

**SAYISI DENE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016**

SAYISI DENE FIRST NATION

MARCH 31, 2016

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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 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 First Nation's external auditors.


Zaplitny and Zamrykut, Chartered Professional Accountants, an independent firm of Chartered Professional 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.

January 29, 2017



Robert Pundich
Councillor

Chief



Clifford Anderson
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, 2016 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, 2016 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.



Zaphny and Zamykut,
Chartered Professional Accountants

Dauphin, Manitoba
January 29, 2017

SAYISI DENE FIRST NATION



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

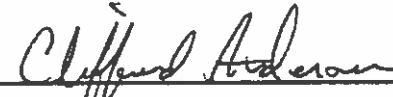

AS AT MARCH 31, 2016

	2016	2015
FINANCIAL ASSETS		
Restricted Cash - Note 3	\$ 635,141	\$ 573,096
Accounts Receivable - Note 4	401,608	1,294,946
	<u>1,036,749</u>	<u>1,868,042</u>
LIABILITIES		
Bank Indebtedness	529,012	394,503
Accounts Payable and Accruals - Note 5	1,724,161	1,282,052
Deferred Revenue - Note 6	258,796	1,053,516
Long Term Debt - Note 7	4,743,124	3,773,016
	<u>7,255,093</u>	<u>6,503,087</u>
NET DEBT	<u>(6,218,344)</u>	<u>(4,635,045)</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets - Schedule 1	13,361,482	13,689,074
Fuel Inventory	592,064	485,291
Prepaid Expenses	77,522	36,595
	<u>14,031,068</u>	<u>14,210,960</u>
ACCUMULATED SURPLUS - NOTE 10	<u>\$ 7,812,724</u>	<u>\$ 9,575,915</u>

Contingent Liabilities - Note 8

Approved on Behalf of the Council

 Chief
 Councillor

 Councillor
 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, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 4,479,364	\$ 5,935,590	\$ 6,569,799
Government of Canada - Native Claims Program	-	570,975	282,264
First Nation and Inuit Health (FNIH)	-	1,151,952	1,110,410
Canada Mortgage and Housing Corporation (CMHC)	326,316	326,200	326,650
Province of Manitoba	-	537,748	282,749
Other	-	104,912	185,308
Keewatin Tribal Council	-	45,176	56,083
Solicitor General	-	-	49,954
User Fees	14,400	37,492	16,031
Rent	90,000	220,747	206,388
Interest	-	94	172
Revenue Deferred in Prior Year - Note 6	-	1,053,516	647,341
Revenue Deferred to Subsequent Year-Note 6	-	(258,796)	(1,053,516)
	4,910,080	9,725,606	8,679,633
EXPENSES			
Governance and Administration	613,138	1,236,979	1,764,395
Social	1,178,858	1,273,159	1,400,164
Health	-	957,042	879,998
Housing	419,936	484,280	419,842
Economic Development	47,000	33,285	53,252
Education	1,506,450	2,656,756	2,214,441
Operations and Maintenance	942,013	3,457,530	2,193,238
Land Claims	-	587,770	564,673
Training and Other	386,518	751,911	221,872
	5,093,913	11,438,712	9,711,875
ANNUAL SURPLUS (DEFICIT)	\$ (183,833)	(1,713,106)	(1,032,242)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	9,575,915	10,608,157
PRIOR PERIOD ADJUSTMENT - NOTE 17	-	(50,085)	-
ACCUMULATED SURPLUS, END OF YEAR	-	\$ 7,812,724	\$ 9,575,915

(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, 2016

	2016	2015
ANNUAL DEFICIT	\$ (1,775,213)	\$ (1,032,242)
Prior Period Adjustment - Note 17	(50,085)	-
Purchases of Tangible Capital Assets	(1,460,485)	-
Amortization of Tangible Capital Assets	1,788,075	1,776,352
Net (Increase) Decrease in Fuel Inventory	(106,772)	344,866
Net (Increase) Decrease of Prepaid Expenses	(40,926)	93,720
DECREASE (INCREASE) IN NET DEBT	(1,645,406)	1,182,696
NET DEBT, BEGINNING OF YEAR	(4,635,045)	(5,817,741)
NET DEBT, END OF YEAR	\$ (6,280,451)	\$ (4,635,045)

