

**CANUPAWAKPA DAKOTA FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016**

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CANUPAWAKPA DAKOTA NATION

MARCH 31, 2016

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MANAGEMENT'S RESPONSIBILITY

To the Members of Canupawakpa Dakota Nation:

Management is responsible for the preparation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

Zaplitzny and Zamrykul, Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

January 14, 2017

J. Michael Egstuen Chief
Donald J. J. J. Councillor

Y. J. J. Councillor

INDEPENDENT AUDITORS' REPORT

To the Members of Canupawakpa Dakota Nation:

We have audited the consolidated statement of financial position of the Canupawakpa Dakota Nation as at March 31, 2016 and the consolidated statements of operations, changes in net debt, cash flows, the consolidated schedule of tangible capital assets (Schedule 1) for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on conducting an audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis of Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis of Disclaimer of Opinion

Due to the limited access to supporting accounting records relating to the March 31, 2015 fiscal year, we were not able to satisfy ourselves by alternative means concerning the balances as at April 1, 2015. We were also not able to obtain program budgets and the records for two entities which the First Nation controls (Canupawakpa Housing Authority Inc. and Pipestone Creek Development Corporation) and therefore these records have not been included in the consolidated statements.

As a result of the above noted matters, we were unable to determine the extent of adjustments that would be found necessary in respect of the elements making up the consolidated statement of financial position, consolidated statement of operations and accumulated surplus, consolidated statement of changes in net debt and the consolidated statement of cash flows.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements.

Other Matters

The prior years figures were audited by another firm of Chartered Professional Accountants who expressed a disclaimer of opinion in their report dated October 19, 2015.



Zapijny and Zamrykut,
Chartered Professional Accountants

Dauphin, Manitoba
January 14, 2017

CANUPAWAKPA DAKOTA NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	2016	2015 (restated)
FINANCIAL ASSETS		
Cash	\$ -	\$ 36,341
Restricted Cash - Note 3	6,055	49,578
Accounts Receivable - Note 4	414,583	526,098
Inventory Held for Resale	2,192	-
	<u>422,830</u>	<u>612,017</u>
LIABILITIES		
Bank Indebtedness - Note 5	7,199	45,219
Accounts Payable and Accruals - Note 6	729,208	1,230,981
Deferred Revenue - Note 7	214,915	177,998
Long Term Debt - Note 8	1,995,411	2,257,016
	<u>2,946,733</u>	<u>3,711,214</u>
NET DEBT	<u>(2,523,903)</u>	<u>(3,099,197)</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets - Schedule 1	5,855,809	6,594,666
ACCUMULATED SURPLUS - NOTE 11	<u>\$ 3,331,906</u>	<u>\$ 3,495,469</u>

Contingent Liabilities - Note 9

Approved on Behalf of the Council

Shirley Eggen Chief
Donald Pandy Councillor

[Signature] Councillor

(The accompanying notes are an integral part of these financial statements.)

CANUPAWAKPA DAKOTA NATION

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015 (restated)
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ -	\$ 3,779,192	\$ 3,940,567
AANDC Recoveries	-	(32,214)	(1,000)
First Nation and Inuit Health (FNIH)	-	1,050,848	849,328
Canada Mortgage and Housing Corporation (CMHC)	-	185,606	215,142
Province of Manitoba	-	156,773	174,326
Other	-	432,330	331,708
First People Development Inc.	-	162,492	163,844
VLT Proceeds	-	689,690	689,290
Rent	-	283,241	296,314
Interest	-	36	-
Revenue Deferred in Prior Year - Note 8	-	177,998	243,275
Revenue Deferred to Subsequent Year-Note 8	-	(214,915)	(177,998)
	-	6,671,077	6,724,796
EXPENSES			
Governance and Administration	-	678,870	738,636
Social	-	1,163,859	1,146,224
Health	-	988,005	897,582
Housing	-	391,250	377,415
Economic Development	-	485	64,545
Education	-	1,693,110	1,916,919
Operations and Maintenance	-	942,490	1,115,390
Training and Other	-	1,009,427	1,119,642
	-	6,867,496	7,376,353
ANNUAL SURPLUS (DEFICIT)	\$ -	(196,419)	(651,557)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		3,495,469	4,147,026
PRIOR PERIOD ADJUSTMENT - Note 19		32,856	-
ACCUMULATED SURPLUS, END OF YEAR		\$ 3,331,906	\$ 3,495,469

