

**Tsuut'ina Nation
Consolidated Financial Statements**

March 31, 2015

Tsuut'ina Nation

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For the year ended March 31, 2015

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Management's Responsibility

To the Members of Tsuut'ina Nation:

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

MNP LLP is appointed by the Chief and 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 Chief and Council and management to discuss their audit findings.

July 28, 2015

"Original Signed"

Chief Executive Officer
Peter K. Manywounds

"Original Signed"

Executive Director of Finance
Eva Korpela

Independent Auditors' Report

To the Members of Tsuut'ina Nation:

We have audited the accompanying consolidated financial statements of Tsuut'ina Nation which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Except as explained in the following paragraph, 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

The financial statements prepared for the business entities owned or controlled by the Tsuut'ina Nation were subjected to review engagement procedures, and are not audited. A review does not constitute an audit and, consequently, we do not express an audit opinion on the financial information of the business entities. Based on our review, nothing came to our attention that causes us to believe that the financial information of the Nation business entities were not, in all material respects, in accordance with international financial reporting standards. Since we did not perform audit procedures on the share of net earnings from Nation business entities which enters into the determination of the results of operations and the evaluation of the investment shown in the consolidated financial statements of the Tsuut'ina Nation, we were unable to determine whether adjustments, if any, were required to the investment in Nation business entities, share of net income of the Nation entities or equity in the Nation entities included in the consolidated financial statements.

Qualified Opinion

In our opinion, except for the possible effects 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 Tsuut'ina Nation as at March 31, 2015 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Calgary, Alberta

July 28, 2015

MNP LLP

Chartered Accountants

Tsuut'ina Nation
Consolidated Statement of Financial Position

As at March 31, 2015

	2015	2014
	(Restated - Note 2 and Note 13)	
Financial assets		
Cash (Note 3)	5,239,333	4,306,205
Restricted cash (Note 4)	33,648,322	60,143,482
Accounts receivable (Note 5)	15,487,121	11,969,290
Receivable from related Nation business entities (Note 6)	4,794,151	4,803,944
Investment in Nation business entities (Note 7)	76,066,794	66,956,272
Total financial assets	135,235,721	148,179,193
Liabilities		
Accounts payable and accruals	9,311,815	5,428,612
Deferred revenue (Note 8)	38,410,948	61,823,823
Payable to related Nation business entities (Note 9)	3,459,309	3,015,901
Minors trust funds payable	2,571,047	2,125,053
Long-term debt (Note 10)	62,325,392	32,693,238
Total liabilities	116,078,511	105,086,627
Net financial assets	19,157,210	43,092,566
Contingencies and commitments (Note 11)		
Non-financial assets		
Tangible capital assets (Note 12)	163,380,099	108,886,604
Prepaid expenses	920,580	388,953
Inventory	102,036	-
Total non-financial assets	164,402,715	109,275,557
Accumulated surplus	183,559,925	152,368,123

Approved by quorum of Chief and Council

Tsuut'ina Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2015

	<i>Budget</i> <i>2015</i>	<i>Actual</i> <i>2015</i>	<i>Actual</i> <i>2014</i>
			<i>(Restated - Note 2 and Note 13)</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	19,019,055	18,961,338	16,564,560
Health Canada	2,159,629	2,079,748	2,203,485
Other government contributions	7,030,440	6,593,244	2,337,985
Own source	87,771,876	98,941,947	108,755,742
Share of net earnings from Tsuut'ina Holdings Corporation Ltd.	-	1,796,713	4,313,150
Deferred revenue - from prior year	786,156	790,280	604,516
Deferred revenue - to future year	(63,848)	(3,147,634)	(790,280)
	116,703,308	126,015,636	133,989,158
Expenses			
Economic development	12,793,907	10,210,776	5,593,369
Essential services	12,674,681	12,840,511	11,818,395
Legislative procedures	2,311,637	1,932,326	1,554,805
Nation administration	24,082,327	26,464,173	39,374,627
Programs	21,273,439	25,998,079	23,990,488
Services	14,898,182	14,427,534	12,803,648
	88,034,173	91,873,399	95,135,332
Surplus from operations before other items	28,669,135	34,142,237	38,853,826
Other income (expense)			
Impairment (Note 14)	-	(2,953,191)	-
Gain on disposal of capital assets	-	2,756	350
	-	(2,950,435)	350
Surplus	28,669,135	31,191,802	38,854,176
Accumulated surplus, beginning of year, as previously stated	154,493,176	154,493,176	114,334,791
Correction of an error (Note 2)	-	(2,125,053)	(820,844)
Accumulated surplus, beginning of year, as restated	154,493,176	152,368,123	113,513,947
Accumulated surplus, end of year	183,162,311	183,559,925	152,368,123