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

SAYISI DENE FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2016

	2016	2015
CASH PROVIDED BY OPERATING ACTIVITIES		
Cash Receipts from Contributors	\$ 10,618,943	\$ 8,324,593
Cash Paid to Suppliers	(7,898,666)	(4,745,224)
Cash Paid to Employees	(2,229,459)	(2,563,017)
Interest on Long Term Debt	(72,905)	(76,958)
NET CASH PROVIDED BY OPERATING ACTIVITIES	417,913	939,394
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Debt Advances	1,257,415	-
Repayment of Long Term Debt	(287,307)	(280,924)
CASH FLOWS USED IN FINANCING ACTIVITIES	970,108	(280,924)
CASH FROM INVESTING ACTIVITIES		
Purchase of Tangible Capital Assets	(1,460,483)	-
(Increase) Decrease in Restricted Cash	(62,045)	359,895
CASH USED IN INVESTING ACTIVITIES	(1,522,528)	359,895
NET INCREASE IN BANK INDEBTEDNESS	(134,507)	1,018,365
BANK INDEBTEDNESS, beginning of year	(394,503)	(1,412,868)
BANK INDEBTEDNESS, end of year	\$ (529,010)	\$ (394,503)
CASH RESOURCES (DEFICIENCY) ARE COMPOSED OF:		
Bank Indebtedness	\$ (529,012)	\$ (394,503)

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

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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.

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Net Debt

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

Non-financial Assets

The First Nations tangible capital 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.

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - continued

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

Inventory

Inventory consists of heating oil and fuel used in First Nation programs. Inventory is valued at the lower of cost or net realizable value using the first in, first out method.

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.

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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.

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, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - continued

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. Unless otherwise stated, the book value of the First Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the First Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the First Nation's long term debt.

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.

Other Revenue

Rent is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectibility of its rent revenue and records a bad debt expense and allowance for doubtful accounts for amounts designated as unlikely to be collected.

Other revenue is recognized by the First Nation when services are provided or goods are shipped and collectibility is reasonably assured.

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.

Liability for Contaminated Site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information on March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

3. RESTRICTED CASH

	2016	2015
CMHC Replacement Reserve	\$ 547,207	\$ 497,396
Claims Office	68,284	41,677
PM Associates	-	14,467
Housing Capital Reserve	15,005	15,005
Ottawa Trust	4,645	4,551
	\$ 635,141	\$ 573,096

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 \$547,207 (2014/15 - \$497,396).

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 \$71,035 (2014/15 - \$41,677) and the balance held by the First Nation was in overdraft by \$2,751 (2014/15 - \$Nil).

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.

4. ACCOUNTS RECEIVABLE

	2016	2015
AANDC, per confirmation	\$ 189,750	\$ 1,142,399
Public Safety Canada	34,967	34,967
Canada Mortgage and Housing Corporation	82,664	7,291
Province of Manitoba	41,264	9,601
Other	52,963	100,688
	\$ 401,608	\$ 1,294,946

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

5. ACCOUNTS PAYABLE

	2016	2015
AANDC, prior year recoveries	\$ 51,549	\$ 78,417
Trade	1,024,586	565,474
Manitoba Hydro	604,678	581,974
Accrued Payroll	33,871	49,011
Accrued Interest	6,247	6,252
Source Deductions	1,578	924
Other	1,652	-
	\$ 1,724,161	\$ 1,282,052

6. DEFERRED REVENUE

	2016	2015
AANDC - Community Gov. Decision Mkg. (Sch. 3)	\$ 47,500	\$ -
AANDC - Enrolment and Ratification (Sch. 8)	107,250	36,000
AANDC - Soil Remediation	14,902	14,372
AANDC - ESA Duck Lake	-	40,000
AANDC - Solid Waste Management	-	930,000
AANDC - School Fuel Spill	33,144	33,144
AANDC - Environmental Site Assessment	56,000	-
Operations and Maintenance (Schedule 9)	104,046	1,017,516
	\$ 258,796	\$ 1,053,516

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

7. LONG TERM DEBT

	2016	2015
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
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	475,213	518,198
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	533,583	569,090
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	424,251	450,102
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	518,343	546,610
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	359,134	379,490
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	1,167,756	1,213,394
CIBC, with payments of \$1,270 per month plus interest at prime plus 7.5%, over a term of five years	-	16,510
Royal Bank of Canada, with payments of \$619 per month plus interest at 0%, over a term of five years	7,428	14,856
	\$ 3,485,708	\$ 3,773,016

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

2016-17	\$ 202,291
2017-18	198,245
2018-19	201,685
2019-20	205,190
2020-21	208,755
Subsequent Years	2,469,542

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

8. CONTINGENT LIABILITIES

The Sayisi Dene First Nation, through the Claims Office, has obtained loans from the Government of Canada totaling \$14.99 million (2014/15 - \$14.42 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.

