
DAKOTA PLAINS WAHPETON NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

DAKOTA PLAINS WAHPETON NATION

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MARCH 31, 2022

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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

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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, 2022, 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 16, 2024

DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2022 2021

FINANCIAL ASSETS

Cash <i>(Note 3)</i>	\$ 1,617,295	\$ 629,524
Restricted cash <i>(Note 4)</i>	1,684	1,652
Accounts receivable <i>(Note 5)</i>	64,717	120,082
Investment <i>(Note 6)</i>	100	100
 Total financial assets	 <u>1,683,796</u>	 <u>751,358</u>

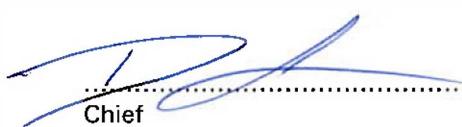
LIABILITIES

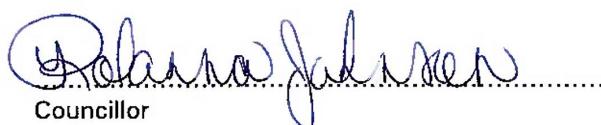
Accounts payable and accrued liabilities <i>(Note 7)</i>	1,359,786	216,600
Deferred revenue <i>(Note 8)</i>	3,260,081	2,170,458
Long term debt <i>(Note 9)</i>	<u>695,627</u>	<u>826,360</u>
 Total liabilities	 <u>5,315,494</u>	 <u>3,213,418</u>
 Net debt	 <u>(3,631,698)</u>	 <u>(2,462,060)</u>

NON-FINANCIAL ASSETS

Tangible capital assets <i>(Note 10)</i>	9,063,939	9,424,380
Construction in progress <i>(Note 11)</i>	<u>948,000</u>	<u>-</u>
 Total non-financial assets	 <u>10,011,939</u>	 <u>9,424,380</u>
 Accumulated surplus	 <u>\$ 6,380,241</u>	 <u>\$ 6,962,320</u>
 Contingent liabilities <i>(Note 12)</i>		

Approved on behalf of Chief and Council


.....
Chief


.....
Councillor


.....
Jeffrey Smiles
Councillor


.....
Les Raeth
Councillor

DAKOTA PLAINS WAHPETON NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
REVENUE		
Indigenous Services Canada	\$ 2,975,204	\$ 3,273,939
First Nations and Inuit Health Branch	2,550,470	2,721,354
Canada Mortgage and Housing Corporation	56,873	57,581
Other revenue	470,425	959,895
Rental income	40,608	43,608
Deferred revenue from prior year	2,170,458	1,059,111
Deferred revenue to following year	(3,260,081)	(2,170,458)
Eliminations	(187,099)	(247,217)
	<u>4,816,858</u>	<u>5,697,813</u>
EXPENDITURES		
Administration and finance	788,584	1,257,919
Economic development	84,806	39,520
Education	327,937	304,030
Health	2,541,651	1,998,425
Housing	116,725	136,633
Infrastructure and capital projects	491,894	72,863
Operations and maintenance	556,006	651,879
Social assistance	678,433	578,065
Eliminations	(187,099)	(247,217)
	<u>5,398,937</u>	<u>4,792,117</u>
ANNUAL SURPLUS (DEFICIT)	(582,079)	905,696
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>6,962,320</u>	<u>6,056,624</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 6,380,241</u>	<u>\$ 6,962,320</u>

DAKOTA PLAINS WAHPETON NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**YEAR ENDED MARCH 31**

	2 0 2 2	2 0 2 1
Annual surplus (deficit)	<u><u>\$ (582,079)</u></u>	<u><u>\$ 905,696</u></u>
Acquisition of tangible capital assets and construction in progress	<u><u>(1,099,742)</u></u>	<u><u>(1,361,496)</u></u>
Amortization of tangible capital assets	<u><u>512,183</u></u>	<u><u>496,417</u></u>
	<u><u>(587,559)</u></u>	<u><u>(865,079)</u></u>
CHANGE IN NET DEBT FOR YEAR	<u><u>(1,169,638)</u></u>	<u><u>40,617</u></u>
NET DEBT, <i>beginning of year</i>	<u><u>(2,462,060)</u></u>	<u><u>(2,502,677)</u></u>
NET DEBT, <i>end of year</i>	<u><u>\$ (3,631,698)</u></u>	<u><u>\$ (2,462,060)</u></u>

DAKOTA PLAINS WAHPETON NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
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CASH FLOW FROM

