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DAKOTA PLAINS WAHPETON NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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# DAKOTA PLAINS WAHPETON NATION

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MARCH 31, 2020

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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.

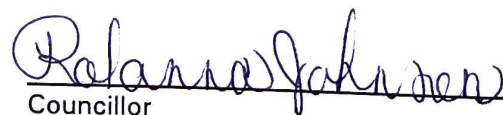
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are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

  
\_\_\_\_\_  
Chief  
\_\_\_\_\_  
Councillor  
\_\_\_\_\_  
Councillor  
\_\_\_\_\_  
Councillor

## **INDEPENDENT AUDITOR'S REPORT**

To the Chief, Council and Membership  
Dakota Plains Wahpeton Nation

### **Disclaimer of Opinion**

We were engaged to audit the consolidated financial statements of Dakota Plains Wahpeton Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements of the First Nation. Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for Disclaimer of Opinion**

During the year the First Nation demonstrated significant weaknesses in internal controls, as a result we were not able to gain satisfactory audit evidence in the following areas:

#### **Cash**

We have been unable to satisfy ourselves with the accuracy and completeness of cash due to the cash accounts not being properly maintained and reconciled in the general ledger. As a result, we were not able to assess whether potentially material adjustments were required to cash, revenue and related expenditures.

#### **Accounts Receivable**

We have been unable to satisfy ourselves with the completeness, and existence of accounts receivable due to the receivables not being properly maintained. As a result, we were not able to assess whether potentially material adjustments were required to accounts receivable, amounts due from band members and related revenues.

#### **Investments**

We have been unable to satisfy ourselves with the completeness and valuation of investments due to a lack of accounting records to support the First Nation's investments, specifically related to Dakota Plains Wahpeton Oyate Economics Development Corporation. As a result, we were not able to determine whether any adjustments to assets, accumulated surplus, revenue and expenditures were required.

*(continued.....)*

### **Tangible Capital Assets**

We have been unable to satisfy ourselves with the completeness, existence, and valuation of tangible capital assets as well as the accuracy of the amounts recorded in the accumulated amortization. There is a lack of documentation to support the additions and disposals during the year. As a result, we were not able to assess whether potentially material adjustments were required to tangible capital assets, accumulated amortization, and expenditures.

### **Accounts Payable and Accrued Liabilities**

We have been unable to satisfy ourselves with the existence and completeness of the recorded accounts payable, due to invoices not being recorded in the general ledger or retained. As a result, we were not able to assess whether potentially material adjustments were required to accounts payable, accrued liabilities and expenditures.

### **Contingencies and Commitments**

We have been unable to satisfy ourselves with the completeness of contingencies for or against the First Nation. We have not been able to make the necessary enquiries nor were we able to obtain or review applicable documents. As a result, we were not able to assess whether potentially material adjustments were required to record the accruals and disclosures of contingencies and commitments.

### **Payroll**

We have been unable to satisfy ourselves with the completeness, occurrence and accuracy of payroll expenses, and completeness of vacation and source deduction payables, due to lack of documentation related to payroll records. As a result, we were not able to assess whether potentially material adjustments were required for accrued payroll and source deductions and payroll expenditures.

### **Revenue and Deferred Revenue**

We have been unable to satisfy ourselves with the classification, completeness and occurrence of revenue and deferred revenue due to incomplete supporting documentation. As a result, we were not able to assess whether potentially material adjustments were required to revenue.

### **Expenditures**

We have been unable to satisfy ourselves with the classification, completeness and occurrence of expenditures due to incomplete supporting documentation. As a result, we were not able to assess whether potentially material adjustments were required to expenditures.

### **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.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the First Nation's consolidated financial statements in accordance with Canadian generally accepted auditing standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the First 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.

