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# DAKOTA PLAINS WAHPETON NATION

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

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# DAKOTA PLAINS WAHPETON NATION

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

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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.

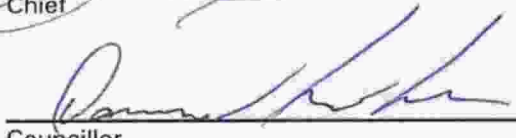

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are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



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## **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 (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2017, 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 qualified audit opinion.

### **Basis for Qualified Opinion**

Canadian public sector accounting standards require the First Nation to recognize construction in progress for all its capital projects prior to completion. The accounting records relating to the First Nation's construction in progress are not subject to satisfactory audit verification for completeness and valuation. As a result, we were unable to determine whether any adjustments might be necessary to construction in progress, accounts payable and accrued liabilities and accumulated surplus.

### **Qualified Opinion**

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the completeness and valuation of construction in progress as described in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of Dakota Plains Wahpeton Nation as at March 31, 2017 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 8, 2018



# DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2017

2016

### FINANCIAL ASSETS

Cash (Note 5)	\$ 95,087	\$
Restricted cash (Note 3)	169,384	110,899
Accounts receivable (Note 4)	<u>451,695</u>	<u>7,005</u>
	<u>716,166</u>	<u>117,904</u>

### LIABILITIES


Bank indebtedness (Note 5)		7,299
Accounts payable and accrued liabilities (Note 6)	1,021,369	670,796
Deferred revenue (Note 8)	152,645	
Long term debt (Note 7)	<u>977,785</u>	<u>1,056,000</u>
	<u>2,151,799</u>	<u>1,734,095</u>
NET DEBT	<u>(1,435,633)</u>	<u>(1,616,191)</u>


### NON-FINANCIAL ASSETS


Tangible capital assets (Note 11)	6,123,735	6,455,365
Construction in progress (Note 9)	1,919,234	
Prepaid expenses (Note 10)	<u>10,000</u>	<u>-</u>
TOTAL NON-FINANCIAL ASSETS	<u>8,052,969</u>	<u>6,455,365</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 6,617,336</u>	<u>\$ 4,839,174</u>

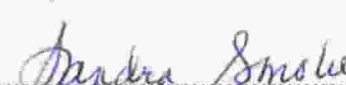
### CONTINGENT LIABILITIES (Note 13)

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)	2017	2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 3,183,183	\$ 4,330,775	\$ 1,780,208
Indigenous and Northern Affairs Canada - funding recoveries		(1,042)	(40,220)
First Nations and Inuit Health Branch	778,952	774,742	676,195
First Nations and Inuit Health Branch - funding recoveries			(2,969)
Canada Mortgage and Housing Corporation	65,000	256,270	64,745
Enbridge Inc.		130,934	
Interest and other		74,738	96,252
Manitoba Hydro		16,000	57,436
Rental income	40,000	37,560	37,119
Deferred from prior year			23,000
Deferred to subsequent year	-	(152,645)	-
	<u>4,067,135</u>	<u>5,467,332</u>	<u>2,691,766</u>
<b>EXPENDITURES</b>			
Administration and finance	132,100	356,021	284,599
Economic development	33,000	305,553	39,158
Education	797,218	1,131,014	1,024,171
Health	772,066	715,959	679,651
Housing	105,000	277,853	109,366
Infrastructure and capital projects	130,000	53,439	-
Operations and maintenance	162,004	504,670	424,411
Social assistance	388,280	344,661	374,982
	<u>2,519,668</u>	<u>3,689,170</u>	<u>2,936,338</u>
ANNUAL SURPLUS (DEFICIT)	1,547,467	1,778,162	( 244,572)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>4,839,174</u>	<u>4,839,174</u>	<u>5,083,746</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 6,386,641</u>	<u>\$ 6,617,336</u>	<u>\$ 4,839,174</u>

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2017	2016
Annual surplus	\$ <u>1,547,467</u>	\$ <u>1,778,162</u>	\$ <u>( 244,572)</u>
Acquisition of tangible capital assets		( 91,277)	( 146,223)
Acquisition of construction in progress	(1,511,893)	(1,919,234)	
Amortization of tangible capital assets		422,907	384,736
Acquisition of prepaid expenses	<u>-</u>	( <u>10,000</u> )	<u>-</u>
	(1,511,893)	(1,597,604)	238,513
CHANGE IN NET DEBT FOR YEAR	35,574	180,558	( 6,059)
NET DEBT, <i>beginning of year</i>	(1,616,191)	(1,616,191)	(1,610,132)
NET DEBT, <i>end of year</i>	\$ <u>(1,580,617)</u>	\$ <u>(1,435,633)</u>	\$ <u>(1,616,191)</u>

