

---

DAKOTA PLAINS WAHPETON NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

---

FEB 27 '17 AM 10:58

# DAKOTA PLAINS WAHPETON NATION

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

---

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

### INDEPENDENT AUDITORS' REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ..... STATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS ..... STATEMENT 2

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT ..... STATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWS ..... STATEMENT 4

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Dakota Plains Wahpeton Nation are the responsibility of management and have been approved by Chief and Council.

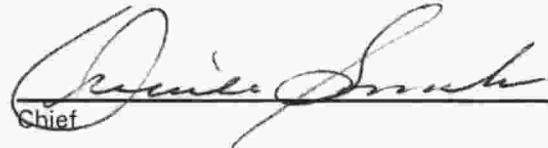
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the financial statements and the external auditors' report.

The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management and Chief and Council and meet when required.

  
\_\_\_\_\_  
Chief

Councillor

  
\_\_\_\_\_  
Councillor

Councillor



**Collins Barrow HMA LLP**  
Suite 701 - 330 Portage Avenue  
Winnipeg, MB R3C 0C4  
T: 204.989.2229  
F: 204.944.9923  
TF: 1.866.730.4777  
[www.collinsbarrow.com](http://www.collinsbarrow.com)

## INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership  
Dakota Plains Wahpeton Nation

We have audited the accompanying consolidated financial statements of Dakota Plains Wahpeton Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 of 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 presentation 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 consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Dakota Plains Wahpeton Nation as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Collins Barrow HMA LLP*  
Chartered Professional Accountants

Winnipeg, Manitoba

February 17, 2017

An independent member of  
**BAKER TILLY**  
INTERNATIONAL

**DAKOTA PLAINS WAHPETON NATION**

STATEMENT 1

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****MARCH 31****2016****2015****FINANCIAL ASSETS**

Restricted cash <i>(Note 3)</i>	\$ 110,899	\$ 107,942
Accounts receivable <i>(Note 4)</i>	<u>7,005</u>	<u>38,457</u>
	<u>117,904</u>	<u>146,399</u>

**LIABILITIES**

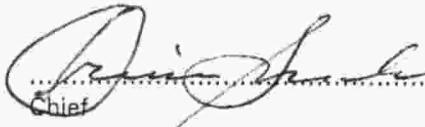
Bank indebtedness <i>(Note 5)</i>	7,299	21,594
Accounts payable and accrued liabilities <i>(Note 6)</i>	670,796	646,879
Deferred revenue <i>(Note 7)</i>		23,000
Long term debt <i>(Note 8)</i>	<u>1,056,000</u>	<u>1,065,058</u>
	<u>1,734,095</u>	<u>1,756,531</u>
NET DEBT	<u>(1,616,191)</u>	<u>(1,610,132)</u>

**NON-FINANCIAL ASSETS**

Tangible capital assets <i>(Note 9)</i>	<u>6,455,365</u>	<u>6,693,878</u>
ACCUMULATED SURPLUS <i>(Note 10)</i>	<u>\$ 4,839,174</u>	<u>\$ 5,083,746</u>