(The accompanying notes are an integral part of these financial statements.)

CANUPAWAKPA DAKOTA NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015 (restated)
ANNUAL SURPLUS (DEFICIT)	\$ (196,419)	\$ (651,557)
Purchases of Tangible Capital Assets	(127,744)	(65,159)
Amortization of Tangible Capital Assets	866,601	786,108
Prior Period Adjustment - Note 19	32,856	-
DECREASE (INCREASE) IN NET DEBT	575,294	69,392
NET DEBT, BEGINNING OF YEAR	(3,099,197)	(3,168,589)
NET DEBT, END OF YEAR	\$ (2,523,903)	\$ (3,099,197)

(The accompanying notes are an integral part of these financial statements.)

CANUPAWAKPA DAKOTA NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2016

	2016	2015 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit	\$ (196,419)	\$ (699,863)
Amortization	866,601	834,414
Deferred revenue to subsequent year	214,915	177,998
Deferred revenue in prior year	(177,998)	(243,275)
Prior period adjustment	32,856	-
	739,955	69,274
Accounts receivable	111,515	(207,998)
Inventory held for resale	(2,192)	-
Accounts payable and accruals	(501,773)	495,195
NET CASH PROVIDED BY OPERATING ACTIVITIES	347,505	356,471
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	(261,605)	(346,935)
Change in restricted cash	43,523	(21,111)
CASH FLOWS USED IN FINANCING ACTIVITIES	(218,082)	(368,046)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Tangible Capital Assets	(127,744)	(65,159)
NET CASH INCREASE	1,679	(76,734)
CASH (BANK INDEBTEDNESS), beginning of year	(8,878)	67,856
CASH (BANK INDEBTEDNESS), end of year	\$ (7,199)	\$ (8,878)
Bank Balance (Indebtedness) consists of:	2016	2015 (restated)
Cash in Bank	\$ -	\$ 36,341
Bank Indebtedness	(7,199)	(45,219)
	\$ (7,199)	\$ (8,878)

(The accompanying notes are an integral part of these financial statements.)

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

1. OPERATIONS

The Canupawakpa Dakota Nation (The "First Nation") is located in the province of Manitoba, and provides various services to its members.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards, and include the following significant accounting policies:

Reporting entity

The Canupawakpa Dakota Nation reporting entity includes the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation. Trusts administered on behalf of third parties by Canupawakpa Dakota Nation are excluded from the First Nation reporting entity.

These financial statements include the assets, liabilities, revenues and expenses of the following controlled entities:

- Canupawakpa Dakota Nation Government
- Canupawakpa Dakota Nation CMHC Housing Authority
- Canupawakpa Dakota Nation Health Department
- Canupawakpa Dakota Nation Gaming
- Canupawakpa Dakota Nation Employment and Training

These financial statements do not include the assets, liabilities, revenues and expenses of the following controlled entities:

- Canupawakpa Housing Authority Inc.
- Pipestone Creek Development Corporation

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory consists of tobacco products and confectionary items sold by the Gaming program. Inventory is valued at the lower of cost or net realizable value using the first in, first out method.

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Net Debt

The First Nation's consolidated 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 financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Non-financial Assets

The First Nations tangible capital 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 government unless they are sold.

