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**ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF
SASKATCHEWAN INC.
FINANCIAL STATEMENTS
MARCH 31, 2012**

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
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MARCH 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Members of Aboriginal Financial Officers Association of Saskatchewan Inc.:

I have audited the accompanying financial statements of Aboriginal Financial Officers Association of Saskatchewan Inc. which comprise the statement of financial position as at March 31, 2012 and the statements of operations, changes in net assets and cash flows, and program of revenue and expenditures for the year then ended, and a summary of significant accounting policies and other explanatory information.

Organization's responsibility for the Financial Statements

The 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 the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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 overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2012 and its financial performance for the year then ended, in accordance with Canadian generally accepted accounting principles.

Saskatoon, Saskatchewan
June 18, 2012

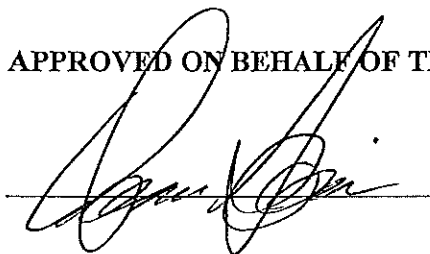


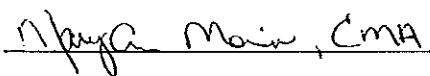
CERTIFIED GENERAL ACCOUNTANT, PROF CORP

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT		
Cash (Note 4)	\$ 211,306	\$ 113,443
Accounts receivable (Note 5)	11,729	152,432
GST receivable	3,737	2,789
Prepaid expenses	<u>0</u>	<u>525</u>
	226,772	269,189
CAPITAL ASSETS (Notes 2 and 6)	<u>328</u>	<u>434</u>
	<u>\$ 227,100</u>	<u>\$ 269,623</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 7)	<u>\$ 16,828</u>	<u>\$ 17,159</u>
NET ASSETS		
UNRESTRICTED	<u>210,272</u>	<u>252,464</u>
	<u>\$ 227,100</u>	<u>\$ 269,623</u>

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

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

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
REVENUES		
INAC - Contribution (Note 8)	\$ 121,000	\$ 478,000
AFOA Sask. Conference Registrations, Sponsorships	74,026	64,203
Expense Recoveries	941	1,425
Interest earned	7	6
Memberships	39,259	27,986
Other Revenue	37,325	500
Summer Student	<u>6,272</u>	<u>5,622</u>
	<u>278,830</u>	<u>577,742</u>
EXPENDITURES		
AFOA Canada Conference	7,040	3,455
AFOA Sask. Conference expenses	38,718	38,136
Accounting and Legal Fees	7,273	4,656
Advertising and Promotion	\$ 15,322	\$ 21,398
Amortization	106	144
Bad Debts	350	0
Bank charges and interest	29	88
CFOIP	90,000	100,000
Catering	18,873	20,695
Consultants	14,291	75,100
Insurance	1,176	1,164
Meeting expenses	1,102	12,701
Memberships	250	250
Office and postage	1,786	8,073
Printing and Binding	9,680	48,929
Professional Development	0	125
Rent	7,585	5,775
Telephone	3,515	3,506
Travel - board of directors	10,169	39,709
Travel - staff	3,787	9,936
Wages and benefits	<u>89,970</u>	<u>88,978</u>
	<u>321,022</u>	<u>482,818</u>
EXCESS OF EXPENDITURES OVER REVENUES	(42,192)	94,924
UNRESTRICTED NET ASSETS, beginning of year	<u>252,464</u>	<u>157,540</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 210,272</u>	<u>\$ 252,464</u>

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

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Excess of expenditures over revenues	\$ (42,192)	\$ 94,924
Item not involving cash:		
Amortization	<u>106</u>	<u>144</u>
	(42,086)	95,068
Net change in non-cash working capital:		
Accounts receivable	140,703	(70,809)
Prepaid expenses	525	(525)
Accounts payable	(331)	(111)
GST	<u>(948)</u>	<u>(3,238)</u>
INCREASE IN CASH	97,863	20,385
CASH, beginning of year	<u>113,443</u>	<u>93,058</u>
CASH, end of year	<u>\$ 211,306</u>	<u>\$ 113,443</u>

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

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2012

1. NATURE OF ORGANIZATION

Aboriginal Financial Officers Association of Saskatchewan Inc. was incorporated in the Province of Saskatchewan on May 14, 2002 under the Non-Profit Corporations Act 1995. The Association's mandate is to provide leadership in First Nation and Aboriginal financial management activities by developing and promoting education, training, information and standards to expand technical capacity for Members and First Nation and Aboriginal Organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant:

Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Display booth	- 20% declining balance method
Computer equipment	- 30% declining balance method

Revenue Recognition

The Association uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which 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. Endowment contributions are recognized as a direct increase to net assets.

Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as a revenue when earned.

Contributed Services

Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Allocation of Expenses

The Association engages in the delivery of a number of programs to expand technical competence. The costs of each program include the costs of personnel, supplies and other expenses that are directly related to providing the program. The Association also incurs a number of general support expenses that are common to the administration of the Association and each of its programs.

The Association allocates certain of its general expense, and applies that basis consistently each year. Amortization is not allocated; other general support expenses are allocated on the following bases: Indirect salaries, occupancy (rent, insurance) and professional fees are allocated based on revenues as an approximation of the amounts required by each program.

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - con't

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount 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 expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenditures in the periods in which they become known.

Financial Instruments

Held for trading:

The Association classifies cash as held for trading. Cash is initially recognized, and subsequently measured, at fair value.

Available-for-sale:

Available-for-sale financial assets are measured at their fair value, with unrealized gains and losses recognized in net assets as changes in unrealized gains and losses on available-for-sale financial assets arising during the period. Currently, the Association has not classified any financial instruments as available-for-sale.

Loans and receivables:

The Association has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value, determined by the instrument's initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in excess of revenues over expenditures upon derecognition or impairment.

Other financial liabilities:

The Association has classified accounts payable as other financial liabilities. Accounts payable are initially recognized at their fair value determined by the instrument's initial cost in a transactions between unrelated parties.

Other financial liabilities are subsequently measured at amortized cost. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal payments. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenditures upon derecognition or impairment.

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - con't

Financial Instruments - con't

Financial asset impairment:

The Association assesses impairment of all its financial assets, except those classified as held for trading. Management considers whether the issuer is having significant financial difficulty and, whether there has been a breach in contract, such as a default or delinquency in payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenditures.

Changes in unrealized gains and losses on available-for-sale financial assets arising during the period:

Changes in unrealized gains and losses on available-for-sale financial assets represent changes in the net assets of the Association arising from certain transactions and other events with non owner sources. If such a change occurred it would be required to be reported separately in net assets on the Statement of Financial Position.

3. CHANGES IN ACCOUNTING POLICIES

New Accounting Framework

The Accounting Standards Board has approved a new framework that is based on existing Canadian generally accepted accounting principles ("GAAP") and incorporates the 4400 series of standards which relate to situations unique to the not-for-profit sector. The new standards became available December 1, 2010 as Part III of the CICA Handbook - Accounting and are effective January 1, 2012. Early adoption is permitted. Also, the not-for-profit organizations were given the option of adopting International Financial Reporting Standards, an alternative that may be attractive to some organizations depending on their individual circumstances. The new reporting options were created to recognize the diverse nature of the organizations and will provide useful financial statements for the members, boards, contributors, lenders, clients and other users of their financial statements.

The Association is currently evaluating the impact of the adoption of Part III of the new standards on its financial statements.

4. CASH

Cash is represented by the following:

	<u>2012</u>	<u>2011</u>
First Nations Bank of Canada - chequing account	\$ 203,981	\$ 106,126
First Nations Bank of Canada - business investor account	<u>7,325</u>	<u>7,317</u>
	<u>\$ 211,306</u>	<u>\$ 113,443</u>

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2012

5. ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
AFOA Canada	\$ 2,750	\$ 2,500
AWPI Customers	3,992	0
Cameco	0	2,000
Career Fair Customers	0	6,994
Dakota Dunes CDC	300	0
First Nations Bank	0	2,500
Indian and Northern Affairs Canada	-	132,400
Memberships	4,687	5,038
Scotia Bank	<u>0</u>	<u>1,000</u>
	<u>\$ 11,729</u>	<u>\$ 152,432</u>

6. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2012</u>	<u>Net 2011</u>
Display booth	\$ 2,160	\$ 1,971	\$ 189	\$ 236
Computer equipment	<u>5,069</u>	<u>4,930</u>	<u>139</u>	<u>198</u>
	<u>\$ 7,229</u>	<u>\$ 6,901</u>	<u>\$ 328</u>	<u>\$ 434</u>