Winnipeg, Manitoba  
September 14, 2023

*Baker Tilly HMA LLP*

Chartered Professional Accountants

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

MARCH 31

2020

2019

### FINANCIAL ASSETS

Cash (Note 3)	\$ 221,139	\$ 122,294
Restricted cash (Note 4)	1,790	1,557
Accounts receivable (Note 5)	<u>154,177</u>	<u>6,555</u>
Total financial assets	<u>377,106</u>	<u>130,406</u>

### LIABILITIES

Accounts payable and accrued liabilities (Note 6)	872,664	821,395
Deferred revenue (Note 7)	1,059,111	357,402
Long term debt (Note 8)	<u>948,008</u>	<u>1,093,186</u>
Total liabilities	<u>2,879,783</u>	<u>2,271,983</u>
Net debt	<u>(2,502,677)</u>	<u>(2,141,577)</u>

### NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	8,559,301	8,870,180
Construction in progress (Note 10)	<u>-</u>	<u>41,000</u>
Total non-financial assets	<u>8,559,301</u>	<u>8,911,180</u>
Accumulated surplus	\$ <u>6,056,624</u>	\$ <u>6,769,603</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

(UNAUDITED)

YEAR ENDED MARCH 31

	2 0 2 0	2 0 1 9
REVENUE		
Indigenous Services Canada	\$ 1,641,057	\$ 2,640,583
First Nations and Inuit Health Branch	2,002,310	1,395,015
Canada Mortgage and Housing Corporation	68,410	78,076
Other revenue	382,731	108,072
Rental income	43,608	30,173
Manitoba First Nations Education Resource Centre		33,573
Deferred from prior year	357,402	126,697
Deferred to following year	( 1,059,111)	( 357,402)
Eliminations	( 152,116)	-
	<u>3,284,291</u>	<u>4,054,787</u>
EXPENDITURES		
Administration and finance	1,003,515	626,300
Economic development		91,650
Education	249,023	358,019
Health	1,601,856	1,352,771
Housing	135,185	111,446
Infrastructure and capital projects	247,246	167,199
Operations and maintenance	456,867	527,390
Social assistance	455,694	473,231
Eliminations	( 152,116)	-
	<u>3,997,270</u>	<u>3,708,006</u>
ANNUAL SURPLUS (DEFICIT)	( 712,979)	346,781
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>6,769,603</u>	<u>6,422,822</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 6,056,624</u>	<u>\$ 6,769,603</u>



# DAKOTA PLAINS WAHPETON NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

(UNAUDITED)

YEAR ENDED MARCH 31

	2 0 2 0	2 0 1 9
Annual surplus (deficit)	\$( <u>712,979</u> )	\$ <u>346,781</u>
Acquisition of tangible capital assets and construction in progress	( <u>40,262</u> )	( 1,361,420)
Amortization of tangible capital assets	<u>392,141</u>	<u>554,978</u>
	<u>351,879</u>	( <u>806,442</u> )
CHANGE IN NET DEBT FOR YEAR	( <u>361,100</u> )	( 459,661)
NET DEBT, <i>beginning of year</i>	<u>(2,141,577)</u>	<u>(1,681,916)</u>
NET DEBT, <i>end of year</i>	<u>\$(2,502,677)</u>	<u>\$(2,141,577)</u>

# DAKOTA PLAINS WAHPETON NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

YEAR ENDED MARCH 31

	2020	2019
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash receipts from Indigenous Services Canada	\$ 1,547,313	\$ 2,667,461
Cash receipts from First Nations and Inuit Health Branch	1,975,723	1,395,015
Cash received from other sources	467,461	249,894
Cash paid to employees	(1,399,457)	(1,153,517)
Cash paid to suppliers	(2,277,117)	(1,918,624)
Interest paid	( 29,405)	( 16,458)
	<u>284,518</u>	<u>1,223,771</u>
<i>INVESTING ACTIVITY</i>		
Acquisition of tangible capital assets	( 40,262)	(1,361,420)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt		226,300
Repayment of long term debt	( 145,178)	( 183,922)
	<u>( 145,178)</u>	<u>42,378</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	99,078	( 95,271)
CASH, <i>beginning of year</i>	<u>123,851</u>	<u>219,122</u>
CASH, <i>end of year</i>	<u>\$ 222,929</u>	<u>\$ 123,851</u>

### CASH COMPRISED OF

Cash	\$ 221,139	\$ 122,294
Restricted cash	<u>1,790</u>	<u>1,557</u>
	<u>\$ 222,929</u>	<u>\$ 123,851</u>

# DAKOTA PLAINS WAHPETON NATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

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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 have been prepared 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.