The accompanying notes are an integral part of these financial statements

Tsuut'ina Nation
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2015

	<i>Budget</i> 2015	<i>Actual</i> 2015	<i>Actual</i> 2014 (Restated - Note 2 and Note 13)
Annual surplus	28,669,135	31,191,802	38,854,176
Purchase of tangible capital assets	(60,534,196)	(63,523,149)	(27,464,523)
Disposal of tangible capital assets	-	850,275	-
Amortization of tangible capital assets	-	8,179,379	6,634,722
Acquisition of prepaid expenses	-	(920,580)	(388,953)
Use of prepaid expenses	-	388,953	608,182
Acquisition of inventory	-	(102,036)	-
(Decrease) increase in net financial assets	(31,865,061)	(23,935,356)	18,243,604
Net financial assets, beginning of year, as previously stated	45,217,619	45,217,619	25,669,806
Correction of an error (Note 2)	-	(2,125,053)	(820,844)
Net financial assets, beginning of year, as restated	45,217,619	43,092,566	24,848,962
Net financial assets, end of year	13,352,558	19,157,210	43,092,566

Tsuut'ina Nation
Consolidated Statement of Cash Flows

For the year ended March 31, 2015

	<i>Actual</i> 2015	<i>Actual</i> 2014 <i>(Restated - Note 2 and Note 13)</i>
Cash provided by (used for) the following activities		
Operating		
Cash receipts from contributors	126,638,834	130,234,910
Cash paid to suppliers	(53,781,388)	(64,966,209)
Cash paid to employees	(27,754,268)	(22,992,407)
Interest paid	(562,989)	(317,032)
	44,540,189	41,959,262
Financing		
Long-term debt advances	32,900,005	30,000,000
Long-term debt repayments	(3,267,851)	(3,892,984)
	29,632,154	26,107,016
Capital		
Purchases of tangible capital assets	(63,523,149)	(27,464,523)
Investing		
Invested in related Nation business entities	(10,169,267)	(33,833,050)
Received from (advances to) related Nation entities (net)	453,201	(1,834,836)
	(9,716,066)	(35,667,886)
Increase in cash resources	933,128	4,933,869
Cash (deficiency) resources, beginning of year	4,306,205	(627,664)
Cash resources, end of year	5,239,333	4,306,205

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Basis of presentation and significant accounting policies

The consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada and are consistent with the accounting policies set out by the Department of Aboriginal Affairs and Northern Development Canada ("AANDC"). Significant aspects of the accounting policies adopted by the Tsuut'ina Nation (the "Nation") are as follows:

Reporting entity

The Nation consolidated financial statements include the unincorporated programs whose operations and assets are under control of the Nation. The consolidation of these programs results in the elimination of inter program revenues and expenses. The consolidated results by segment are disclosed in Note 15. The revenue by source and program expenses on the statement of operations are stated reported after the elimination of inter program revenues and expenses.

The Tsuut'ina Nation business enterprises, that are owned or controlled by the Nation and that are not dependent on the Nation for their continuing operations, are included in the 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 with those of the Nation. Thus, the Nation's investment in these enterprises is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Enterprises accounted for by the modified equity basis include the consolidated and combined financial results of Tsuu T'ina Holdings Corporation Ltd., Tsuu T'ina Holdings Limited Partnership and Tsuu T'ina Casino Holdings Corporation (collectively referred to as "Tsuu T'ina Holdings Corporation Ltd.")

All of the shares or partnership units of the above entities are held in trust for Nation members by the Nation.

