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DAKOTA PLAINS WAHPETON NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

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# DAKOTA PLAINS WAHPETON NATION

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MARCH 31, 2019

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## **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 fulfills 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, Baker Tilly 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.

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Chief

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Councillor

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Councillor

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Councillor

## **INDEPENDENT AUDITORS' REPORT**

To the Chief, Council and Membership  
Dakota Plains Wahpeton Nation

### **Opinion**

We have audited the consolidated financial statements of Dakota Plains Wahpeton Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dakota Plains Wahpeton Nation as at March 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Dakota Plains Wahpeton Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Dakota Plains Wahpeton Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Dakota Plains Wahpeton Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Dakota Plains Wahpeton Nation's financial reporting process.

*(continued.....)*

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Dakota Plains Wahpeton Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Dakota Plains Wahpeton Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Dakota Plains Wahpeton Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Winnipeg, Manitoba  
October 14, 2020

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2 0 1 9	2 0 1 8
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### FINANCIAL ASSETS

Cash <i>(Note 3)</i>	\$ 122,294	\$ 216,879
Restricted cash <i>(Note 4)</i>	1,557	2,243
Accounts receivable <i>(Note 5)</i>	<u>6,555</u>	<u>46,850</u>
	<u><b>130,406</b></u>	<u><b>265,972</b></u>

### LIABILITIES

Accounts payable and accrued liabilities <i>(Note 6)</i>	821,395	770,383
Deferred revenue <i>(Note 7)</i>	357,402	126,697
Long term debt <i>(Note 9)</i>	<u>1,093,186</u>	<u>1,050,808</u>
	<u><b>2,271,983</b></u>	<u><b>1,947,888</b></u>
NET DEBT	<u><b>(2,141,577)</b></u>	<u><b>(1,681,916)</b></u>

### NON-FINANCIAL ASSETS

Tangible capital assets <i>(Note 10)</i>	8,870,180	7,890,038
Construction in progress <i>(Note 8)</i>	<u>41,000</u>	<u>214,700</u>
	<u><b>8,911,180</b></u>	<u><b>8,104,738</b></u>
ACCUMULATED SURPLUS <i>(Note 11)</i>	<u><b>\$ 6,769,603</b></u>	<u><b>\$ 6,422,822</b></u>

### CONTINGENT LIABILITIES *(Note 12)*

Approved on behalf of Chief and Council

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Chief

.....  
Councillor

.....  
Councillor

.....  
Councillor

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2 0 1 9	2 0 1 8
<b>REVENUE</b>		
Indigenous Services Canada	\$ 2,643,250	\$ 1,792,036
Indigenous Services Canada - funding recoveries	(2,667)	(36,926)
First Nations and Inuit Health Branch	1,395,015	1,352,878
Canada Mortgage and Housing Corporation	78,076	58,076
Interest and other	108,072	75,977
Rental income	30,173	32,676
Manitoba First Nations Education Resource Centre	33,573	60,750
Manitoba Hydro		35,877
Maplewood		16,731
Deferred from prior year	126,697	152,645
Deferred to following year	<u>(357,402)</u>	<u>(126,697)</u>
	<u><b>4,054,787</b></u>	<u><b>3,414,023</b></u>
<b>EXPENDITURES</b>		
Administration and finance	626,300	431,227
Economic development	91,650	96,856
Education	358,019	707,087
Health	1,352,771	1,086,419
Housing	111,446	99,653
Infrastructure and capital projects	167,199	185,012
Operations and maintenance	527,390	600,857
Social assistance	<u>473,231</u>	<u>401,426</u>
	<u><b>3,708,006</b></u>	<u><b>3,608,537</b></u>
ANNUAL SURPLUS (DEFICIT)	<b>346,781</b>	( 194,514)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<b><u>6,422,822</u></b>	<b><u>6,617,336</u></b>
ACCUMULATED SURPLUS, <i>end of year</i>	<b><u>\$ 6,769,603</u></b>	<b><u>\$ 6,422,822</u></b>

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2019	2018
Annual surplus (deficit)	\$ 346,781	\$( 194,514)
Acquisition of tangible capital assets	( 1,535,120)	( 2,276,610)
Transfer from construction in progress to tangible capital assets	173,700	1,903,234
Amortization of tangible capital assets	554,978	510,307
Acquisition of construction in progress		( 198,700)
Use of prepaid expenses	—	10,000
	( 806,442)	( 51,769)
CHANGE IN NET DEBT FOR YEAR	( 459,661)	( 246,283)
NET DEBT, <i>beginning of year</i>	( 1,681,916)	( 1,435,633)
NET DEBT, <i>end of year</i>	<u><u>\$ (2,141,577)</u></u>	<u><u>\$ (1,681,916)</u></u>