**CONTINGENT LIABILITIES *(Note 11)***

Approved on behalf of Chief and Council

  
Chief

Councillor

  
Councillor

Councillor

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2016	2015
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 1,725,357	\$ 1,780,208	\$ 1,818,984
Indigenous and Northern Affairs Canada - funding recoveries		(40,220)	(31,029)
First Nations and Inuit Health Branch	679,086	676,195	664,668
First Nations and Inuit Health Branch - funding recoveries		(2,969)	
Canada Mortgage and Housing Corporation	65,000	64,745	69,216
Canada Mortgage and Housing Corporation - funding recoveries			(227)
Other	112,020	96,252	88,720
Manitoba Hydro		57,436	25,000
Rental income	40,000	37,119	77,976
Private contributions			107,460
Deferred from prior year	23,000	23,000	
Deferred to subsequent year	—	—	(23,000)
	<u>2,644,463</u>	<u>2,691,766</u>	<u>2,797,768</u>
<b>EXPENDITURES</b>			
Administration and finance	275,940	255,502	350,804
Economic development	51,500	39,158	24,943
Education	934,510	1,024,171	1,074,712
Health	680,506	679,651	636,399
Housing	86,000	109,366	163,854
Operations and maintenance	221,627	453,508	406,070
Social assistance	<u>388,000</u>	<u>374,982</u>	<u>398,172</u>
	<u>2,638,083</u>	<u>2,936,338</u>	<u>3,054,954</u>
ANNUAL DEFICIT	6,380	( 244,572)	( 257,186)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>5,083,746</u>	<u>5,083,746</u>	<u>5,340,932</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 5,090,126</u>	<u>\$ 4,839,174</u>	<u>\$ 5,083,746</u>

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2016	2015
Annual deficit	\$ 6,380	<u><u>\$ (244,572)</u></u>	<u><u>\$ (257,186)</u></u>
Acquisition of tangible capital assets		( 146,223)	( 191,880)
Amortization of tangible capital assets	<u><u>-</u></u>	<u><u>384,736</u></u>	<u><u>391,076</u></u>
	<u><u>-</u></u>	<u><u>238,513</u></u>	<u><u>199,196</u></u>
CHANGE IN NET DEBT FOR YEAR	6,380	( 6,059)	( 57,990)
NET DEBT, <i>beginning of year</i>	<u><u>(1,610,132)</u></u>	<u><u>(1,610,132)</u></u>	<u><u>(1,552,142)</u></u>
NET DEBT, <i>end of year</i>	<u><u>\$ (1,603,752)</u></u>	<u><u>\$ (1,616,191)</u></u>	<u><u>\$ (1,610,132)</u></u>

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2016	2015
--	------	------

### CASH FLOW FROM

#### OPERATING ACTIVITIES

Cash receipts from Indigenous and Northern Affairs Canada	\$ 1,788,446	\$ 1,760,484
Cash receipts from First Nations and Inuit Health Branch	671,985	674,115
Cash received from other sources	257,146	366,819
Cash paid to employees	( 1,272,775)	( 1,301,880)
Cash paid to suppliers	( 1,232,154)	( 1,334,177)
Bank charges and interest paid	( 40,115)	( 39,490)
	<u>172,533</u>	<u>125,871</u>

### CAPITAL ACTIVITY

Acquisition of tangible capital assets	( 146,223)	( 191,880)
--	------------	------------

### FINANCING ACTIVITIES

Proceeds of long term debt	50,090	95,060
Repayment of long term debt	( 59,148)	( 93,711)
	<u>( 9,058)</u>	<u>1,349</u>

NET INCREASE (DECREASE) IN CASH DURING YEAR 17,252 ( 64,660)

CASH, *beginning of year* 86,348 151,008

CASH, *end of year* \$ 103,600 \$ 86,348

Cash consists of:

Bank indebtedness	\$( 7,299)	\$( 21,594)
Restricted cash ( <i>Note 3</i> )	<u>110,899</u>	<u>107,942</u>
	<u>\$ 103,600</u>	<u>\$ 86,348</u>

# DAKOTA PLAINS WAHPETON NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 1. OPERATIONS

The Dakota Plains Wahpeton Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its members. The financial reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

### 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *BASIS OF PRESENTATION*

These consolidated financial statements are the representations of management and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as defined by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, which encompasses the following principles.

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

#### *REPORTING ENTITY*

The consolidated financial statements report the financial activities of all entities and departments comprising the reporting entity of the First Nation.