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 is earned, provided it is measurable and collectability is reasonably assured; 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.

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Restricted cash

The Nation's restricted cash consists of the balances in the Ottawa Trust Funds, Minors Trust Fund and reserves required by the Canada Mortgage and Housing Corporation ("CMHC") Housing Programs and cash restricted pursuant to Alberta Gaming and Liquor Commission ("AGLC") and Alberta Aboriginal Relations ("AAR") regulations.

Increases in the Ottawa and Minors Trust Funds result from net activities within the respective Trust Funds. Trust Fund amounts may only be used in accordance with Band Council Resolutions approved by Chief and Council.

CMHC Reserve funds may be used to meet future subsidy and/or replacement requirements of income tested occupants, over and above the maximum federal assistance. In accordance with the terms of the agreements, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Restricted amounts pursuant to AGLC and AAR guidelines represent cash that has been received from the operations of the Casino for approved project expenditures to be incurred in the future. The cash may only be used for projects approved by AGLC and AAR.

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Basis of presentation and significant accounting policies *(Continued from previous page)*

Ottawa Trust Funds

The Ottawa Trust Funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. Management of these funds is primarily governed by the *Indian Act*. Changes to the fund balances are reported in the statement of operations as own source revenue. The fund balances are reported in restricted cash on the statement of financial position.

Capital and revenue trust monies 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 Chief and Council. Trust monies consist of:

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

Minors Trust Fund

Funds held in the Minors Trust Fund are paid to Nation members when the member reaches the age of majority.

Tangible capital assets

Tangible capital assets are initially recorded at historical cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Automotive, fire and general equipment	straight-line	3 years
Buildings	straight-line	20 years
Computers	straight-line	2 years
Dug out	straight-line	25 years
Equipment	straight-line	10 years
Fencing	straight-line	10 years
Furniture and equipment	straight-line	5 years
Leasing improvements	straight-line	5 years
Nation housing	straight-line	20 years
Parking lot	straight-line	10 years
Roads	straight-line	25 years
Water treatment facility	straight-line	25 years

Long-lived assets

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

The 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, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in the statement of operations for the year.

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Basis of presentation and significant accounting policies *(Continued from previous page)*

Revenue recognition

Government transfers

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

Own source revenue

Own source revenue comprises net gaming revenue from casino operations, unrestricted claim settlement proceeds, increases in the Ottawa and Minors Trust Funds, contributions from non-government authorities, and user based fees.

- Net gaming revenues are recognized as approved spending is incurred in accordance with AGLC and AAR expenditure guidelines.
- Unrestricted settlement proceeds are recognized as the respective claims are settled with external parties and collection is reasonably assured.
- Revenue from Ottawa Trust Capital and Ottawa Trust Revenue funds is recognized as income is received and reported by the federal government into the Ottawa Trust Funds.
- Contributions from non-government authorities are recognized as goods and services are provided in accordance with the terms of the applicable contribution agreements.
- User based fees are recognized over the period of service provided collection is reasonably assured.

Liability for contaminated sites

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 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 available at March 31, 2015.

Effective April 1, 2014, the Nation adopted the recommendations relating to PS 3260, *Liability for Contaminated Sites* as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the Nation is required to recognize a liability for contaminated sites when economic benefits will be given up, as described above.

There was no effect on the Nation's financial statements of adopting this accounting policy.

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Basis of presentation and significant accounting policies *(Continued from previous page)*

Measurement uncertainty

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 expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. The carrying value of the investment in Nation business entities is subject to valuation estimates of net assets and future earnings. Amortization is based on the estimated useful lives of tangible capital assets. The estimated liability for contaminated sites is, by its nature, subject to uncertainty, including the determination of whether a liability exists at year-end.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Non-financial assets

The 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 Nation unless they are sold.

Segments

The Nation conducts its business through 6 reportable segments as reported as functions on the statement of operations and accumulated surplus. 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder and based on operating costs required to maintain the segment operations.

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

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Nation has not yet determined the effect of these new standards on its consolidated financial statements.

