

**Fort McMurray #468 First Nation
Consolidated Financial Statements**

March 31, 2014

Fort McMurray #468 First Nation Contents

For the year ended March 31, 2014

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Management's Responsibility

To the Members of Fort McMurray #468 First Nation:

The accompanying consolidated financial statements of Fort McMurray #468 First 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 consolidated financial statements.

The Fort McMurray #468 First Nation Council is 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 Nation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Council on behalf of the members to audit the consolidated financial statements and report directly to them; 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.

July 17, 2014

Originally signed by Ken Kapustiak

Chief Financial
Officer

To the Members of Fort McMurray #468 First Nation:

We have audited the accompanying consolidated financial statements of Fort McMurray #468 First Nation which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, accumulated operating surplus, changes in net financial assets, cash flows, and 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 consolidated 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 statement.

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

Basis for Qualified Opinion

We were unable to observe sufficient evidence of the Nation's budget as they did not prepare one. Therefore, the Nation did not meet PSA standard 1201 that requires a budget be prepared and disclosed.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of the Fort McMurray #468 First Nation as at March 31, 2014 and the results of its operations and accumulated operating surplus, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Fort McMurray, Alberta

July 17, 2014

MNP
Chartered Accountants

Fort McMurray #468 First Nation
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Cash and cash equivalents	1,215,973	671,733
Accounts receivable (Note 2)	1,452,719	1,268,688
Investment in Nation partnerships and businesses (Note 3)	19,658,949	12,910,629
AANDC capital and revenue trust funds (Note 4)	76,660	69,768
Total of financial assets	22,404,301	14,920,818
Liabilities		
Operating line of credit (Note 5)	20,000	5,000
Accounts payable and accruals (Note 6)	1,279,613	1,188,124
Deferred revenue (Note 7)	619,438	305,413
Long-term debt (Note 8)	1,953,186	2,555,937
AANDC Native claims loans (Note 9)	646,315	646,315
Total of financial liabilities	4,518,552	4,700,789
Net financial assets	17,885,749	10,220,029
Contingent liabilities (Note 11)		
Guarantees (Note 12)		
Non-financial assets		
Tangible capital assets (Note 10) (Schedule 1)	8,637,419	8,936,708
Accumulated surplus	26,523,168	19,156,737

Approved on behalf of the Council

Originally signed by Byron Bates

Councilor

Originally signed by Ron Kreutzer Jr.

Councilor

Fort McMurray #468 First Nation
Consolidated Statement of Operations

For the year ended March 31, 2014

	<i>Schedules</i>	2014	2013
Revenue			
Government funding			
Aboriginal Affairs and Northern Development Canada		1,457,919	1,719,520
Health Canada		1,212,725	534,337
Other Government grants		334,168	166,417
Athabasca Tribal Council		140,500	58,292
Canada Mortgage and Housing Corporation		47,490	54,050
Total Government funding		3,192,802	2,532,616
Industrial Relations		2,013,483	1,844,753
Donations and other receipts from industry		450,753	502,742
First Nation Development Fund		287,348	479,941
Other revenue		186,951	339,370
Rental income		142,420	117,326
Proceeds from insurance		122,980	-
Land access fees		33,179	149,410
Revenue funds held in trust (Note 4)		6,892	63,272
		6,436,808	6,029,430
Program expenses			
Administration and Finance	3	1,512,005	1,431,031
Chief and Council	4	702,125	487,638
Operations and Maintenance	5	1,527,539	1,164,788
Economic Development	6	125,555	286,059
Education	7	111,221	128,083
First Nation Development Funds	8	135,280	47,169
Health Services	9	1,462,603	569,973
Band Housing	10	690,540	823,881
Human Resource Development	11	188,017	198,040
Membership	12	360,155	62,929
Social Assistance	13	423,725	429,237
Industrial Relations	14	1,249,472	1,594,440
Total expenditures		8,488,237	7,223,268
Operating deficit before other items		(2,051,429)	(1,193,838)
Earnings from Investments in Nation partnerships and businesses (Note 3)		9,417,860	7,474,309
Operating surplus		7,366,431	6,280,471

Fort McMurray #468 First Nation
Consolidated Statement of Accumulated Operating Surplus
For the year ended March 31, 2014