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2016 might be recovered by these agencies.

At March 31, 2016, the First Nation has determined that some contaminated sites exist, however, no determination has been made as to whether the contamination exceeds an environmental standard that the First Nation is required to comply with. Also, the First Nation does not consider themselves to be responsible and have not accepted responsibility. As a result, no liability regarding the contaminated sites is recorded in these financial statements. If and when it is determined that a liability exists, the liability will be recorded in the period in which such a determination is made, in accordance with the accounting policy in Note 2.

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2016. Since the audit report is dated after this date, the First Nation has not complied with the requirement. The possible effect of this non-compliance has not yet been determined.

9. SEGMENT INFORMATION ON TANGIBLE CAPITAL ASSETS

Tangible capital assets are assigned to the First Nation's segments in accordance with management's determination, as to the activities and services that will be facilitated as a result of ongoing ownership of the assets. The net book value of tangible capital assets assigned to each segment in as follows:

	2016	2015
Housing	\$ 5,571,273	\$ 4,735,134
Education	146,657	751,669
Operations and Maintenance	7,643,552	8,202,271
	<u>\$ 13,361,482</u>	<u>\$ 13,689,074</u>

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

10. ACCUMULATED SURPLUS

	2016	2015
Invested in Capital Assets	\$ 8,618,358	\$ 9,916,058
CMHC Reserves	562,212	497,396
Claims Office	(43,303)	(26,507)
Ottawa Trust	4,645	4,551
Unrestricted	(1,329,188)	(815,583)
	<u>\$ 7,812,724</u>	<u>\$ 9,575,915</u>

11. AANDC REVENUE

AANDC revenue recorded on the financial statements in the year ended March 31, 2016 and in the year ended March 31, 2015 agrees to the amounts stated on the year end AANDC funding confirmation.

12. FNIH REVENUE

FNIH revenue recorded on the financial statements in the year ended March 31, 2016 and in the year ended March 31, 2015 agrees to the amounts stated on the year end FNIH funding confirmation.

13. PROVISION FOR SITE REHABILITATION

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year end, the extent to which the First Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these financial statements.

SAYISI DENE FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

14. EXPENSES BY OBJECT

	2016	2015
Amortization	\$ 1,788,077	\$ 1,776,351
Interest	89,067	76,113
Member Services	413,485	496,282
Purchased Goods and Services	5,601,932	3,372,312
Salaries and Benefits	2,214,319	2,587,069
Social Assistance	1,189,957	1,320,149
Training	18,441	1,556
Travel	123,434	82,043
	\$ 11,438,712	\$ 9,711,875

15. ECONOMIC DEPENDENCE

The First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada ("AANDC") and First Nations and Inuit Health ("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.

16. DEFINED CONTRIBUTION PENSION PLAN

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

17. PRIOR PERIOD ADJUSTMENT

During 2015-16, Aboriginal and Northern Development Canada clawed back \$50,085 in unused previous year's funding from the Re-Orientation of Self Government program (\$6,619), Enrollment and Ratification program (\$36,000) and the Regulatory Improvement Initiative program (\$7,466).

18. BUDGET INFORMATION

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

SAYISI DENE FIRST NATION

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2016

	Boats and Snowmobiles	Buildings	CMHC Housing	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	-	-	1,307,413	-	-	-	1,307,413
Balance, End of Year	24,518	15,671,952	8,442,473	6,105	141,441	297,394	24,583,883
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	24,518	14,985,079	3,150,629	6,105	141,441	297,394	18,605,166
Amortization	-	616,130	311,551	-	-	-	927,681
Balance, End of Year	24,518	15,601,209	3,462,180	6,105	141,441	297,394	19,532,847
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ -	\$ 70,743	\$ 4,980,293	\$ -	\$ -	\$ -	\$ 5,051,036
2014-15 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ -	\$ 2,021,329	\$ 3,303,949	\$ -	\$ -	\$ 37,381	\$ 5,362,659

