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**ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF
SASKATCHEWAN INC.
FINANCIAL STATEMENTS
MARCH 31, 2014**

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
INDEX TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-8
Schedule of Program Revenues and Expenditures	9

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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, 2014 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 accounting standards for non-profit organizations, 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 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, 2014 and its financial performance for the year then ended, in accordance with Canadian accounting standards for non-profit organizations.

Saskatoon, Saskatchewan
July 8, 2014



CERTIFIED GENERAL ACCOUNTANT, PROF CORP

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUES		
AANDC/INAC - Contribution (Note 7)	\$ 180,217	\$ 0
AFOA Sask. Conference Registrations, Sponsorships	54,118	50,504
Expense Recoveries	0	4,092
Interest earned	112	670
Memberships	43,296	35,454
Other Revenue	26,340	22,000
Summer Student	<u>6,705</u>	<u>6,088</u>
	<u>310,788</u>	<u>118,808</u>
EXPENDITURES		
AFOA Canada Conference	5,437	17,337
AFOA Sask. Conference expenses	0	2,944
Accounting and Legal Fees	5,413	5,571
Advertising and Promotion	7,200	6,013
Amortization	59	80
Bank charges and interest	214	40
Career Fair	0	9,510
Catering	72,962	22,588
Consultants	69,445	550
Insurance	1,111	1,176
Meeting expenses	1,217	575
Memberships	282	282
Office and postage	4,741	686
Printing and Binding	12,053	4,137
Professional Development	1,300	198
Rent	11,404	11,511
Telephone	3,435	3,465
Travel - board of directors	11,411	4,408
Travel - project delivery	17,692	0
Travel - staff	5,105	3,833
Wages and benefits	<u>91,758</u>	<u>91,694</u>
	<u>322,239</u>	<u>186,598</u>
EXCESS OF EXPENDITURES OVER REVENUES	(11,451)	(67,790)
UNRESTRICTED NET ASSETS, beginning of year	<u>142,482</u>	<u>210,272</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 131,031</u>	<u>\$ 142,482</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, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess of expenditures over revenues	\$ (11,451)	\$ (67,790)
Item not involving cash:		
Amortization	<u>59</u>	<u>80</u>
	(11,392)	(67,710)
Net change in non-cash working capital:		
Accounts receivable	17,036	(22,807)
Accounts payable	(7,448)	(1,710)
GST	<u>(358)</u>	<u>(312)</u>
DECREASE IN CASH	(2,162)	(92,539)
CASH, beginning of year	<u>118,766</u>	<u>211,305</u>
CASH, end of year	<u>\$ 116,604</u>	<u>\$ 118,766</u>
 COMPONENTS OF CASH		
Cash	\$ 116,604	\$ 68,117
Term deposits	<u>0</u>	<u>50,649</u>
	<u>\$ 116,604</u>	<u>\$ 118,766</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, 2014

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 Association prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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, 2014

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, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - con't

Financial Instruments - con't

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. CASH

Cash is represented by the following:

	<u>2014</u>	<u>2013</u>
First Nations Bank of Canada - chequing account	\$ 109,265	\$ 60,786
First Nations Bank of Canada - business investor account	<u>7,339</u>	<u>7,331</u>
	<u>\$ 116,604</u>	<u>\$ 68,117</u>

4. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
2 Web Design	\$ 1,050	\$ 0
AANDC	6,800	0
AFOA Canada	4,400	20,523
Agency Chiefs Tribal Council	0	6,000
ATCO	1,050	0
First Nations Bank	1,050	0
Memberships	0	5,513
Meyers Norris Penny	0	2,500
RBC	1,050	0
SaskTel	1,050	0
Stonefield Systems Group	<u>1,050</u>	<u>0</u>
	<u>\$ 17,500</u>	<u>\$ 34,536</u>

5. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2014</u>	<u>Net 2013</u>
Display booth	\$ 2,160	\$ 2,039	\$ 121	\$ 151
Computer equipment	<u>5,069</u>	<u>5,001</u>	<u>68</u>	<u>97</u>
	<u>\$ 7,229</u>	<u>\$ 7,040</u>	<u>\$ 189</u>	<u>\$ 248</u>

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2014

6. ACCOUNTS PAYABLE

	<u>2014</u>	<u>2013</u>
AANDC/INAC	\$ 1,183	\$ 9,510
Holiday Pay and Payroll Deductions	2,083	1,022
Sasktel	105	186
James H. Stinn, CGA Prof. Corp	<u>4,300</u>	<u>4,400</u>
	<u>\$ 7,671</u>	<u>\$ 15,118</u>

7. FUNDING RECONCILIATION

	<u>2014</u>	<u>2013</u>
INAC revenue per financial statements	<u>\$ 180,217</u>	<u>\$ 0</u>
INAC revenue received	<u>\$ 180,217</u>	<u>\$ 0</u>
INAC funding per confirmation	<u>\$ 180,217</u>	<u>\$ 0</u>

8. 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. Management performs regular credit assessments on its receivables and provides allowances for potentially uncollectable receivables.

**ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF SASKATCHEWAN INC.
SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES**

	<u>BAND MANAGER WORKSHOP</u>	<u>FALL CONFERENCE</u>	<u>FINANCIAL WORKSHOP</u>	<u>PENSION PLAN PROJECT</u>	<u>STC SUMMER STUDENT</u>	<u>OFFICE OPERATIONS</u>	<u>TOTAL</u>
	\$	\$	\$	\$	\$	\$	\$
PROGRAM REVENUES							
Corporate Sponsorship	-	22,926	-	-	-	-	22,926
Conference	-	31,192	-	-	-	-	31,192
AANDC/INAC	47,263	-	68,000	64,954	-	-	180,217
Membership	-	-	-	-	-	43,296	43,296
Interest & Other	-	-	-	-	6,705	26,452	33,157
TOTAL REVENUES	<u>47,263</u>	<u>54,118</u>	<u>68,000</u>	<u>64,954</u>	<u>6,705</u>	<u>69,748</u>	<u>310,788</u>
PROGRAM EXPENDITURES							
Accounting & Legal	-	-	-	-	-	5,413	5,413
Advertising & Promotion	-	4,460	-	-	-	2,740	7,200
Amortization	-	-	-	-	-	59	59
Catering	9,374	-	-	14,469	-	4,708	24,551
Conference	-	22,822	21,589	-	-	4,100	48,511
Consultants	10,905	1,701	-	40,000	-	240	52,806
Insurance	-	300	18,000	-	-	69,445	87,745
Interest & Bank Charges	-	-	-	-	-	1,111	1,111
Meeting	-	-	-	-	-	214	214
Memberships	-	-	-	-	-	1,217	1,217
Office Supplies	1,398	149	-	-	-	282	2,829
Printing & Binding	-	747	6,553	485	-	1,654	9,439
Professional Development	-	-	-	-	-	4,753	4,753
Rent	-	-	-	-	-	1,300	1,300
Telephone	-	-	-	-	-	11,404	11,404
Travel	15,586	3,680	1,201	-	-	3,435	24,902
Wages & Benefits	10,000	-	20,000	10,000	8,070	13,741	51,811
TOTAL EXPENDITURES	<u>47,263</u>	<u>33,859</u>	<u>68,034</u>	<u>64,954</u>	<u>8,070</u>	<u>100,059</u>	<u>322,239</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 20,259</u>	<u>\$ (34)</u>	<u>\$ 0</u>	<u>\$ (1,365)</u>	<u>\$ (30,311)</u>	<u>\$ (11,451)</u>