

MANAGEMENT'S RESPONSIBILITY

To the Members of Sayisi Dene First Nation:

Management is responsible for the preparation 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 Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfills 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 First Nation's external auditors.

Zaplitny and Zamrykut, Chartered Accountants, an independent firm of Chartered Accountants, is appointed by the Council 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.

September 15, 2015

| | | |
|---|------------|------------|
|  _____  _____  _____  _____ | Chief | Councillor |
| | Councillor | Councillor |

AUDITORS' REPORT

To the Members of Sayisi Dene First Nation:

We have audited the consolidated statement of financial position of the Sayisi Dene First Nation as at March 31, 2015 and the consolidated statements of operations, changes in net debt, cash flows, the consolidated schedule of tangible capital assets (Schedule 1) for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

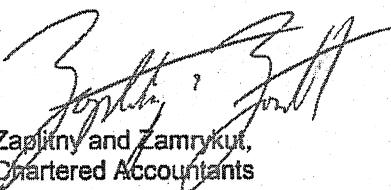
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 representation 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.

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 the Sayisi Dene First Nation as at March 31, 2015 and the results of its operations and accumulated surplus, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.


Zaslavsky and Zamrykut,
Chartered Accountants

Dauphin, Manitoba
September 15, 2015

SAYISI DENE FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

| | 2015 | 2014 |
|--|---------------------|----------------------|
| FINANCIAL ASSETS | | |
| Restricted Cash - Note 3 | \$ 573,096 | \$ 932,991 |
| Accounts Receivable - Note 4 | 1,294,946 | 553,731 |
| | <u>1,868,042</u> | <u>1,486,722</u> |
| LIABILITIES | | |
| Bank Indebtedness | 394,503 | 1,412,868 |
| Accounts Payable and Accruals - Note 5 | 1,282,052 | 1,190,314 |
| Deferred Revenue - Note 6 | 1,053,516 | 647,341 |
| Long Term Debt - Note 7 | 3,773,016 | 4,053,940 |
| | <u>6,503,087</u> | <u>7,304,463</u> |
| NET DEBT | <u>(4,635,045)</u> | <u>(5,817,741)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible Capital Assets - Schedule 1 | 13,689,074 | 15,465,425 |
| Fuel Inventory | 485,291 | 830,158 |
| Prepaid Expenses | 36,595 | 130,315 |
| | <u>14,210,960</u> | <u>16,425,898</u> |
| ACCUMULATED SURPLUS - NOTE 8 | <u>\$ 9,575,915</u> | <u>\$ 10,608,157</u> |

Approved on Behalf of the Council

 John Doe

Chief

 John Doe

Councillor

 John Doe

Councillor

 John Doe

Councillor

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

SAYISI DENE FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2015

| | 2015 Budget (Unaudited) | 2015 | 2014 |
|--|-------------------------------|---------------------|----------------------|
| REVENUE | | | |
| Aboriginal Affairs and Northern Development Canada (AANDC) | \$ 4,473,861 | \$ 6,569,799 | \$ 5,956,461 |
| Government of Canada - Native Claims Program | - | 282,264 | 570,864 |
| First Nation and Inuit Health (FNIH) | - | 1,110,410 | 1,226,220 |
| Canada Mortgage and Housing Corporation (CMHC) | 326,316 | 326,650 | 284,895 |
| Province of Manitoba | - | 282,749 | 313,806 |
| Other | - | 185,308 | 273,230 |
| Keewatin Tribal Council | - | 56,083 | 53,965 |
| Solicitor General | 49,956 | 49,954 | 44,768 |
| User Fees | 14,400 | 16,031 | 18,891 |
| Rent | 90,000 | 206,388 | 143,109 |
| Interest | - | 172 | 58 |
| Revenue Deferred in Prior Year - Note 6 | - | 647,341 | 754,468 |
| Revenue Deferred to Subsequent Year-Note 6 | - | (1,053,516) | (647,341) |
| | 4,954,533 | 8,679,633 | 8,993,394 |
| EXPENSES | | | |
| Governance and Administration | 613,138 | 1,764,395 | 1,951,099 |
| Social | 1,178,858 | 1,400,164 | 1,317,274 |
| Health | - | 879,998 | 879,436 |
| Housing | 419,936 | 419,842 | 396,540 |
| Economic Development | 47,000 | 53,252 | - |
| Education | 1,506,450 | 2,214,441 | 2,383,324 |
| Operations and Maintenance | 942,013 | 2,193,238 | 2,732,868 |
| Land Claims | - | 564,673 | 559,394 |
| Training and Other | 386,518 | 221,872 | 206,936 |
| | 5,093,913 | 9,711,875 | 10,426,871 |
| ANNUAL SURPLUS (DEFICIT) | \$ (139,380) | (1,032,242) | (1,433,477) |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | - | 10,608,157 | 12,041,634 |
| ACCUMULATED SURPLUS, END OF YEAR | - | \$ 9,575,915 | \$ 10,608,157 |