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2017	2016
CASH FLOW FROM		
OPERATING ACTIVITIES		
Cash receipts from Indigenous and Northern Affairs Canada	\$ 3,854,761	\$ 1,788,446
Cash receipts from First Nations and Inuit Health Branch	778,952	671,985
Cash received from other sources	515,734	257,146
Cash paid to employees	(1,573,841)	(1,272,775)
Cash paid to suppliers	(1,317,775)	(1,232,154)
Bank charges and interest paid	(8,234)	(40,115)
	<u>2,249,597</u>	<u>172,533</u>
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(91,277)	(146,223)
Acquisition of construction in progress	<u>(1,919,234)</u>	<u>-</u>
	<u>(2,010,511)</u>	<u>(146,223)</u>
FINANCING ACTIVITIES		
Proceeds of long term debt		50,090
Repayment of long term debt	<u>(78,215)</u>	<u>(59,148)</u>
	<u>(78,215)</u>	<u>(9,058)</u>
NET INCREASE IN CASH DURING YEAR	160,871	17,252
CASH, beginning of year	<u>103,600</u>	<u>86,348</u>
CASH, end of year	<u>\$ 264,471</u>	<u>\$ 103,600</u>
Cash consists of:		
Cash (bank indebtedness)	\$ 95,087	\$ (7,299)
Restricted cash (Note 3)	<u>169,384</u>	<u>110,899</u>
	<u>\$ 264,471</u>	<u>\$ 103,600</u>



# DAKOTA PLAINS WAHPETON NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 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

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, construction in progress and prepaid expenses.

#### *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, 2017

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 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, 2017

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

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 eight reportable segments as identified in Note 17. 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 cash, 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, 2017

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

*CAPITAL PROJECTS BANK ACCOUNTS*

Monies held by a capital project manager relate to funding received that must be spent on particular capital projects.

*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 \$11,600. 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, 2017, there was an accumulated balance of \$190,333 (March 31, 2016 - \$190,485) for this reserve, which remains unfunded and due from operating.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 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.

	2017	2016
Capital projects bank accounts	\$ 167,847	\$
Cash held in trust		109,391
Ottawa Trust Fund	<u>1,537</u>	<u>1,508</u>
	<u>\$ 169,384</u>	<u>\$ 110,899</u>

### 4. ACCOUNTS RECEIVABLE

	2017	2016
Indigenous and Northern Affairs Canada		
Response	\$ 24,047	\$
Recovery	120,222	
Outdoor Recreation Facility	9,703	
Wastewater under 1.5M	5,000	
Capital - Culture and Recreation	275,000	
CEDP - Community Economic Development	3,160	
CEDO - Economic Development Capacity	12,000	
Low Cost Special Education	702	702
Tuition Agreements	<u>1,861</u>	<u>1,861</u>
	451,695	2,563
First Nations and Inuit Health Branch		4,210
Accrued interest receivable on cash held in trust	-	<u>232</u>
	<u>\$ 451,695</u>	<u>\$ 7,005</u>

### 5. CASH (BANK INDEBTEDNESS)

Cash (bank indebtedness) is comprised of the following:

	2017	2016
Band	\$( 52,413)	\$( 47,645)
Education	58,525	6,963
Health	30,156	20,624
Housing	6,882	9,751
Post secondary	51,625	2,953
Social	<u>312</u>	<u>55</u>
	<u>\$ 95,087</u>	<u>\$( 7,299)</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2017**

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2017	2016
Indigenous and Northern Affairs Canada		
Band Operated School - Direct Services	\$	\$ 1,755
Basic Needs	1,970	23,638
Parental and Community Engagement	3,683	3,683
Wastewater Systems	<u>3,712</u>	<u>6,129</u>
	9,365	35,205
Trade accounts payable and accrued liabilities	993,226	613,684
Employee source deductions payable	<u>18,778</u>	<u>21,907</u>
	<u>\$ 1,021,369</u>	<u>\$ 670,796</u>

**7. LONG TERM DEBT**

	2017	2016
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$1,697 including interest at the rate of 1.14% per annum, renews June 2021, matures June 2031, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance.	\$ 267,711	\$ 284,445
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$1,040 including interest at the rate of 2.40% per annum, renews October 2018, matures April 2032, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance.	157,889	166,492
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$2,329 including interest at the rate of 1.11% per annum, renews April 2021, matures March 2035, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance.	455,870	478,394
Peace Hills Trust, loan repayable in monthly installments of \$1,725 including interest at the rate of 8.50% per annum, matures October 2020, secured by assignment of all risks insurance.	63,739	78,329
Peace Hills Trust, loan repayable in monthly installments of \$1,606 including interest at the rate of 8.50% per annum, matures January 2019, secured by assignment of all risks insurance.	<u>32,576</u>	<u>48,340</u>
	<u>\$ 977,785</u>	<u>\$ 1,056,000</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 7. LONG TERM DEBT (continued)