	2014	2013
Accumulated operating surplus, beginning of year	19,156,737	12,876,266
Operating surplus	7,366,431	6,280,471
Accumulated operating surplus, end of year	26,523,168	19,156,737

Fort McMurray #468 First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2014

	2014	2013
Annual operating surplus	7,366,431	6,280,471
Purchases of tangible capital assets (Schedule 1)	(496,276)	(1,822,805)
Amortization of tangible capital assets (Schedule 1)	794,847	697,909
Loss on disposal of tangible capital assets (Schedule 1)	718	-
 Increase in net financial assets	7,665,720	5,155,575
Net financial assets, beginning of year	10,220,029	5,064,454
 Net financial assets, end of year	17,885,749	10,220,029

Fort McMurray #468 First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Operating surplus	7,366,431	6,280,471
Non-cash items		
Amortization <i>(Schedule 1)</i>	794,847	697,909
Income re-invested in Nation partnerships and businesses <i>(Note 3)</i>	(9,417,860)	(7,474,309)
Loss on disposal of tangible capital assets <i>(Schedule 1)</i>	718	-
Changes in working capital accounts		
Accounts receivable	(184,031)	(330,942)
Accounts payable and accruals	91,489	620,568
Deferred revenue	314,025	-
	(1,034,381)	(206,303)
Financing activities		
Advances of long-term debt	-	750,000
Repayment of long-term debt	(602,751)	(644,023)
Contributions to AANDC trust funds <i>(Note 4)</i>	(6,892)	(63,272)
	(609,643)	42,705
Capital activities		
Purchases of tangible capital assets <i>(Schedule 1)</i>	(496,276)	(1,822,805)
Investing activities		
Withdrawals from investments in Nation partnerships and businesses <i>(Note 3)</i>	2,669,540	1,931,072
Increase (decrease) in cash resources	529,240	(55,331)
Cash resources, beginning of year	666,733	722,064
Cash resources, end of year	1,195,973	666,733
Cash resources are composed of:		
Cash	1,215,973	671,733
Bank indebtedness	(20,000)	(5,000)
	1,195,973	666,733
Supplementary cash flow information		
Interest paid	121,434	107,377

Fort McMurray #468 First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

1. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards and including the following significant accounting policies:

Reporting entity and principles of consolidation

The consolidated financial statements consolidate the financial activities of all entities and departments comprising Fort McMurray #468 First Nation (the "Nation"), except for Nation business entities.

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

- Fort McMurray #468 First Nation Industrial Relations Corporation

Business accounted for by the modified equity basis include:

- i) Christina River Enterprises (1987) Ltd.
- ii) Fort McMurray First Nation Holdings Limited Partnership, which consists of:
 - Fort McMurray First Nation Holdings Corporation
 - Christina River Enterprises Limited Partnership
 - Christina River Enterprises General Partnership Inc.
 - Fort McMurray First Nation Refinery Limited Partnership
 - Fort McMurray First Nation Refinery General Partnership Inc.
 - Fort McMurray First Nation Management Ltd.

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.

The Nation's business entities, which are owned or controlled by the Nation but not dependent on the Nation for their continuing operations, are included in the Nation's consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities are recorded at acquisition cost and are increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses 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.

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, and expenses that have been prepaid.

Net financial assets

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

Fort McMurray #468 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

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

Revenue recognition

Government Transfers

The 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Industrial Relations revenue

Industrial Relations revenue is recognized when prices are agreed upon, all significant contractual obligations have been satisfied, and collectibility is reasonably assured.

AANDC capital and revenue trust funds

Funds held in trust on behalf of Nation members by the Government of Canada are reported on the consolidated statement of financial position with an offsetting amount in revenue. Trust moneys 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.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives.

	Method	Rate
Building and housing	straight-line	20-25 years
Computer software	declining balance	100 %
Office equipment	declining balance	20-55 %
Infrastructure	straight-line	20 years
Automotive equipment	declining balance	30 %
Equipment	declining balance	30 %

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 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. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in surplus for the year.

Fort McMurray #468 First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

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

Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable, and amounts due from Membership, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accruals related to government transfers from AANDC and Health Canada are estimates based on the related funding agreement and actual expenses.