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Correction of an error

During the year, it was determined that liability to the members of the minors trust, Tsuut'ina Nation minor citizens whose dividends have been set aside until they who have reached the age of majority, had been incorrectly reported as a component of accumulated surplus. The amount should have been reported as a long-term liability owing to members of the Minors Trust Fund. The financial statements have been retrospectively corrected and the 2014 comparative information has been restated. As a result of this restatement, opening accumulated surplus at April 1, 2013 has been decreased by \$820,844, and dividend expenses reported as paid to band members during the year ended March 31, 2014 has been increased by \$1,304,209. Consequently, the liability payable to Minors Trust members at March 31, 2014 has increased by \$2,125,053 with a corresponding decrease to the accumulated surplus of the Nation at March 31, 2014.

3. Cash resources

As at March 31, 2015, Nation has a line of credit available to \$3,000,000 (2014 - \$3,000,000). The line of credit bears interest at prime plus 1.2% (2014 - prime plus 1.2%) per annum and is secured by assignment of property tax revenue. During the year, the average prime rate was 3.00% (2014 - 3.00%) which results in an effective interest rate of 4.2% (2014 - 4.2%) per annum for the Nation. At year end, \$nil (2014 - \$nil) had been drawn on this line of credit.

4. Restricted cash

	Balance as at March 31, 2014	Funding received	Used in operations	Balance as at March 31, 2015
Restricted accounts pursuant to AGLC and AAR guidelines	7,281,756	72,738,032	(74,390,916)	5,628,872
Ottawa Trust Funds - Revenue	2,052,867	286,495	-	2,339,362
Ottawa Trust Funds - Capital	3,858,278	3,086	-	3,861,364
Minors Trust Fund	2,125,052	558,000	(112,021)	2,571,031
CMHC Reserves	32,093	-	(7,851)	24,242
Replacement Trust (Note 14)	44,793,436	-	(25,569,985)	19,223,451
	60,143,482	73,585,613	(100,080,773)	33,648,322

5. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada	2,991,167	59,818
Members	72,309	68,658
Receivable from contractors and other	1,247,626	1,250,955
GST receivable	515,889	48,203
Payroll advances	48,926	37,959
Department of Justice	20,762	13,841
Community Futures - Treaty Seven	193,868	284,231
Government of Canada	65,026	34,603
Government of Alberta	770,429	1,307,691
Calgary School Boards	626,451	602,150
Net gaming revenue receivable from Alberta Aboriginal Relations	8,934,668	8,261,181
	15,487,121	11,969,290

6. Receivable from related Nation entities

Included in receivable from related Nation entities is a loan due from one of the Nation's business enterprises totaling \$570,557 (2014 - \$570,557). This amount is secured by property with a carrying value of \$3,257,813 (2014 - \$3,425,128), due on demand, and payable to the Bank of Montreal having the same terms as disclosed in long-term debt.

Other than the demand loan stated above, the advances to related Nation entities are unsecured, non-interest bearing and due on demand.

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Investments in Tsuut'ina Nation partnerships and business entities

The members of the Tsuut'ina Nation have investments in the entities owned and/or controlled by the Nation as stated in Note 1. The partnership and business entities are collectively consolidated and combined for presentation as Tsuu T'ina Holdings Corporation Ltd.

Summary financial information for each Nation partnerships and business entities, accounted for using the modified equity method, for their respective year-end are as follows:

	<i>Opening investment</i>	<i>Undistributed earnings (loss)</i>	<i>Transfer of assets</i>	<i>2015 Closing investment</i>
Shares and contributed surplus	1,469,021	-	-	1,469,021
Debentures and advances	50,192,881	-	10,169,267	60,348,548
Accumulated surplus in Tsuu T'ina Holdings Corporation Ltd.	15,294,370	(1,058,745)	-	14,235,625
	66,956,272	(1,058,745)	10,155,667	76,066,794

	<i>Opening investment</i>	<i>Undistributed earnings (loss)</i>	<i>Transfer of assets</i>	<i>2014 Closing investment</i>
Shares and contributed surplus	1,469,021	-	-	1,469,021
Debentures and advances	16,386,769	(26,938)	33,833,050	50,192,881
Accumulated surplus in Tsuu T'ina Holdings Corporation Ltd.	10,981,220	4,313,150	-	15,294,370
	28,837,010	4,286,212	33,833,050	66,956,272