SAYISI DENE FIRST NATION

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2016

	Subtotal	Heated Storage	Infrastructure	Land Improvements	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	1,307,413	-	-	-	18,070	-	1,325,483
Balance, End of Year	24,583,883	1,672,602	4,959,044	220,000	125,856	11,193,980	42,755,365
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	18,605,166	907,649	3,599,688	193,601	99,765	10,443,277	33,849,146
Amortization	927,681	41,815	198,362	8,800	13,805	159,725	1,350,188
Balance, End of Year	19,532,847	949,464	3,798,050	202,401	113,570	10,603,002	35,199,334
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 5,051,036	\$ 723,138	\$ 1,160,994	\$ 17,599	\$ 12,286	\$ 590,978	\$ 7,556,031
2014-15 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, 2016

	Subtotal	Roads	Vehicles	Water and Sewer Project	2016	2015
COST						
Balance, Beginning of Year	\$ 41,429,882	\$ 1,678,731	\$ 2,191,937	\$ 7,800,276	\$ 53,100,826	\$ 53,100,826
Acquisition of Tangible Capital Assets	1,325,483	-	135,000	-	1,460,483	-
Balance, End of Year	42,755,365	1,678,731	2,326,937	7,800,276	54,561,309	53,100,826
ACCUMULATED AMORTIZATION						
Balance, Beginning of Year	33,849,146	1,053,707	2,012,810	2,496,089	39,411,752	37,635,400
Amortization	1,350,188	41,968	83,908	312,011	1,788,075	1,776,352
Balance, End of Year	35,199,334	1,095,675	2,096,718	2,808,100	41,199,827	39,411,752
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 7,556,031	\$ 583,056	\$ 230,219	\$ 4,992,176	\$ 13,361,482	\$ 13,689,074
2014-15 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, 2016

	Schedule #	AANDC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Transfers	2016	2015
Governance and Administration	3	\$ 930,923	\$ 136,491	\$ (47,500)	\$ 1,019,914	\$ (1,236,979)	\$ 105,943	\$ (111,122)	\$ (349,810)
Social	4	1,277,032	-	-	1,277,032	(1,273,159)	-	3,873	27,075
Health	5	-	1,151,952	-	1,151,952	(957,042)	(105,943)	88,967	130,404
Housing	6	-	505,309	-	505,309	(484,280)	-	21,029	96,996
Economic Development	7	58,755	-	-	58,755	(33,285)	-	25,470	-
Education	8	2,197,343	1,592	(71,250)	2,127,685	(2,656,756)	-	(529,071)	(231,404)
Operations and Maintenance	9	1,471,537	-	913,470	2,385,007	(3,457,530)	-	(1,072,523)	(809,567)
Ottawa Trust	10	-	94	-	94	-	-	94	172
Land Claims	11	-	570,975	-	570,975	(587,770)	-	(16,795)	(26,508)
Training and Other	12	-	566,776	-	566,776	(751,911)	-	(185,135)	130,400
		5,935,590	2,933,189	794,720	9,663,499	(11,438,712)	-	(1,775,213)	(1,032,242)

SAYISI DENE FIRST NATION

SCHEDULE 3 - GOVERNANCE AND ADMINISTRATION

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 433,198	\$ 930,923	\$ 1,093,785
Province of Manitoba	49,956	54,015	-
Public Safety Canada	-	-	49,954
Other	-	79,992	170,838
Rent Revenue	-	2,484	-
Revenue Deferred to Subsequent Year - Note 6	-	(47,500)	-
	483,154	1,019,914	1,314,577
EXPENSES			
Bank Charges and Interest	-	7,003	13,879
Chief and Council Honoraria	230,202	229,100	205,350
Chief and Council Travel	12,000	20,040	25,445
Community Events	-	3,000	45,668
Funding Recoveries	-	-	18,500
Member Services	-	4,107	496,282
Professional Fees	218,000	736,960	761,650
Repairs and Maintenance	-	8,524	-
Salaries and Benefits	117,936	164,181	147,503
Supplies	12,000	19,869	20,481
Telephone	18,000	29,006	17,244
Training	-	-	578
Travel	5,000	2,302	3,438
Vehicle Operating Costs	-	12,887	8,377
	613,138	1,236,979	1,764,395
ANNUAL DEFICIT BEFORE TRANSFERS	(129,984)	(217,065)	(449,818)
TRANSFERS	-	105,942	100,008
ANNUAL DEFICIT	\$ (129,984)	(111,123)	(349,810)
ACCUMULATED DEFICIT, BEGINNING OF YEAR		(1,845,704)	(1,495,894)
ACCUMULATED DEFICIT, END OF YEAR	\$	\$ (1,956,827)	\$ (1,845,704)