Funds Held In Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Tangible capital assets are amortized using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives:

Buildings	25 Years
Vehicles	5 Years
VLTs	7 Years
Equipment	15 Years
Communications Equipment	5 Years
Housing	25 Years
Land Improvements	30 Years
Roads	40 Years

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 exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying amount exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition

Government transfer revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence. Other revenue is recognized by the First Nation when the services are provided or goods are shipped.

Other Revenue

Rent is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectibility of its rent revenue and records a bad debt expense and allowance for doubtful accounts for amounts designated as unlikely to be collected.

Other revenue is recognized by the First Nation when services are provided or goods are shipped and collectibility is reasonably assured.

Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of the related tangible capital assets. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Segments

The First Nation conducts its business through 9 reportable segments as reported below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The First Nation's segments are as follows:

Governance and Administration - reports on governance and administration activities

Social - reports on social assistance programs

Health - reports on health and wellness programs funded by FNIH

Housing - reports on activities related to developing and sustaining housing including CMHC subsidized housing

Economic Development - reports on services that facilitate economic development

Education - reports on the operations of education programs

Operations and Maintenance - reports on general operations and maintenance programs in the First Nation

Ottawa Trust - reports on funding held in the Ottawa Trust

Training and Other - reports on training, gaming and other activities

Inter-segment transfers are recorded at their exchange amount. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

Financial Instruments

Financial instruments include cash, restricted cash, accounts receivable, bank indebtedness, accounts payable and accruals 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 risk arising from the financial instruments. Unless otherwise stated, the book value of the First Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the First Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the First Nation's long term debt.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. First Nation contributions to the defined contribution plan are expensed as incurred.

Liability for Contaminated Site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information on March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

3. RESTRICTED CASH

	2016	2015
CMHC Replacement Reserve	\$ 5,428	\$ 49,413
Ottawa Trust	627	165
	<u>\$ 6,055</u>	<u>\$ 49,578</u>

CMHC Replacement Reserve

In accordance with the agreements between the First Nation and Canada Mortgage and Housing Corporation (CMHC), a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. The replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

CMHC Operating Surplus Reserve

In accordance with the agreements between the First Nation and Canada Mortgage and Housing Corporation (CMHC), a separate bank account must be established to fund a required operating surplus reserve, as determined in accordance with the agreements. The operating surplus reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The First Nation is not in compliance with its agreement with CMHC. The agreement required that the First Nation maintain a separate bank account to fund the full amount of the CMHC operating surplus reserve. At year end a separate bank account had not yet been established to fund the reserve, resulting in an unfunded reserve of \$168,982 (2015 -

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

\$159,770).

3. RESTRICTED CASH - continued

Ottawa Trust

The Ottawa Trust funds are held in trust in the consolidated revenue fund of the Government of Canada and subject to audit by the office of the Auditor General of Canada. Funds held in trust on behalf of First Nation members by the Government of Canada are reported on the statement of financial position with an offsetting amount in members' equity and consist of:

- Capital Trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation capital assets.
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

4. ACCOUNTS RECEIVABLE

	2016	2015
AANDC, per confirmation	\$ 133,934	\$ 418,682
Other accounts receivable	620,043	446,810
Less: Allowance for doubtful accounts	(339,394)	(339,394)
	\$ 414,583	\$ 526,098

5. BANK INDEBTEDNESS

	2016	2015
Cheques issued in excess of cash on hand	\$ 202,043	\$ 37,631
Cash on hand	(194,844)	-
Bank overdraft to a maximum of \$100,000 bearing interest at prime plus 4%	-	7,588
	\$ 7,199	\$ 45,219

6. ACCOUNTS PAYABLE

	2016	2015
Source Deductions	\$ 61,935	\$ 71,374
Other	667,273	1,159,607
	\$ 729,208	\$ 1,230,981