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

SAYISI DENE FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT FOR THE YEAR ENDED MARCH 31, 2015

| | 2015 | 2014 |
|---|----------------|----------------|
| ANNUAL DEFICIT | \$ (1,032,242) | \$ (1,433,477) |
| Purchases of Tangible Capital Assets | - | (1,513,291) |
| Amortization of Tangible Capital Assets | 1,776,352 | 2,034,994 |
| Net (Increase) Decrease in Fuel Inventory | 344,866 | (136,200) |
| Net (Increase) Decrease of Prepaid Expenses | 93,720 | (65,235) |
| DECREASE (INCREASE) IN NET DEBT | 1,182,696 | (1,113,209) |
| NET DEBT, BEGINNING OF YEAR | (5,817,741) | (4,704,532) |
| NET DEBT, END OF YEAR | \$ (4,635,045) | \$ (5,817,741) |

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

SAYISI DENE FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2015

| | 2015 | 2014 |
|---|---------------------|-----------------------|
| CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Cash Receipts from Contributors | \$ 8,324,593 | \$ 9,080,411 |
| Cash Paid to Suppliers | (4,745,224) | (6,307,498) |
| Cash Paid to Employees | (2,563,017) | (2,616,996) |
| Interest on Long Term Debt | (76,958) | (78,601) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 939,394 | 77,316 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long Term Debt Advances | - | 1,301,095 |
| Repayment of Long Term Debt | (280,924) | (270,856) |
| CASH FLOWS USED IN FINANCING ACTIVITIES | (280,924) | 1,030,239 |
| CASH FROM INVESTING ACTIVITIES | | |
| Purchase of Tangible Capital Assets | - | (1,513,291) |
| (Increase) Decrease in Restricted Cash | 359,895 | (34,480) |
| CASH USED IN INVESTING ACTIVITIES | 359,895 | (1,547,771) |
| NET INCREASE IN BANK INDEBTEDNESS | 1,018,365 | (440,216) |
| BANK INDEBTEDNESS, beginning of year | (1,412,868) | (972,652) |
| BANK INDEBTEDNESS, end of year | \$ (394,503) | \$ (1,412,868) |
| CASH RESOURCES (DEFICIENCY) ARE COMPOSED OF: | | |
| Bank Indebtedness | \$ (394,503) | \$ (1,412,868) |

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

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

1. OPERATIONS

The Sayisi Dene First Nation (The "First Nation") is located in the province of Manitoba, and provides various services to its members. Sayisi Dene First Nation includes the government, and all related entities that are either owned or controlled by the First Nation.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of presentation

Sources of financing 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.

Reporting entity

The consolidated financial statements are presented on a consolidated basis which includes the unincorporated business operations which are owned and/or controlled by the First Nation and programs for which separate financial statements are issued as listed in the significant accounting policies note under the *segments* heading.

There are no incorporated business entities which are owned or controlled by the First Nation.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Tangible capital assets are amortized using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives:

| | |
|-------------------------|----------|
| Boats and Snowmobiles | 3 Years |
| CMHC Housing | 25 Years |
| Computer Software | 2 Years |
| Computers | 3 Years |
| Fuel Tanks | 10 Years |
| Heated Storage | 40 Years |
| Infrastructure | 25 Years |
| Office Equipment | 5 Years |
| Other Housing | 20 Years |
| Roads | 40 years |
| Vehicles | 3 Years |
| Water and Sewer Project | 25 Years |

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - continued

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 First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying amount exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

Non-financial assets

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Measurement uncertainty

The preparation of consolidated financial statements in accordance 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 are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of the related tangible capital assets. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Segments

