNUAL REPORT 2001



Progress through Partnership
Advancing Aboriginal Financial Management

"AT YEAR END, AFOA CANADA HAD 426 MEMBERS. THAT'S AN INCREASE OF 56% OVER LAST YEAR!"

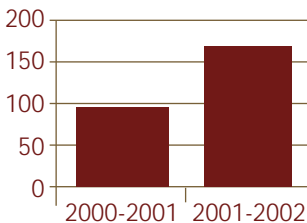
DANIEL RYAN,
PRESIDENT OF AFOA

Minister, Indian and Northern Affairs Canada, Clarence Joseph Louie, Chief of the Osoyoos First Nation, Keith MacDonald, National Manager, Aboriginal Banking, Royal Bank of Canada, Larry Baird Sr., Chief of the Ucluelet First Nation, and Jeff Lamb, President of the Native American Finance Officers Association. The conference was the perfect opportunity for networking and exchanging ideas and best practices. Attendees went home energized and reinvigorated, motivated by successes of colleagues from coast to coast.

- The Knowledge Sharing Infrastructure (KSI) project was launched in early 2001 in partnership with Global Development Group (a subsidiary of CARE Canada). Its objective is to provide a comprehensive on-line, interactive, customized learning environment for Aboriginal financial and executive management, and governing bodies. This is being accomplished through the development of a knowledge-sharing "portal" (electronic gateway) which will be available through AFOA's Web site. We have completed the planning and design of the portal, which is nearing the final stages of development. Products will include on-line discussion groups and conferences, professional development tools, and a career and resource centre. The KSI portal will reduce barriers between the Aboriginal community and information, and increase their access to the wide range of knowledge and resources targeted to Aboriginal financial and executive management.
- Originally launched in the fall of 2000, AFOA's on-line courses continue to attract more students. Online registration and payment processes are maintained through our secure server at www.foa.ca. Three on-line courses are available to students in the Aboriginal Financial Management Programs:
 - AFM 4 – Strategy & Decisions;
 - AFM 6 – Aboriginal History & Developments;
 - AFM 14 – Aboriginal Human & Fiscal Issues.

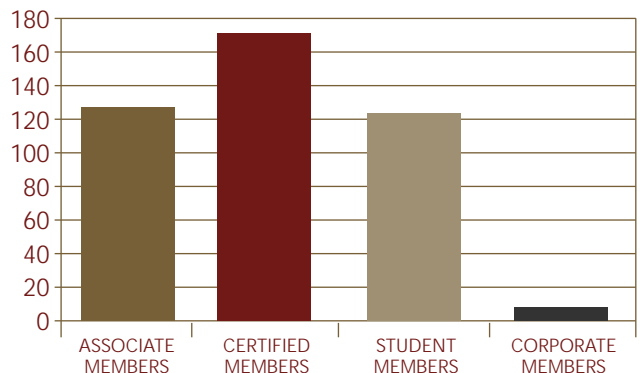
These courses are currently being evaluated and enhanced to ensure that all materials reflect the most recent tools and information relating to Aboriginal financial management. This process also includes an update of the pedagogical format and incorporation of feedback received from students and instructors since the launch of the courses.

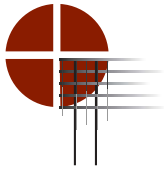
GROWTH OF THE CAFM



- The AFOA Affinity Program was introduced and membership cards distributed to all members in good standing. The program offers members the opportunity to earn points when purchasing products or services from hundreds of partners across the country and on-line.

MEMBERSHIP STATISTICS (as at march 31st, 2002)





AFOA
ANNUAL REPORT 2001



Progress through Partnership
Advancing Aboriginal Financial Management

Partnerships



**Indian and Northern
Affairs Canada**



**Health Canada
Santé Canada**



**Certified General
Accountants
Comptables généraux
accrédités**



**Native American
Finance Officers
Association**



In many ways partnership building is the cornerstone of our success. Since our inception, we have sought and forged strong partnerships with Aboriginal and non-Aboriginal organizations. Foremost among our partners is the Federal Government. We are also proud to be cooperating, collaborating, and sharing with:

