

Star Blanket Cree Nation
Consolidated Financial Statements
March 31, 2014

Star Blanket Cree Nation

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For the year ended March 31, 2014

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Management's Responsibility

To the Members of Star Blanket Cree Nation:

The accompanying consolidated financial statements of Star Blanket Cree Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

The Star Blanket Cree Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Cree Nation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the members of Star Blanket Cree Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

November 20, 2014

Signed: Jason Poitras Management

Independent Auditors' Report

To the Members of Star Blanket Cree Nation:

We have audited the accompanying consolidated financial statements of Star Blanket Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, change in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Star Blanket Cree Nation as at March 31, 2014 and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

November 20, 2014

MNP LLP
Chartered Accountants

Star Blanket Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013 <i>Restated (Note 18)</i>
Financial assets		
Current		
Cash resources	389,061	374,300
Accounts receivable (Note 3)	242,414	847,073
Restricted cash (Note 4)	15,151	77,908
Subtotal of current assets	646,626	1,299,281
Portfolio investments (Note 5)	2,820,000	60,000
Funds held in trust (Note 6)	8,322	92,170
Due from Star Blanket Treaty Land Entitlement Trust (Note 7)	28,549	24,216
Restricted cash (Note 4)	135,732	83,455
Total financial assets	3,639,229	1,559,122
Liabilities		
Current		
Bank indebtedness (Note 8)	218,218	146,768
Accounts payable and accruals	873,906	1,349,632
Deferred revenue (Note 9)	12,339	12,339
Due to Star Blanket Treaty Land Entitlement Trust (Note 7)	60,000	60,000
Goods and Services Tax payable	61,669	63,670
Current portion of long-term debt (Note 10)	1,250,370	308,652
Current financial liabilities	2,476,502	1,941,061
Long-term debt (Note 10)	3,269,336	1,852,851
Total financial liabilities	5,745,838	3,793,912
Net debt	(2,106,609)	(2,234,790)
Contingent liability (Note 16)		
Non-financial assets		
Tangible capital assets (Note 11)	9,434,566	10,013,226
Inventories of supplies	1,367	1,367
Prepaid expenses	5,368	195,184
Total non-financial assets	9,441,301	10,209,777
Accumulated surplus (Note 12)	7,334,692	7,974,987

Approved on behalf of

Signed: Michael Starr **Chief**

Signed: James Starblanket **Councillor**

Signed: Sheldon Poitras **Councillor**

The accompanying notes are an integral part of these financial statements

Star Blanket Cree Nation
Consolidated Statement of Operations
For the year ended March 31, 2014

	<i>Schedules</i>	<i>2014 Budget (Note 17)</i>	<i>2014</i>	<i>2013 Restated (Note 18)</i>
Revenue				
Aboriginal Affairs and Northern Development Canada		2,556,069	2,669,139	2,780,246
Bingo revenue		912,980	690,599	844,570
Rental income		313,892	324,425	285,704
Aboriginal Healing Foundation		-	302,920	419,882
Investment income		-	260,000	-
First Nations Trust		192,743	245,272	246,561
File Hills Community Health Services Inc.		202,460	176,176	171,320
Other revenue		367,541	159,122	361,325
FHQ Tribal council		552,157	141,590	233,638
FHQ Casino Holdings		-	60,000	60,000
Canada Mortgage and Housing Corporation		61,070	52,865	53,151
First Nations and Inuit Health Branch		9,483	52,684	44,483
Living Skies Community Development Corporation		-	39,063	-
CMHC tenant rent		-	23,085	14,460
Business Ready Investment Development Gateway		-	17,640	103,593
Saskatchewan Liquor and Gaming Authority		-	9,952	28,482
First Nations and Inuit Health Branch funding adjustments		-	(4,422)	(7,395)
Aboriginal Affairs and Northern Development Canada funding adjustments		-	(20,570)	(32,797)
		5,168,395	5,199,540	5,607,223
Expenses				
Band Government	3	457,634	529,463	577,350
Capital	4	-	514,510	536,481
Economic Development	5	1,342,659	1,307,579	1,117,410
Education	6	1,191,735	1,213,529	1,222,617
Health	7	325,333	371,726	376,004
Housing	8	227,636	394,461	362,238
Operations and Maintenance	9	552,994	608,847	642,663
Reserves and Trusts	10	5,000	4,742	5,082
Social Development	11	1,019,189	894,978	1,028,875
		5,122,180	5,839,835	5,868,720
Deficit		(118,732)	(640,295)	(261,497)
Accumulated surplus, beginning of year, as previously stated		7,861,306	7,861,307	8,296,484
Correction of errors (Note 18)		-	113,680	(60,000)
Accumulated surplus, beginning of year, as restated		7,861,306	7,974,987	8,236,484
Accumulated surplus, end of year		7,742,574	7,334,692	7,974,987