These consolidated financial statements combine the assets, liabilities, revenue and expenditures of the following entities and departments:

- Dakota Plains Wahpeton Nation Government
- Dakota Plains Wahpeton Nation CMHC Housing Authority
- Dakota Plains Wahpeton Nation Group Home

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

#### *ASSET CLASSIFICATION*

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

#### *RESTRICTED CASH*

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

#### *NET DEBT*

The First Nation's 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 liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

---

### 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *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 First Nation unless they are sold.

#### *TANGIBLE CAPITAL ASSETS*

Tangible capital assets include acquired, built, developed and improved capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets acquired are reported at net book value.

Assets under construction are not amortized until the asset is available to be put into service.

CMHC houses and the foster home are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the corresponding mortgages. Amortization of all other tangible capital asset categories is provided for under the straight-line method at the following annual rates:

Buildings	2.5 - 5%
Equipment	10 - 20%
Infrastructure	2.5 - 5%
Office equipment	10%
Office furniture	20%
Playground equipment	10%
Vehicles	20%

Amortization is computed at one-half of the annual amortization in the year of tangible capital asset acquisition.

#### *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, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the statement of operations and accumulated surplus for the year in which the asset becomes impaired.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2016****2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******REVENUErecognition***

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfer revenue which includes Indigenous and Northern Affairs Canada, First Nations and Inuit Health Branch and Canada Mortgage and Housing Corporation is recognized as revenue when the transfer is authorized and any eligibility criteria under the terms of the applicable funding agreement are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped.

***SEGMENTS***

The First Nation conducts its business through seven reportable segments as identified in Note 15. 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 segment separately reported, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

***FINANCIAL INSTRUMENTS***

Financial instruments include restricted cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, deferred revenue 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 risks arising from these financial instruments and the carrying value of the First Nation's financial assets and liabilities approximates their fair value.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2016****2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*****FAIR VALUE**

Due to the short term nature of all financial instruments other than long term debt, the carrying values as presented in the financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the year in which it becomes known. For long term debt it is not practicable within the constraints of timeliness or cost to determine the fair value with sufficient reliability because these financial instruments are not traded in an organized financial market.

**USE OF ESTIMATES**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenditures during the reporting year.

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations and accumulated surplus in the year in which they become known.

**3. RESTRICTED CASH****CASH HELD IN TRUST**

Cash held in trust consists of insurance proceeds paid to CMHC on behalf of the First Nation for a claim related to a housing unit consumed by fire. The insurance proceeds are restricted and can only be used for the costs associated with the replacement of the previously existing housing unit. CMHC releases these monies to the First Nation once certain requirements have been satisfied.

**CMHC REPLACEMENT RESERVE**

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve is to be credited with an annual allocation of \$12,444. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2016, there was an accumulated balance of \$190,485 (March 31, 2015 - \$184,034) for this reserve, which remains unfunded and due from operating.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

## 3. RESTRICTED CASH

*OTTAWA TRUST FUND*

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other First Nation tangible capital assets. Capital trust monies are expended on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Chief and Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue Fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended under the provisions of sections 63 to 69 the Indian Act.

	2 0 1 6	2 0 1 5
Cash held in trust	\$ 109,391	\$ 106,464
CMHC Replacement Reserve	- <u>1,508</u>	- <u>1,478</u>
Ottawa Trust Fund	<u>\$ 110,899</u>	<u>\$ 107,942</u>

## 4. ACCOUNTS RECEIVABLE

	2 0 1 6	2 0 1 5
Indigenous and Northern Affairs Canada		
Corporate Business Planning	\$ 8,000	
Financial Management Governance Capacity Development	15,000	
In-Home Care	9,960	
Low Cost Special Education	702	702
Tuition Agreements	<u>1,861</u>	-
	2,563	33,662
First Nations and Inuit Health Branch	4,210	2,969
Accrued interest receivable on cash held in trust	232	226
Other receivables	-	1,600
	<u>\$ 7,005</u>	<u>\$ 38,457</u>

## 5. BANK INDEBTEDNESS

Bank indebtedness is comprised of the following:

	2 0 1 6	2 0 1 5
Band	\$( 47,645)	\$( 66,312)
Education	6,963	8,277
Health	20,624	11,270
Housing	9,751	2,559
Post secondary	2,953	2,538
Social	<u>55</u>	<u>20,074</u>
	<u>\$( 7,299)</u>	<u>\$( 21,594)</u>

# DAKOTA PLAINS WAHPETON NATION

PAGE 6

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 6	2 0 1 5
Indigenous and Northern Affairs Canada		
Band Operated School - Direct Services	\$ 1,755	\$
Basic Needs	23,638	8,034
Parental and Community Engagement	3,683	3,683
Wastewater Systems	<u>6,129</u>	<u>6,129</u>
	35,205	17,846
Trade accounts payable and accrued liabilities	613,684	611,957
Employee source deductions payable	<u>21,907</u>	<u>17,076</u>
	<u><u>\$ 670,796</u></u>	<u><u>\$ 646,879</u></u>

### 7. DEFERRED REVENUE

	2 0 1 6	2 0 1 5
Indigenous and Northern Affairs Canada		
Corporate Business Planning	\$	\$ 8,000
Financial Management Governance Capacity Development	<u>-</u>	<u>15,000</u>
	<u><u>\$ -</u></u>	<u><u>\$ 23,000</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

## 8. LONG TERM DEBT

2016 2015

Canada Mortgage and Housing Corporation mortgage, 3.14%, repayable in monthly installments of \$293 including interest, matured September 2015, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance. \$ 1,186

Canada Mortgage and Housing Corporation mortgage, 2.63%, repayable in monthly installments of \$1,887 including interest, renews June 2016, matures June 2031, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance. 284,445 299,412

Canada Mortgage and Housing Corporation mortgage, 2.40%, repayable in monthly installments of \$1,040 including interest, renews October 2018, matures April 2032 secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance. 166,492 174,874

Canada Mortgage and Housing Corporation mortgage, 1.11%, repayable in monthly installments of \$2,329 including interest, renews April 2021, matures March 2035, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance. 478,394 497,869

Peace Hills Trust loan, 8.50%, repayable in monthly installments of \$1,725 including interest, due October 2020, secured by assignment of all risks insurance. 78,329 91,717

Peace Hills Trust loan, 8.50%, repayable in monthly installments of \$1,606 including interest, due January 2019, secured by assignment of all risks insurance. 48,340 -

\$ 1,056,000 \$ 1,065,058

The scheduled principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2017	\$ 74,226
2018	78,033
2019	78,837
2020	66,136
2021	<u>60,268</u>
	<u>\$ 357,500</u>

DAKOTA PLAINS WAHPETON NATION

PAGE 8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization				Net Book Value	
	Opening Balance	Additions, Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Adjustments, Disposals and Impairment	Closing Balance	2016	2015
Buildings	\$ 7,594,836	\$ 626,578	\$ 8,221,414	\$ 4,141,774	\$ 138,756	\$ 577,705	\$ 4,858,235	\$ 3,363,179	\$ 3,453,062
CMHC houses	1,863,599	(578,380)	1,285,219	876,619	42,825	(578,380)	341,064	944,155	986,980
Equipment	41,069		41,069	19,388	2,492		21,880	19,189	21,681
Foster home	75,110		75,110	44,020	1,185		45,205	29,905	31,090
Infrastructure	4,047,807		4,047,807	2,315,226	100,681		2,415,907	1,631,900	1,732,581
Land	110,000		110,000					110,000	110,000
Office equipment	162,931	6,584	169,515	142,727	3,796		146,523	22,992	20,204
Office furniture	31,816		31,816	31,816				31,816	
Playground equipment	32,713		32,713	32,713				32,713	
Vehicles	701,558	91,441	792,999	363,278	95,676	-	458,954	334,045	338,280
	<u>\$ 14,661,439</u>	<u>\$ 146,223</u>	<u>\$ 14,807,662</u>	<u>\$ 7,967,561</u>	<u>\$ 385,411</u>	<u>\$ (675)</u>	<u>\$ 8,352,297</u>	<u>\$ 6,455,365</u>	<u>\$ 6,693,878</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