SAYISI DENE FIRST NATION

SCHEDULE 4 - SOCIAL

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 1,178,166	\$ 1,277,032	\$ 1,427,239
EXPENSES			
Community Events	-	-	950
Interest and Service Charges	-	296	601
Professional Development	-	500	-
Salaries and Benefits	61,533	66,440	63,792
Social Assistance	1,096,950	1,189,957	1,320,149
Supplies	20,375	13,291	14,672
Travel	-	2,675	-
	1,178,858	1,273,159	1,400,164
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	(692)	3,873	27,075
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ (692)	3,873	27,075
ACCUMULATED DEFICIT, BEGINNING OF YEAR		(141,036)	(168,111)
ACCUMULATED DEFICIT, END OF YEAR		\$ (137,163)	\$ (141,036)

SAYISI DENE FIRST NATION

SCHEDULE 5 - HEALTH

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT) FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
First Nation and Inuit Health (FNIH)	\$ -	\$ 1,151,952	\$ 1,110,410
EXPENSES			
Bank Charges and Interest	-	497	30
Community Events	-	61,926	28,558
Salaries and Benefits	-	474,646	494,132
Supplies	-	74,488	13,101
Telephone	-	4,089	3,057
Training	-	859	978
Travel	-	33,642	22,985
Utilities	-	293,900	298,690
Vehicle Operating	-	12,995	18,467
	-	957,042	879,998
ANNUAL SURPLUS BEFORE TRANSFERS	-	194,910	230,412
TRANSFERS	-	(105,943)	(100,008)
ANNUAL SURPLUS	\$ -	88,967	130,404
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR		310,058	179,654
ACCUMULATED SURPLUS, END OF YEAR		\$ 399,025	\$ 310,058

SAYISI DENE FIRST NATION

SCHEDULE 6 - HOUSING

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Canada Mortgage and Housing Corporation (CMHC)	\$ 326,316	\$ 301,585	\$ 326,650
Rent	90,000	203,724	190,188
	416,316	505,309	516,838
EXPENSES			
Amortization	-	311,551	285,402
Bank Charges and Interest	-	-	388
Insurance	42,600	39,513	35,784
Interest on Long Term Debt	345,336	72,905	76,113
Professional Fees	8,000	5,000	5,750
Repairs and Maintenance	24,000	52,800	15,985
Replacement Reserve	-	1,789	-
Salaries and Benefits	-	-	420
Supplies	-	722	-
	419,936	484,280	419,842
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	(3,620)	21,029	96,996
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ (3,620)	21,029	96,996
ACCUMULATED SURPLUS, BEGINNING OF YEAR		2,745,153	2,648,157
ACCUMULATED SURPLUS, END OF YEAR		\$ 2,766,182	\$ 2,745,153

SAYISI DENE FIRST NATION

SCHEDULE 7 - ECONOMIC DEVELOPMENT

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 53,252	\$ 58,755	\$ 53,252
Province of Manitoba	32,000	-	-
	85,252	58,755	53,252
EXPENSES			
Professional Fees	47,000	3,400	53,252
Supplies	-	14,848	-
Travel	-	15,037	-
	47,000	33,285	53,252
ANNUAL SURPLUS BEFORE TRANSFERS	38,252	25,470	-
TRANSFERS	-	-	-
ANNUAL SURPLUS	\$ 38,252	25,470	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR		224,077	224,077
ACCUMULATED SURPLUS, END OF YEAR		\$ 249,547	\$ 224,077

SAYISI DENE FIRST NATION

SCHEDULE 8 - EDUCATION

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 1,957,800	\$ 2,197,343	\$ 1,965,807
Other	-	845	1,030
Rent	7,650	747	16,200
Revenue Deferred in Prior Year - Note 6	-	36,000	36,000
Revenue Deferred to Subsequent Year - Note 6	-	(107,250)	(36,000)
	1,965,450	2,127,685	1,983,037
EXPENSES			
Amortization	-	605,012	628,162
Bank Charges and Interest	3,600	3,035	3,257
Community Events	-	-	3,536
Heating Fuel	105,000	105,000	91,596
Insurance	-	282	-
Other Program Expenses	-	4,322	9,692
Professional Development	-	36,250	-
Professional Fees	22,743	480,514	6,192
Repairs and Maintenance	-	73,226	64,122
Salaries and Benefits	963,542	826,690	1,069,698
Special Activities	10,000	-	-
Supplies	77,400	29,892	81,748
Telephone	12,000	6,920	5,343
Travel	55,000	16,481	9,899
Utilities	192,000	410,942	217,220
Vehicle Operating	41,165	58,190	21,701
Workshops	24,000	-	2,275
	1,506,450	2,656,756	2,214,441
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	459,000	(529,071)	(231,404)
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ 459,000	(529,071)	(231,404)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		1,333,523	1,564,927
ACCUMULATED SURPLUS, END OF YEAR		\$ 804,452	\$ 1,333,523