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

2019 2018

### CASH FLOW FROM

#### *OPERATING ACTIVITIES*

Cash receipts from Indigenous and Northern Affairs Canada	\$ 2,667,461	\$ 2,160,295
Cash receipts from First Nations and Inuit Health Branch	1,395,015	1,352,878
Cash received from other sources	249,894	280,087
Cash paid to employees	(1,153,517)	(1,260,206)
Cash paid to suppliers	(1,918,624)	(2,067,273)
Bank charges and interest paid	(16,458)	(12,077)
	<u>1,223,771</u>	<u>453,704</u>

#### *INVESTING ACTIVITIES*

Acquisition of tangible capital assets	(1,535,120)	(373,376)
Acquisition of construction in progress	<u>173,700</u>	<u>(198,700)</u>
	<u>(1,361,420)</u>	<u>(572,076)</u>

#### *FINANCING ACTIVITIES*

Proceeds of long term debt	226,300	199,700
Repayment of long term debt	(183,922)	(126,677)
	<u>42,378</u>	<u>73,023</u>

#### NET DECREASE IN CASH DURING YEAR

CASH, <i>beginning of year</i>	<u>219,122</u>	<u>264,471</u>
CASH, <i>end of year</i>	<u>\$ 123,851</u>	<u>\$ 219,122</u>

Cash consists of the following:

Cash	\$ 122,294	\$ 216,879
Restricted cash ( <i>Note 4</i> )	<u>1,557</u>	<u>2,243</u>
	<u>\$ 123,851</u>	<u>\$ 219,122</u>

# DAKOTA PLAINS WAHPETON NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

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### 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 and construction in progress.

#### *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, 2019****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, 2019****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 Services 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, 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.

# DAKOTA PLAINS WAHPETON NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2019**

### 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. CASH

Cash is comprised of the following:

	2 0 1 9	2 0 1 8
Band	\$ 33,385	\$ 30,061
Education		6,979
Health	67,903	171,009
Housing	1,044	3,933
Post secondary	543	1,666
Social	<u>19,419</u>	<u>3,231</u>
	 <u>\$ 122,294</u>	 <u>\$ 216,879</u>

# DAKOTA PLAINS WAHPETON NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2019**

### 4. 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.

#### *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, 2019, there was an accumulated balance of \$207,714 (March 31, 2018 - \$200,244) for this reserve, which remains unfunded and due from operating.

#### *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 Services 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 9	2 0 1 8
Capital projects bank accounts	\$ (50)	\$ 672
Ottawa Trust Fund	<u>1,607</u>	<u>1,571</u>
	<u><u>1,557</u></u>	<u><u>2,243</u></u>

### 5. ACCOUNTS RECEIVABLE

	2 0 1 9	2 0 1 8
Indigenous Services Canada:		
Water & Wastewater Servicing Options Study (2018-2019)	\$ 5,000	\$
Basic Needs Assistance (2017-2018)		7,500
Capital - A&C Water Systems (2017-2018)		10,500
Capital - Home Modifications (2017-2018)		4,870
Low Cost Special Education (2017-2018)	55	55
Tuition Agreements (2017-2018)	-	23,925
	<u>5,055</u>	46,850
Employee advances receivable	<u>1,500</u>	-
	<u><u>6,555</u></u>	<u><u>46,850</u></u>

# DAKOTA PLAINS WAHPETON NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 9	2 0 1 8
Indigenous Services Canada:		
Basic Needs	\$ 9,734	\$ 9,734
Parental and Community Engagement	183	183
Prevention Projects - Family Violence	<u>3,500</u>	<u>3,500</u>
	13,417	13,417
Trade accounts payable and accrued liabilities	791,290	734,561
Employee source deductions payable	<u>30,105</u>	<u>22,405</u>
	<u><u>\$ 821,395</u></u>	<u><u>\$ 770,383</u></u>

