
CANUPAWAKPA DAKOTA NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

CANUPAWAKPA DAKOTA NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONSTATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONSSTATEMENT 2

STATEMENT OF CHANGES IN NET ASSETSSTATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWSSTATEMENT 4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Canupawakpa Dakota Nation are the responsibility of management and have been approved by the Chief and Council.

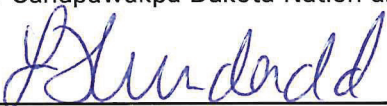
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and as such include amounts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

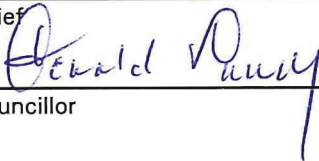
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council meets periodically with management, as well as 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 consolidated financial statements and the external auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Canupawakpa Dakota Nation and meet when required.



Chief


Councillor

Councillor

Councillor

Baker Tilly HMA LLP
701 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

T: 204.989.2229
TF: 1.866.730.4777
F: 204.944.9923

winnipeg@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Canupawakpa Dakota Nation

Opinion

We have audited the accompanying consolidated financial statements of Canupawakpa Dakota Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, consolidated statement of changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Canupawakpa Dakota Nation as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Canupawakpa Dakota 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Canupawakpa Dakota 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 Canupawakpa Dakota Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Canupawakpa Dakota Nation's financial reporting process.

(continued.....)

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Canupawakpa Dakota Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Canupawakpa Dakota Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Canupawakpa Dakota Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
March 7, 2023

CANUPAWAKPA DAKOTA NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

| | 2021 | 2020 |
|---------------------------------------------------|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash | \$ 2,253,273 | \$ 712,812 |
| Restricted cash (Note 2) | 16,198 | 12,406 |
| Accounts receivable (Note 3) | 776,142 | 926,781 |
| Inventory | <u>7,049</u> | <u>7,608</u> |
| Total financial assets | <u>3,052,662</u> | <u>1,659,607</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 4) | 642,663 | 1,037,907 |
| Deferred revenue (Note 5) | 432,932 | 1,128,834 |
| Long term debt (Note 6) | <u>1,695,116</u> | <u>1,775,955</u> |
| Total liabilities | <u>2,770,711</u> | <u>3,942,696</u> |
| Net assets (debt) | <u>281,951</u> | <u>(2,283,089)</u> |
| NON - FINANCIAL ASSETS | | |
| Tangible capital assets (Note 7) | <u>6,972,857</u> | <u>5,806,495</u> |
| Accumulated surplus | <u>\$ 7,254,808</u> | <u>\$ 3,523,406</u> |
| Contingent liabilities (Note 8) | | |

Approved on behalf of Council



Chief



Councillor

Councillor

Councillor

CANUPAWAKPA DAKOTA NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

| | BUDGET | 2 0 2 1 | 2 0 2 0 |
|-----------------------------------------------|---------------------|---------------------|---------------------|
| REVENUE | | | |
| Indigenous Services Canada | \$ 4,144,088 | \$ 7,270,700 | \$ 4,938,190 |
| First Nations and Inuit Health | 2,154,260 | 2,212,744 | 1,850,981 |
| Canada Mortgage and Housing Corporation | | 275,515 | 162,565 |
| Employment and Social Development Canada | 269,373 | 142,874 | 217,389 |
| First Nations Land Management | | 14,500 | 110,867 |
| Administration fees | 204,913 | 416,834 | 289,189 |
| Gaming revenue | 632,000 | 210,371 | 631,999 |
| Insurance proceeds | | 526,691 | |
| Other revenue | 107,911 | 755,346 | 433,150 |
| Rental income | 112,647 | 161,026 | 186,082 |
| Royalty income | 269,375 | 7,500 | 321,571 |
| Tobacco rebate revenue | 100,000 | 55,739 | 47,298 |
| Tribal Council contribution | 45,687 | 112,488 | 7,803 |
| Eliminations | - | (568,175) | (442,528) |
| | <u>8,040,254</u> | <u>11,594,153</u> | <u>8,754,556</u> |
| EXPENSES | | | |
| Governance and administration | 278,007 | 1,035,162 | 735,837 |
| Economic development | 16,600 | 141,915 | 124,351 |
| Social services | 1,080,104 | 1,677,382 | 1,017,039 |
| Employment, training and child care | 283,516 | 191,257 | 233,364 |
| Education | 1,717,783 | 1,138,300 | 1,954,815 |
| Health | 2,127,275 | 1,967,832 | 1,988,485 |
| Community services | 391,891 | 709,284 | 562,158 |
| Housing | 106,186 | 823,933 | 726,150 |
| Band based capital | 113,922 | 249,377 | 384,070 |
| Band funds | 642,400 | 496,484 | 1,381,921 |
| Eliminations | - | (568,175) | (442,528) |
| | <u>6,757,684</u> | <u>7,862,751</u> | <u>8,665,662</u> |
| ANNUAL SURPLUS | 1,282,570 | 3,731,402 | 88,894 |
| ACCUMULATED SURPLUS, <i>beginning of year</i> | <u>3,523,406</u> | <u>3,523,406</u> | <u>3,434,512</u> |
| ACCUMULATED SURPLUS, <i>end of year</i> | <u>\$ 4,805,976</u> | <u>\$ 7,254,808</u> | <u>\$ 3,523,406</u> |