OPERATING ACTIVITIES

Cash receipts from Indigenous Services Canada	\$ 2,985,239	\$ 3,340,014
Cash receipts from First Nations and Inuit Health Branch	2,632,632	2,660,583
Cash received from other sources	531,075	1,090,721
Cash paid to employees	(950,197)	(1,579,013)
Cash paid to suppliers	(2,967,515)	(3,596,025)
Interest paid	<u>(12,957)</u>	<u>(24,789)</u>
	<u><u>2,218,277</u></u>	<u><u>1,891,491</u></u>

INVESTING ACTIVITIES

Acquisition of tangible capital assets	(1,099,741)	(1,361,496)
Acquisition of Investment	- <u><u></u></u>	<u><u>(100)</u></u>
	<u><u>(1,099,741)</u></u>	<u><u>(1,361,596)</u></u>

FINANCING ACTIVITY

Repayment of long term debt	(130,733)	(121,648)
NET INCREASE IN CASH DURING YEAR	987,803	408,247
CASH, <i>beginning of year</i>	<u>631,176</u>	<u>222,929</u>
CASH, <i>end of year</i>	<u><u>\$ 1,618,979</u></u>	<u><u>\$ 631,176</u></u>

CASH COMPRISED OF

Cash	\$ 1,617,295	\$ 629,524
Restricted cash	<u>1,684</u>	<u>1,652</u>
	<u><u>\$ 1,618,979</u></u>	<u><u>\$ 631,176</u></u>

DAKOTA PLAINS WAHPETON NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

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, 2022****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.

REVENUErecognition

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, 2022****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 long term 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.

DAKOTA PLAINS WAHPETON NATION

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

3. CASH AND BANK INDEBTEDNESS

Cash is comprised of the following:

	2 0 2 2	2 0 2 1
Band	\$ 3,269	\$ 202,665
Health	9,433	268,992
Housing	537	46,261
Post secondary	12,775	91,104
Social	(374)	16,456
Store	191	4,046
Third party management	<u>1,591,464</u>	-
	 <u>\$ 1,617,295</u>	 \$ 629,524

4. RESTRICTED CASH

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, 2022, there was an accumulated balance of \$242,514 (March 31, 2021 - \$230,914) 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 2	2 0 2 1
Ottawa Trust Fund	<u>\$ 1,684</u>	<u>\$ 1,652</u>

DAKOTA PLAINS WAHPETON NATION

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

5. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada:		
Water & Wastewater Servicing Options Study (2018-2019)	\$ 5,000	\$ 5,000
Low Cost Special Education (2017-2018)	55	55
Emergency Response - Flood (2019-2020)	17,634	17,634
ICSF3- Perimeter Security	10,035	
TPM Funding for fees	<u>36,778</u>	-
	<u>59,467</u>	<u>32,724</u>
First Nation and Inuit Health Branch:		
Jordan's Principle	5,197	5,197
MT- Client Insured Serv	2,605	
MT- CA Vans O&M	-	79,556
	<u>5,197</u>	<u>87,358</u>
Other:		
GST receivable	<u>53</u>	-
	<u>\$ 64,717</u>	<u>\$ 120,082</u>

6. INVESTMENTS

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
Trade payable and other	\$ 1,047,892	\$ 56,515
Accrued liabilities	279,178	116,708
Employee source deductions payable	<u>32,716</u>	<u>43,377</u>
	<u>\$ 1,359,786</u>	<u>\$ 216,600</u>

DAKOTA PLAINS WAHPETON NATION

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

8. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada:		
Basic Needs - Covid 19	\$ 65,696	\$
Bi-Lateral Discussion Table Work Plan	250,000	250,000
Child and Community Based Initiative	14,000	
Capital - A&C Water Systems	120,500	120,500
Capacity Building	85,597	
Community Well Being Jurisdiction Initiative	70,068	54,932
Covid 19 ICSF2	22,154	22,154
Covid 19 ICSF3 EMAP	40,025	40,025
Covid 19 LEDSP	44,817	30,806
Economic Development - Planning	60,500	60,500
Education Innovation	8,672	
Financial Management Governance Capacity Development	315,000	240,000
First Nation and Inuit Summer Student	5,005	5,005
ICSD-DIR ALL EMAP	93,322	
ICSF2 Perimeter Security	69,138	71,614
Planning Housing and Capacity Development	25,260	
Post Secondary Student Support	6,956	
Perimeter Security		10,035
Prevention Program - Family Violence	-	24,600
Roads and Bridges	19,641	
Service Delivery	4,959	
Special Needs	13,538	
Wastewater Systems	5,547	
Water and Wastewater Servicing Options	<u>10,393</u>	-
	<u>1,350,788</u>	<u>930,171</u>
First Nation and Inuit Health Branch:		
Building Healthy Communities		23,149
Canada Prenatal Nutrition Program		15,447
CDE Planning and Response	362,862	166,512
COVID-19 Health Facility		20,248
Health Accreditation	106,028	76,028
Jordan's Principle	415,300	812,153
JP Allied Health	81,000	
JP Education Assistance	126,750	126,750
JP Cultural Activities and Support	367,727	
JP MC For Renovation	29,433	
JP Service Coordination	196,200	
JP Social Activities	<u>223,993</u>	-
	<u>1,909,293</u>	<u>1,240,287</u>
	<u>\$ 3,260,081</u>	<u>\$ 2,170,458</u>