### 7. DEFERRED REVENUE

	2 0 1 9	2 0 1 8
Indigenous Services Canada:		
Capital - A&C Water Systems	\$ 10,500	\$ 10,500
Capital - Home Modifications	4,870	4,870
Bi-Lateral Discussion Table Work Plan	250,000	250,000
Emergency Recovery	87,402	87,402
Government Capacity Development	20,000	20,000
Tuition Agreements	<u>-</u>	<u>23,925</u>
	<u><u>\$ 357,402</u></u>	<u><u>\$ 126,697</u></u>

### 8. CONSTRUCTION IN PROGRESS

	2 0 1 9	2 0 1 8
Gas station building	\$ 41,000	\$ 41,000
Ready-to-move homes	<u>-</u>	<u>173,700</u>
	<u><u>\$ 41,000</u></u>	<u><u>\$ 214,700</u></u>

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

# DAKOTA PLAINS WAHPETON NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

### 9. LONG TERM DEBT

	2 0 1 9	2 0 1 8
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 Goverment of Canada and assignment of all risks insurance.	\$ 232,702	\$ 250,306
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$1,040 including interest at the rate of 2.40% per annum, renews May 2019, matures April 2032, secured by a ministerial guarantee by the Goverment of Canada and assignment of all risks insurance.	140,073	149,087
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 Goverment of Canada and assignment of all risks insurance.	409,585	432,856
Peace Hills Trust, loan repaid in full.	47,859	
Peace Hills Trust, chattel mortgage repayable upon demand including interest at the rate of 8.50% per annum paid monthly, matures April 1, 2019, secured by assignment of designated property.	27,999	57,000
Peace Hills Trust, loan payable in monthly installments of \$3,000 including interest at the rate of 8.50% per annum paid monthly, matures April 1, 2022, secured by assignment of designated property.	<u>282,827</u>	<u>113,700</u>
	<u><u>\$ 1,093,186</u></u>	<u><u>\$ 1,050,808</u></u>

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

March 31, 2020	\$ 91,005
2021	64,793
2022	66,689
2023	68,701
2024	<u>70,839</u>
	<u><u>\$ 362,027</u></u>

## DAKOTA PLAINS WAHPETON NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2019**

#### 10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions, Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2019	Total 2018
Buildings	\$ 10,335,813	\$ 1,460,120	\$ 11,795,933	\$ 5,231,639	\$ 226,094	\$ 5,457,733	\$ 6,338,200	\$ 5,104,174
CMHC houses	1,285,219		1,285,219	438,821	49,889	488,710	796,509	846,398
Equipment	150,589	2,500	153,089	38,182	13,444	51,626	101,463	112,407
Infrastructure	4,047,807		4,047,807	2,617,269	100,681	2,717,950	1,329,857	1,430,538
Land	110,000		110,000				110,000	110,000
Office equipment	207,179	72,500	279,679	171,459	19,968	191,427	88,252	35,720
Office furniture	35,932		35,932	32,640	412	33,052	2,880	3,292
Playground equipment	32,713		32,713	32,713		32,713		
Vehicles	970,297	-	970,297	722,788	144,490	867,278	103,019	247,509
	<u>\$ 17,175,549</u>	<u>\$ 1,535,120</u>	<u>\$ 18,710,669</u>	<u>\$ 9,285,511</u>	<u>\$ 554,978</u>	<u>\$ 9,840,489</u>	<u>\$ 8,870,180</u>	<u>\$ 7,890,038</u>

# DAKOTA PLAINS WAHPETON NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

### 11. ACCUMULATED SURPLUS

	2 0 1 9	2 0 1 8
Accumulated deficit from operations	\$(1,257,662)	\$( 833,595)
Equity in tangible capital assets	7,776,994	6,952,930
Equity in construction in progress	41,000	101,000
Equity in restricted cash	1,557	2,243
Equity in CHMC Replacement Reserve	<u>207,714</u>	<u>200,244</u>
	<u><u>\$ 6,769,603</u></u>	<u><u>\$ 6,422,822</u></u>

### 12. CONTINGENT LIABILITIES

The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenditures 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, 2019 might be recovered.

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

### 13. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 1 9	2 0 1 8
Arrangement #1718-MB-000029 (MANITOBA)	<u><u>\$ 2,643,250</u></u>	<u><u>\$ 1,792,036</u></u>
Total ISC revenue per financial statements	<u><u>\$ 2,643,250</u></u>	<u><u>\$ 1,792,036</u></u>

### 14. RECONCILIATION OF FIRST NATIONS AND INUIT HEALTH BRANCH REVENUE

	2 0 1 9	2 0 1 8
Arrangement #1516-MB-000098 (MANITOBA)	<u><u>\$ 1,395,015</u></u>	<u><u>\$ 1,352,878</u></u>
Total FNIHB revenue per financial statements	<u><u>\$ 1,395,015</u></u>	<u><u>\$ 1,352,878</u></u>

### 15. ECONOMIC DEPENDENCE

Dakota Plains Wahpeton Nation receives a majority of its revenue from Indigenous Services Canada (ISC) 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

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### 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.