SAYISI DENE FIRST NATION

SCHEDULE 9 - OPERATIONS AND MAINTENANCE

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 851,445	\$ 1,471,537	\$ 2,029,716
CMHC RRAP	-	24,615	-
User Fees	14,400	37,492	16,031
Revenue Deferred in Prior Year - Note 6	-	1,017,516	355,440
Revenue Deferred to Subsequent Year-Note 6	-	(104,046)	(1,017,516)
	865,845	2,447,114	1,383,671
EXPENSES			
Amortization	-	871,514	862,788
Bank Charges and Interest	-	-	10
Capital Soil Remediation	-	1,496,729	417,472
Fuel	38,000	150,173	74,736
Insurance	17,088	12,135	7,708
Professional Fees	-	4,450	-
Repairs and Maintenance	204,100	36,253	318,202
Salaries and Benefits	320,625	303,278	305,120
Supplies	129,000	188,164	42,514
Telephone	7,200	3,586	3,497
Travel	-	-	1,187
Utilities	120,000	312,245	120,027
Vehicle Operating Costs	106,000	79,003	39,977
	942,013	3,457,530	2,193,238
ANNUAL DEFICIT BEFORE TRANSFERS	(76,168)	(1,010,416)	(809,567)
TRANSFERS	-	-	-
ANNUAL DEFICIT	-	(1,010,416)	(809,567)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	6,685,495	7,495,062
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 5,675,079	\$ 6,685,495

SAYISI DENE FIRST NATION

SCHEDULE 10 - OTTAWA TRUST

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Interest	\$ -	\$ 94	\$ 172
ANNUAL SURPLUS	-	94	172
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	4,698	4,526
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 4,792	\$ 4,698

SAYISI DENE FIRST NATION

SCHEDULE 11 - LAND CLAIMS

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Government of Canada - Native Claims Program	\$ -	\$ 570,975	\$ 282,264
Revenue Deferred in Prior Year - Note 6	-	-	255,901
	-	570,975	538,165
EXPENSES			
Bank Charges and Interest	-	3,230	3,217
Community Consultation	-	17,050	17,623
Delivery and Freight	-	397	1,078
Honoraria - Other	-	164,243	199,472
Other Program Expenses	-	1,863	2,717
Professional Fees	-	318,512	246,541
Rent	-	36,000	36,050
Repairs and Maintenance	-	755	1,451
Supplies	-	6,022	4,873
Telephone	-	5,577	7,117
Travel	-	34,121	44,534
	-	587,770	564,673
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	(16,795)	(26,508)
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	(16,795)	(26,508)
ACCUMULATED DEFICIT, BEGINNING OF YEAR		(33,836)	(7,328)
ACCUMULATED DEFICIT, END OF YEAR		\$ (50,631)	\$ (33,836)

SAYISI DENE FIRST NATION

SCHEDULE 12 - TRAINING AND OTHER

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Keewatin Tribal Council	\$ -	\$ 45,176	\$ 56,083
Rental Income	-	13,792	13,440
Province of Manitoba	100,000	483,733	282,749
Canteen and Tobacco Sales	-	24,075	-
Other	180,000	-	-
	280,000	566,776	352,272
EXPENSES			
Canteen and Tobacco Purchases	-	22,056	-
Community Events	-	12,000	-
Heating Fuel	386,518	17,856	5,670
Interest and Bank Charges	-	2,101	-
Member Services	-	409,378	-
Repairs and Maintenance	-	25,060	109,813
Salaries and Benefits	-	214,841	105,765
Supplies	-	6,259	-
Telephone	-	5,602	585
Training	-	17,582	-
Travel	-	19,176	-
Vehicle Operating	-	-	39
	386,518	751,911	221,872
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	(106,518)	(185,135)	130,400
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	-	(185,135)	130,400
ACCUMULATED DEFICIT, BEGINNING OF YEAR	-	293,487	163,087
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 108,352	\$ 293,487