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

7. DEFERRED REVENUE

	2016	2015
AANDC - Post Secondary	\$ 134,478	\$ 134,478
AANDC - Economic Development	43,520	43,520
AANDC - Capital - Fire Truck Repairs	3,470	-
AANDC - Capital - Hall Repairs	33,447	-
	\$ 214,915	\$ 177,998

8. LONG TERM DEBT

	2016	2015
Toronto Dominion Bank loan bearing interest at 4.52% per annum, repayable in monthly blended payments of \$8,070. The loan matures on May 2015 and is secured by a ministerial guarantee by the Government of Canada.	\$ -	\$ 16,110
Toronto Dominion Bank loan bearing interest at 3.41% per annum, repayable in monthly blended payments of \$1,930. The loan matures on February 2018 and is secured by a ministerial guarantee by the Government of Canada.	43,039	64,226
Toronto Dominion Bank loan bearing interest at 4.58% per annum, repayable in monthly blended payments of \$2,239. The loan matures on September 2015 and is secured by a ministerial guarantee by the Government of Canada.	-	13,275
Peace Hills Trust loan bearing interest at 4.6% per annum, repayable in monthly blended payments of \$2,067. The loan matures on June 2016 and is secured by a ministerial guarantee by the Government of Canada.	53,240	75,155
Peace Hills Trust loan bearing interest at 3.95% per annum, repayable in monthly blended payments of \$5,379. The loan matures on April 2018 and is secured by a ministerial guarantee by the Government of Canada.	298,167	350,099
Canada Mortgage and Housing Corporation loan bearing interest at 1.67% per annum, repayable in monthly blended payments of \$3,249. The loan matures on February 2027 and is secured by a ministerial guarantee by the Government of Canada.	388,758	420,970

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

8. LONG TERM DEBT - continued

	2016	2015
Canada Mortgage and Housing Corporation loan bearing interest at 1.12% per annum, repayable in monthly blended payments of \$1,156. The loan matures on January 2030 and is secured by a ministerial guarantee by the Government of Canada.	\$ 177,762	\$ 189,575
Canada Mortgage and Housing Corporation loan bearing interest at 2.65% per annum, repayable in monthly blended payments of \$1,335. The loan matures on March 2031, and is secured by a ministerial guarantee by the Government of Canada.	198,268	208,894
Canada Mortgage and Housing Corporation loan bearing interest at 1.71% per annum, repayable in monthly blended payments of \$1,292. The loan matures on July 2032 and is secured by a ministerial guarantee by the Government of Canada.	220,857	232,478
Canada Mortgage and Housing Corporation loan bearing interest at 2.35% per annum, repayable in monthly blended payments of \$1,215. The loan matures on September 2033 and is secured by a ministerial guarantee by the Government of Canada.	209,255	218,811
Canada Mortgage and Housing Corporation loan bearing interest at 2.11% per annum, repayable in monthly blended payments of \$1,101. The loan matures on October 2033 and is secured by a ministerial guarantee by the Government of Canada.	194,000	203,017
Manitoba Lotteries Commission term loan repayable in weekly installments of \$1,115 including interest of 2.35%, secured by VLT equipment with a net book value of \$194,207 (2015 - \$252,055), maturing January 8, 2020	212,065	264,406
	\$ 1,995,411	\$ 2,257,016

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2016-17	\$ 301,900
2017-18	308,005
2018-19	221,972
2019-20	185,822
2020-21	142,358
Thereafter	835,354

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

9. CONTINGENT LIABILITIES

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2016 might be recovered by these agencies.

At March 31, 2016, the First Nation has determined that some contaminated sites exist, however, no determination has been made as to whether the contamination exceeds an environmental standard that the First Nation is required to comply with. Also, the First Nation does not consider themselves to be responsible and have not accepted responsibility. As a result, no liability regarding the contaminated sites is recorded in these financial statements. If and when it is determined that a liability exists, the liability will be recorded in the period in which such a determination is made, in accordance with the accounting policy in Note 2.

