
DAKOTA PLAINS WAHPETON NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

DAKOTA PLAINS WAHPETON NATION

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MARCH 31, 2023

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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

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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, 2023, 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
April 5, 2024

DAKOTA PLAINS WAHPETON NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2023

2022

FINANCIAL ASSETS

Cash <i>(Note 4)</i>	\$ 4,801,545	\$ 1,617,295
Restricted cash <i>(Note 5)</i>	1,736	1,684
Accounts receivable <i>(Note 6)</i>	275,536	64,717
Investment <i>(Note 7)</i>	100	100
Total financial assets	5,078,917	1,683,796

LIABILITIES

Accounts payable and accrued liabilities <i>(Note 8)</i>	583,499	1,359,786
Deferred revenue <i>(Note 9)</i>	7,528,967	3,260,081
Long term debt <i>(Note 10)</i>	574,265	695,627
Total liabilities	8,686,731	5,315,494
Net debt	(3,607,814)	(3,631,698)

NON-FINANCIAL ASSETS

Tangible capital assets <i>(Note 11)</i>	11,285,168	9,063,939
Construction in progress <i>(Note 12)</i>		948,000
Prepaid expenses	23,234	-
Total non-financial assets	11,308,402	10,011,939
Accumulated surplus	\$ 7,700,588	\$ 6,380,241

Contingent liabilities *(Note 13)*

Approved on behalf of Chief and Council


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Chief

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Councillor

.....
Councillor

.....
Councillor

DAKOTA PLAINS WAHPETON NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2023	2022
REVENUE			
Indigenous Services Canada	\$ 5,117,996	\$ 5,810,892	\$ 2,975,204
First Nations and Inuit Health Branch	3,678,142	3,684,142	2,550,470
Canada Mortgage and Housing Corporation		57,910	56,873
Other revenue	122,361	267,834	470,425
Rental income		43,608	40,608
Deferred revenue from prior year	105,143	3,260,081	2,170,458
Deferred revenue to following year		(7,528,967)	(3,260,081)
Eliminations	<u>-</u>	<u>(175,481)</u>	<u>(187,099)</u>
	<u>9,023,642</u>	<u>5,420,019</u>	<u>4,816,858</u>
EXPENDITURES			
Administration and finance	494,964	662,413	788,584
Economic development	36,292	1,436	84,806
Education	132,260	234,234	327,937
Health		1,586,038	2,541,651
Housing		90,265	116,725
Infrastructure and capital projects	1,064,100	188,366	491,894
Operations and maintenance	392,172	860,250	556,006
Social assistance	378,143	652,151	678,433
Eliminations	<u>-</u>	<u>(175,481)</u>	<u>(187,099)</u>
	<u>2,497,931</u>	<u>4,099,672</u>	<u>5,398,937</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 6,525,711</u>	<u>1,320,347</u>	<u>(582,079)</u>
ACCUMULATED SURPLUS, <i>beginning of year</i>		<u>6,380,241</u>	<u>6,962,320</u>
ACCUMULATED SURPLUS, <i>end of year</i>		<u>\$ 7,700,588</u>	<u>\$ 6,380,241</u>

DAKOTA PLAINS WAHPETON NATION

STATEMENT 3

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

	2 0 2 3	2 0 2 2
Annual surplus (deficit)	<u>\$ 1,320,347</u>	<u>\$(582,079)</u>
Acquisition of tangible capital assets and construction in progress	<u>(1,919,422)</u>	<u>(1,099,742)</u>
Amortization of tangible capital assets	<u>646,193</u>	<u>512,183</u>
	<u>(1,273,229)</u>	<u>(587,559)</u>
Acquisition of prepaid expenses	<u>(23,234)</u>	<u>-----</u>
CHANGE IN NET DEBT FOR YEAR	<u>23,884</u>	<u>(1,169,638)</u>
NET DEBT, <i>beginning of year</i>	<u>(3,631,698)</u>	<u>(2,462,060)</u>
NET DEBT, <i>end of year</i>	<u><u>\$(3,607,814)</u></u>	<u><u>\$(3,631,698)</u></u>