- Aboriginal Healing Foundation
- Assembly of First Nations
- CGA-Canada (Certified General Accountants of Canada)
- Central Mortgage Associates Inc.
- Congress of Aboriginal Peoples (CAP)
- Council for the Advancement of Native Development Officers (CANDO)
- Export Development Canada (EDC)
- Global Development Group (GDG)
- Health Canada
- Indian and Northern Affairs Canada
- Inuit Tapiriit Kanatami (ITK)
- National Aboriginal Health Organization (NAHO)
- National Association of Friendship Centres (NAFC)
- Native Women's Association of Canada (NWAC)
- Native American Finance Officers Association (NAFOA)
- Statistics Canada

AFOA-NAFOA Partnership

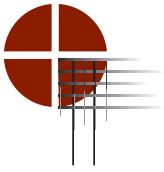
We are pleased to report that we have formed an important partnership with the Native American Finance Officers Association (NAFOA). NAFOA is the American counterpart to AFOA. In May 2001, AFOA's President, Daniel Ryan, was invited to speak at the NAFOA Conference in Las Vegas, Nevada, about the strengths and benefits of an AFOA-NAFOA partnership, and of the CAFM designation – a product unique to AFOA Canada. A framework for cooperation was developed at that conference and, in the spring of 2002, AFOA and the NAFOA signed a Letter of Intent signalling the beginning of a valuable relationship that will benefit Aboriginals on both sides of the border. Speaking at the NAFOA 2002 Conference in Mystic Lake, Minnesota, Daniel Ryan noted:

"By signing this letter, our two organizations are making a pledge to:

- cooperate in sharing information related to the development and implementation of services, conferences, training programs, and certification;
- promote the use of certification, accounting and reporting standards, as well as financial management best practices for Native American, First Nations, and Aboriginal organizations; and
- promote accountancy and financial management as a career opportunity for individuals working in or aspiring to positions within Native American, First Nations, and Aboriginal organizations.

"OUR OVERALL OBJECTIVE IS TO FORGE NEW RELATIONSHIPS – BOTH AT HOME IN CANADA AND ELSEWHERE – THAT WILL LEAD TO GREATER ACCOUNTABILITY AND EVENTUALLY FULL SELF-SUFFICIENCY FOR OUR PEOPLE."

DANIEL RYAN, IN A SPEECH TO THE NATIVE AMERICAN FINANCE OFFICERS ASSOCIATION, ON MAY 2, 2001



AFOA
ANNUAL REPORT 2001



Progress through Partnership
Advancing Aboriginal Financial Management

www.atclick.ca

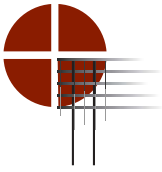
THE FNIHIS INTERNSHIP PROGRAM PROVIDES WORK EXPERIENCE AND CAREER TRAINING LEADING TO REWARDING INFORMATION TECHNOLOGY CAREER OPPORTUNITIES FOR ABORIGINALS AND FIRST NATIONS PEOPLES.

AFOA-Health Canada Partnership

We are particularly proud to report on a significant new partnership forged with Health Canada through its First Nation and Inuit Health Branch (FNIHB). FNIHB provides health services to First Nations peoples living on reserves, in communities in the territories, and to Inuit people through community based nursing stations, health centres and other health facilities in isolated and remote areas. FNIHB has developed a Health Information System (called the First Nation and Inuit Health Information System (FNIHIS)) as the central platform for the management of health issues and information within FNIHB. AFOA is assisting Health Canada in the System's transition to an Aboriginal managed environment. The long term success of FNIHIS is dependent on an increasing supply of Aboriginal citizens with the capacity to take on responsibilities within the IT sector. AFOA is helping Health Canada meet that objective through the newly created "atclick.ca" initiative which helps recruit, mentor and train aspiring Aboriginal professionals in information technology and information management through a unique Internship Program. The Internship Program was developed by the First Nations and Inuit Health Branch (FNIHB) of Health Canada and AFOA. For more information on the groundbreaking FNIHIS Internship initiative visit www.atclick.ca.

