
DAKOTA PLAINS WAHPETON NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

DAKOTA PLAINS WAHPETON NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONSTATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS.....STATEMENT 2

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBTSTATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWSSTATEMENT 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.

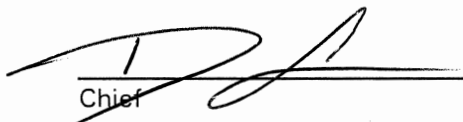
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are 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 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, 2021, 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.

(continued.....)

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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
February 1, 2024

DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2021

2020

FINANCIAL ASSETS

Cash (Note 3)	\$ 629,524	\$ 221,139
Restricted cash (Note 4)	1,652	1,790
Accounts receivable (Note 5)	120,082	154,177
Investment (Note 6)	<u>100</u>	<u>-</u>
Total financial assets	<u>751,358</u>	<u>377,106</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 7)	216,600	872,664
Deferred revenue (Note 8)	2,170,458	1,059,111
Long term debt (Note 9)	<u>826,360</u>	<u>948,008</u>
Total liabilities	<u>3,213,418</u>	<u>2,879,783</u>
Net debt	<u>(2,462,060)</u>	<u>(2,502,677)</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 10)	<u>9,424,380</u>	<u>8,559,301</u>
Accumulated surplus	<u>\$ 6,962,320</u>	<u>\$ 6,056,624</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

YEAR ENDED MARCH 31

	2021	2020
REVENUE		
Indigenous Services Canada	\$ 3,273,939	\$ 1,641,057
First Nations and Inuit Health Branch	2,721,354	2,002,310
Canada Mortgage and Housing Corporation	57,581	68,410
Other revenue	959,895	382,731
Rental income	43,608	43,608
Deferred revenue from prior year	1,059,111	357,402
Deferred revenue to following year	(2,170,458)	(1,059,111)
Eliminations	(247,217)	(152,116)
	<u>5,697,813</u>	<u>3,284,291</u>
EXPENDITURES		
Administration and finance	1,257,919	1,003,515
Economic development	39,520	
Education	304,030	249,023
Health	1,998,425	1,601,856
Housing	136,633	135,185
Infrastructure and capital projects	72,863	247,246
Operations and maintenance	651,879	456,867
Social assistance	578,065	455,694
Eliminations	(247,217)	(152,116)
	<u>4,792,117</u>	<u>3,997,270</u>
ANNUAL SURPLUS (DEFICIT)	905,696	(712,979)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>6,056,624</u>	<u>6,769,603</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 6,962,320</u>	<u>\$ 6,056,624</u>

DAKOTA PLAINS WAHPETON NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2 0 2 1	2 0 2 0
Annual surplus (deficit)	\$ <u>905,696</u>	\$ (<u>712,979</u>)
Acquisition of tangible capital assets and construction in progress	(<u>1,361,496</u>)	(<u>40,262</u>)
Amortization of tangible capital assets	<u>496,417</u>	<u>392,141</u>
	(<u>865,079</u>)	<u>351,879</u>
CHANGE IN NET DEBT FOR YEAR	40,617	(<u>361,100</u>)
NET DEBT, <i>beginning of year</i>	(<u>2,502,677</u>)	(<u>2,141,577</u>)
NET DEBT, <i>end of year</i>	\$ (<u>2,462,060</u>)	\$ (<u>2,502,677</u>)