The First Nation conducts its business through 10 reportable segments as reported below. These operating segments are established by senior management to facilitate the achievement of the First 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 First nation's segments are as follows:

- Governance and administration - reports on governance and administration activities
- Social - reports on social assistance programs
- Health - reports on health and wellness programs funded by FNIH
- Housing - reports on activities related to developing and sustaining housing including CMHC subsidized housing
- Economic Development - reports on services that facilitate economic development
- Education - reports on the operations of education programs
- Operations and Maintenance - reports on general operations and maintenance programs in the First Nation
- Ottawa Trust - reports on funding held in the Ottawa Trust
- Land Claims - reports on activities related to land claims, including the Samuel Thorassie claim negotiations.
- Training and Other - reports on training and other activities

Inter-segment transfers are recorded at their exchange amount. 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.

Financial Instruments

Financial instruments include cash, restricted cash, accounts receivable, bank indebtedness, accounts payable and accruals and long-term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from the financial instruments.

Revenue recognition

Government transfer 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, and is matched with the related department expenses in the year of their occurrence. Other revenue is recognized by the First Nation when the services are provided or goods are shipped.

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. First Nation contributions to the defined contribution plan are expensed as incurred.

3. RESTRICTED CASH

| | 2015 | 2014 |
|--------------------------|------------------|------------------|
| CMHC Replacement Reserve | \$ 497,396 | \$ 458,530 |
| Claims Office | 41,677 | 268,085 |
| PM Associates | 14,467 | 186,991 |
| Housing Capital Reserve | 15,005 | 15,005 |
| Ottawa Trust | 4,551 | 4,380 |
| | <hr/> \$ 573,096 | <hr/> \$ 932,991 |

CMHC Replacement Reserve

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited an annual amount based on the number and type of houses available for use. These funds, along with accumulated interest, must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The First Nation is currently in contravention of its major funding agreement with CMHC. At year end the specified replacement reserve bank account was underfunded by \$497,396 (2013/14 - \$458,530).

Claims Office

Claims office cash is restricted for the negotiation on the Samuel Thorassie land claim; they are held in trust by legal representatives. As at March 31, 2015, the balance of funds held by legal representatives was \$41,677 (2013/14 - \$149,146) and the balance held by the First Nation was \$Nil (2013/14 - \$118,939).

PM Associates

Funds held in trust by PM Associates are to be used specifically for particular capital projects.

Ottawa Trust

The Ottawa Trust funds are held in trust in the consolidated revenue fund of the Government of Canada and subject to audit by the office of the Auditor General of Canada. Funds held in trust on behalf of First Nation members by the Government of Canada are reported on the statement of financial position with an offsetting amount in members' equity and consist of:

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

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

4. ACCOUNTS RECEIVABLE

| | 2015 | 2014 |
|--|---------------------|-------------------|
| AANDC, per confirmation | \$ 1,142,399 | \$ 400,271 |
| First Nation Inuit Health Branch, per confirmation | - 3,292 | |
| Public Safety Canada | 34,967 17,294 | |
| Canada Mortgage and Housing Corporation | 7,291 - | |
| Province of Manitoba | 9,601 14,967 | |
| Other | 100,688 117,907 | |
| | \$ 1,294,946 | \$ 553,731 |

5. ACCOUNTS PAYABLE

| | 2015 | 2014 |
|------------------------------|---------------------|---------------------|
| AANDC, prior year recoveries | \$ 78,417 | \$ 56,368 |
| Other | 1,203,635 1,133,946 | |
| | \$ 1,282,052 | \$ 1,190,314 |

6. DEFERRED REVENUE

| | 2015 | 2014 |
|--|---------------------|-------------------|
| AANDC - Enrolment and Ratification (Sch. 8) | \$ 36,000 | \$ 36,000 |
| AANDC - Soil Remediation | 14,372 256,246 | |
| AANDC - ESA Duck Lake | 40,000 - | |
| AANDC - Solid Waste Management | 930,000 - | |
| AANDC - School Fuel Spill | 33,144 33,144 | |
| AANDC - Water < \$1.5M | - 66,050 | |
| Operations and Maintenance (Schedule 9) | 1,017,516 | 355,440 |
| Government of Canada - Native Claims Program (Schedule 11) | - 255,901 | |
| | \$ 1,053,516 | \$ 647,341 |