Communications & Marketing

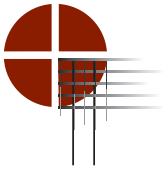
- We have developed a marketing and communications plan to increase our level of public awareness and support. The plan focuses on brand promotion, a Web marketing strategy, trade show and conference participation and sponsorship, development of corporate promotional material, and a pro-active media relations campaign.
- We launched a newly designed Web site to help meet the needs of our members. The new site has a cleaner, more contemporary design, and an easier-to-use, more engaging format that appeals to members and stakeholders alike. The new site has improved and expanded content, a clear navigation system, a sample CAFM examination, and an on-line course demonstration. Visit our Web site: www.afoa.ca.
- In May 2001, we began distributing an information based E-newsletter to members on a monthly basis, reaching out to share timely and important developments of interest to them.
- We published the inaugural edition of the AFOA Annual Directory. The AFOA Directory, designed as a reference tool for Aboriginal Financial Managers, includes a list of all Aboriginal Financial Managers (members and non-members) – with prominence given to CAFMs – from coast to coast.
- We were a key presenter at the Native Investment Trade Association's First Annual Conference held in Vancouver, on April 19, 2001. Dan Ryan spoke to the attendees of success in the context of Aboriginal business potential.
- During the past fiscal year, AFOA senior staff made promotional visits to BC, Saskatchewan, Ontario, Quebec, and Atlantic Canada.



Governance and Administration

Good governance practices and effective administration are crucial to our long-term success. Here are a few of the past year's developments.

- The AFOA took steps to develop a strategy vis-à-vis the proposed First Nations Governance Legislative initiative. The issues that the legislation could potentially address are close to the heart of AFOA's mission and mandate, and have significant implications for its members and stakeholders. The new legislation would build on the idea of "effective governance" and include issues like: 1) Legal standing and capacity; 2) Leadership selection and voting rights and; 3) Accountability to First Nation members. Accordingly, AFOA's Board of Directors held a two day workshop with a representative from the Ministry of Indian Affairs and Northern Development to develop a capacity building strategy within the context of the proposed legislation. The Board of Directors adopted a strategy whereby the AFOA will consult with its members, chapters, leadership, and other key stakeholders on initiatives, needs, potential partners, tools and resources for building Aboriginal financial accountability and capacity, and develop an action plan accordingly.
- The AFOA Board of Directors has established a National Education Committee. The committee will guide the developments and the delivery of the education program and examination system in response to the evolving profession of Aboriginal Financial Management. Constant updating of the program will ensure that only competent and proficient individuals enter the profession of Aboriginal Financial Management through the CAFM accreditation process.
- In 2001, we began a review of our current by-laws and governance structure. As a result, Executive Committee positions were amended to: Chair, Vice-Chair, and Secretary Treasurer and the Executive Director's position was renamed President. In compliance with the association's by-laws, the current AFOA Board of Directors consists of 12 members, including one non-member director.
- At our national office, we maintain a team of fulltime, qualified, and seasoned professionals to support our membership services and activities. The AFOA National Office full-time staff positions for 2001-2002 included: President & COO, Director Professional Services, Executive Assistant, Professional Services Coordinator, Membership Coordinator, and Office Assistant.
- In August 2001, we internalized our accounting operations and recruited a CGA with professional experience in Aboriginal financial management to administer the accounting functions on a part-time basis.
- To better track membership, we introduced a new information management database designed specifically for associations. It provides a reliable centre for collection and analysis of membership data, and student and prospect information, while facilitating compliance with federal privacy laws.
- A Strategic Management Plan was developed to guide our association over the next three years. This Plan provides direction for the evolution and growth of our young and dynamic association. The activities identified are destined to expand financial management



AFOA
ANNUAL REPORT 2001



Progress through Partnership Advancing Aboriginal Financial Management

capacity for Aboriginal organizations, while building a viable association which will ultimately be financially supported by membership, private sector, and complimentary non-dues revenue streams.

- To ensure the continued efficiency of our operations, the Board of Directors endorsed the implementation of corporate policies relating to hiring practices, requests for proposal, remedial conflict guidelines, accounts payable, reporting and signing authority, and executive limitations.