DAKOTA PLAINS WAHPETON NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 1	2 0 2 0
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash receipts from Indigenous Services Canada	\$ 3,340,014	\$ 1,547,313
Cash receipts from First Nations and Inuit Health Branch	2,660,583	1,975,723
Cash received from other sources	1,089,875	467,461
Cash paid to employees	(1,556,514)	(1,399,457)
Cash paid to suppliers	(3,617,678)	(2,277,117)
Interest paid	(24,789)	(29,405)
	<u>1,891,491</u>	<u>284,518</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of tangible capital assets	(1,361,496)	(40,262)
Acquisition of investment	(100)	-
	<u>(1,361,596)</u>	<u>(40,262)</u>
<i>FINANCING ACTIVITY</i>		
Repayment of long term debt	(121,648)	(145,178)
NET INCREASE IN CASH DURING YEAR	408,247	99,078
CASH, <i>beginning of year</i>	<u>222,929</u>	<u>123,851</u>
CASH, <i>end of year</i>	<u>\$ 631,176</u>	<u>\$ 222,929</u>
CASH COMPRISED OF		
Cash	\$ 629,524	\$ 221,139
Restricted cash	<u>1,652</u>	<u>1,790</u>
	<u>\$ 631,176</u>	<u>\$ 222,929</u>

DAKOTA PLAINS WAHPETON NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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.

INVESTMENT

The First Nation's investments in Dakota Plains Wahpeton Oyate Economics Development Corporation are accounted for at Cost.

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, 2021

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.

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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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

3. CASH AND BANK INDEBTEDNESS

Cash is comprised of the following:

	2 0 2 1	2 0 2 0
Band	\$ 202,665	\$(78,274)
Health	268,992	257,044
Housing	46,261	307
Post secondary	91,104	43,757
Social	16,456	(1,695)
Store	<u>4,046</u>	<u>-</u>
	<u>\$ 629,524</u>	<u>\$ 221,139</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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, 2021, there was an accumulated balance of \$219,314 (March 31, 2020 - \$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 1	2 0 2 0
Capital projects bank accounts	\$	\$ 157
Ottawa Trust Fund	<u>1,652</u>	<u>1,633</u>
	<u>\$ 1,652</u>	<u>\$ 1,790</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

5. ACCOUNTS RECEIVABLE

	2 0 2 1	2 0 2 0
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)	17,634	32,634
ICSF3- Perimeter Security	<u>10,035</u>	<u>-</u>
	<u>32,724</u>	<u>98,799</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	5,197
JP- HCC Service Delivery		8,810
MT- Client Insured Serv	2,605	
MT- CA Vans O&M	79,556	
National Native Alcohol and Drug Abuse Program		1,256
Nursing		1,369
Solvent Abuse	<u>-</u>	<u>201</u>
	<u>87,358</u>	<u>26,587</u>
Other:		
CMHC subsidy	<u>-</u>	<u>28,791</u>
	<u>\$ 120,082</u>	<u>\$ 154,177</u>

6. INVESTMENTS

	2 0 2 1	2 0 2 0
Dakota Plains Wahpeton Oyate Economics Development Corporation	\$ <u>100</u>	\$ <u>-</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 1	2 0 2 0
Trade accounts payable and accrued liabilities	\$ 185,875	\$ 833,708
Employee source deductions payable	<u>30,725</u>	<u>38,956</u>
	<u>\$ 216,600</u>	<u>\$ 872,664</u>

8. DEFERRED REVENUE

	2 0 2 1	2 0 2 0
Indigenous Services Canada:		
Bi-Lateral Discussion Table Work Plan	\$ 250,000	\$ 250,000
Capital - A&C Water Systems	120,500	
Community Development		27,000
Community Well-Being Jurisdiction Initiative	54,932	27,379
COVID-19 ICSF2	22,154	
COVID-19 ICSF3 EMAP	40,025	
COVID-19 LEDSP	30,806	
COVID-19 Response		30,537
Economic Development - Planning	60,500	15,500
Financial Management Governance Capacity Development	240,000	
First Nation and Inuit Summer Student	5,005	
ICSF2 Perimeter Security	71,614	
Perimeter Security	10,035	
Prevention Program - Family Violence	<u>24,600</u>	<u>12,000</u>
	<u>930,171</u>	<u>362,416</u>
First Nation and Inuit Health Branch:		
Building Healthy Communities	23,149	
Canada Prenatal Nutrition Program	15,447	
CDE Planning and Response	166,512	4,761
COVID-19 Health Facility	20,248	
Climate change		61,800
Health Accreditation	76,028	49,528
JP Education Assistance	126,750	
Jordan's Principle	<u>812,153</u>	<u>580,606</u>
	<u>1,240,287</u>	<u>696,695</u>
	<u>\$ 2,170,458</u>	<u>\$ 1,059,111</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

9. LONG TERM DEBT

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.