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2016. Since the audit report is dated after this date, the First Nation has not complied with the requirement. The possible effect of this non-compliance has not yet been determined.

10. SEGMENT INFORMATION ON TANGIBLE CAPITAL ASSETS

Tangible capital assets are assigned to the First Nation's segments in accordance with management's determination, as to the activities and services that will be facilitated as a result of ongoing ownership of the assets. The net book value of tangible capital assets assigned to each segment in as follows:

	2016	2015
Housing	\$ 1,679,514	\$ 1,934,810
Health	802,157	754,896
Gaming	197,310	252,054
Operations and Maintenance	3,176,828	3,652,906
	<u>\$ 5,855,809</u>	<u>\$ 6,594,666</u>

11. ACCUMULATED SURPLUS

	2016	2015
Invested in Capital Assets	\$ 3,860,398	\$ 4,337,650
Ottawa Trust	627	165
CMHC Reserves	664,741	780,155
Accumulated Deficit from Operations	(1,193,860)	(1,622,501)
	<u>\$ 3,331,906</u>	<u>\$ 3,495,469</u>

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

12. AANDC REVENUE

AANDC revenue recorded on the financial statements in the year ended March 31, 2016 and in the year ended March 31, 2015 agrees to the amounts stated on the year end AANDC funding confirmation.

13. FNIH REVENUE

FNIH revenue recorded on the financial statements in the year ended March 31, 2016 and in the year ended March 31, 2015 agrees to the amounts stated on the year end FNIH funding confirmation.

14. PROVISION FOR SITE REHABILITATION

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year end, the extent to which the First Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these financial statements.

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

15. EXPENSES BY OBJECT

	2016	2015 (restated)
Amortization	\$ 866,875	\$ 786,108
Bad Debts	-	73,038
Band Member Support	57,545	-
Bank Charges and Interest	28,985	12,592
Community Activities	214,557	130,585
Confectionary Costs	318,644	256,179
Consultants and Contractors	-	36,633
Honorariums	130,648	91,414
Insurance	168,257	155,325
Interest on Long Term Debt	44,526	67,299
Other	61,399	27,612
Professional Fees	213,823	562,217
Rent	34,000	-
Repairs and Maintenance	316,663	345,511
Salaries and Benefits	1,613,473	1,734,259
Social Assistance	1,082,713	1,058,199
Supplies	95,668	168,819
Telephone	71,887	40,393
Travel	301,673	288,564
Tuition	1,095,039	1,427,732
Utilities	88,725	79,135
Workshops and Training	62,396	94,739
	\$ 6,867,496	\$ 7,436,353

16. ECONOMIC DEPENDENCE

The First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada ("AANDC") and First Nations and Inuit Health ("FNIH") as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC and FNIH under the terms and conditions of the Indian Act. The ability of the First Nations to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

17. DEFINED CONTRIBUTION PENSION PLAN

The First Nation has a defined contribution pension plan covering all full-time employees in the Governance/Administration and Education segments. The First Nation remits monthly contributions to the administrator of the plan and remittances were current at year end.

CANUPAWAKPA DAKOTA NATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

18. RESTATEMENT OF PRIOR YEARS FIGURES

The comparative figures for 2014-15 have been restated to eliminate opening balances from a First Nation controlled entity whose transactions for that period were not reported in the consolidated financial statements. The elimination of these balances caused financial assets to decrease by \$99,069, liabilities to decrease by \$159,813, non-financial assets to decrease by \$1,062,728, and expenses to decrease by \$48,306.

19. PRIOR PERIOD ADJUSTMENT

Prior year's funding amounting to \$32,856 was clawed back by AANDC during 2015-16.

20. COMPARATIVE FIGURES

The comparative figures disclosed in these consolidated financial statements were audited by another firm of Chartered Professional Accountants. Certain prior year figures have been reclassified to conform to the current year presentation.