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

March 31, 2018	\$ 80,631
2019	81,179
2020	68,202
2021	62,059
2022	<u>51,262</u>
	<u>\$ 343,333</u>

### 8. DEFERRED REVENUE

	2017	2016
Indigenous and Northern Affairs Canada		
Capital - Municipal Services	\$ 32,423	\$ -
Emergency Recovery	<u>120,222</u>	<u>-</u>
	<u>\$ 152,645</u>	<u>\$ -</u>

### 9. CONSTRUCTION IN PROGRESS

	2017	2016
Multi-duplex units	\$ 1,261,464	\$ -
Lot servicing	124,639	-
Outdoor recreation facility	517,131	-
Gas station building	<u>16,000</u>	<u>-</u>
	<u>\$ 1,919,234</u>	<u>\$ -</u>

The costs of construction in progress for these three projects will be transferred to tangible capital assets upon completion and subsequently amortized accordingly.

### 10. PREPAID EXPENSES

	2017	2016
Deposit on tangible capital assets	\$ <u>10,000</u>	\$ <u>-</u>

The First Nation made an initial deposit for a wheel chair lift extension in March 2017 which will be transferred to tangible capital assets once the wheel chair lift extension is received and is in use.

# DAKOTA PLAINS WAHPETON NATION

PAGE 8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 11. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions, Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2017	Total 2016
Buildings	\$ 8,221,414	\$	\$ 8,221,414	\$ 4,858,235	\$ 136,730	\$ 4,994,965	\$ 3,226,449	\$ 3,363,179
CMHC houses	1,285,219		1,285,219	341,064	48,536	389,600	895,619	944,155
Equipment	41,069	3,659	44,728	21,880	2,858	24,738	19,990	19,189
Foster home	75,110		75,110	45,205	1,878	47,083	28,027	29,905
Infrastructure	4,047,807		4,047,807	2,415,907	100,681	2,516,588	1,531,219	1,631,900
Land	110,000		110,000				110,000	110,000
Office equipment	169,515	37,664	207,179	146,523	12,468	158,991	48,188	22,992
Office furniture	31,816	4,116	35,932	31,816	412	32,228	3,704	
Playground equipment	32,713		32,713	32,713		32,713		
Vehicles	792,999	45,838	838,837	458,954	119,344	578,298	260,539	334,045
	<u>\$ 14,807,662</u>	<u>\$ 91,277</u>	<u>\$ 14,898,939</u>	<u>\$ 8,352,297</u>	<u>\$ 422,907</u>	<u>\$ 8,775,204</u>	<u>\$ 6,123,735</u>	<u>\$ 6,455,365</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2017**

**12. ACCUMULATED SURPLUS**

	2017	2016
Accumulated deficit from operations	\$( 807,565)	\$( 861,575)
Equity in tangible capital assets	5,145,950	5,399,365
Equity in construction in progress	1,919,234	
Equity in restricted cash	169,384	110,899
Equity in CHMC Replacement Reserve	<u>190,333</u>	<u>190,485</u>
	<u>\$ 6,617,336</u>	<u>\$ 4,839,174</u>

**13. 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, 2017 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.

**14. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE**

	2017	2016
Agreement #1415-MB-000009 (MANITOBA)	\$ 4,330,775	\$ 1,779,621
Add: 2014-2015 tuition agreement funding adjustment	<u>-</u>	<u>587</u>
Total INAC revenue per financial statements	<u>\$ 4,330,775</u>	<u>\$ 1,780,208</u>

**15. 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.

**16. 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, 2017

## 17. SEGMENTS

The First Nation has eight 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.