7. ACCOUNTS PAYABLE

	<u>2012</u>	<u>2011</u>
RBC Royal Bank	\$ 0	\$ 44
First Nations Holdbacks	12,000	9,000
Holiday Pay and Payroll Deductions	143	4,349
Sasktel	285	194
Scotia Bank	0	322
James H. Stinn, CGA Prof. Corp	<u>4,400</u>	<u>3,250</u>
	<u>\$ 16,828</u>	<u>\$ 17,159</u>

8. FUNDING RECONCILIATION

	<u>2012</u>	<u>2011</u>
INAC revenue per financial statements	<u>\$ 121,000</u>	<u>\$ 478,000</u>
INAC revenue received	<u>\$ 121,000</u>	<u>\$ 478,000</u>
INAC funding per confirmation	<u>\$ 121,000</u>	<u>\$ 478,000</u>

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2012

9. FINANCIAL INSTRUMENTS

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest or credit risks arising from these financial instruments except as otherwise disclosed.

Risk Management Policy

Management observes an informal risk management policy by maintaining the majority of the Association's equity in liquid assets.

Fair Value Disclosure

The carrying amount of cash, accounts receivable and accounts payable approximates their fair value due to the short-term maturities of these items.

Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit, borrow funds from creditors, etc. for which repayment is required at various maturity dates. Liquidity is measured by reviewing the Association's future net cash flows for the possibility of a negative cash flow. The Association manages the liquidity risk resulting from its accounts payable by investing in liquid assets.

Credit Risk

Financial instruments that potentially subject the Association to credit risk are accounts receivable. Amounts due from Indian and Northern Affairs Canada comprise 0% (2011 - 87%) of outstanding receivables at March 31, 2012. The Association believes that there is minimal risk associated with this amount as it is due from a government agency. Management performs regular credit assessments on its receivables and provides allowances for potentially uncollectable receivables.

10. CAPITAL DISCLOSURE

The Association defines capital as its net assets. The Association's overall objective with its capital is to fund capital assets, future projects and ongoing operations. In order to facilitate the management of its capital requirements, the Association prepares annual revenue and expenditure budgets that are updated as necessary depending on various factors.

The Association is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2011.

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
PROGRAM REVENUES AND EXPENDITURES
AS AT MARCH 31, 2012

	AWPI PROJECT	CFOIP	FALL CONFERENCE	FMB WORKSHOP	FINANCIAL WORKSHOP	STC SUMMER STUDENT	OFFICE OPERATIONS	TOTAL
PROGRAM REVENUES								
Corporate Sponsorship	20,000	-	16,000	-	-	-	1,325	37,325
Conference	10,787	-	27,239	9,950	8,600	-	17,450	74,026
Expense Recovery	-	-	-	-	-	-	941	941
INAC	20,000	101,000	-	-	-	-	-	121,000
Membership	-	-	-	-	-	-	39,259	39,259
Interest & Other	-	-	-	-	-	6,272	7	6,279
TOTAL REVENUES	50,787	101,000	43,239	9,950	8,600	6,272	58,982	278,830
PROGRAM EXPENDITURES								
Accounting & Legal	-	-	-	-	-	-	7,273	7,273
Advertising & Promotion	6,386	-	4,273	-	-	-	4,663	15,322
Amortization	-	-	-	-	-	-	106	106
Bad Debt	-	-	-	-	-	-	350	350
CFOIP	-	90,000	-	-	-	-	-	90,000
Catering	-	-	16,876	1,997	-	-	-	18,873
Conference	38,102	-	618	-	-	-	7,038	45,758
Consultants	9,001	-	-	3,360	-	-	1,930	14,291
Insurance	-	-	-	-	-	-	1,176	1,176
Interest & Bank Charges	-	-	-	-	-	-	29	29
Meeting	-	-	-	-	-	-	1,102	1,102
Memberships	-	-	-	-	-	-	250	250
Office Supplies	-	-	-	-	-	-	1,786	1,786
Printing & Binding	-	-	1,774	-	1,255	-	6,651	9,680
Professional Fees	2,200	11,000	-	-	-	-	(13,200)	-
Rent	-	-	-	-	-	-	7,585	7,585
Telephone	-	-	-	-	-	-	3,515	3,515
Travel	-	-	3,295	-	1,910	-	8,751	13,956
Wages & Benefits	-	-	-	-	-	7,541	82,429	89,970
TOTAL EXPENDITURES	55,689	101,000	26,836	5,357	3,165	7,541	121,434	321,022
EXCESS OF REVENUES OVER EXPENDITURES	(4,902)	-	16,403	4,593	5,435	(1,269)	(62,452)	(42,192)