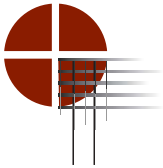
AFOA's Future

" AFOA'S PROMISE IS TO BE A SOURCE OF SUPPORT AND ENCOURAGEMENT TO ITS MEMBERS AND, THEREFORE, TO ALL ABORIGINALS ACROSS THE COUNTRY. "

DANIEL RYAN, AFOA PRESIDENT & COO

Our future has never been brighter as we forge ahead toward greater economic prosperity and self-government within the Aboriginal and First Nations communities throughout our country. 2002-2003 will be a year of exciting opportunities and challenges. AFOA's promise is to be a source of support and encouragement. We will further enhance our governance structure to ensure strong leadership. We will enhance and streamline our certification and accreditation processes. We will expand our membership base and offer more member services and benefits. We will continue to provide value-added professional and capacity development opportunities. We will nurture our relationship with our provincial chapters. We will build on our relationship with the Federal Government, CGA-Canada, and our other partners, and build new partnerships and opportunities with other public sector and private sector organizations.

As the national organization which represents and promotes the interests of Aboriginal financial executive management, we have an important responsibility to educate our members on significant initiatives and developments which affect or have the potential to affect Aboriginal peoples. The proposed First Nations Fiscal Institutions Initiative is just such a venture. It will establish through legislation four public institutions designed to provide First Nations with the tools needed for modern fiscal management. It is the result of the cooperation of several leading First Nations organizations and federal government departments. We look forward to helping build the capacity of our membership and indeed all Aboriginal financial management executives and governing bodies to meet the challenges that lie ahead and to take advantage of the opportunities the next year will offer.



AFOA
ANNUAL REPORT 2001

Progress through Partnership
Advancing Aboriginal Financial Management

**JOHNSON CROSS
NEPHIN & WINTER**
CHARTERED ACCOUNTANTS

Auditors' Report

AUDITORS' REPORT

To: The Directors of Aboriginal Financial Officers Association of Canada

We have audited the statement of financial position of Aboriginal Financial Officers Association of Canada as at March 31, 2002, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

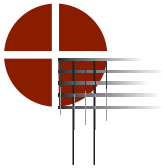
We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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 Association as at March 31, 2002 and revenue and expenditures and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Johnson Cross Nephin & Winter

Chartered Accountants

Smith's Falls, Ontario
May 27, 2002



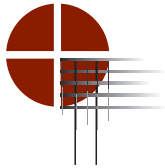
**JOHNSON CROSS
NEPHIN & WINTER**
CHARTERED ACCOUNTANTS

Auditors' Report

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF CANADA
(Incorporated under the laws of Canada)
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

ASSETS	2002	2001
CURRENT		
Cash	\$ 284,946	\$ 132,512
Accounts receivable - Ministry (note 4)	182,958	187,567
- other	39,873	50,150
Prepaid expenses - conference 2002	34,587	-
- other	<u>19,972</u>	<u>7,040</u>
	562,336	377,269
CAPITAL (note 3)	<u>145,358</u>	<u>67,153</u>
	\$ 707,694	\$ 444,422
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 281,433	\$ 157,295
Deferred membership revenue	26,879	31,973
Deferred Ministry contributions (note 4)	<u>40,426</u>	<u>-</u>
	348,738	189,268
NET ASSETS	<u>358,956</u>	<u>255,154</u>
	\$ 707,694	\$ 444,422

The accompanying notes are an integral part of these financial statements.



AFOA
ANNUAL REPORT 2001

Progress through Partnership
Advancing Aboriginal Financial Management

**JOHNSON CROSS
NEPHIN & WINTER**
CHARTERED ACCOUNTANTS

Auditors' Report

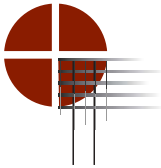
**ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF CANADA
STATEMENT OF REVENUES AND FINANCIAL RESULTS
FOR THE YEAR ENDED MARCH 31, 2002**