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

7. LONG TERM DEBT

| | 2015 | 2014 |
|---|--------------|--------------|
| CMHC mortgage, with payments of \$7,282 per month including interest at 2.65%, maturing December 2025, with a scheduled renewal date of May 2015, secured by a ministerial guarantee | \$ 64,766 | \$ 149,214 |
| CMHC mortgage, with payments of \$4,329 per month including interest at 1.80%, maturing March 2026, with a scheduled renewal date of October 2016, secured by a ministerial guarantee | 518,198 | 560,438 |
| CMHC mortgage, with payments of \$3,843 per month including interest at 1.92%, maturing April 2029, with a scheduled renewal date of April 2014, secured by a ministerial guarantee | 569,090 | 603,994 |
| CMHC mortgage, with payments of \$2,891 per month including interest at 2.75%, maturing February 2031, with a scheduled renewal date of February 2016, secured by a ministerial guarantee | 450,102 | 469,342 |
| CMHC mortgage, with payments of \$3,084 per month including interest at 1.64%, maturing February 2032, with a scheduled renewal date of February 2017, secured by a ministerial guarantee | 546,610 | 574,437 |
| CMHC mortgage, with payments of \$2,040 per month including interest at 1.67%, maturing January 2033, with a scheduled renewal date of June 2018, secured by a ministerial guarantee | 379,490 | 395,478 |
| CMHC mortgage, with payments of \$5,339 per month including interest at 2.00%, maturing November 2038, with a scheduled renewal date of November 2018, secured by a ministerial guarantee | 1,213,394 | 1,247,613 |
| CIBC, with payments of \$1,270 per month plus interest at prime plus 7.5%, over a term of five years | 16,510 | 31,750 |
| Royal Bank of Canada, with payments of \$619 per month plus interest at 0%, over a term of five years | 14,856 | 21,674 |
| | \$ 3,773,016 | \$ 4,053,940 |

Principal repayments on long-term debt in each of the next five years are estimated as follows:

| | |
|------------------|------------|
| 2015-16 | \$ 274,528 |
| 2016-17 | 200,866 |
| 2017-18 | 195,226 |
| 2018-19 | 199,061 |
| 2019-20 | 202,970 |
| Subsequent Years | 2,700,365 |

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

8. ACCUMULATED SURPLUS

Accumulated surplus includes \$4,551 (2013/14 - \$4,380) relating to Ottawa Trust Funds.

9. EXPENSES BY OBJECT

| | 2015 | 2014 |
|------------------------------|--------------|---------------|
| Amortization | \$ 1,776,351 | \$ 2,034,993 |
| Interest | 76,113 | 78,521 |
| Member Services | 496,282 | 654,111 |
| Purchased Goods and Services | 3,372,312 | 4,118,731 |
| Salaries and Benefits | 2,587,069 | 2,228,039 |
| Social Assistance | 1,320,149 | 1,213,007 |
| Training | 1,556 | 1,000 |
| Travel | 82,043 | 98,469 |
| | \$ 9,711,875 | \$ 10,426,871 |

10. CONTINGENT LIABILITIES

Government Loans

The Sayisi Dene First Nation, through the Claims Office, has obtained loans from the Government of Canada totaling \$14.42 million (2013/14 - \$14.14 million) which are to be repaid upon final settlement of the Samuel Thorassie claim. This agreement with the Government of Canada specifies that the Government of Canada, upon reaching a final settlement, will provide sufficient funding to pay out the total amount of the outstanding loans as of the date of the settlement. Due to the nature of these negotiations, it is not possible, at this time to determine the outcome of the negotiations and therefore these consolidated financial statements have recognized the loans as revenues in the year received. Future repayment will be recorded as an expense in the year of repayment together with any settlement proceeds, as applicable.

Potential Government Funding Recoveries

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year end, it was not determined to what extent any additional funding amounts, other than amounts already included in accounts payable and accruals, might be recovered by these federal government agencies.

Asset Retirement Obligation

Included in tangible capital assets, under the category of land improvements, is a landfill site. Environmental law requires appropriate closure and post-closure care of landfill sites. This would include final covering and landscaping of the site and ongoing environmental monitoring, site inspection, and maintenance. The related future costs associated with this required environmental care are not reasonably estimable and therefore, no liability has been recorded in the consolidated financial statements.