## 10. ACCUMULATED SURPLUS

	2 0 1 6	2 0 1 5
Accumulated deficit from operations	\$( 861,575)	\$( 837,050)
Equity in tangible capital assets	5,399,365	5,628,820
Equity in restricted cash	110,899	107,942
Equity in CHMC Replacement Reserve	<u>190,485</u>	<u>184,034</u>
	<u><u>\$ 4,839,174</u></u>	<u><u>\$ 5,083,746</u></u>

## 11. CONTINGENT LIABILITIES

The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their funding agreements. At this time, it was not yet determined to what extent any funding amounts related to the fiscal year ended March 31, 2016 might be recovered.

Indigenous and Northern Affairs Canada has confirmed that \$232,523 from the fiscal year ended March 31, 2009 might be recovered. No repayment terms have been determined at this time and no accrual has been made.

For accounting purposes, any amounts assessed or claims paid will be accounted for in the year of determination.

## 12. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE

	2 0 1 6	2 0 1 5
Agreement #1415-MB-000009 (MANITOBA)	\$ 1,779,621	\$ 1,818,984
Add: 2014-2015 tuition agreement funding adjustment	<u>587</u>	-
Total INAC revenue per financial statements	<u><u>\$ 1,780,208</u></u>	<u><u>\$ 1,818,984</u></u>

## 13. ECONOMIC DEPENDENCE

Dakota Plains Wahpeton Nation receives a majority of its revenue from Indigenous and Northern Affairs Canada (INAC) and First Nations and Inuit Health Branch (FNIHB) pursuant to funding arrangements with the Government of Canada. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by the funding arrangements.

## 14. RELATED PARTY TRANSACTIONS

In the normal course of operations, the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and its related entities, aggregate revenue and expenditures derived from related party transactions is not determinable.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

## 15. SEGMENTS

The First Nation has seven reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

**Administration and Finance** - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

**Economic Development** - benefits include better access to more and larger businesses and business opportunities both within and beyond the community and a better economic environment.

**Education** - activities include overseeing many aspects of educational opportunities for community members at all levels of learning both within the community and externally.

**Health** - activities include the delivery of programs to promote community health and to address environmental issues and non-insured health benefits.

**Housing** - activities include the provision of residential housing opportunities for community members.

**Operations and Maintenance** - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.

**Social Assistance** - activities include satisfying the economic, social or health related needs of community members who require assistance.

## 16. COMPARATIVE FIGURES

Certain prior year comparative amounts have been reclassified where necessary to conform to the financial statement presentation adopted for the current year.

## 17. EXPENSES BY OBJECT

	2 0 1 6	2 0 1 5
Amortization	384,736	391,076
Bank charges and interest	40,115	39,490
Community member activities and support	84,823	34,787
Consulting and professional fees	94,616	43,233
Insurance	38,915	26,118
Office supplies and administration	120,160	87,536
Other	149,924	283,698
Repairs and maintenance	64,799	106,798
Salaries, honoraria, wages and benefits	1,277,606	1,313,884
Social assistance	311,343	338,876
Student support	181,509	145,428
Travel	49,064	98,751
Utilities	56,065	70,943
Vehicle operations and maintenance	82,663	74,336
	<u>\$ 2,936,338</u>	<u>\$ 3,054,954</u>