### 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2019****19. EXPENSES BY OBJECT**

	<b>2 0 1 9</b>	<b>2 0 1 8</b>
Amortization	554,978	510,307
Bank charges and interest	16,458	12,077
Community member activities and support	147,817	110,417
Consulting fees	42,800	159,075
Insurance	51,365	45,122
Loan interest	37,360	21,057
Materials for construction/renovation projects	112,833	148,175
Office supplies and administration	215,119	172,406
Other	318,376	272,049
Professional fees	100,575	102,116
Repairs and maintenance	76,794	119,679
Salaries, honoraria, wages and benefits	1,161,217	1,263,833
Social assistance	382,296	322,452
Student support	134,996	134,633
Travel	196,803	81,621
Utilities	91,583	46,289
Vehicle operations and maintenance	<u>66,636</u>	<u>87,229</u>
	<u><b>\$ 3,708,006</b></u>	<u><b>\$ 3,608,537</b></u>

**20. BUDGET INFORMATION**

The First Nation has not prepared a complete consolidated budget for the year ended March 31, 2019. Accordingly, budget figures are not presented in these consolidated financial statements.

# DAKOTA PLAINS WAHPETON NATION

PAGE 12

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2019**

### 21. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenue:</b>								
Federal Government								
ISC	\$ 321,991	\$ 285,778	\$ 306,292	\$ 115,292	\$ 157,657	\$ 379,503	\$ 1,395,015	\$ 14,000
FNIHB							1,395,015	1,352,878
CMHC	—	—	—	—	—	—	—	—
Subtotal	321,991	285,778	306,292	115,292	157,657	379,503	1,395,015	1,366,878
Funding recoveries					(2,667)	(1,500)		
Other revenue	105,830	110,147			33,573	79,188	2,242	
Deferred from prior year					23,925			
Deferred to following year	—	—	(270,000)	—	—	(23,925)	—	—
Total revenue	427,821	395,925	36,292	115,292	212,488	433,266	1,397,257	1,366,878
<b>Expenditures:</b>								
Amortization					179,936	172,686	709	
Debt servicing	3,494					4,814		
Other	421,064	286,843	89,635	92,556	154,313	247,638	601,322	435,360
Salaries and benefits	200,307	144,384	3,450	4,300	23,770	281,949	750,740	651,059
Total expenditures	624,865	431,227	93,085	96,856	358,019	707,087	1,352,771	1,086,419
Annual surplus (deficit)	<u>\$ (197,044)</u>	<u>\$ (35,302)</u>	<u>\$ (56,793)</u>	<u>\$ 18,436</u>	<u>\$ (145,531)</u>	<u>\$ (273,821)</u>	<u>\$ 44,486</u>	<u>\$ 280,459</u>

# DAKOTA PLAINS WAHPETON NATION

PAGE 13

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

### 21. SEGMENT DISCLOSURE *(continued)*

	HOUSING		INFRASTRUCTURE AND CAPITAL PROJECTS		OPERATIONS AND MAINTENANCE		SOCIAL ASSISTANCE		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenue:</b>										
Federal Government										
ISC	\$	\$	\$ 1,244,800	\$ 329,870	\$ 153,927	\$ 286,869	\$ 458,583	\$ 380,724	\$ 2,643,250	\$ 1,792,036
FNIHB										1,395,015 1,352,878
CMHC	78,076	58,076	—	—	—	—	—	—	78,076	58,076
Subtotal	78,076	58,076	1,244,800	329,870	153,927	286,869	458,583	380,724	4,116,341	3,202,990
Funding recoveries										
Other revenue	30,173	32,676								
Deferred from prior year			15,370	32,423	87,402	120,222			126,697	152,645
Deferred to following year	—	—	—	(15,370)	(87,402)	(87,402)	—	—	(357,402)	(126,697)
Total revenue	108,249	90,752	1,260,170	346,923	153,927	298,863	458,583	366,124	4,054,787	3,414,023
<b>Expenditures:</b>										
Amortization	49,889	49,221			324,444	288,400			554,978	510,307
Debt servicing	10,838	11,507	23,028	4,736					37,360	21,057
Other	46,750	34,190	140,064	173,283	77,566	187,828	423,737	355,642	1,954,451	1,813,340
Salaries and benefits	3,969	4,735	4,107	6,993	125,380	124,629	49,494	45,784	1,161,217	1,263,833
Total expenditures	111,446	99,653	167,199	185,012	527,390	600,857	473,231	401,426	3,708,006	3,608,537
Annual surplus (deficit)	\$( 3,197)	\$( 8,901)	\$ 1,092,971	\$ 161,911	\$( 373,463)	\$( 301,994)	\$( 14,648)	\$( 35,302)	\$ 346,781	\$( 194,514)