#### *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 Post Secondary
- Dakota Plains Wahpeton Nation CMHC Housing Authority
- Dakota Plains Wahpeton Nation Health Authority

The First Nation's investment in incorporated enterprise, Dakota Plains Wahpeton Oyate Economics Development Corporation, has not been included in these consolidated financial statements.

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 FINANCIAL STATEMENTS

MARCH 31, 2020

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 FINANCIAL STATEMENTS

MARCH 31, 2020

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

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

*SEGMENTS*

The First Nation conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's longterm objectives to aid in resource allocation decisions, and to assess operational performance.

*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.

*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.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 3. CASH AND BANK INDEBTEDNESS

Cash is comprised of the following:

	2 0 2 0	2 0 1 9
Band	\$( 78,274)	\$ 33,385
Health	257,044	67,903
Housing	307	1,044
Post secondary	43,757	543
Social	( 1,695)	19,419
	<u>\$ 221,139</u>	<u>\$ 122,294</u>

### 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, 2020, there was an accumulated balance of \$207,714 (March 31, 2019 - \$207,714) 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 2 0	2 0 1 9
Capital projects bank accounts	\$ 157	\$( 50)
Ottawa Trust Fund	<u>1,633</u>	<u>1,607</u>
	<u>\$ 1,790</u>	<u>\$ 1,557</u>

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 5. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada:		
Water & Wastewater Servicing Options Study (2018-2019)	\$ 5,000	\$ 5,000
Basic Needs Assistance (2017-2018)	9,341	
Low Cost Special Education (2017-2018)	55	55
Community Economic Development (2019-2020)	21,232	
Emergency Response (2019-2020)	30,537	
Emergency Response - Flood (2019-2020)	<u>32,634</u>	<u>-</u>
	<u>98,799</u>	<u>5,055</u>
First Nation and Inuit Health Branch:		
Brighter Futures Program	1,091	
Building Healthy Communities - Mental Health	1,073	
Canada Prenatal Nutrition Program	277	
Community Health Representative	983	
Facility - Operations and Maintenance	570	
Health Planning and Management	3,928	
Home and Community Care	1,832	
Jordan's Principle	5,197	
JP- HCC Service Delivery	8,810	
National Native Alcohol and Drug Abuse Program	1,256	
Nursing	1,369	
Solvent Abuse	<u>201</u>	<u>-</u>
	<u>26,587</u>	<u>-</u>
Other:		
CMHC subsidy	28,791	
Employee advances receivable	<u>-</u>	<u>1,500</u>
	<u>28,791</u>	<u>1,500</u>
	<u>\$ 154,177</u>	<u>\$ 6,555</u>

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 0	2 0 1 9
Indigenous Services Canada:		
Trade accounts payable and accrued liabilities	\$ 833,708	\$ 791,290
Employee source deductions payable	<u>38,956</u>	<u>30,105</u>
	<u>\$ 872,664</u>	<u>\$ 821,395</u>

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 7. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada:		
Bi-Lateral Discussion Table Work Plan	\$ 250,000	\$ 250,000
Community Development	27,000	
Community Well Being Jurisdiction Initiative	27,379	
COVID-19 Response	30,537	
Economic Development - Planning	15,500	
Emergency Recovery		87,402
Government Capacity Development		20,000
Prevention Program - Family Violence	<u>12,000</u>	<u>-</u>
	<u>362,416</u>	<u>357,402</u>
First Nation and Inuit Health Branch:		
CDE Planning and Response	4,761	
Climate change	61,800	
Health Accreditation	49,528	
Jordan's Principle	<u>580,606</u>	<u>-</u>
	<u>696,695</u>	<u>-</u>
	<u>\$ 1,059,111</u>	<u>\$ 357,402</u>



## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

## 8. LONG TERM DEBT

2 0 2 0

2 0 1 9

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.