CANUPAWAKPA DAKOTA NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

YEAR ENDED MARCH 31

| | BUDGET | 2 0 2 1 | 2 0 2 0 |
|-----------------------------------------|-----------------------|---------------------|-----------------------|
| Annual surplus | \$ <u>1,282,570</u> | \$ <u>3,731,402</u> | \$ <u>88,894</u> |
| Acquisition of tangible capital assets | | (2,007,662) | (1,096,699) |
| Amortization of tangible capital assets | <u>-</u> | <u>841,300</u> | <u>610,920</u> |
| | <u>-</u> | <u>(1,166,362)</u> | <u>(485,779)</u> |
| Use of prepaid assets | <u>-</u> | <u>-</u> | <u>5,756</u> |
| CHANGE IN NET ASSETS (DEBT) FOR YEAR | 1,282,570 | 2,565,040 | (391,129) |
| NET DEBT, <i>beginning of year</i> | <u>(2,283,089)</u> | <u>(2,283,089)</u> | <u>(1,891,960)</u> |
| NET ASSETS (DEBT), <i>end of year</i> | \$ <u>(1,000,519)</u> | \$ <u>281,951</u> | \$ <u>(2,283,089)</u> |

CANUPAWAKPA DAKOTA NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

| | 2021 | 2020 |
|---------------------------------------------------------------------|----------------------------|--------------------------|
| CASH FLOW FROM | | |
| <i>OPERATING ACTIVITIES</i> | | |
| Cash received from funding and other sources | \$ 11,048,890 | \$ 9,877,882 |
| Cash paid to suppliers and employees | (7,366,216) | (7,900,025) |
| Interest paid | (53,712) | (47,620) |
| | <u>3,628,962</u> | <u>1,930,237</u> |
| <i>CAPITAL ACTIVITIES</i> | | |
| Acquisition of tangible capital assets and construction in progress | (2,007,662) | (1,096,699) |
| <i>FINANCING ACTIVITIES</i> | | |
| Proceeds from long term debt | 263,329 | 97,020 |
| Repayment of long term debt | (344,168) | (360,828) |
| | (80,839) | (263,808) |
| NET INCREASE IN CASH DURING YEAR | 1,540,461 | 569,730 |
| CASH, <i>beginning of year</i> | <u>712,812</u> | <u>143,082</u> |
| CASH, <i>end of year</i> | \$ <u><u>2,253,273</u></u> | \$ <u><u>712,812</u></u> |
| CASH COMPRISED OF | | |
| Cash | \$ <u><u>2,253,273</u></u> | \$ <u><u>712,812</u></u> |

CANUPAWAKPA DAKOTA NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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 Canupawakpa Dakota Nation reporting entity includes the Canupawakpa Dakota Nation (the "Nation") government and all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

- Canupawakpa Dakota Nation Government
- Canupawakpa Dakota Nation CMHC Housing Authority
- Canupawakpa Dakota Nation Health Services
- Canupawakpa Dakota Nation Gaming
- Canupawakpa Dakota Nation Employment and Training
- Canupawakpa Housing Authority Inc.

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, construction in progress and prepaid expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

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.