The accompanying notes are an integral part of these financial statements

Star Blanket Cree Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2014

	2014 <i>Budget</i> <i>(Note 17)</i>	2014	2013 <i>Restated</i> <i>(Note 18)</i>
Annual deficit	(108,635)	(640,295)	(261,497)
Purchases of tangible capital assets	-	(9,906)	(169,378)
Amortization of tangible capital assets	-	588,566	622,952
Acquisition of prepaid expenses	-	-	(190,262)
Use of prepaid expenses	-	189,817	-
Decrease (increase) in net debt	(108,635)	128,182	1,815
Net debt, beginning of year (Note 18)	(2,234,791)	(2,234,791)	(2,236,605)
Net debt, end of year	(2,343,426)	(2,106,609)	(2,234,790)

The accompanying notes are an integral part of these financial statements

Star Blanket Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013 <i>Restated (Note 18)</i>
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(640,295)	(261,497)
Non-cash items		
Amortization	588,566	622,952
	(51,729)	361,455
Changes in working capital accounts		
Accounts receivable	604,659	(311,191)
Prepaid expenses	189,817	(190,262)
Accounts payable and accruals	(475,727)	116,738
Deferred revenue	-	(58,073)
Goods and Services Tax payable	(2,001)	305
	265,019	(81,028)
Financing activities		
Loan proceeds	4,250,000	190,000
Loan payments	(1,891,797)	(266,543)
Increase in bank indebtedness	71,450	87,500
	2,429,653	10,957
Capital activities		
Purchases of tangible capital assets	(9,906)	(169,378)
Investing activities		
Increase in funds held in trust	-	(26,884)
Decrease in funds held in trust	83,848	-
Purchase of investments	(2,760,000)	-
Transfers from restricted cash	10,480	123,676
Increase in due to/from TLE Trust	(4,333)	-
	(2,670,005)	96,792
Increase (decrease) in cash resources	14,761	(142,657)
Cash resources, beginning of year	374,300	516,957
Cash resources, end of year	389,061	374,300
Supplementary cash flow information		
Interest paid	367,727	114,260

The accompanying notes are an integral part of these financial statements

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

1. Operations

The Star Blanket Cree Nation (the "Cree Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Star Blanket Cree Nation financial reporting entity includes the Cree Nation's operations and all related entities that are accountable to the Cree Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Cree Nation reporting entity. Star Blanket Cree Nation Treaty Land Entitlement Trust is not controlled by the Cree Nation and is excluded from the Cree Nation reporting entity.

The Cree Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Star Blanket Cree Nation
- Wahpiimooosis Healing Centre
- Star Blanket Cree Nation - CMHC Housing Program
- White Buffalo Calf Gaming Authority
- Star Blanket Rentals
- Red Dog Holdings Ltd.
- Red Dog Holdings Limited Partnership

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

Sources of revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

Restricted cash

Restricted cash consists of funds held in the CMHC operating and replacement reserve bank accounts and funds managed by a project manager. The project manager is responsible for the completion of the capital projects and the CMHC reserves are used to pay eligible expenditures of the CMHC housing units.

Portfolio investments

Long-term investments in entities that are not owned, controlled, or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

2. Significant accounting policies *(Continued from previous page)*

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Cree Nation members by the Government of Canada in the Ottawa Trust Fund consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution. Tangible capital assets recorded at a nominal amount include the original reserve land. Land purchased is recorded at the purchase price.

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	15 - 40 years
Band Housing	15 - 25 years
CMHC Housing	15 - 25 years
Computers	3 years
Equipment	6 - 10 years
Infrastructure	40 years
Roads	40 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Cree Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, inventories of supplies and prepaid expenses.

2. Significant accounting policies *(Continued from previous page)*

Net financial debt

The First Nation's financial statements are presented so as to highlight net financial debt as the measurement of financial position. The net financial debt of the First Nation is determined by its financial assets less its liabilities. Net financial debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus/deficit.

Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt.