Condensed financial information

Condensed financial information for Tsuu T'ina Holdings Corporation Ltd. (which combines the information of all the Nation owned entities and partnerships) is as follows:

	Assets	Liabilities	Net assets	Revenue	Expenses	Earnings (loss)
March 31, 2015	67,149,506	51,444,859	15,704,647	77,007,786	78,066,531	(1,058,745)
March 31, 2014	81,451,729	64,688,337	16,763,392	63,077,191	58,764,041	4,313,150

8. Deferred revenue

	<i>Balance as at March 31, 2014</i>	<i>Funding received</i>	<i>Recognized as revenue</i>	<i>Balance as at March 31, 2015</i>
Approved project expenditures	17,043,315	61,400,513	(63,162,880)	15,280,949
AANDC	408,130	18,909,461	(18,961,338)	365,253
Other	542,696	4,320,295	(1,312,696)	3,541,295
Replacement Trust (Note 14)	43,829,682	-	(24,606,231)	19,223,451
	61,823,823	84,630,269	(108,043,145)	38,410,948

9. Payable to related Nation business entities

The amounts payable to related Nation business entities are unsecured, non-interest bearing, and due on demand.

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

10. Long-term debt

	2015	2014
Bank of Montreal ("BMO") demand loan bearing interest only at prime plus 1.3% per annum repayable within seven days of the Nation receiving its compensation payment from the Government of Alberta as set out in the Final Agreement between the parties dated November 2013. Subsequent to year end, the loan has been repaid in full.	10,000,000	-
CMHC - Renovation Loan ("RRAP") unsecured, loans payable at approximately \$200 per month blended payments including interest at 8.375% per annum, maturing between March 1, 2017 and June 1, 2017.	4,244	6,436
BMO mortgage payable in monthly instalments of \$2,821 including interest at 3.95% (2014 - 3.95%) per annum and maturing June 29, 2015, secured by assignment of insurance and guaranteed by the Minister of Aboriginal Affairs and Northern Development Canada.	7,766	40,541
CMHC term loan payable in monthly instalments of \$2,135 including interest at 2.56% per annum (2014 - 2.56%) and maturing December 1, 2015. The loan is secured by assignment of insurance and guaranteed by the Minister of Aboriginal Affairs and Northern Development Canada.	236,278	255,111
BMO demand loan up to a maximum of \$52,269,862 repayable in fixed principal monthly instalments of \$283,907 (2014 - \$166,803) plus interest at the bank's rate prime plus 1.1% per annum and maturing March 31, 2030, secured by AAR's approval to use certain net gaming proceeds to service the debt. The bank's prime rate during 2015 averaged 3.0% per annum.	46,436,184	28,022,912
BMO demand loan, to a maximum of \$8,589,000, repayable in blended monthly instalments of \$76,050 including interest at prime plus 1.1% per annum, such that the loan will be fully repaid by May, 2020. The loan is secured by assignment of insurance, general security agreements over the assets of Tsuu T'ina Property Management Co. Ltd. and Tsuu T'ina Golf and Country Club and the pledge of a \$40 million fixed and floating charge debenture over the lands and future developments of Tsuu T'ina Business Park Co. Ltd. The loan is also guaranteed through the assumption of joint and several liability by six of Tsuut'ina Nation's business entities, namely Sarcee Developments Ltd., Sarcee Gravel Products Limited Partnership, Tsuu T'ina Business Park Co. Ltd., Tsuu T'ina Golf and Country Club, Tsuu T'ina Holdings Corporation, and Tsuu T'ina Property Management Co. Ltd.	3,643,524	4,368,238
BMO line of credit, bearing interest at prime plus 1.2% per annum, due on demand to finance up to 75% of Nation equipment purchases from time to time and up to 100% of construction costs of certain non-residential construction costs approved by the lender on the Nation lands.	1,177,058	-
Heavy equipment financing arrangements, payable in blended monthly instalments of \$23,262, bearing interest at rates ranging from 0.0% to 6.29% per annum, maturing at dates ranging from July 2016 to March 2018, secured by equipment having a net book value of \$1,074,740.	820,338	-
	62,325,392	32,693,238