	2 0 2 1	2 0 2 0
	\$ 196,888	\$ 214,902

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.

	120,804	130,617
--	---------	---------

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.

	362,265	386,066
--	---------	---------

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>146,403</u>	<u>216,423</u>
	\$ <u>826,360</u>	\$ <u>948,008</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, 2022	\$ 78,066
2023	80,682
2024	83,495
2025	86,522
2026	89,781

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions, Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2 0 2 1	Total 2 0 2 0
Buildings	\$11,836,933	\$ 1,223,916	\$13,060,849	\$ 5,684,854	\$ 257,693	\$ 5,942,547	\$ 7,118,302	\$ 6,152,079
CMHC houses	1,285,219		1,285,219	539,484	51,628	591,112	694,107	745,735
Equipment	468,700	58,025	526,725	289,973	50,239	340,212	186,513	178,727
Infrastructure	4,047,807		4,047,807	2,803,951	86,001	2,889,952	1,157,855	1,243,856
Land	110,000		110,000				110,000	110,000
Playground equipment	32,713		32,713	32,713		32,713		
Vehicles	1,010,559	79,555	1,090,114	881,655	50,856	932,511	157,603	128,904
	<u>\$18,791,931</u>	<u>\$ 1,361,496</u>	<u>\$20,153,427</u>	<u>\$10,232,630</u>	<u>\$ 496,417</u>	<u>\$10,729,047</u>	<u>\$ 9,424,380</u>	<u>\$ 8,559,301</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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, 2021 was \$6,746,375. 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 1	2 0 2 0
Arrangement #1920-MB-000011 (MANITOBA)	\$ <u>3,273,939</u>	\$ <u>1,641,057</u>
Total ISC revenue per financial statements	\$ <u>3,273,939</u>	\$ <u>1,641,057</u>

13. RECONCILIATION OF FIRST NATIONS AND INUIT HEALTH BRANCH REVENUE

	2 0 2 1	2 0 2 0
Arrangement #1920-MB-000011 (MANITOBA)	\$ <u>2,721,354</u>	\$ <u>2,002,310</u>
Total FNIHB revenue per financial statements	\$ <u>2,721,354</u>	\$ <u>2,002,310</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.

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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

16. EXPENSES BY OBJECT

	2 0 2 1	2 0 2 0
Amortization	496,417	392,141
Bank charges and interest	8,997	14,178
Community member activities and support	88,901	118,615
Insurance	8,140	28,694
Loan interest	24,789	29,405
Materials for construction/renovation projects	46,668	137,506
Office supplies and administration	186,319	96,909
Other	1,007,350	749,610
Professional fees	333,025	138,326
Repairs and maintenance	134,761	201,610
Salaries, honoraria, wages and benefits	1,556,513	1,399,457
Social assistance	410,302	330,493
Student support	93,582	88,718
Travel	260,428	197,358
Utilities	33,675	26,713
Vehicle operations and maintenance	<u>102,250</u>	<u>47,537</u>
	<u>\$ 4,792,117</u>	<u>\$ 3,997,270</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, 2021. Accordingly, budget figures are not presented in these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