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2019	2018
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### FINANCIAL ASSETS

Cash (Note 3)	\$ 122,294	\$ 216,879
Restricted cash (Note 4)	1,557	2,243
Accounts receivable (Note 5)	<u>6,555</u>	<u>46,850</u>
	<u>130,406</u>	<u>265,972</u>

### LIABILITIES

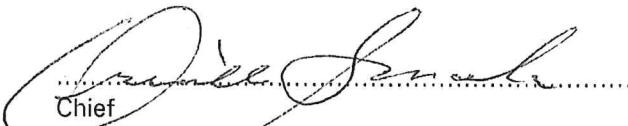
Accounts payable and accrued liabilities (Note 6)	821,395	770,383
Deferred revenue (Note 7)	357,402	126,697
Long term debt (Note 9)	<u>1,093,186</u>	<u>1,050,808</u>
	<u>2,271,983</u>	<u>1,947,888</u>
NET DEBT	<u>(2,141,577)</u>	<u>(1,681,916)</u>

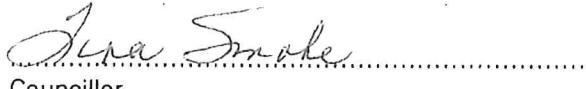
### NON-FINANCIAL ASSETS

Tangible capital assets (Note 10)	8,870,180	7,890,038
Construction in progress (Note 8)	<u>41,000</u>	<u>214,700</u>
	<u>8,911,180</u>	<u>8,104,738</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 6,769,603</u>	<u>\$ 6,422,822</u>

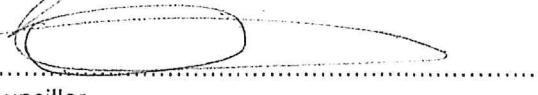
### CONTINGENT LIABILITIES (Note 12)

Approved on behalf of Chief and Council

  
Dee Snider  
Chief

  
Tina Snake  
Councillor

  
Sandra Smidley  
Councillor

  
Sandra Smidley  
Councillor



## 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 fulfills 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, Baker Tilly 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.

John Smith  
Chief  
John Smith  
Councillor

Sandra Smalee  
Councillor



# DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2019	2018
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### FINANCIAL ASSETS

Cash <i>(Note 3)</i>	\$ 122,294	\$ 216,879
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	<u><u>130,406</u></u>	<u><u>265,972</u></u>

### LIABILITIES

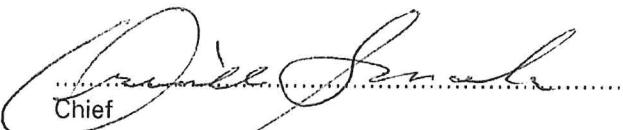
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	<u><u>2,271,983</u></u>	<u><u>1,947,888</u></u>
NET DEBT	<u><u>(2,141,577)</u></u>	<u><u>(1,681,916)</u></u>

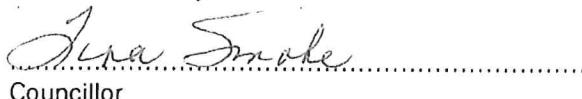
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	<u><u>8,911,180</u></u>	<u><u>8,104,738</u></u>
ACCUMULATED SURPLUS <i>(Note 11)</i>	<u><u>\$ 6,769,603</u></u>	<u><u>\$ 6,422,822</u></u>

### CONTINGENT LIABILITIES *(Note 12)*

Approved on behalf of Chief and Council

  
Dee Smale  
Chief

  
Tera Smoke  
Councillor

  
Sandra Smalee  
Councillor

  
Councillor