Segments

The Nation conducts its business through twelve reportable segments: Administration and Finance, Chief and Council, Operations and Maintenance, Economic Development, Education, First Nation Development Funds, Health Services, Band Housing, Human Resource Development, Membership, Social Assistance and Industrial Relations. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed above. Inter segment transfers are recorded at their exchange amount.

Financial Instruments

The Nation recognizes its financial instruments when the Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

Fort McMurray #468 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Accounts receivable

	2014	2013
Aboriginal Affairs and Northern Development Canada	26,096	365,309
Health Canada	97,500	-
CMHC subsidy assistance receivable	-	4,092
First Nation Development Funds	344,455	118,281
Members	3,489	24,028
Tax receivables	15,617	17,584
Trade receivables	567,753	296,961
Industrial Relations - Trade receivable	746,849	706,631
Allowance for doubtful accounts	(349,040)	(264,198)
	1,452,719	1,268,688

3. Investments in Nation partnerships and businesses

The Nation has investments in the following entities:

	<i>2014</i>			
	<i>Opening net investment</i>	<i>Current contributions (draws)</i>	<i>Current earnings (loss)</i>	<i>Total investment</i>
Investments held at cost				
Athabasca Tribal Council Ltd.	1	-	-	1
Mark Amy Centre for Healing Addictions Ltd.	1	-	-	1
	2	-	-	2
Wholly-owned Businesses:				
Fort McMurray First Nations Holdings Limited				
Partnership	12,792,974	(2,669,540)	9,396,560	19,519,994
Christina River Enterprises (1987) Ltd.	117,653	-	21,300	138,953
	12,910,629	(2,669,540)	9,417,860	19,658,949

Fort McMurray #468 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

3. Investments in Nation partnerships and businesses *(Continued from previous page)*

	<i>Opening net investment</i>	<i>Current contributions (draws)</i>	<i>Current earnings (loss)</i>	<i>Total investment</i>
Investments held at cost				
Athabasca Tribal Council Ltd.	1	-	-	1
Mark Amy Centre for Healing Addictions Ltd.	1	-	-	1
	2	-	-	2
Wholly-owned Businesses:				
Fort McMurray First Nations Holdings Limited Partnership	7,271,037	(1,931,072)	7,453,009	12,792,974
Christina River Enterprises (1987) Ltd.	96,353	-	21,300	117,653
	7,367,392	(1,931,072)	7,474,309	12,910,629

Summary financial information for each Nation business enterprise, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Fort McMurray First Nations Holdings Limited Partnership As at March 31, 2014</i>	<i>Christina River Enterprises (1987) Ltd. As at March 31, 2014</i>
Assets		
Current assets	17,416,591	-
Long-term assets	10,277,554	141,453
Total assets	27,694,145	141,453
Liabilities		
Current liabilities	6,622,010	2,500
Long-term liabilities	1,552,141	-
Total liabilities	8,174,151	2,500
Partner's Capital/Shareholders' Equity		
	19,519,994	138,953
Total revenue	33,344,141	23,800
Total expenses	23,947,581	2,500
Net income	9,396,560	21,300

Fort McMurray #468 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

4. AANDC capital and revenue trust funds

The Ottawa Trust accounts arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by sections 63 and 69 of the Indian Act.

These Ottawa Funds are held in trust in the Consolidated Revenue fund of the Government of Canada. These funds earn interest as specified in Section 61(2) of the Indian Act.

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

	2014	2013
Capital Trust		
Balance, beginning of year	2,362	2,362
Balance, end of year	2,362	2,362
Revenue Trust		
Balance, beginning of year	67,406	4,134
Interest and land leases	6,892	63,272
Balance, end of year	74,298	67,406
	76,660	69,768

5. Operating line of credit

As at March 31, 2014, the Nation had a revolving credit facility available with the Royal Bank of Canada to a max of \$50,000 (2013 - max of \$50,000), of which \$20,000 (2013 - \$5,000) was drawn. The credit facility bears an interest rate of prime plus 3.50% and revolves in increments of \$5,000. Refer to Note 8 for security information on Royal Bank credit facilities.