\$ 214,902 \$ 232,702

Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$999 including interest at the rate of 1.70% per annum, renews August 2024, matures April 2032, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance.

130,617 140,073

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.

386,066 409,585

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

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.

216,423 282,827

\$ 948,008 \$ 1,093,186

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

March 31, 2021	\$ 69,942
2022	72,200
2023	74,610
2024	77,184
2025	79,935

# DAKOTA PLAINS WAHPETON NATION

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## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions, Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Closing Balance	Total	Total
							2 0 2 0	2 0 1 9
Buildings	\$ 11,795,933	\$ 41,000	\$ 11,836,933	\$ 5,457,733	\$ 227,118	\$ 5,684,851	\$ 6,152,082	\$ 6,338,200
CMHC houses	1,285,219		1,285,219	488,710	50,776	539,486	745,733	796,509
Equipment	468,700		468,700	276,105	13,870	289,975	178,725	192,595
Infrastructure	4,047,807		4,047,807	2,717,950	86,001	2,803,951	1,243,856	1,329,857
Land	110,000		110,000				110,000	110,000
Playground equipment	32,713		32,713	32,713		32,713		
Vehicles	970,297	40,262	1,010,559	867,278	14,376	881,654	128,905	103,019
	<u>\$ 18,710,669</u>	<u>\$ 81,262</u>	<u>\$ 18,791,931</u>	<u>\$ 9,840,489</u>	<u>\$ 392,141</u>	<u>\$ 10,232,630</u>	<u>\$ 8,559,301</u>	<u>\$ 8,870,180</u>

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 10. CONSTRUCTION IN PROGRESS

	2 0 2 0	2 0 1 9
Gas station building	\$ <u>-</u>	\$ <u>41,000</u>

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

### 11. CONTINGENT LIABILITIES

- a) The First Nation has signed agreements with various government bodies for funding of programs which may require that surpluses be returned. If any amounts become repayable, they will be accounted for in the year of determination.
- b) The First Nation is contingently liable as co-borrower of a demand loan with Bridging Finance Inc. for a principal amount of \$5,555,000 with an effective interest rate of prime plus 11.05%. The balance of the loan as of March 31, 2020 could not be confirmed, although subsequent to year end the loan was in payment default with a \$10,207,930 balance owing as of August 21, 2023.

### 12. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 0	2 0 1 9
Arrangement #1718-MB-000029 (MANITOBA)	\$ <u>1,641,057</u>	\$ <u>2,643,250</u>
Total ISC revenue per financial statements	\$ <u>1,641,057</u>	\$ <u>2,640,583</u>

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

	2 0 2 0	2 0 1 9
Arrangement #1516-MB-000098 (MANITOBA)	\$ <u>2,002,310</u>	\$ <u>1,395,015</u>
Total FNIHB revenue per financial statements	\$ <u>2,002,310</u>	\$ <u>1,395,015</u>

### 14. 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 FINANCIAL STATEMENTS

MARCH 31, 2020

### 15. 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.

### 16. EXPENSES BY OBJECT

	2 0 2 0	2 0 1 9
Amortization	392,141	554,978
Bank charges and interest	14,178	16,458
Community member activities and support	118,615	147,817
Consulting fees		42,800
Insurance	28,694	51,365
Loan interest	29,405	37,360
Materials for construction/renovation projects	137,506	112,833
Office supplies and administration	96,909	215,119
Other	749,610	318,376
Professional fees	138,326	100,575
Repairs and maintenance	201,610	76,794
Salaries, honoraria, wages and benefits	1,399,457	1,161,217
Social assistance	330,493	382,296
Student support	88,718	134,996
Travel	197,358	196,803
Utilities	26,713	91,583
Vehicle operations and maintenance	47,537	66,636
	<u>\$ 3,997,270</u>	<u>\$ 3,708,006</u>

### 17. COMPARATIVE FIGURES

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

### 18. BUDGET INFORMATION

The First Nation has not prepared a complete consolidated budget for the year ended March 31, 2020. Accordingly, budget figures are not presented in these consolidated financial statements.