DAKOTA PLAINS WAHPETON NATION

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

9. LONG TERM DEBT

2 0 2 2

2 0 2 1

Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$1,727 including interest at the rate of 1.57% per annum, renews December 2026, matures June 2031, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance.

\$ 178,386

\$ 196,888

Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$999 including interest at the rate of 1.73% per annum, renews August 2024, matures April 2032, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance.

111,825

120,804

Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of \$2,326 including interest at the rate of 1.12% per annum, renews October 2026, matures March 2035, secured by a ministerial guarantee by the Government of Canada and assignment of all risks insurance.

337,527

362,265

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, 2023, secured by assignment of designated property.

67,889

146,403

\$ 695,627

\$ 826,360

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

March 31, 2023	\$ 83,878
2024	87,392
2025	56,163
2026	54,680
2027	55,448

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

10. 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 2	2 0 2 1
Buildings	\$13,060,849	\$	\$13,060,849	\$ 5,942,547	\$ 270,842	\$ 6,213,389	\$ 6,847,460	\$ 7,118,302
CMHC houses	1,285,219		1,285,219	591,112	52,219	643,331	641,888	694,107
Equipment	526,725		526,725	340,212	37,090	377,302	149,423	186,513
Infrastructure	4,047,807		4,047,807	2,889,952	86,001	2,975,953	1,071,854	1,157,855
Land	110,000		110,000				110,000	110,000
Playground equipment	32,713		32,713	32,713		32,713		
Vehicles	<u>1,090,114</u>	<u>151,741</u>	<u>1,241,855</u>	<u>932,511</u>	<u>66,030</u>	<u>998,541</u>	<u>243,314</u>	<u>157,603</u>
	<u>\$20,153,427</u>	<u>\$ 151,741</u>	<u>\$20,305,168</u>	<u>\$10,729,047</u>	<u>\$ 512,182</u>	<u>\$11,241,229</u>	<u>\$ 9,063,939</u>	<u>\$ 9,424,380</u>

DAKOTA PLAINS WAHPETON NATION

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

11. CONSTRUCTION IN PROGRESS

	2 0 2 2	2 0 2 1
Modular Home project	<u>\$ 948,000</u>	<u>\$ -</u>

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

12. 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.

13. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 2	2 0 2 1
Arrangement #1920-MB-000011 (MANITOBA)	<u>\$ 2,975,204</u>	<u>\$ 3,273,939</u>
Total ISC revenue per financial statements	<u>\$ 2,975,204</u>	<u>\$ 3,273,939</u>

14. RECONCILIATION OF FIRST NATIONS AND INUIT HEALTH BRANCH REVENUE

	2 0 2 2	2 0 2 1
Arrangement #1920-MB-000011 (MANITOBA)	<u>\$ 2,550,470</u>	<u>\$ 2,721,354</u>
Total FNIHB revenue per financial statements	<u>\$ 2,550,470</u>	<u>\$ 2,721,354</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 FINANCIAL STATEMENTS**MARCH 31, 2022****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. EXPENSES BY OBJECT

	2 0 2 2	2 0 2 1
Amortization	512,183	496,417
Bank charges and interest	11,950	8,997
Community member activities and support	408,540	411,493
Insurance	4,131	8,140
Loan interest	12,957	24,789
Materials for construction/renovation projects	490,894	46,668
Office supplies and administration	216,443	186,319
Other	1,832,735	684,758
Professional fees	168,276	333,025
Repairs and maintenance	106,626	128,144
Salaries, honoraria, wages and benefits	950,197	1,563,130
Social assistance	299,570	410,302
Student support	109,943	93,582
Travel	160,809	260,428
Telephone and Internet	19,052	
Utilities	45,266	33,675
Vehicle operations and maintenance	49,365	102,250
	<hr/>	<hr/>
	<hr/>	<hr/>
	\$ 5,398,937	\$ 4,792,117