19. 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	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue:										
Federal Government										
ISC	\$ 533,764	\$ 279,092	\$ 81,292	\$ 51,792	\$ 195,343	\$ 175,533	\$ -	\$ -	\$ -	\$ -
FNIHB							2,721,354	2,002,310		
CMHC	-	-	-	-	-	-	-	-	57,581	68,410
Subtotal	533,764	279,092	81,292	51,792	195,343	175,533	2,721,354	2,002,310	57,581	68,410
Other revenue	<u>666,554</u>	<u>292,373</u>	<u>51,756</u>	<u>-</u>	<u>23,198</u>	<u>3,922</u>	<u>(197,480)</u>	<u>65,731</u>	<u>55,208</u>	<u>55,208</u>
Total revenue	<u>1,200,318</u>	<u>571,465</u>	<u>133,048</u>	<u>51,792</u>	<u>218,541</u>	<u>179,455</u>	<u>2,523,874</u>	<u>2,068,041</u>	<u>112,789</u>	<u>123,618</u>
Expenditures:										
Amortization					135,634	102,287	19,886	709	51,628	50,775
Debt servicing	16,180	19,597							8,609	9,586
Other	822,558	629,189	9,541		121,679	125,436	1,118,698	734,617	76,396	74,824
Salaries and benefits	<u>419,181</u>	<u>354,729</u>	<u>29,979</u>	<u>-</u>	<u>46,717</u>	<u>21,300</u>	<u>859,841</u>	<u>866,530</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,257,919</u>	<u>1,003,515</u>	<u>39,520</u>	<u>-</u>	<u>304,030</u>	<u>249,023</u>	<u>1,998,425</u>	<u>1,601,856</u>	<u>136,633</u>	<u>135,185</u>
Annual surplus (deficit)	<u>\$ (57,601)</u>	<u>\$ (432,050)</u>	<u>\$ 93,528</u>	<u>\$ 51,792</u>	<u>\$ (85,489)</u>	<u>\$ (69,568)</u>	<u>\$ 525,449</u>	<u>\$ 466,185</u>	<u>\$ (23,844)</u>	<u>\$ (11,567)</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

20. SEGMENT DISCLOSURE (continued)

	INFRASTRUCTURE AND CAPITAL PROJECTS		OPERATIONS AND MAINTENANCE		SOCIAL ASSISTANCE		ELIMINATIONS		TOTAL	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue:										
Federal Government										
ISC	\$ 1,219,950	\$ 324,000	\$ 663,908	\$ 330,760	\$ 579,682	\$ 479,880	\$ -	\$ -	\$ 3,273,939	\$ 1,641,057
FNIHB									2,721,354	2,002,310
CMHC	-	-	-	-	-	-	-	-	57,581	68,410
Subtotal	1,219,950	324,000	663,908	330,760	579,682	479,880			6,052,874	3,711,777
Other revenue	-	-	(666,927)	(637,725)	(40,153)	(39,379)	(247,217)	(152,116)	(355,061)	(411,986)
Total revenue	<u>1,219,950</u>	<u>324,000</u>	<u>(3,019)</u>	<u>(306,965)</u>	<u>539,529</u>	<u>440,501</u>	<u>(247,217)</u>	<u>(152,116)</u>	<u>5,697,813</u>	<u>3,299,791</u>
Expenditures:										
Amortization			289,269	238,370					496,417	392,141
Debt servicing		222							24,789	29,405
Other	72,863	247,024	215,701	129,646	524,179	387,647	(247,217)	(152,116)	2,714,398	2,176,267
Salaries and benefits	-	-	146,909	88,851	53,886	68,047	-	-	1,556,513	1,399,457
Total expenditures	<u>72,863</u>	<u>247,246</u>	<u>651,879</u>	<u>456,867</u>	<u>578,065</u>	<u>455,694</u>	<u>(247,217)</u>	<u>(152,116)</u>	<u>4,792,117</u>	<u>3,997,270</u>
Annual surplus (deficit)	<u>\$ 1,147,087</u>	<u>\$ 76,754</u>	<u>\$ (654,898)</u>	<u>\$ (763,832)</u>	<u>\$ (38,536)</u>	<u>\$ (15,193)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 905,696</u>	<u>\$ (697,479)</u>