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

11. ECONOMIC DEPENDENCE

Sayisi Dene First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada ("AANDC") and First Nations and Inuit Health Canada ("FNIH") as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC and FNIH under the terms and conditions of the Indian Act. The ability of the First Nations to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

12. FEDERAL ASSISTANCE PAYMENTS

The First Nation has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to reduce the mortgage interest expense to 2.0% to enable the First Nations to provide housing to low income individuals.

13. DEFINED CONTRIBUTION PENSION PLAN

The First Nation has a defined contribution pension plan covering all full-time employees in the Education segment. The First Nation remits monthly contributions to the administrator of the plan and remittances were current at year end.

14. BUDGET INFORMATION

The budget figures are presented as supplementary information to the financial statements and have not been audited.

15. AANDC REVENUE RECONCILIATION

| | |
|---|--------------|
| <u>AANDC Revenue per Funding Agreement</u> | \$ 6,569,799 |
| <u>AANDC Revenue per Financial Statements</u> | \$ 6,569,799 |

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

16. EXCESS (DEFICIENCY) OF FUNDING OVER EXPENSES AND TANGIBLE CAPITAL ASSET PURCHASES BY SEGMENT

| | Surplus/ (Deficit) | Amortization of Tangible Capital Assets | Tangible Capital Asset Purchases | Excess/ (Deficiency) of Funding after Tangible Capital Asset Purchases |
|-------------------------------|-----------------------|---|---|---|
| Governance and Administration | \$ (349,810) | \$ - | \$ - | \$ (349,810) |
| Social | 27,075 | - | - | 27,075 |
| Health | 130,404 | - | - | 130,404 |
| Housing | 96,996 | 285,402 | - | 382,398 |
| Economic Development | - | - | - | - |
| Education | (231,404) | 628,162 | - | 396,758 |
| Operations and Maintenance | (809,567) | 862,788 | - | 53,221 |
| Ottawa Trust | 172 | - | - | 172 |
| Land Claims | (26,508) | - | - | (26,508) |
| Training and Other | 130,400 | - | - | 130,400 |
| | \$ (1,032,242) | \$ 1,776,352 | \$ - | \$ 744,110 |

SAYISI DENE FIRST NATION

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2015

| | Boats and Snowmobiles | Buildings | CMHC | Computer Software | Computers | Fuel Tanks | Subtotal |
|---|-----------------------|---------------|--------------|-------------------|------------|------------|---------------|
| COST | | | | | | | |
| Balance, Beginning of Year | \$ 24,518 | \$ 15,671,952 | \$ 7,135,060 | \$ 6,105 | \$ 141,441 | \$ 297,394 | \$ 23,276,470 |
| Acquisition of Tangible Capital Assets | | | | | | | |
| Balance, End of Year | 24,518 | 15,671,952 | 7,135,060 | 6,105 | 141,441 | 297,394 | 23,276,470 |
| ACCUMULATED AMORTIZATION | | | | | | | |
| Balance, Beginning of Year | 24,518 | 14,368,949 | 2,885,227 | 6,105 | 141,441 | 281,813 | 17,688,053 |
| Amortization | | 616,130 | 285,402 | | | 15,581 | 917,113 |
| Balance, End of Year | 24,518 | 14,985,079 | 3,150,629 | 6,105 | 141,441 | 297,394 | 18,605,166 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | | | | | | | |
| 2013-14 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ - | \$ 686,873 | \$ 3,984,431 | \$ - | \$ - | \$ - | \$ 4,671,304 |
| | | | | | | | |
| | | | | | | | |