Government Transfers

The Cree Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Cree Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other Revenue

Rental revenue is recognized over the rental term. Other revenues are earned from services provided by the Cree Nation and are recognized when the service has been provided.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

The investment in Can Elson 120601 Drilling Partnership #3 is recorded at cost. Management has assessed the Cree Nation's portfolio investment in Can Elson 120601 Drilling Partnership #3 for impairment and has concluded no impairment exists at this time. As the partnership provides services to the oil industry its value may be impacted by changes in market conditions that affect the Canadian petroleum industry.

2. Significant accounting policies *(Continued from previous page)*

Segments

The Nation conducts its business through nine reportable segments: Band Government, Capital, Economic Development, Education, Health, Housing, Operations and Maintenance, Reserves and Trusts, and Social Development. These operating segments are established by Council and senior management to facilitate the achievement of the Cree Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenues, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

Recent accounting pronouncements

Liability for contaminated sites

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation does not expect the adoption of the new section to have a material impact on its financial statements.

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Cree Nation has not yet determined the effect of these new standards on its financial statements. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3401. Early adoption is permitted.

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

3. Accounts receivable

	2014	2013 <i>Restated (Note 18)</i>
Aboriginal Affairs and Northern Development Canada	188,533	528,344
FHQ Tribal Council	32,766	119,608
Members	8,993	10,972
Canada Mortgage and Housing Corporation	8,694	8,583
Health Canada	6,682	3,032
Trade receivables	3,993	13,504
Rent receivable	1,190	6,206
Other	556	556
Business Ready Investment Development Gateway	-	45,179
Saskatchewan Liquor and Gaming Association Grant	-	8,381
Aboriginal Healing Foundation	-	113,680
	251,407	858,045
Allowance for doubtful accounts	(8,993)	(10,972)
	242,414	847,073

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

4. Restricted cash

	2014	2013
Current		
Water treatment plant	15,151	77,908
Long-term		
CMHC replacement reserve	124,478	83,455
CMHC operating reserve	10,334	-
	134,812	83,455
	149,963	161,363

5. Portfolio investments

	2014	2013
FHQ Casino Holdings Ltd.	60,000	60,000
Can Elson 120601 Drilling Limited Partnership #3	2,760,000	-
	2,820,000	60,000

The Cree Nation has a 1/12 interest in FHQ Casino Holdings Ltd., a company which holds a rental property. It also owns 50% of the partnership units in Can Elson 120601 Drilling Limited Partnership #3, an entity which owns and operates a drilling rig.

The Cree Nation's investee, Can Elson 120601 Drilling Limited Partnership #3, reports using a fiscal year-end of December 31. Can Elson 120601 Drilling Limited Partnership #3 allocates its earnings at its year-end date of December 31.

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

6. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

	2014	2013
Capital Trust		
Balance, beginning and end of year	5,960	5,960
Revenue Trust		
Balance, beginning of year	86,210	59,326
Interest	1,152	1,943
Land leases	-	24,941
	87,362	86,210
Less: Disbursements from trust	85,000	-
Balance, end of year	2,362	86,210
Total funds in trust, end of year	8,322	92,170

Disbursements from trust:

BCR 03-83-13	\$50,000	Audit fees	Cost recorded in Schedule 3 Band Government
	\$12,000	Road repairs	Cost recorded in Schedule 9 Operations and Maintenance in 2012
	\$13,000	Equipment	Cost recorded in Schedule 1 Tangible Capital Assets in 2013
	\$10,000	Community governance	Cost recorded in Schedule 3 Band Government

7. Due from (to) Star Blanket Treaty Land Entitlement Trust

Amounts owing between the Cree Nation and the Star Blanket Treaty Land Entitlement Trust are without fixed repayment terms and bear no interest.

The Star Blanket Treaty Land Entitlement Trust has been established for the benefit of the Members of Star Blanket Cree Nation and is managed by an independent group of Trustees.

8. Bank indebtedness

The Cree Nation has an operating line of credit with a limit of \$75,000. Interest is payable at prime plus 2%. At March 31, 2014, the Cree Nation has drawn \$74,695 against its overdraft limit (2013 - \$23,731). The line of credit is secured by a band council resolution redirecting gaming revenue and AANDC funding. The bank indebtedness reported on the financial statements is represented by cash less outstanding cheques.