21. BUDGET INFORMATION

The budget figures are generally presented as supplementary information to the financial statements and have not been audited. The First Nation did not make their budget information available for presentation.

CANUPAWAKPA DAKOTA NATION

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2016

	Land	Buildings	Vehicles	VLTs	Equipment	Telecom Equipment	Housing	Land Improvements	Roads	2016	2015
COST											
Balance, Beginning of Year	\$ 225,586	\$ 2,321,686	\$ 658,069	\$ 404,939	\$ 380,575	\$ 82,264	\$ 10,606,911	\$ 1,642,062	\$ 98,845	\$ 16,422,937	\$ 16,357,778
Acquisitions	-	-	124,444	-	3,300	-	-	-	-	127,744	65,159
Disposals & Write Downs	-	-	-	-	-	-	-	-	-	-	-
Balance, End of Year	225,586	2,321,686	782,513	404,939	383,875	82,264	10,606,911	1,642,062	98,845	16,550,681	16,422,937
ACCUMULATED AMORTIZATION											
Balance, Beginning of Year	-	1,316,394	447,828	152,884	195,351	18,700	7,390,072	235,384	71,658	9,828,271	9,042,163
Amortization	-	139,107	139,858	57,848	25,568	9,350	438,829	54,105	1,936	866,601	786,108
Disposals & Write Downs	-	-	-	-	-	-	-	-	-	-	-
Balance, End of Year	-	1,455,501	587,686	210,732	220,919	28,050	7,828,901	289,489	73,594	10,694,872	9,828,271
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 225,586	\$ 866,185	\$ 194,827	\$ 194,207	\$ 162,956	\$ 54,214	\$ 2,780,010	\$ 1,352,573	\$ 25,251	\$ 5,855,809	\$ 6,594,666
2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 225,586	\$ 1,005,292	\$ 210,741	\$ 252,055	\$ 185,224	\$ 63,564	\$ 3,218,839	\$ 1,406,578	\$ 27,187		

CANUPAWAKPA DAKOTA NATION

SCHEDULE 2 - CONSOLIDATED SUMMARY SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2016

	Schedule #	AANDC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Transfers	2016	2015
Governance and Administration	2	\$ 308,754	\$ 243,283	\$ -	\$ 552,037	\$ (678,870)	\$ -	\$ (126,833)	\$ (436,449)
Social Assistance	3	1,166,592	-	-	1,166,592	(1,163,859)	-	2,733	(190)
Health	4	-	1,073,952	-	1,073,952	(988,005)	-	85,947	(19,425)
Housing	5	-	484,555	-	484,555	(391,250)	-	93,305	39,896
Economic Development	6	59,288	-	-	59,288	(485)	-	58,803	(42,377)
Education	7	1,875,852	134,478	(134,478)	1,875,852	(1,693,110)	-	182,742	(194,017)
Operations and Maintenance	8	368,706	28,169	(36,917)	359,958	(942,490)	-	(582,532)	(317,083)
Ottawa Trust	9	-	36	-	36	-	-	36	-
Training and Other	10	-	1,098,807	-	1,098,807	(1,009,427)	-	89,380	318,090
		\$ 3,779,192	\$ 3,063,280	\$ (171,395)	\$ 6,671,077	\$ (6,867,496)	\$ -	\$ (196,419)	\$ (651,555)