18. COMPARATIVE FIGURES

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

19. BUDGET INFORMATION

The First Nation has not prepared a complete consolidated budget for the year ended March 31, 2022. Accordingly, budget figures are not presented in these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

20. SEGMENT DISCLOSURE

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

	ADMINISTRATION AND FINANCE		ECONOMIC DEVELOPMENT		EDUCATION		HEALTH		HOUSING	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue:										
Federal Government										
ISC	\$ 370,343	\$ 533,764	\$ 36,292	\$ 81,292	\$ 195,928	\$ 195,343	\$ 2,550,470	\$ 2,721,354	\$ 56,873	\$ 57,581
FNIHB	-	-	-	-	-	-	-	-	-	-
CMHC	-	-	-	-	-	-	-	-	56,873	57,581
Subtotal	370,343	533,764	36,292	81,292	195,928	195,343	2,550,470	2,721,354	56,873	57,581
Other revenue	<u>247,532</u>	<u>666,554</u>	<u>208,912</u>	<u>51,756</u>	<u>17,996</u>	<u>23,198</u>	<u>760,529</u>	<u>(197,480)</u>	<u>52,208</u>	<u>55,208</u>
Total revenue	<u>617,875</u>	<u>1,200,318</u>	<u>245,204</u>	<u>133,048</u>	<u>213,924</u>	<u>218,541</u>	<u>3,310,999</u>	<u>2,523,874</u>	<u>109,081</u>	<u>112,789</u>
Expenditures:										
Amortization					135,635	135,634	19,886	19,886	52,219	51,628
Debt servicing	7,004	16,180							5,953	8,609
Other	559,911	815,941	73,740	9,541	181,131	121,679	2,091,014	1,118,698	58,553	76,396
Salaries and benefits	<u>221,669</u>	<u>425,798</u>	<u>11,066</u>	<u>29,979</u>	<u>11,171</u>	<u>46,717</u>	<u>430,751</u>	<u>859,841</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>788,584</u>	<u>1,257,919</u>	<u>84,806</u>	<u>39,520</u>	<u>327,937</u>	<u>304,030</u>	<u>2,541,651</u>	<u>1,998,425</u>	<u>116,725</u>	<u>136,633</u>
Annual surplus (deficit)	<u>\$(170,709)</u>	<u>\$(57,601)</u>	<u>\$ 160,398</u>	<u>\$ 93,528</u>	<u>\$(114,013)</u>	<u>\$(85,489)</u>	<u>\$ 769,348</u>	<u>\$ 525,449</u>	<u>\$(7,644)</u>	<u>\$(23,844)</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

20. SEGMENT DISCLOSURE *(continued)*

	INFRASTRUCTURE AND CAPITAL PROJECTS		OPERATIONS AND MAINTENANCE		SOCIAL ASSISTANCE		ELIMINATIONS		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue:										
Federal Government										
ISC	\$ 50,000	\$ 1,219,950	\$ 1,667,429	\$ 663,908	\$ 655,212	\$ 579,682	\$	\$	\$ 2,975,204	\$ 3,273,939
FNIHB									2,550,470	2,721,354
CMHC	—	—	—	—	—	—	—	—	56,873	57,581
Subtotal	50,000	1,219,950	1,667,429	663,908	655,212	579,682	—	—	5,582,547	6,052,874
Other revenue	—	—	(1,787,073)	(666,927)	(78,694)	(40,153)	(187,099)	(247,217)	(765,689)	(355,061)
Total revenue	<u>50,000</u>	<u>1,219,950</u>	<u>(119,644)</u>	<u>(3,019)</u>	<u>576,518</u>	<u>539,529</u>	<u>(187,099)</u>	<u>(247,217)</u>	<u>4,816,858</u>	<u>5,697,813</u>
Expenditures:										
Amortization			304,443	289,269					512,183	496,417
Debt servicing									12,957	24,789
Other	490,894	72,863	156,361	215,701	499,095	524,179	(187,099)	(247,217)	3,923,600	2,707,781
Salaries and benefits	1,000	—	95,202	146,909	179,338	53,886	—	—	950,197	1,563,130
Total expenditures	<u>491,894</u>	<u>72,863</u>	<u>556,006</u>	<u>651,879</u>	<u>678,433</u>	<u>578,065</u>	<u>(187,099)</u>	<u>(247,217)</u>	<u>5,398,937</u>	<u>4,792,117</u>
Annual surplus (deficit)	<u>\$(441,894)</u>	<u>\$ 1,147,087</u>	<u>\$(675,650)</u>	<u>\$(654,898)</u>	<u>\$(101,915)</u>	<u>\$ 38,536</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$(582,079)</u>	<u>\$ 905,696</u>