	2002	2001
REVENUE		
Charter fees and fee	\$ 5,519	\$ 41,077
Memberships and program	11,091	7,884
Conference/workshops/courses	7,413	223,631
Other	66,521	7,506
	<u>90,544</u>	<u>179,108</u>
EXPENSES		
Governance		
Board of directors/audit	70,838	77,716
Operations & Management		
Salaries and professional development	193,438	197,771
Tax	1,488	1,967
Telecommunications	34,518	22,738
Printing and postage	7,012	24,727
Office services and equipment leasing	7,394	11,566
Office accommodation/rental fees	12,574	1,511
Travel	7,178	14,361
Professional fees/consulting	4,763	17,676
Amortization/rental fee	16,516	23,121
Bank charges/insurance and other	8,833	1,263
	<u>638,771</u>	<u>675,827</u>
Capacity Development		
Website	1,182	767
5th annual conference/workshops	676	1,978
Chapter development	6,686	14,337
AMFO program development		50,771
AMFO certification	11,676	1,761
Office relocation/communications	18,166	11,627
AMFO news		11,725
Partnership		11,567
Other expenses	7,413	1,364
Special projects	8,716	24,056
	<u>121,568</u>	<u>167,987</u>
Excess of revenue over expenses (with deficit)	26,773	103,281
EXPENSES		
Excess of revenue over expenses (with deficit)	11,507	17,138
Net assets beginning of year	114,771	118,606
Net assets end of year	\$ 126,278	\$ 235,744

**ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF CANADA
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002**

	2002	2001
OPERATING ASSETS		
Cash on hand	\$ 2,000	\$ 1,000
Investment securities	82,000	81,000
Prepaid expenses	4,575	12,124
Accounts receivable	79,218	67,111
Netting amount to working capital balance sheet statement		
Accounts receivable	6,777	19,184
Due from Minto	1,000	187,507
Prepaid expenses	1,100	2,000
Accounts payable and accrued liabilities	12,274	1,000
Due to Minto		152,808
Deferred interest expense	11,684	1,000
Deferred financial statement	26,126	
	<u>156,477</u>	<u>1,380,000</u>
Liabilities	<u>177,100</u>	<u>1,380,000</u>
ASSETS		
Fixed assets	121,710	88,000
Net assets	84,567	1,319,000
EQUITY	<u>206,277</u>	<u>1,407,000</u>
LIABILITIES	<u>177,100</u>	<u>1,380,000</u>

Report prepared by the auditors pursuant to the provisions of the Auditors' Act



Auditors' Report

**ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002**

1. Purpose of the organization

The association (AFOA - Canada) is committed to excellence in expanding financial management capacity for aboriginal organizations in Canada, and is providing leadership by developing and promoting quality standards, practices, research, certification and professional development. The association was incorporated without share capital on June 30, 1999 by letters patent under the Canada Corporations Act.

Management Responsibility

The financial statements are the responsibility of management and are prepared in accordance with accounting policies discussed below. Since precise determination of many assets and liabilities is dependent upon future events, the presentation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

2. Significant Accounting Policies

(a) Revenue Recognition

The accounting for contributions is based on the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(b) Accrual Accounting

Expenses are to be recorded on the accrual basis by recording expenses at the time they are incurred. This is done without regard to the receipt of payment of cash or its equivalent.

(c) Ministry Funding

For each service/activity identified as a contribution, an amount may be repaid to the Ministry for an overpayment, unexpended balance or disallowed expense. For each service/activity identified as a flexible transfer payment, unexpended balances may be retained provided that the program terms and conditions have been fulfilled.

(d) Income Taxes

The association is exempt from income taxes under section 149 of the income tax act.

(e) Contributed Services

Volunteer services and certain corporate contributions in kind contributed on behalf of the association are not recognized in these financial statements due to the difficulty in determining their value.

3. Capital Assets

Amortization is calculated on the declining balance basis, except for leasehold improvements which are on a straight line basis over the sublease term.

	Rate	Cost	Accumulated Amortization	2002	Net 2001
Computer hardware, software and licences	25%	171,948	55,402	116,546	38,180
Office equipment	20%	38,295	12,585	25,710	24,631
Leasehold improvements	4 years	4,962	1,860	3,102	4,342
		<u>215,205</u>	<u>69,847</u>	<u>145,358</u>	<u>67,153</u>

4. Grants

Department of Indian Affairs and Northern Development
(DIAND)

Contribution \$ 650,000
Flexible transfer payment - first amendment 84,000
- second amendment 300,000
- third amendment 146,000

\$ 1,180,000

Health Canada:

435,884

1,615,884

Less: deferred contributions re 2002-2003

(40,426)

Total Grants

\$ 1,575,458

Due from Ministry is comprised of:

DIAND \$ 94,600

Health Canada 84,331

178,931

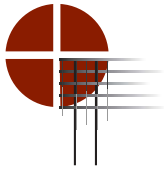
Add: adjustment re: prior years - DIAND

4,027

\$ 182,958

5. Contractual Obligations

Pursuant to a sublease for office space, the organization is required to pay a minimum annual sublease amount of \$40,018 to June 30, 2004. In addition an office equipment lease requires 20 quarterly payments of \$1,800 plus taxes effective October 2001.