9. Deferred revenue

	2014	2013
Unearned rental revenue from tenants	12,339	12,339

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

10. Long-term debt

	2014	2013
Peace Hills Trust loan with principal and interest payments of \$40,000 quarterly with an additional annual payment of \$70,000 with interest at 6.25%, secured by guarantees and assignment of particular contracts, a promissory note, and a general security agreement, maturing April 2019.	1,046,390	844,347
Peace Hills Trust loan with principal and interest payments of \$7,905 monthly with interest at 6.25%, secured by guarantees and assignment of White Buffalo Calf Gaming proceeds and SIGA/SGC Trust receipts, maturing August 2014.	489,335	551,453
Peace Hills Trust mortgage for CMHC Phase IV housing, payable in monthly instalments of \$1,337 including interest at 5.44%, secured by ministerial guarantee and due May 2017.	46,894	60,097
Peace Hills Trust mortgage for CMHC Phase VII housing, payable in monthly instalments of \$310 including interest at 5.29%, secured by ministerial guarantee and due January 2017.	9,825	12,956
Peace Hills Trust mortgage for CMHC Phase VIII housing, payable in monthly instalments of \$922 including interest at 4.64%, secured by ministerial guarantee and due January 2017.	29,472	38,986
Canada Mortgage and Housing Corporation mortgage for CMHC Phase IX housing, payable in monthly instalments of \$1,126 including interest at 2.69%, secured by ministerial guarantee and due August 2015.	131,201	141,066
Canada Mortgage and Housing Corporation mortgage for CMHC Phase X housing, payable in monthly instalments of \$1,631 including interest at 2.11%, secured by ministerial guarantee and due January 2019.	246,835	260,418
Peace Hills Trust loan with principal and interest payments of \$1,663 monthly with interest at 6.50%, secured by equipment, and general security agreements, maturing October 2016.	45,787	62,180
Peace Hills Trust loan with principal and interest payments of \$33,000 annually with interest at 6.00%, secured by guarantees and assignment of FHQ Casino Holdings Ltd, and a general security agreement, maturing November 2014.	163,967	190,000
First Nation and Metis Fund loan with principal payments of \$125,000 annually, commencing 2017 increasing to \$250,000 in 2019 and \$500,000 in 2021, including fixed interest at 14.00% paid annually and additional interest charge of 5% per annum due at maturity, secured by all current and future property of Red Dog Holdings Limited Partnership.	1,250,000	-
Crown Investments Corporation of Saskatchewan loan with payment of all distributions received from Can Elson 120601 Drilling Partnership #3 after the full repayment of principal owed on the First Nations and Metis Fund loan, non-interest bearing, secured by all current and future property of Red Dog Holdings Limited Partnership.	700,000	-

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

10. Long-term debt *(Continued from previous page)*

Star Blanket Treaty Land Entitlement Trust loan due on demand, interest payable on demand and calculated at prime + 2.00%.	360,000	-
	4,519,706	2,161,503
Less: current portion	1,250,370	308,652
	3,269,336	1,852,851

Principal repayments on term loans in each of the next five years, assuming the term loans are renewed with similar terms, are estimated below. Loans with either a demand feature or which have matured subsequent to year end and are without renewed terms have been recorded as current and are included below as demandable loans.

	Term loans	Demandable loans	Total
2015	237,068	1,013,302	1,250,370
2016	251,000	-	251,000
2017	378,000	-	378,000
2018	357,000	-	357,000
2019	492,000	-	492,000

The First Nation and Metis Fund loan (FNMf) and the Crown Investments Corporation of Saskatchewan loan are subject to certain financial and non-financial covenants, including submission of annual financial statements to the lender within 120 days of year end, and an annual interest payment due April 30, 2014 on the FNMf loan. The Cree Nation was in default on both of these covenants. Under the terms of the loan agreements, such default allows the lenders to immediately demand full payment of these loan balances. However, the lender has granted a grace period to March 31, 2015 to remedy the defaults noted above.

11. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

12. Accumulated surplus

Accumulated surplus consists of the following:

	2014	2013 <i>Restated (Note 18)</i>
Equity in funds held in trust	8,322	92,170
Canadian Mortgage and Housing Corporation reserves	213,299	245,006
Equity in tangible capital assets	8,435,217	8,886,070
Unrestricted deficit	(1,322,146)	(1,248,259)
	7,334,692	7,974,987

Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

13. Canada Mortgage and Housing Corporation reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Cree Nation established the following:

- A replacement reserve, established to ensure replacement of capital equipment and for major repairs to the housing units, which requires an annual allocation to the reserve. At March 31, 2014 \$131,540 (2013 - \$120,364) has been charged to this reserve. The unfunded portion at March 31, 2014 is \$6,142 (2013 - \$36,909).
- A operating surplus reserve established for housing units under the post 1997 Fixed Subsidy Program requires surpluses to be retained to offset future operating losses. At March 31, 2014 \$81,759 (2013 - \$91,490) has been charged to this reserve. At March 31, 2014 the reserve is underfunded by \$71,425 (2013 - \$91,490).