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 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		HOUSING	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue:										
Federal Government										
ISC	\$ 279,092	\$ 321,991	\$ 51,792	\$ 306,292	\$ 175,533	\$ 154,990	\$	\$	\$	\$
FNIHB							2,002,310	1,395,015		
CMHC	-	-	-	-	-	-	-	-	68,410	78,076
Subtotal	279,092	321,991	51,792	306,292	175,533	154,990	2,002,310	1,395,015	68,410	78,076
Other revenue	292,373	105,830	-	( 270,000)	3,922	57,498	70,492	2,242	55,208	30,173
Total revenue	571,465	427,821	51,792	36,292	179,455	212,488	2,072,802	1,397,257	123,618	108,249
Expenditures:										
Amortization					102,287	179,936	709	709	50,775	49,889
Debt servicing	19,597	3,494							9,586	10,838
Other	629,189	421,064		89,635	125,436	154,313	734,617	601,322	74,824	46,750
Salaries and benefits	354,729	200,307	-	3,450	21,300	23,770	866,530	750,740	-	3,969
Total expenditures	1,003,515	624,865	-	93,085	249,023	358,019	1,601,856	1,352,771	135,185	111,446
Annual surplus (deficit)	\$ ( 432,050)	\$ ( 197,044)	\$ 51,792	\$ ( 56,793)	\$ ( 69,568)	\$ ( 145,531)	\$ 470,946	\$ 44,486	\$ ( 11,567)	\$ ( 3,197)

# DAKOTA PLAINS WAHPETON NATION

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## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

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

	INFRASTRUCTURE AND CAPITAL PROJECTS		OPERATIONS AND MAINTENANCE		SOCIAL ASSISTANCE		ELIMINATIONS		TOTAL	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue:										
Federal Government										
ISC	\$ 324,000	\$ 1,244,800	\$ 330,760	\$ 153,927	\$ 479,880	\$ 458,583	\$ -	\$ -	\$ 1,641,057	\$ 2,640,583
FNIHB									2,002,310	1,395,015
CMHC	-	-	-	-	-	-	-	-	68,410	78,076
Subtotal	324,000	1,244,800	330,760	153,927	479,880	458,583	-	-	3,711,777	4,113,674
Other revenue	-	15,370	( 657,986)	-	( 39,379)	-	( 152,116)	-	( 427,486)	( 58,887)
Total revenue	<u>324,000</u>	<u>1,260,170</u>	<u>(327,226)</u>	<u>153,927</u>	<u>440,501</u>	<u>458,583</u>	<u>( 152,116)</u>	<u>-</u>	<u>3,284,291</u>	<u>4,054,787</u>
Expenditures:										
Amortization			238,370	324,444					392,141	554,978
Debt servicing	222	23,028							29,405	37,360
Other	247,024	140,064	129,646	77,566	387,647	423,737	( 152,116)		2,176,267	1,954,451
Salaries and benefits	-	4,107	88,851	125,380	68,047	49,494	-	-	1,399,457	1,161,217
Total expenditures	<u>247,246</u>	<u>167,199</u>	<u>456,867</u>	<u>527,390</u>	<u>455,694</u>	<u>473,231</u>	<u>( 152,116)</u>	<u>-</u>	<u>3,997,270</u>	<u>3,708,006</u>
Annual surplus (deficit)	<u>\$ 76,754</u>	<u>\$ 1,092,971</u>	<u>\$ ( 784,093)</u>	<u>\$ ( 373,463)</u>	<u>\$ ( 15,193)</u>	<u>\$ ( 14,648)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ ( 712,979)</u>	<u>\$ 346,781</u>