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

	Principal	Interest	Payment
2016	15,884,949	2,144,883	18,029,832
2017	4,942,345	1,892,156	6,834,501
2018	4,636,593	1,700,857	6337,450
2019	4,548,434	1,513,802	6,062,236
2020	4,582,506	1,323,666	5,906,172

The Nation is required to comply with certain financial covenants on its BMO demand loans, namely that the Nation must maintain a positive or break-even position on its operations. As at March 31, 2015 these financial covenants have been met and the Nation expects to maintain its compliance throughout the next 12 months.

11. Contingent liabilities and commitments

Legal disputes

The Nation's business entities have received claims from two external entities claiming amounts are owed to them. The business entities are defending the allegations, but as of the date of these financial statements, it is not possible to predict the ultimate outcome of these allegations, or to estimate the losses, if any, which may result. Consequently, no amounts have been accrued in these financial statements for the losses, if any, which may be required to be paid by the Nation or its business entities.

CMHC Renovation Loans ("RRAP")

CMHC grants forgivable RRAP loans with the condition that if the original occupant of the home at the time the loan is granted rents, sells or transfers the property before the maturity date, the forgivable portion plus interest becomes due and payable, otherwise the loan is amortized on a straight-line basis over a five year term. At year end, the Nation is contingently liable for these forgivable RRAP loans to a total of \$38,933 (2014 - \$66,163).

Environmental

Within the Nation business entities, Sarcee Developments Ltd. maintains waste water disposal facilities for the town site of Redwood Meadows and Sarcee Gravel Products Limited Partnership operates a landfill and has excavated gravel pits on Tsuut'ina Nation lands. As at March 31, 2015, the Nation has not completed a financial assessment or an evaluation of whether a decommissioning liability exists, consequently, the Nation is unable to determine the amount of a decommissioning liability, if any, that should be recognized at year end.

At year-end, the Nation has determined that there is no known liability meeting the definition of contaminated sites as defined by Canadian public sector accounting standards, therefore, no liability has been recognized in these financial statements.

If a decommissioning or contaminated site liability is subsequently determined to exist, then Tsuut'ina Nation in connection with Aboriginal Affairs and Northern Development Canada would collectively determine responsibility for any costs at the time they are determined.

Letters of Credit

The Nation has issued letters of credit aggregating to \$904,100 (2014 - \$0) with respect to on-going projects. The Nation has not recorded a liability with respect to any of these letters of credit, as management believes that the Nation will not be required to make any payments pertaining to them.