14. Related party transactions

During the year, the Cree Nation conducted the following transactions with related entities. These transactions are measured at the exchange amount, which is the amount established and agreed to by the related parties. The effects of these transactions have been eliminated upon consolidation.

	2014	2013
Rental revenue received from Wahpiimooosis Healing Centre	9,000	36,000
Rental revenue received from White Buffalo Calf Gaming Authority	-	94,860

15. Economic dependence

Star Blanket Cree Nation receives a significant portion of its revenues from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Due to certain deficiencies in its operating fund position, the Cree Nation is also party to a Management Action Plan agreement with Aboriginal Affairs and Northern Development Canada that will expire when certain financial indicators are met by the Cree Nation. Under the terms of the agreement, funding from the Management Action Plan can be suspended if the Nation does not comply with the terms of the agreement. Management believes that they are in compliance with the Management Action Plan.

16. Contingent liability

In prior years Goods and Services Tax was collected which was subsequently determined to have been charged in error. These amounts have not yet been remitted. Only the actual amount collected has been reflected in these financial statements. It is possible these amounts could be subject to penalties and interest. Any additional amounts to be paid will be recorded in the period in which they are assessed.

17. Budget information

The disclosed budget information for the following entities has been approved by Chief and Council on:

Star Blanket Cree Nation	November 6, 2012.
Star Blanket Rentals	July, 2013.
White Buffalo Calf Gaming Authority	March 15, 2013.

18. Correction of errors

During the year, the First Nation determined that an amount receivable from the Aboriginal Healing Foundation had not been recorded at March 31, 2013. For 2013, the impact of this correction has resulted in an increase to revenue, surplus and ending accumulated surplus of \$113,680 and an increase in accounts receivable of \$113,680. The balance was received in fiscal 2014.

During the year the Cree Nation was provided details about an investment made on their behalf in 2005 by Star Blanket TLE Trust. Due to a misunderstanding the investment was recorded as a contribution from the Trust to the Cree Nation. The actual intent was for the investment to be a loan repayable to the Trust. The effect on the prior year financial statements to recognize the liability from 2005 is to record a note payable of \$60,000 to Star Blanket TLE Trust with a corresponding decrease in the 2013 opening accumulated surplus.

As a result of the above, the consolidated statement of changes in net debt had an increase in opening net debt for 2013 of \$60,000 and recorded a reduction in net debt at the end of 2013 of \$53,680.

19. Compliance with authorities

The First Nations Financial Transparency Act requires First Nations to make their financial statements publicly available and submit their consolidated financial statements to Aboriginal Affairs and Northern Development Canada by July 29. As the audit report is dated after July 29, 2014, the Cree Nation is in breach of this requirement.

However, the Minister of Aboriginal Affairs and Northern Development has provided an extension to November 26, 2014 for First Nations to comply with the reporting provisions of the Act.

20. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Buildings</i>	<i>Band housing</i>	<i>CMHC housing</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Office equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	9,492,001	2,823,372	1,433,766	372,148	4,374,910	7,739	18,503,936
Acquisition of tangible capital assets	-	-	-	-	9,906	-	9,906
Balance, end of year	9,492,001	2,823,372	1,433,766	372,148	4,384,816	7,739	18,513,842
Accumulated amortization							
Balance, beginning of year	6,062,339	2,632,260	895,992	213,145	800,915	6,461	10,611,112
Annual amortization	328,819	42,444	50,215	30,834	110,081	1,027	563,420
Balance, end of year	6,391,158	2,674,704	946,207	243,979	910,996	7,488	11,174,532
Net book value of tangible capital assets	3,100,843	148,668	487,559	128,169	3,473,820	251	7,339,310
2013 Net book value of tangible capital assets	3,429,662	191,112	537,774	159,003	3,573,995	1,278	7,894,837

Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	Subtotal	Roads	Land - 5,646 hectares	TLE land - 3,120 hectares	Computers	2014	2013
Cost							
Balance, beginning of year	18,503,936	149,290	2	2,065,201	91,773	20,810,202	20,640,824
Acquisition of tangible capital assets	9,906	-	-	-	-	9,906	169,378
Balance, end of year	18,513,842	149,290	2	2,065,201	91,773	20,820,108	20,810,202
Accumulated amortization							
Balance, beginning of year	10,611,112	118,424	-	-	67,440	10,796,976	10,174,025
Annual amortization	563,420	813	-	-	24,333	588,566	622,951
Balance, end of year	11,174,532	119,237	-	-	91,773	11,385,542	10,796,976
Net book value of tangible capital assets	7,339,310	30,053	2	2,065,201	-	9,434,566	10,013,226
2013 Net book value of tangible capital assets	7,894,837	30,866	2	2,065,201	24,333	10,013,226	

Star Blanket Cree Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2014

	2014 Budget (Note 17)	2014	2013
Expenses			
Administration	178,198	-	-
Advertising, promotion and gifts	5,000	15,867	8,758
Amortization	-	588,566	622,952
Assistance	50,182	176,656	126,165
Bad debts (recovery)	-	(1,978)	(6,456)
Bank charges and interest	11,000	24,460	16,037
Basic needs	361,564	347,742	405,607
Bingo paper	20,000	19,041	19,510
Community donations	-	18,300	18,650
Contracted services	168,182	320,934	250,078
Contributions	-	43,200	-
Fuel	38,000	59,547	48,599
Honouraria	19,647	11,838	19,106
Insurance	108,912	99,832	108,849
Interest on long-term debt	267,589	367,727	114,260
Lunches	9,135	29,324	21,864
Meetings	67,646	57,898	64,477
Miscellaneous	16,318	37,937	24,479
National child benefit - projects	131,530	-	1,373
Office supplies and expenses	19,728	7,230	16,576
Prize payouts	639,086	453,117	564,478
Professional fees	93,374	145,041	122,081
Program expense	35,924	64,907	36,628
Rent	11,600	33,205	44,458
Repairs and maintenance	267,697	253,135	321,822
Salaries and benefits	1,186,613	1,022,078	1,297,424
Service agreements	50,300	74,480	47,359
Student allowance	105,216	93,649	113,986
Student wages	-	15,800	-
Supplies	74,187	150,250	184,268
Telephone	18,300	33,093	38,925
Training	21,700	61,660	21,891
Travel	131,713	166,023	211,501
Tuition	756,728	848,924	784,176
Utilities	240,521	106,231	115,855
Youth and cultural activities	16,590	94,121	82,984
	5,122,180	5,839,835	5,868,720

Star Blanket Cree Nation
Band Government

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	<i>2014 Budget (Note 17)</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	265,132	252,823	268,633
Other revenue	-	30,228	183,074
Aboriginal Affairs and Northern Development Canada - adjustment	-	(14,571)	(11,696)
	265,132	268,480	440,011
Expenses			
Administration	-	1,100	-
Advertising, promotion and gifts	-	684	918
Assistance	-	8,100	252
Bad debts (recovery)	-	(1,978)	(6,456)
Bank charges and interest	9,500	10,361	10,940
Contracted services	6,000	58,657	15,329
Fuel	-	500	2,544
Honouraria	1,500	-	1,650
Lunches	800	1,138	1,350
Meetings	-	11,215	7,000
Miscellaneous	-	3,569	-
Office supplies and expenses	7,000	1,211	7,188
Professional fees	40,000	58,805	87,974
Rent	-	16,405	1,183
Salaries and benefits	312,334	254,044	347,635
Supplies	10,000	15,572	10,627
Telephone	13,000	25,333	30,545
Training	-	10,900	1,785
Travel	40,000	45,558	55,516
Utilities	17,500	-	-
Youth and cultural activities	-	8,289	1,370
	457,634	529,463	577,350
Deficit	(192,502)	(260,983)	(137,339)

Star Blanket Cree Nation
Capital

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	<i>2014 Budget (Note 17)</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	-	-	58,073
Expenses			
Amortization	-	514,510	536,481
Deficit	-	(514,510)	(478,408)