CANUPAWAKPA DAKOTA NATION

SCHEDULE 3 - GOVERNANCE AND ADMINISTRATION

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ -	\$ 308,754	\$ 302,187
AANDC Recoveries	-	(32,214)	-
Administrative Fees	-	17,000	-
Other	-	22,368	-
Province of Manitoba	-	156,773	-
Rent	-	79,356	-
	-	552,037	302,187
EXPENSES			
Bad Debts	-	-	73,038
Band Member Support	-	660	-
Bank Charges and Interest	-	18,156	10,353
Chief and Council Honoraria	-	130,648	91,414
Community Events	-	-	1,518
Election	-	5,000	-
Interest on Long-Term Debt	-	-	2,322
Insurance	-	13,927	-
Office	-	34,135	-
Other Program Expenses	-	50,404	-
Professional Fees	-	176,234	255,719
Repairs and Maintenance	-	-	22,573
Salaries and Benefits	-	145,019	184,917
Supplies	-	-	13,696
Telephone	-	48,070	25,347
Training	-	4,553	2,346
Travel	-	30,121	52,372
Utilities	-	21,943	3,021
	-	678,870	738,636
ANNUAL DEFICIT BEFORE TRANSFERS	-	(126,833)	(436,449)
TRANSFERS	-	-	-
ANNUAL DEFICIT	\$ -	\$ (126,833)	\$ (436,449)

CANUPAWAKPA DAKOTA NATION

SCHEDULE 4 - SOCIAL ASSISTANCE

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ -	\$ 1,166,592	\$ 1,142,235
Revenue Deferred in Prior Year - Note 7	-	-	3,797
Interest	-	-	2
	-	1,166,592	1,146,034
EXPENSES			
Bank Charges and Interest	-	1,680	1,166
Basic Needs	-	1,052,724	1,058,199
Community Activities	-	7,471	-
Office	-	4,694	3,667
Salaries and Benefits	-	59,499	74,901
Special Needs	-	29,989	-
Training	-	1,400	-
Travel	-	6,402	8,291
	-	1,163,859	1,146,224
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	2,733	(190)
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 2,733	\$ (190)

CANUPAWAKPA DAKOTA NATION

SCHEDULE 5 - HEALTH

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
First Nation and Inuit Health (FNIH)	\$ -	\$ 1,050,848	\$ 849,328
Other	-	23,104	28,829
	-	1,073,952	878,157
EXPENSES			
Amortization	-	77,178	67,420
Auto	-	38,484	-
Bank Charges and Interest	-	884	-
Community Events	-	142,675	77,628
Insurance	-	13,430	-
Office	-	12,592	9,365
Professional Fees	-	18,256	-
Repairs and Maintenance	-	8,717	21,930
Salaries and Benefits	-	554,975	525,190
Supplies	-	933	66,273
Telephone	-	10,557	1,223
Training	-	10,814	22,820
Travel	-	93,528	105,325
Utilities	-	4,982	408
	-	988,005	897,582
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	85,947	(19,425)
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 85,947	\$ (19,425)

CANUPAWAKPA DAKOTA NATION

SCHEDULE 6 - HOUSING

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Canada Mortgage and Housing Corporation (CMHC)	\$ -	\$ 185,606	\$ 215,142
Shelter Allowance	-	196,049	199,776
Insurance Proceeds	-	102,900	-
Other	-	-	2,393
	-	484,555	417,311
EXPENSES			
Amortization	-	255,296	226,055
Bank Charges and Interest	-	32	-
Insurance	-	-	59,705
Interest on Long Term Debt	-	44,526	58,148
Office	-	100	-
Professional Fees	-	-	22,000
Repairs and Maintenance	-	36,829	11,507
Salaries and Benefits	-	31,045	-
Travel	-	3,293	-
Utilities	-	2,650	-
Replacement Reserve	-	17,479	-
	-	391,250	377,415
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	93,305	39,896
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 93,305	\$ 39,896

CANUPAWAKPA DAKOTA NATION

SCHEDULE 7 - ECONOMIC DEVELOPMENT

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ -	\$ 59,288	\$ 65,688
Revenue Deferred in Prior Year - Note 7	-	43,520	-
Revenue Deferred to Subsequent Year - Note 7	-	(43,520)	(43,520)
	-	59,288	22,168
EXPENSES			
Amortization	-	-	48,306
Office	-	185	-
Professional Fees	-	-	14,400
Salaries and Benefits	-	-	400
Travel	-	300	1,439
	-	485	64,545
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	58,803	(42,377)
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 58,803	\$ (42,377)