Tsuit'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

12. Tangible capital assets

	<i>Cost at March 31, 2014</i>	<i>Additions</i>	<i>Disposals</i>	<i>Cost at March 31, 2015</i>	<i>Opening accumulated amortization</i>	<i>Amortization expense</i>	<i>Disposals</i>	<i>Ending accumulated amortization</i>	<i>Net book value at March 31, 2015</i>
Automotive, fire and general equipment	3,265,170	67,888	(690,110)	2,642,948	2,716,946	229,259	(674,334)	2,271,871	371,077
Buildings	7,898,246	13,583,876	(132,302)	21,349,820	3,118,687	427,826	(36,383)	3,510,130	17,839,690
Computers	1,753,434	420,723	(513,443)	1,660,714	1,528,193	252,053	(513,443)	1,266,803	393,911
Dug out	9,990	-	-	9,990	2,398	399	-	2,797	7,193
Equipment	-	1,707,764	-	1,707,764	-	103,139	-	103,139	1,604,625
Fencing	214,383	-	-	214,383	146,692	18,291	-	164,983	49,400
Furniture and equipment	3,723,384	821,757	(713,647)	3,831,494	3,030,559	288,759	(676,569)	2,642,749	1,188,745
Leasehold improvements	4,032,210	122,347	(356,330)	3,798,227	1,261,881	328,553	(354,516)	1,235,918	2,562,309
Nation housing	103,813,466	36,605,726	(874,420)	139,544,772	16,166,653	5,723,944	(174,732)	21,715,865	117,828,907
Parking lot	136,957	23,500	-	160,457	33,504	14,871	-	48,375	112,082
Roads	8,711,010	10,169,568	-	18,880,578	1,475,200	551,832	-	2,027,032	16,853,546
Water treatment facility	6,011,333	-	-	6,011,333	1,202,266	240,453	-	1,442,719	4,568,614
	139,569,583	63,523,149	(3,280,252)	199,812,480	30,682,979	8,179,379	(2,429,977)	36,432,381	163,380,099
	<i>Cost at March 31, 2013</i>	<i>Additions</i>	<i>Disposals</i>	<i>Cost at March 31, 2014</i>	<i>Opening accumulated amortization</i>	<i>Amortization expense</i>	<i>Disposals</i>	<i>Ending accumulated amortization</i>	<i>Net book value at March 31, 2014</i>
Automotive, fire and general equipment	2,735,536	529,634	-	3,265,170	2,509,072	207,874	-	2,716,946	548,224
Buildings	7,207,948	690,298	-	7,898,246	2,764,906	353,781	-	3,118,687	4,779,559
Computers	1,505,215	248,219	-	1,753,434	1,334,239	193,954	-	1,528,193	225,241
Dug out	9,990	-	-	9,990	1,998	400	-	2,398	7,592
Fencing	214,383	-	-	214,383	123,529	23,163	-	146,692	67,691
Furniture and equipment	3,426,798	296,586	-	3,723,384	2,649,010	381,549	-	3,030,559	692,825
Leasehold improvements	3,662,930	369,280	-	4,032,210	926,144	335,737	-	1,261,881	2,770,329
Nation housing	78,482,960	25,330,506	-	103,813,466	11,609,243	4,557,410	-	16,166,653	87,646,813
Parking lot	136,957	-	-	136,957	19,808	13,696	-	33,504	103,453
Roads	8,711,010	-	-	8,711,010	1,126,760	348,440	-	1,475,200	7,235,810
Water treatment facility	6,011,333	-	-	6,011,333	983,543	218,723	-	1,202,266	4,809,067
	112,105,060	27,464,523	-	139,569,583	24,048,252	6,634,727	-	30,682,979	108,886,604

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

13. Comparative figures

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

14. Impairment

During the year ended March 31, 2015, and in respect of the November 27, 2013 Agreement stated below, the Nation and its affected Nation business entities ("Corporations") provided vacant possession of the lands and related assets located within the Transferred Land. At year-end, it has been determined that the Buffalo Run golf course land improvements, and other assets located within the Transferred Land had no recoverable amounts associated with them and, thus, are considered impaired. These assets mainly comprise, but are not limited to, Nation housing within the Transferred Land, the Buffalo Run golf course, Chief Dick Big Plume building, Chief David Crowchild building, Sarcee Seven Chiefs Sportsplex, Tsuut'ina Nation Culture Museum, and infrastructure, water and sanitary sewer connections for the Nation.

As a result, the Nation reported impairment write-downs of \$2,953,191 for the year ended March 31, 2015 (\$97,733 within the Nation programs and \$2,855,458 within the Nation business entities).

15. Subsequent event

On October 24, 2013, Tsuut'ina Nation citizens voted to transfer reserve lands to the Province of Alberta to accommodate a portion of the Southwest Calgary Ring Road. On November 27, 2013, the Tsuut'ina Nation entered into the Final Agreement (the "Agreement"), a public document, with Her Majesty the Queen in Right of Alberta ("Alberta Government"). Under the terms of the Agreement, and subject to certain conditions being completed prior to finalization of the Agreement, the Nation would transfer 1,058 acres of land (the "Transferred Land") to the Alberta Government in exchange for:

- \$275 million to be placed into the Nation's Capital Trust account after certain conditions are met;
- 5,338.1 acres of crown land valued at \$44,420,000;
- The Nation would purchase an additional 320 acres at a cost of \$1,643,200;
- \$44,643,900 cash to be placed into a Replacement Trust to be used by the Nation for planning, redesign and construction of replacement facilities for certain assets stated below and payments to Nation citizens or other affected third parties. This amount was received prior to March 31, 2014 and was recognized as restricted cash and deferred revenue on the financial statements at March 31, 2014.
- A payment of \$21 million to be used in a manner to be decided by the Nation at its sole discretion. This amount was also received and recognized in the financial statements for the year ended March 31, 2014.