DAKOTA PLAINS WAHPETON NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 3	2 0 2 2
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CASH FLOW FROM

OPERATING ACTIVITIES

Cash receipts from Indigenous Services Canada	\$ 5,815,892	\$ 2,985,239
Cash receipts from First Nations and Inuit Health Branch	3,689,339	2,632,632
Cash received from other sources	148,337	531,075
Cash paid to employees	(1,165,992)	(950,197)
Cash paid to suppliers	(3,254,003)	(2,967,515)
Interest paid	(8,487)	(12,957)
	<u>5,225,086</u>	<u>2,218,277</u>

INVESTING ACTIVITY

Acquisition of tangible capital assets	<u>(1,919,422)</u>	<u>(1,099,741)</u>
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FINANCING ACTIVITY

Repayment of long term debt	(121,362)	(130,733)
NET INCREASE IN CASH DURING YEAR	3,184,302	987,803
CASH, <i>beginning of year</i>	<u>1,618,979</u>	<u>631,176</u>
CASH, <i>end of year</i>	<u>\$ 4,803,281</u>	<u>\$ 1,618,979</u>

CASH COMPRISED OF

Cash	\$ 4,801,545	\$ 1,617,295
Restricted cash	<u>1,736</u>	<u>1,684</u>
	<u>\$ 4,803,281</u>	<u>\$ 1,618,979</u>

DAKOTA PLAINS WAHPETON NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

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, 2023****2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******ASSET RETIREMENT OBLIGATION***

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at management's best estimate at the present fair value of the estimated future cash flows required to settle the retirement obligation. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

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, 2023****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 long term objectives to aid in resource allocation decisions, and to assess operational performance.

FINANCIAL INSTRUMENTS**Measurement**

The First Nation measures all of its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, marketable securities in equity instruments that are quoted in an active market and marketable securities that the Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and federal trust funds. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

No financial assets are measured at fair value.

Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received.

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2023****3. CHANGE IN ACCOUNTING POLICY**

On April 1, 2022, the First Nation adopted the PSAS Section (PS 3280) "Asset Retirement Obligations". The new standard includes the requirement for the recognition, measurement, presentation and disclosure of asset retirement obligations and is effective for year beginning on or after April 1, 2022. There was no significant impact on these consolidated financial statements as a result of the adoption of this standard as no legal or constructive obligations were identified.

FINANCIAL INSTRUMENTS

On April 1, 2022 the First Nation adopted the PSAS Section (PS3450) "Financial Instruments". The new standard establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. There was no significant impact on these consolidated financial statements as a result of the adoption of these standards.

As part of the adoption of PSAS 3450, on April 1, 2022, the First Nation was also required to adopt PSAS Section (PS 3041) "Portfolio Investments" which has removed the distinction between temporary and portfolio investments, PSAS Section (PS 2601) "Foreign Currency Translation" which requires unrealized gains and losses to be presented on the statement of re-measurement gains and losses and PSAS Section (PS 1201) "Financial Statement Presentation" which requires a new statement of re-measurement gains and losses separate from the statement of operations. The adoption of these standards/amendments had no significant impact on the First Nation's consolidated financial statements and there are no remeasurement gains and losses, so no statement has been presented.

4. CASH AND BANK INDEBTEDNESS

Cash is comprised of the following:

	2 0 2 3	2 0 2 2
Band	\$ 54,829	\$ 3,269
Health	44,531	9,433
Housing	496	537
Post secondary	12,547	12,775
Social	529	(374)
Store	533	191
Third party management	<u>4,688,080</u>	<u>1,591,464</u>
	<u><u>\$ 4,801,545</u></u>	<u><u>\$ 1,617,295</u></u>

DAKOTA PLAINS WAHPETON NATION

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

5. 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, 2023, there was an accumulated balance of \$266,114 (March 31, 2022 - \$242,514) 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 3 2 0 2 2

Ottawa Trust Fund	\$ <u>1,736</u>	\$ <u>1,684</u>
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6. ACCOUNTS RECEIVABLE

2 0 2 3 2 0 2 2

Indigenous Services Canada:

Water & Wastewater Servicing Options Study (2018-2019)	\$	\$	5,000
Low Cost Special Education (2017-2018)	55		55
Emergency Response - Flood (2019-2020)	17,634		17,634
TPM Funding for fees	<u>254,000</u>		<u>36,778</u>
	<u>271,689</u>		<u>59,467</u>

First Nation and Inuit Health Branch:

Jordan's Principle	<u>-</u>	<u>5,197</u>
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Other:

GST receivable	<u>3,847</u>	<u>53</u>
	<u>\$ 275,536</u>	<u>\$ 64,717</u>

7. INVESTMENTS

2 0 2 3 2 0 2 2

Dakota Plains Wahpeton Oyate Economics Development Corporation	\$ <u>100</u>	\$ <u>100</u>
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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 3	2 0 2 2
Trade payable and other	\$ 89,043	\$ 1,047,892
Accrued liabilities	<u>463,631</u>	279,178
Employee source deductions payable	<u>30,825</u>	32,716
	<u><u>\$ 583,499</u></u>	<u><u>\$ 1,359,786</u></u>

9. DEFERRED REVENUE

	2 0 2 3	2 0 2 2
Indigenous Services Canada:		
Band Housing Renovations	\$ 420,886	\$
Basic Needs - Covid 19	88,483	65,696
Bi-Lateral Discussion Table Work Plan	250,000	250,000
Child and Community Based Initiative	98,588	14,000
Capital - A&C Water Systems	120,500	120,500
Capital - Major Renovations and Repairs	22,436	
Capacity Building	70,000	85,597
Capacity Innovation	70,000	
Capital Investment - Health Facilities	1,000,000	
Community Buildings	4,182	
Community Development Infrastructure Plan	25,000	
Community Well Being Jurisdiction Initiative	168,133	70,068
Covid 19 ICSF2	22,154	22,154
Covid 19 ICSF3 EMAP	40,025	40,025
Covid 19 LEDSP	44,817	44,817
Economic Development	36,292	
Economic Development - Planning	60,500	60,500
Education Innovation	8,672	8,672
Emergency Medical Assistance Program	46,660	
Financial Management Governance Capacity Development	293,819	315,000
First Nation and Inuit Summer Student	5,005	5,005
First Nation Representative Services	47,261	
FNCFS Vehicles	254,000	
HCC Professional Development	6,000	
ICSD-DIR ALL EMAP	93,322	93,322
ICSF2 Perimeter Security	69,138	69,138
MMIWG Women's Shelter	880,200	
O&M Recycling Trucks and Bins	1,957	
Planning Housing and Capacity Development	81,602	25,260
Post Secondary Student Support	98,689	6,956
Roads and Bridges	31,925	19,641
Service Delivery	42,815	4,959
Special Needs	29,157	13,538
Wastewater Systems	36,884	5,547
Water - Operations and Maintenance	35,168	
Water and Wastewater Servicing Options	<u>10,393</u>	<u>10,393</u>
	<u><u>4,614,663</u></u>	<u><u>1,350,788</u></u>

DAKOTA PLAINS WAHPETON NATION

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

9. DEFERRED REVENUE <i>(continued)</i>	2 0 2 3	2 0 2 2
First Nation and Inuit Health Branch:		
Aboriginal Diabetes Initiative	11,712	
Building Healthy Communities	106,749	
Canada Prenatal Nutrition Program	4,389	
CDE Planning and Response	378,627	362,862
Community Health Representative	66,149	
Facility- Operations and Maintenance	12,543	
Health Accreditation	123,178	106,028
Health Planning and Management	109,980	
HIV/ AIDS	9,353	
Home and Community Care	157,049	
Jordan's Principle	482,867	415,300
JP Allied Health	103,349	81,000
JP Education Assistance	217,950	126,750
JP Cultural Activities and Support	391,049	367,727
JP MC For Renovation	29,433	29,433
JP Mental Wellness	131,999	
JP Service Coordination	196,200	196,200
JP Social Activities	311,090	223,993
Non-Insured Health Benefits- Transport- Support	50	
Non-Insured Health Benefits- Transportation	663	
Nursing	69,925	-
	<u>2,914,304</u>	<u>1,909,293</u>
	<u>\$ 7,528,967</u>	<u>\$ 3,260,081</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

10. LONG TERM DEBT

2023

2022

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.