SAYISI DENE FIRST NATION

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2015

| | Subtotal | Heated Storage | Infrastructure | Land Improvements | Office Equipment | Other Housing | Subtotal |
|--|---------------|----------------|----------------|-------------------|------------------|---------------|---------------|
| COST | | | | | | | |
| Balance, Beginning of Year | \$ 23,276,470 | \$ 1,672,602 | \$ 4,959,044 | \$ 220,000 | \$ 107,786 | \$ 11,193,980 | \$ 41,429,882 |
| Acquisition of Tangible Capital Assets | | | | | | | |
| Balance, End of Year | 23,276,470 | 1,672,602 | 4,959,044 | 220,000 | 107,786 | 11,193,980 | 41,429,882 |
| ACCUMULATED AMORTIZATION | | | | | | | |
| Balance, Beginning of Year | 17,688,053 | 865,834 | 3,401,326 | 184,801 | 86,099 | 10,283,552 | 32,509,665 |
| Amortization | 917,113 | 41,815 | 198,362 | 8,880 | 13,666 | 159,725 | 1,339,481 |
| Balance, End of Year | 18,605,166 | 907,649 | 3,599,688 | 193,601 | 99,765 | 10,443,277 | 33,849,146 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ 4,671,304 | \$ 764,953 | \$ 1,359,356 | \$ 26,399 | \$ 8,021 | \$ 750,703 | \$ 7,580,736 |
| 2013-14 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ 5,362,659 | \$ 848,583 | \$ 1,756,080 | \$ 43,999 | \$ 40,454 | \$ 1,204,696 | \$ 9,256,471 |

SAYISI DENE FIRST NATION

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2015

| | Subtotal | Roads | Vehicles | Water and Sewer Project | 2015 | 2014 |
|--|---------------|--------------|--------------|----------------------------|---------------|---------------|
| COST | | | | | | |
| Balance, Beginning of Year | \$ 41,429,882 | \$ 1,678,731 | \$ 2,191,937 | \$ 7,800,276 | \$ 53,100,826 | \$ 51,587,535 |
| Acquisition of Tangible Capital Assets | | | | | | 1,513,291 |
| Balance, End of Year | 41,429,882 | 1,678,731 | 2,191,937 | 7,800,276 | 53,100,826 | 53,100,826 |
| ACCUMULATED AMORTIZATION | | | | | | |
| Balance, Beginning of Year | 32,509,665 | 1,011,739 | 1,929,918 | 2,184,078 | 37,635,400 | 35,600,407 |
| Amortization | 1,339,481 | 41,968 | 82,892 | 312,011 | 1,776,352 | 2,034,994 |
| Balance, End of Year | 33,849,146 | 1,053,707 | 2,012,810 | 2,496,089 | 39,411,752 | 37,635,401 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ 7,580,736 | \$ 625,024 | \$ 179,127 | \$ 5,304,187 | \$ 13,689,074 | \$ 15,465,425 |
| 2013-14 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ 9,256,471 | \$ 708,960 | \$ 93,021 | \$ 5,928,210 | | |

SAYISI DENE FIRST NATION

SCHEDULE 2 - CONSOLIDATED SUMMARY SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2015

| Schedule # | AANDC Revenue | Other Revenue | Deferred Revenue | Total Revenue | Total Expenses | Transfers | 2015 | 2014 |
|-------------------------------|---------------|---------------|------------------|---------------|----------------|--------------|--------------|-------------|
| Governance and Administration | \$ 1,093,785 | \$ 220,792 | \$ - | \$ 1,314,577 | \$ (1,764,395) | \$ (349,810) | \$ (512,904) | |
| Social | 1,427,239 | - | - | 1,427,239 | (1,400,164) | 27,075 | 27,075 | (6,169) |
| Health | - | 1,110,410 | - | 1,110,410 | (879,998) | (100,008) | 130,404 | 191,789 |
| Housing | 53,252 | 516,838 | - | 516,838 | (419,812) | - | 96,996 | 20,789 |
| Economic Development | 53,252 | - | - | 53,252 | (53,252) | - | - | 53,252 |
| Education | 1,965,807 | 17,230 | - | 1,983,037 | (2,214,441) | - | (231,404) | (188,483) |
| Operations and Maintenance | 8,029,716 | 16,031 | (662,076) | 1,383,671 | (2,193,238) | - | (809,567) | (1,172,663) |
| Ottawa Trust | - | 172 | - | 172 | - | - | 172 | 58 |
| Land Claims | 10 | - | 282,264 | 255,901 | 538,165 | (564,673) | (26,508) | - |
| Training and Other | 11 | - | 352,272 | - | 352,272 | (221,872) | - | 130,400 |
| | 12 | - | - | - | - | - | - | 180,854 |
| | | | | | | | | |
| | 6,569,799 | 2,516,009 | (406,175) | 8,679,633 | (9,711,875) | - | (1,032,242) | (1,433,477) |