Subsequent to the March 31, 2015 year-end, all the conditions required to satisfy the transfer terms of the Agreement were completed and the Nation completed the land transfer as stated above. Pursuant to the terms of the Agreement, \$275 million was deposited by the Alberta Government into the Nation's capital trust account. Immediately thereafter, the \$275 million plus the existing capital trust monies (\$3.8 million as at March 31, 2015) were transferred to a new Tsuut'ina Nation Capital Trust administered by an independent Trustee for the benefit of the Nation.

The land transfers and related cash receipts, including the Tsuut'ina Nation Capital Trust, will be included in the audited financial statements for the year ended March 31, 2016.

Tsuut'ina Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

16. Segments	Economic Development	Essential Services	Legislative Procedures	Nation Administration	Programs	Services	2015	Total 2014
Revenue								
Aboriginal Affairs and Northern Development Canada	3,401,023	4,067,977	23,500	1,201,822	7,712,881	2,554,135	18,961,338	16,564,560
Health Canada	-	-	-	-	-	2,079,748	2,079,748	2,203,485
Other government contributions	3,100,000	1,773,416	107,134	389,856	409,296	813,542	6,593,244	2,337,985
Own source	38,545,944	5,927,233	1,606,906	13,870,680	31,087,114	7,904,070	98,941,947	108,755,742
Share of net earnings from Tsuu T'ina Holdings Corporation Ltd.	1,796,713	-	-	-	-	-	1,796,713	4,313,150
Deferred revenue - from prior year	-	479,501	45,141	4,125	30,954	230,559	790,280	604,516
Deferred revenue - to future year	(2,330,000)	(497,152)	-	(2,765)	-	(317,717)	(3,147,634)	(790,280)
	44,513,680	11,750,975	1,782,681	15,463,718	39,240,245	13,264,337	126,015,636	133,989,158
Expenses								
Amortization	255,469	716,336	14,465	131,181	6,780,809	281,118	8,179,378	6,634,722
Contributions to business entities	297,856	-	-	-	-	-	297,856	1,500,843
Distribution to Nation members	-	-	-	7,922,861	-	-	7,922,861	24,744,541
Interest	10,380	5,362	-	519,317	27,929	-	562,989	300,557
Program services and administration	7,218,571	6,677,780	1,039,346	12,740,304	11,560,782	9,719,048	48,955,830	41,035,712
Wages and benefits	2,428,501	5,441,033	878,516	5,150,511	7,628,561	4,427,363	25,954,485	20,918,957
	10,210,777	12,840,511	1,932,327	26,464,174	25,998,081	14,427,529	91,873,399	95,135,332
Surplus (deficit) before interprogram transfers	34,302,903	(1,089,536)	(149,646)	(11,000,456)	13,242,164	(1,163,192)	34,142,237	38,853,826
Interprogram transfers	(12,049,180)	518,105	(20,491,490)	28,733,148	3,253,551	35,866	-	-
Surplus (deficit) from operations	22,253,723	(571,431)	(20,641,136)	17,732,692	16,495,715	(1,127,326)	34,142,237	38,853,826

Tsuut'ina Nation
Schedule 1 - Consolidated Expenses by Object
For the year ended March 31, 2015

	Budget 2015	Actual 2015	<i>Actual</i> <i>2014</i> (Restated - Note 2 and Note 13)
Consolidated expenses by object			
Amortization	-	8,179,378	6,634,722
Contributions to business entities	385,000	297,856	1,500,843
Distribution to Nation members	8,232,800	7,922,861	24,744,541
Interest	635,406	562,989	300,557
Program services and administration	52,916,598	48,955,830	41,035,712
Wages and benefits	25,864,369	25,954,485	20,918,957
Total expenses	88,034,173	91,873,399	95,135,332