\$ 160,321 \$ 178,386

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.

100,677 111,825

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.

313,267 337,527

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

\$ 574,265 \$ 695,627

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

March 31, 2024	\$ 53,196
2025	53,942
2026	54,699
2027	55,467
2028	56,246

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

11. 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 3	2 0 2 2
Buildings	\$13,060,849	\$ 2,528,000	\$13,060,849	\$ 6,213,389	\$ 397,242	\$ 6,610,631	\$ 6,450,218	\$ 6,847,460
Housing	1,285,219	2,528,000	3,813,219	643,331	53,473	696,804	3,116,415	641,888
Equipment	526,725		526,725	377,302	37,090	414,392	112,333	149,423
Infrastructure	4,047,807		4,047,807	2,975,953	86,001	3,061,954	985,853	1,071,854
Land	110,000		110,000				110,000	110,000
Playground equipment	32,713		32,713	32,713		32,713		
Vehicles	1,241,855	339,422	1,581,277	998,541	72,387	1,070,928	510,349	243,314
	<u>\$20,305,168</u>	<u>\$ 2,867,422</u>	<u>\$23,172,590</u>	<u>\$11,241,229</u>	<u>\$ 646,193</u>	<u>\$11,887,422</u>	<u>\$ 11,285,168</u>	<u>\$ 9,063,939</u>

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

12. CONSTRUCTION IN PROGRESS

	2 0 2 3	2 0 2 2
Modular Home project	\$ <u> </u> -	\$ <u>948,000</u>

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

13. 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.

14. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 3	2 0 2 2
Arrangement #1920-MB-000011 (MANITOBA)	\$ <u>9,495,034</u>	\$ <u>5,525,674</u>
REVENUE PER STATEMENT OF OPERATIONS (Statement 2)		
Indigenous Services Canada	<u>5,810,892</u>	2,975,204
First Nations and Inuit Health Branch	<u>3,684,142</u>	2,550,470
	\$ <u>9,495,034</u>	\$ <u>5,525,674</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.

16. RELATED PARTY TRANSACTIONS

In the normal course of operations, the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and its related entities, aggregate revenue and expenditures derived from related party transactions is not determinable.

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2023****17. EXPENSES BY OBJECT**

	2 0 2 3	2 0 2 2
Amortization	646,193	512,183
Bank charges and interest	6,391	11,950
Community member activities and support	267,311	408,540
Insurance	41,978	4,131
Loan interest	8,487	12,957
Materials		490,894
Office supplies and administration	231,922	216,443
Other	175,309	1,832,735
Professional fees	491,065	168,276
Repairs and maintenance	208,410	106,626
Salaries, honoraria, wages and benefits	1,165,992	950,197
Social assistance	604,040	299,570
Student support	58,330	109,943
Travel	18,557	160,809
Telephone and Internet	18,191	19,052
Utilities	113,652	45,266
Vehicle operations and maintenance	<u>43,844</u>	<u>49,365</u>
	<u><u>\$ 4,099,672</u></u>	<u><u>\$ 5,398,937</u></u>

18. FINANCIAL INSTRUMENTS

The First Nation, as part of its operations, carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant liquidity, interest, foreign currency, equity price or credit risks arising from these financial instruments, except as otherwise disclosed.