Star Blanket Cree Nation
Economic Development

Schedule 5 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	<i>2014 Budget (Note 17)</i>	<i>2014</i>	<i>2013</i>
Revenue			
Bingo revenue	912,980	690,599	844,570
Rental income	313,892	324,425	285,704
Investment income	-	260,000	-
First Nations Trust	192,743	245,272	246,561
FHQ Casino Holdings Ltd.	-	60,000	60,000
Other revenue	4,040	32,303	11,840
FHQ Tribal Council	66,597	30,000	36,597
Business Ready Investment Development Gateway	-	17,640	103,593
	1,490,252	1,660,239	1,588,865
Expenses			
Administration	28,000	33,249	37,006
Advertising, promotion and gifts	5,000	7,884	2,600
Amortization	-	23,841	24,363
Bank charges and interest	1,350	12,317	2,501
Community donations	-	18,300	18,650
Contracted services	16,250	21,962	21,721
Honouraria	9,500	11,518	10,968
Insurance	6,500	6,241	5,919
Interest on long-term debt	200,000	312,579	54,239
Meetings	27,200	24,218	29,575
Miscellaneous	2,750	14,819	366
Office supplies and expenses	12,728	4,729	6,626
Paper - bingo	20,000	19,041	19,510
Prize payouts	639,086	453,117	564,478
Professional fees	39,000	61,723	31,335
Rent	3,600	7,800	7,275
Repairs and maintenance	31,250	28,429	31,122
Salaries and benefits	186,792	169,020	191,709
Service agreements	50,300	28,823	15,529
Supplies	6,400	2,663	1,628
Telephone	5,300	3,523	2,125
Training	13,000	7,229	-
Travel	20,653	16,255	21,707
Utilities	18,000	18,299	16,458
	1,342,659	1,307,579	1,117,410
Surplus before transfers	147,593	352,660	471,455
Transfers between programs	(164,947)	(132,016)	(205,443)
Surplus	(17,354)	220,644	266,012

Star Blanket Cree Nation
Education

Schedule 6 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	<i>2014 Budget (Note 17)</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	1,188,106	1,255,750	1,228,743
FHQ Tribal council	-	6,192	45,375
Other revenue	-	1,780	460
	1,188,106	1,263,722	1,274,578
Expenses			
Administration	4,317	4,317	4,480
Assistance	-	9,252	6,638
Contracted services	101,569	69,726	70,206
Fuel	27,000	25,445	21,113
Honouraria	647	-	175
Insurance	3,323	3,962	3,390
Interest on long-term debt	46,260	5,156	4,593
Lunches	2,000	4,272	3,310
Meetings	3,500	804	4,926
Miscellaneous	-	2,097	5,458
Office supplies and expenses	-	-	400
Professional fees	-	480	-
Program expense	6,000	13,215	13,241
Repairs and maintenance	27,000	14,160	31,181
Salaries and benefits	63,475	63,712	64,749
Student allowance	105,216	93,649	113,986
Student wages	-	15,800	17,355
Supplies	31,000	19,484	33,500
Training	500	315	-
Travel	11,500	17,129	16,153
Tuition	756,728	848,924	774,094
Utilities	500	400	300
Youth and cultural activities	1,200	1,230	33,369
	1,191,735	1,213,529	1,222,617
Surplus	(3,629)	50,193	51,961

Star Blanket Cree Nation
Health

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	2014 Budget (Note 17)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	3,769	3,820	3,180
File Hills Community Health Services Inc.	202,460	176,176	171,320
FHQ Tribal council	91,436	100,309	146,577
Health Canada	9,483	52,684	44,483
Health Canada funding adjustment	-	(4,422)	(7,395)
	307,148	328,567	358,165
Expenses			
Administration	27,592	27,505	27,060
Advertising, promotion and gifts	-	3,779	650
Assistance	8,000	8,076	8,651
Contracted services	5,127	3,660	11,049
Contributions	-	43,200	-
Honouraria	-	-	200
Insurance	-	1,405	-
Lunches	6,335	6,498	4,450
Meetings	16,946	15,948	8,666
Miscellaneous	-	10,884	11,470
Professional fees	-	380	2,772
Program expense	29,924	8,749	3,628
Repairs and maintenance	-	798	220
Salaries and benefits	184,959	155,179	201,020
Supplies	1,200	11,253	12,642
Training	2,000	8,687	8,473
Travel	33,860	56,760	68,051
Youth and cultural activities	9,390	8,965	7,002
	325,333	371,726	376,004
Deficit	(18,185)	(43,159)	(17,839)