**Infrastructure and Capital Projects** - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.

**Operations and Maintenance** - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

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

## 18. COMPARATIVE FIGURES

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

## 19. EXPENSES BY OBJECT

	2017	2016
Amortization	422,907	384,736
Bank charges and interest	8,234	8,896
Community member activities and support	108,980	84,823
Consulting fees	184,523	27,644
Insurance	38,828	38,915
Loan interest	18,939	31,219
Materials for construction/renovation projects	171,771	
Office supplies and administration	186,811	120,160
Other	171,226	149,924
Professional fees	57,480	66,972
Repairs and maintenance	117,743	64,799
Salaries, honoraria, wages and benefits	1,570,712	1,277,606
Social assistance	272,650	311,343
Student support	157,675	181,509
Travel	54,210	49,064
Utilities	53,284	56,065
Vehicle operations and maintenance	93,197	82,663
	<u>\$ 3,689,170</u>	<u>\$ 2,936,338</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 20. 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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue								
Federal Government								
INAC	\$ 189,108	\$ 176,247	\$ 166,292	\$ 36,292	\$ 1,042,005	\$ 906,878	\$ 14,000	\$ 14,000
FNIHB							774,742	676,195
CMHC	-	-	-	-	-	-	-	-
Subtotal	189,108	176,247	166,292	36,292	1,042,005	906,878	788,742	690,195
Funding recoveries		(25,625)			(1,042)	(1,755)		(2,969)
Other revenue	104,532	123,254	86,111		31,029	25,694		
Deferred from prior year		8,000		15,000				
Deferred to next year	-	-	-	-	-	-	-	-
Total revenue	<u>293,640</u>	<u>281,876</u>	<u>252,403</u>	<u>51,292</u>	<u>1,071,992</u>	<u>930,817</u>	<u>788,742</u>	<u>687,226</u>
Expenditures								
Amortization					172,686	120,073		
Debt servicing					6,104	7,306		
Other	249,381	185,224	198,446	51,408	384,893	326,344	319,124	273,941
Salaries and benefits	<u>106,640</u>	<u>84,375</u>	<u>107,107</u>	<u>2,750</u>	<u>567,331</u>	<u>570,448</u>	<u>396,835</u>	<u>405,710</u>
Total expenditures	<u>356,021</u>	<u>269,599</u>	<u>305,553</u>	<u>54,158</u>	<u>1,131,014</u>	<u>1,024,171</u>	<u>715,959</u>	<u>679,651</u>
Annual Surplus (Deficit)	<u>\$ ( 62,381)</u>	<u>\$ 12,277</u>	<u>\$ ( 53,150)</u>	<u>\$ ( 2,866)</u>	<u>\$ ( 59,022)</u>	<u>\$ ( 93,354)</u>	<u>\$ 72,783</u>	<u>\$ 7,575</u>

# DAKOTA PLAINS WAHPETON NATION

PAGE 12

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 20. SEGMENT DISCLOSURE (continued)

	HOUSING		INFRASTRUCTURE AND CAPITAL PROJECTS		OPERATIONS AND MAINTENANCE		SOCIAL ASSISTANCE		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2015	2017	2016
Revenue										
Federal Government										
INAC	\$	\$	\$ 2,147,893	\$	\$ 371,777	\$ 298,370	\$ 399,700	\$ 348,421	\$ 4,330,775	\$ 1,780,208
FNIHB									774,742	676,195
CMHC	<u>256,270</u>	<u>64,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,270</u>	<u>64,745</u>
Subtotal	256,270	64,745	2,147,893	-	371,777	298,370	399,700	348,421	5,361,787	2,521,148
Funding recoveries								(12,840)	(1,042)	(43,189)
Other revenue	37,560	37,119				3,200		1,540	259,232	190,807
Deferred from prior year										23,000
Deferred to next year	<u>-</u>	<u>-</u>	<u>(32,423)</u>	<u>-</u>	<u>(120,222)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,645)</u>	<u>-</u>
Total revenue	<u>293,830</u>	<u>101,864</u>	<u>2,115,470</u>	<u>-</u>	<u>251,555</u>	<u>301,570</u>	<u>399,700</u>	<u>337,121</u>	<u>5,467,332</u>	<u>2,691,766</u>
Expenditures										
Amortization	48,536	46,935			201,685	217,728			422,907	384,736
Debt servicing	12,835	23,913							18,939	31,219
Other	157,820	38,518	44,668		40,225	50,362	282,055	316,980	1,676,612	1,242,777
Salaries and benefits	<u>58,662</u>	<u>-</u>	<u>8,771</u>	<u>-</u>	<u>262,760</u>	<u>156,321</u>	<u>62,606</u>	<u>58,002</u>	<u>1,570,712</u>	<u>1,277,606</u>
Total expenditures	<u>277,853</u>	<u>109,366</u>	<u>53,439</u>	<u>-</u>	<u>504,670</u>	<u>424,411</u>	<u>344,661</u>	<u>374,982</u>	<u>3,689,170</u>	<u>2,936,338</u>
Annual Surplus (Deficit)	\$ <u>15,977</u>	\$ <u>(7,502)</u>	\$ <u>2,062,031</u>	\$ <u>-</u>	\$ <u>(253,115)</u>	\$ <u>(122,841)</u>	\$ <u>55,039</u>	\$ <u>(37,861)</u>	\$ <u>1,778,162</u>	\$ <u>(244,572)</u>