6. Accounts payable and accruals

	2014	2013
Trade payables and accrued liabilities	950,172	926,082
Goods and services taxes payable	259,718	195,755
Payroll accruals	69,723	66,287
	1,279,613	1,188,124

7. Deferred revenue

	2014	2013
FNDF - Youth Recreational	305,413	305,413
FNDF - Renovation and Maintenance	189,726	-
Health Canada - Special Projects	124,299	-
	619,438	305,413

Fort McMurray #468 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

8. Long-term debt

	2014	2013
CMHC mortgage repayable at \$6,374 per month including interest at 6.02%, due March 2019.	720,001	750,000
Royal Bank of Canada loan repayable at \$40,574 per month including interest at 5.20% due September 5, 2015.	661,470	1,119,045
First Nations Bank loan repayable in monthly principal payments of \$6,250 plus interest at prime plus 3% due May 2017.	234,028	309,028
CMHC mortgage repayable at \$998 per month including interest at 1.65% due September 2016.	130,269	140,009
CMHC mortgage repayable at \$1,057 per month including interest at 1.81% due May 2014.	116,813	127,283
CMHC mortgage repayable at \$1,855 per month including interest at 2.02%, due June 2018.	90,605	110,572
	1,953,186	2,555,937

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2015	613,635
2016	350,969
2017	256,029
2018	82,754
2019 and thereafter	649,799

Loans are secured by a general security agreement. As additional security on the long-term debt with the Royal Bank of Canada, a subsidiary partnership to the Nation has signed a guarantee in the amount of \$2,700,000 (2013 - \$2,700,000). This guarantee extends to the operating line of credit disclosed in Note 5.

9. AANDC Native claims loans

Fort McMurray #468 First Nation is liable to the Government of Canada for \$646,315 (2013 - \$646,315) under promissory notes and a Native Claims Loan Agreement payable on the earlier of March 31, 2015, or a date on which the claim is settled.

The loans are to assist the Nation in pursuing its specific claim. The loans are interest free unless the Nation is in default or the promissory notes comes to maturity, in such case interest will accrue from the date of default or maturity at a rate to be determined.

No advances on the Native claim loan were made during the year.

Fort McMurray #468 First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

10. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

During the year, purchases of tangible capital assets of \$496,276 (2013 - \$1,822,805) were made. Purchases by program were as follows:

- Operations and maintenance - \$189,297 (2013 - \$317,133)
- Band Housing - \$148,452 (2013 - \$990,612)
- Economic Development (Information management/Information technology) - \$40,240 (2013 - \$nil)
- First Nation Development Funds - \$112,279 (2013 - \$472,560)
- Health Services - \$nil (2013 - \$42,500)
- Fort McMurray #468 First Nation Industrial Resource Company \$6,008 (2013 - \$nil)

Buildings includes buildings under construction with a carrying value of \$112,279 (2013 - \$1,162,365). No amortization of this asset has been recorded during the year because it is currently under construction.

11. Contingent liabilities

The Nation has been named as defendant in certain legal proceedings. The Nation is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these consolidated financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

12. Guarantees

The Nation has signed a guarantee and postponement of claims related to the Royal Bank of Canada credit facilities for Christina River Enterprises Limited Partnership, a subsidiary Partnership, to a maximum of \$1,965,000 (2013 - \$1,965,000). As at March 31, 2014, the subsidiary Partnership had \$528,290 (2013 - \$790,340) outstanding on all related facilities. The facilities are additionally secured by a general security agreement and a guarantee and postponement of claims in the amount of \$1,965,000 (2013 - \$1,965,000) from Fort McMurray First Nation Holdings Limited Partnership. The facilities outstanding are due between February 2016 and March 2016.

As at March 31, 2014, no liability (2013 - no liability) has been recorded associated with these guarantees.

13. Financial Instruments

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

Risk Management Policy

The Nation, as part of operations, has established risk management objectives such as avoidance of undue concentrations of risk as risk management objectives. In seeking to meet these objectives, the Nation follows a risk management policy approved by Chief and Council.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Nation is exposed to interest rate risk with respect to long-term debt amounts which bear interest at rates agreed upon at the time of issuance.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The carrying amount of the First Nation's financial instruments best represents the maximum exposure to credit risk. The Nation provides allowances for potentially uncollectible receivables as part of credit risk management.

Fort McMurray #468 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

14. Comparative figures

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