# DAKOTA PLAINS WAHPETON NATION

PAGE 11

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 18. SEGMENT DISCLOSURE

Dakota Plains Wahpeton Nation provides a range of services to its community members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the Basis of Presentation and Summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	ADMINISTRATION AND FINANCE		ECONOMIC DEVELOPMENT		EDUCATION		HEALTH	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenue</b>								
Federal Government								
INAC	\$ 176,247	\$ 199,219	\$ 36,292	\$ 36,292	\$ 906,878	\$ 892,996	\$ 14,000	\$ 676,195
FNIHB								664,668
CMHC	—	—	—	—	—	—	—	—
<b>Subtotal</b>	<b>176,247</b>	<b>199,219</b>	<b>36,292</b>	<b>36,292</b>	<b>906,878</b>	<b>892,996</b>	<b>690,195</b>	<b>664,668</b>
Funding recoveries	(25,625)				(1,755)		(2,969)	(14,183)
Other revenue	101,108	195,969			25,694	6,767		
Deferred from prior year	23,000							
Deferred to next year	—	(23,000)	—	—	—	—	—	—
<b>Total revenue</b>	<b>274,730</b>	<b>372,188</b>	<b>36,292</b>	<b>36,292</b>	<b>930,817</b>	<b>899,763</b>	<b>687,226</b>	<b>650,485</b>
<b>Expenditures</b>								
Amortization					120,073	132,570		
Debt servicing	6,487	14,147			7,959	421	1,756	14
Other	191,365	187,714	36,408	21,135	325,691	363,999	272,185	254,419
Salaries and benefits	57,650	148,943	2,750	3,808	570,448	577,722	405,710	381,966
<b>Total expenditures</b>	<b>255,502</b>	<b>350,804</b>	<b>39,158</b>	<b>24,943</b>	<b>1,024,171</b>	<b>1,074,712</b>	<b>679,651</b>	<b>636,399</b>
Annual Surplus (Deficit)	\$ 19,228	\$ 21,384	\$( 2,866)	\$ 11,349	\$( 93,354)	\$( 174,949)	\$ 7,575	\$ 14,086

# DAKOTA PLAINS WAHPETON NATION

PAGE 12

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 18. SEGMENT DISCLOSURE (continued)

	HOUSING		OPERATIONS AND MAINTENANCE		SOCIAL ASSISTANCE		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenues</b>								
Federal Government								
INAC	\$	\$	\$ 298,370	\$ 296,018	\$ 348,421	\$ 394,459	\$ 1,780,208	\$ 1,818,984
FNIHB							676,195	664,668
CMHC	64,745	69,216	-	-	-	-	64,745	69,216
Subtotal	64,745	69,216	298,370	296,018	348,421	394,459	2,521,148	2,552,868
Funding recoveries		(227)	-	(16,846)	(12,840)		(43,189)	(31,256)
Other revenue	37,119	96,420	25,346		1,540		190,807	299,156
Deferred from prior year			-				23,000	
Deferred to next year	-	-	-	-	-	-	-	(23,000)
<b>Total revenue</b>	<b>101,864</b>	<b>165,409</b>	<b>323,716</b>	<b>279,172</b>	<b>337,121</b>	<b>394,459</b>	<b>2,691,766</b>	<b>2,797,768</b>
<b>Expenditures</b>								
Amortization	46,935	53,046	217,728	205,460			384,736	391,076
Debt servicing	23,913	24,908					40,115	39,490
Other	38,518	85,900	52,734	56,416	316,980	340,921	1,233,881	1,310,504
Salaries and benefits	-	-	183,046	144,194	58,002	57,251	1,277,606	1,313,884
<b>Total expenditures</b>	<b>109,366</b>	<b>163,854</b>	<b>453,508</b>	<b>406,070</b>	<b>374,982</b>	<b>398,172</b>	<b>2,936,338</b>	<b>3,054,954</b>
<b>Anual Surplus (Deficit)</b>	<b>\$(-7,502)</b>	<b>\$1,555</b>	<b>\$(-129,792)</b>	<b>\$(-126,898)</b>	<b>\$(-37,861)</b>	<b>\$(-3,713)</b>	<b>\$(-244,572)</b>	<b>\$(-257,186)</b>