AFOA
ANNUAL REPORT 2001

Progress through Partnership
Advancing Aboriginal Financial Management

Board of Directors

Executive Chair:

Donna Morin, CMA, CAFM

Vice Chair:

Jean Vincent, CA, CGA, CAFM

Secretary-Treasurer:

Tammy Drew, CGA, CAFM

Board

Chris Bolton
David Shawanda
Donna Morin, CMA, CAFM
Jean Vincent, CA, CGA, CAFM
Margaret Bushie, CAFM
Marilyn Osecap, CAFM
Norman Taylor, CAFM
Patricia Jocko, CAFM
Richard Sack, CAFM
Ricky Fontaine, CAFM
Shirley Reilly, FCGA
Tammy Drew, CGA, CAFM

National Staff

President & COO:

Daniel R. Ryan, CAFM

Director, Professional Services:

Christina Nichols

Executive Assistant:

Shelley Murdock

Professional Services Coordinator:

Shannon Lilly

Accountant:

Martin Meilleur, CGA

FNIHIS Project Manager:

Suzanne Lacelle

Membership Coordinator:

Michele Rogerson

Office Assistant:

Angela Krose

AFOA Chapters

AFOA BC

Suite 060-1959 Marine Drive
North Vancouver, BC
V7P 3G1
Phone: 604-988-5564
Fax: 604-988-2625
exec@afobc.org

AFOA Saskatchewan

Sask Indian Equity Foundation
224B 4th Avenue South
Saskatoon, SK
S7K 5M5
Phone: 306-955-4550
Fax: 306-373-4969
afosa@sk.sympatico.ca

Aafa Québec

Native Commercial Credit Corporation
265 Place Michel Laveau
Room 201
Wendake, PQ
G0A 4V0
Phone: 418-842-0972
Fax: 418-842-8925
jeanvincent@soccca.qc.ca

AFOA Newfoundland

Miawpukek First Nation
P. O. Box 10
Conne River, NF
A0H 1J0
Phone: 709-882-2148
Fax: 709-882-2292
Fax: 709-882-2458
tdrew@cancom.net

First Nations Financial Officers Network of Alberta

Suite 101,
11748 Kingsway Ave.,
Edmonton, AB
T5G 0X5
Phone: 780-453-6114
Fax: 780-453-6150
fnrc@telusplanet.net

AFOA Manitoba

P.O.Box 2359
Wanipigow, MB
R0E 2E0
Phone: 204-363-7301
Fax: 204-363-7534
mbushie@granite.mb.ca

AFOA Atlantic

Indian Brook
522 Church St.
Hants County, NS
B0N 1W0
Phone: 902-758-4510
Fax: 902-758-2017
rsack@auracom.com

AFOA Ontario

AFOA-ON
Whitefish River First Nation
P.O. Box A
Birch Island, Ontario
P0P 1A0
Phone: 705-285-4335
Fax: 705-285-4532
daves@etown.net

AFOA NWT

Aboriginal Financial Officers Association of the NWT
5102 - 51st Street, 2nd Floor
Urbania Building,
P.O. Box 819
Yellowknife, NT.
X1A 2N6
Phone: 867-766-3062
Fax: 867-766-3063
general@afowanwt.com

ANNUAL REPORT 2001

·Δᑦᑦ·Δᑦ·Δᑦ Te tsa te'ronhon



ABORIGINAL Financial Officers Association of Canada

1066 Somerset Avenue West

Suite 301

Ottawa, ON

K1Y 4T3

Phone: (613) 722-5543

Toll Free: 1-866-722-2362

Fax: (613) 722-3467

E-mail: afoa@afoa.ca

www.afoa.ca