Star Blanket Cree Nation
Housing

Schedule 8 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	2014 <i>Budget</i> <i>(Note 17)</i>	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	130,566	80,566	70,566
Canada Mortgage and Housing Corporation	61,070	52,865	53,151
CMHC tenant rent	-	23,085	14,460
Other revenue	36,000	12,400	-
	227,636	168,916	138,177
Expenses			
Administration	16,150	12,920	28,658
Amortization	-	50,215	62,108
Bank charges and interest	-	67	33
Contracted services	-	130,116	88,919
Fuel	-	17,222	5,137
Insurance	51,391	15,838	18,051
Interest on long-term debt	21,329	15,569	18,926
Miscellaneous	10,568	-	2,945
Professional fees	7,124	5,250	-
Repairs and maintenance	121,074	66,875	65,891
Supplies	-	74,602	69,833
Training	-	500	-
Travel	-	5,287	1,737
	227,636	394,461	362,238
Deficit before transfers	-	(225,545)	(224,061)
Transfers between programs	-	17,745	82,755
Deficit	-	(207,800)	(141,306)

Star Blanket Cree Nation
Operations and Maintenance

Schedule 9 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	2014 Budget (Note 17)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	339,673	462,159	485,188
Other revenue	-	74,481	126,044
FHQ Tribal council	5,089	5,089	5,089
	344,762	541,729	616,321
Expenses			
Administration	28,928	37,254	37,254
Advertising, promotion and gifts	-	-	90
Bank charges and interest	150	60	330
Contracted services	35,420	8,581	14,735
Fuel	11,000	12,958	15,643
Insurance	33,698	71,819	80,308
Miscellaneous	2,000	4,094	141
Program expense	-	4,485	3,445
Repairs and maintenance	76,923	140,154	179,583
Salaries and benefits	143,682	170,360	126,612
Service agreements	-	45,657	31,829
Supplies	24,893	23,051	47,873
Telephone	-	2,474	2,925
Training	200	1,305	-
Travel	2,800	4,206	3,547
Utilities	193,300	82,089	97,748
Youth and cultural activities	-	300	600
	552,994	608,847	642,663
Deficit before transfers	(208,232)	(67,118)	(26,342)
Transfers between programs	-	10,656	-
Deficit	(208,232)	(56,462)	(26,342)

Star Blanket Cree Nation
Reserves and Trusts

Schedule 10 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	<i>2014 Budget (Note 17)</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	5,000	5,000	5,000
Other revenue	26,579	1,152	26,884
	31,579	6,152	31,884
Expenses			
Contracted services	-	4,200	4,200
Salaries and benefits	4,306	108	108
Supplies	694	-	50
Travel	-	434	724
	5,000	4,742	5,082
Surplus	26,579	1,410	26,802

Star Blanket Cree Nation
Social Development

Schedule 11 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	<i>2014 Budget (Note 17)</i>	<i>2014</i>	<i>2013 Restated (Note 18)</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	623,823	609,021	660,864
Aboriginal Healing Foundation	-	302,920	419,882
Living Skies Community Development Corporation	-	39,063	-
Saskatchewan Liquor and Gaming Authority	-	9,952	28,482
Other revenue	300,922	6,778	13,023
FHQ Tribal Council	389,035	-	-
AANDC funding adjustment	-	(5,999)	(21,101)
	1,313,780	961,735	1,101,150
Expenses			
Administration	73,211	(116,346)	(134,458)
Fuel	-	3,422	4,162
Bank charges and interest	-	1,654	2,233
Assistance	42,182	151,227	110,625
Basic needs	361,564	347,742	405,607
Contracted services	3,816	24,033	6,564
Honouraria	8,000	320	6,114
Insurance	14,000	566	1,181
Interest on long-term debt	-	34,422	36,500
Lunches	-	17,417	12,753
Meetings	20,000	5,714	14,309
Miscellaneous	1,000	2,475	4,099
National child benefit - projects	131,530	-	1,373
Office supplies and expenses	-	1,290	2,363
Professional fees	7,250	18,403	-
Program expense	-	38,458	16,313
Advertising, promotion and gifts	-	3,520	4,500
Rent	8,000	9,000	36,000
Repairs and maintenance	11,450	2,720	-
Salaries and benefits	291,065	209,655	365,591
Supplies	-	3,623	32,022
Telephone	-	1,764	3,330
Training	6,000	32,725	11,633
Travel	22,900	20,393	44,066
Utilities	11,221	5,443	1,349
Youth and cultural activities	6,000	75,338	40,646
	1,019,189	894,978	1,028,875
Surplus before transfers	294,591	66,757	72,275
Transfers between programs	-	103,615	122,688
Surplus	294,591	170,372	194,963