CANUPAWAKPA DAKOTA NATION

SCHEDULE 8 - EDUCATION

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ -	\$ 1,875,852	\$ 1,618,149
AANDC Recoveries	-	-	(1,000)
Other	-	-	753
Revenue Deferred in Prior Year - Note 7	-	134,478	239,478
Revenue Deferred to Subsequent Year - Note 7	-	(134,478)	(134,478)
	-	1,875,852	1,722,902
EXPENSES			
Community Events	-	-	4,488
Fuel	-	44,379	-
Insurance	-	11,449	7,502
Interest and Bank Charges	-	169	308
Office	-	6,820	-
Other	-	-	44
Professional Fees	-	10,778	9,608
Repairs and Maintenance	-	53,750	123,548
Salaries and Benefits	-	434,167	292,709
School Activities	-	5,738	-
Student Allowances	-	70,275	-
Supplies	-	5,989	11,184
Tuition	-	1,024,764	1,427,732
Telephone	-	7,003	1,333
Training	-	3,899	11,266
Travel	-	11,324	27,197
Utilities	-	2,606	-
	-	1,693,110	1,916,919
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	182,742	(194,017)
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 182,742	\$ (194,017)

CANUPAWAKPA DAKOTA NATION

SCHEDULE 9 - OPERATIONS AND MAINTENANCE

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ -	\$ 368,706	\$ 798,307
Rent	-	7,836	-
Other	-	20,333	-
Revenue Deferred to Subsequent Year-Note 7	-	(36,917)	-
	-	359,958	798,307
EXPENSES			
Amortization	-	476,356	386,479
Contracts	-	-	17,373
Dumping Fees	-	11,236	-
Freight and Delivery	-	2,850	-
Fuel	-	6,347	-
Insurance	-	129,451	88,118
Professional Fees	-	-	255,392
Office	-	49	-
Other	-	200	196
Repairs and Maintenance	-	182,918	84,115
Salaries and Benefits	-	96,304	192,648
Supplies	-	85	44,400
Telephone	-	1,052	7,808
Training	-	2,962	239
Travel	-	5,521	7,352
Utilities	-	27,159	31,270
	-	942,490	1,115,390
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	(582,532)	(317,083)
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (582,532)	\$ (317,083)

CANUPAWAKPA DAKOTA NATION

SCHEDULE 10 - OTTAWA TRUST

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
Interest	\$ -	\$ 36	\$ -

CANUPAWAKPA DAKOTA NATION

SCHEDULE 11 - TRAINING AND OTHER

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT) FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
REVENUE			
First People Development Inc.	\$ -	\$ 162,492	\$ 163,844
Province of Manitoba	-	-	174,326
VLT Proceeds	-	689,690	689,290
Canteen	-	242,314	245,478
Other	-	4,311	68,257
Rent	-	-	96,537
	-	1,098,807	1,437,732
EXPENSES			
Amortization	-	58,045	57,848
Advertising and Promotion	-	3,050	-
Automotive	-	19,217	-
Band Member Support	-	56,885	-
Canteen Purchases	-	240,224	255,211
Community Events	-	64,411	47,920
Interest and Bank Charges	-	8,064	570
Interest on Long Term Debt	-	-	6,829
MLC Commissions	-	78,420	-
Office	-	2,572	-
Other	-	2,745	18,203
Professional Fees	-	8,555	19,499
Rent	-	34,000	-
Repairs & Maintenance	-	5,734	86,699
Salaries and Benefits	-	292,464	463,493
Supplies	-	18,926	30,857
Telephone	-	5,205	3,423
Training	-	38,768	58,068
Travel	-	42,757	26,589
Utilities	-	29,385	44,433
	-	1,009,427	1,119,642
ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS	-	89,380	318,090
TRANSFERS	-	-	-
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 89,380	\$ 318,090