19. COMPARATIVE FIGURES

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

DAKOTA PLAINS WAHPETON NATION

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SEGMENTED INFORMATION

MARCH 31, 2023

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
Federal Government										
ISC	\$ 553,004	\$ 370,343	\$ 36,292	\$ 36,292	\$ 190,331	\$ 195,928	\$ 46,660	\$ 3,684,142	\$ 2,550,470	\$ -
FNIHB										
CMHC	-	-	-	-	-	-	-	-	-	57,910
Subtotal	553,004	370,343	36,292	36,292	190,331	195,928	3,730,802	2,550,470	57,910	56,873
Other revenue	<u>333,405</u>	<u>247,532</u>	<u>(28,197)</u>	<u>208,912</u>	<u>(90,013)</u>	<u>17,996</u>	<u>(662,500)</u>	<u>760,529</u>	<u>49,109</u>	<u>52,208</u>
Total revenue	<u>886,409</u>	<u>617,875</u>	<u>8,095</u>	<u>245,204</u>	<u>100,318</u>	<u>213,924</u>	<u>3,068,302</u>	<u>3,310,999</u>	<u>107,019</u>	<u>109,081</u>
Expenses										
Amortization					135,634	135,635	19,886	19,886	53,473	52,219
Debt servicing	403	7,004							8,084	5,953
Other	613,065	559,911	1,436	73,740	85,779	181,131	769,215	2,091,014	28,708	58,553
Salaries and benefits	<u>48,945</u>	<u>221,669</u>	<u>-</u>	<u>11,066</u>	<u>12,821</u>	<u>11,171</u>	<u>796,937</u>	<u>430,751</u>	<u>-</u>	<u>-</u>
Total expenses	<u>662,413</u>	<u>788,584</u>	<u>1,436</u>	<u>84,806</u>	<u>234,234</u>	<u>327,937</u>	<u>1,586,038</u>	<u>2,541,651</u>	<u>90,265</u>	<u>116,725</u>
Surplus (Deficit)	<u>\$ 223,996</u>	<u>\$ (170,709)</u>	<u>\$ 6,659</u>	<u>\$ 160,398</u>	<u>\$ (133,916)</u>	<u>\$ (114,013)</u>	<u>\$ 1,482,264</u>	<u>\$ 769,348</u>	<u>\$ 16,754</u>	<u>\$ (7,644)</u>

DAKOTA PLAINS WAHPETON NATION

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SEGMENTED INFORMATION

MARCH 31, 2023

19. SEGMENT DISCLOSURE *(continued)*

	INFRASTRUCTURE AND CAPITAL PROJECTS		OPERATIONS AND MAINTENANCE		SOCIAL ASSISTANCE		ELIMINATIONS		TOTAL	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues										
Federal Government										
ISC	\$ 3,390,860	\$ 50,000	\$ 481,972	\$ 1,667,429	\$ 1,111,773	\$ 655,212	\$	\$	\$ 5,810,892	\$ 2,975,204
FNIHB									3,684,142	2,550,470
CMHC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,910</u>	<u>56,873</u>
Subtotal	3,390,860	50,000	481,972	1,667,429	1,111,773	655,212			9,552,944	5,582,547
Other revenue	(1,384,860)	<u>-</u>	(1,661,474)	(1,787,073)	(512,914)	(78,694)	(175,481)	(187,099)	(4,132,925)	(765,689)
Total revenue	<u>2,006,000</u>	<u>50,000</u>	<u>(1,179,502)</u>	<u>(119,644)</u>	<u>598,859</u>	<u>576,518</u>	<u>(175,481)</u>	<u>(187,099)</u>	<u>5,420,019</u>	<u>4,816,858</u>
Expenses										
Amortization			437,200	304,443					646,193	512,183
Debt servicing									8,487	12,957
Other	129,373	490,894	249,063	156,361	577,842	499,095	(175,481)	(187,099)	2,279,000	3,923,600
Salaries and benefits	58,993	1,000	173,987	95,202	74,309	179,338	<u>-</u>	<u>-</u>	1,165,992	950,197
Total expenses	<u>188,366</u>	<u>491,894</u>	<u>860,250</u>	<u>556,006</u>	<u>652,151</u>	<u>678,433</u>	<u>(175,481)</u>	<u>(187,099)</u>	<u>4,099,672</u>	<u>5,398,937</u>
Surplus (Deficit)	<u>\$ 1,817,634</u>	<u>\$(441,894)</u>	<u>\$(2,039,752)</u>	<u>\$(675,650)</u>	<u>\$(53,292)</u>	<u>\$(101,915)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,320,347</u>	<u>\$(582,079)</u>