NET ASSETS (DEBT)

The Nation's financial statements are presented so as to highlight net assets (debt) as the measurement of financial position. The net assets (debt) of the Nation is determined by its liabilities less its financial assets. Net assets (debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**TANGIBLE CAPITAL ASSETS*

Tangible capital assets are stated at cost and recorded in the capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

| | | |
|-------------------|--------|----------------------|
| Buildings | 4% | straight-line method |
| Vehicles | 20% | straight-line method |
| Equipment | 6.67% | straight-line method |
| Housing | 4% | straight-line method |
| Land Improvements | 2.5-4% | straight-line method |
| Roads | 2.5% | straight-line method |

Amortization is computed at one-half of the annual amortization in the year of acquisition.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods or services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

SEGMENTS

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

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.

FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise stated, it is management's opinion that the Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of the Nation's financial assets and liabilities approximates their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**FAIR VALUE*

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying value as presented in 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 period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

USE OF ESTIMATES

The preparation of 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 at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

2. RESTRICTED CASH

CMHC Replacement Reserve

As required as part of the Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, 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. At March 31, 2021, \$15,512 (2020 - \$11,727) had been deposited into separate accounts leaving an unfunded balance of \$314,085 (2020 - \$311,188).

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. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Council.

| | 2 0 2 1 | 2 0 2 0 |
|--------------------------|------------------|------------------|
| CMHC Replacement Reserve | \$ 15,512 | \$ 11,727 |
| Ottawa Trust Fund | <u>686</u> | <u>679</u> |
| | <u>\$ 16,198</u> | <u>\$ 12,406</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

3. ACCOUNTS RECEIVABLE

| | 2 0 2 1 | 2 0 2 0 |
|-------------------------------------------------------|------------|------------|
| Indigenous Services Canada | | |
| Basic Needs | \$ | \$ 21,203 |
| Community Buildings - Equipment Garage - ACRS Repairs | | 2,050 |
| Covid 19 ICSF3- Perimeter Security | 23,850 | |
| Education Innovation | | 5,685 |
| Financial Management - Capacity Development | | 15,000 |
| FN School Formula | 85,022 | 85,022 |
| Low Cost Special Education | | 1,606 |
| Provincial Private Student Support | 10,000 | 10,000 |
| Provincial Schools Direct Services | | 857 |
| Provincial Schools Targeted HCSE | 43,688 | 28,936 |
| Provincial School Tuition | 362,901 | 326,210 |
| Reno/Additions Education Facilities - ACRS Repairs | | 24,767 |
| Response - General Support | | 10,658 |
| Response - Household Cleaning Supplies | | 25,000 |
| Tuition | | 131,467 |
| Wastewater Systems - Septic Truck | | 106,084 |
| Water Systems - Restoration of Pipestone Creek | | 26,620 |
| Canada Mortgage and Housing Corporation | 145,373 | 10,914 |
| First Peoples Development Inc. | 54,858 | 29,386 |
| Rent receivable | 165,069 | 165,069 |
| Trade accounts receivable | 62,240 | 168,831 |
| Goods and Services Tax receivable | 21,802 | 14,751 |
| Subtotal | 974,803 | 1,210,116 |
| Less: Allowance for doubtful accounts | (198,661) | (283,335) |
| | \$ 776,142 | \$ 926,781 |

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2 0 2 1 | 2 0 2 0 |
|-----------------------------|------------|--------------|
| Indigenous Services Canada | | |
| Band employee benefits plan | \$ 6,643 | \$ 6,643 |
| Basic needs | 2,249 | 2,249 |
| Capacity development | 9,600 | 9,600 |
| Innovations | 74,615 | 74,615 |
| Accrued liabilities | 70,833 | 1,675 |
| Payroll liabilities | 99,942 | 26,225 |
| Trade accounts payables | 378,781 | 916,900 |
| | \$ 642,663 | \$ 1,037,907 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

5. DEFERRED REVENUE

| | 2 0 2 1 | 2 0 2 0 |
|---------------------------------------------|-------------------|---------------------|
| Indigenous Services Canada | | |
| Basic Admin - Capacity Development | \$ 1,282 | \$ 23,495 |
| BBC - ACRS Repairs | | 30,533 |
| Economic Development | | 32,302 |
| Financial Management - Capacity Development | 98,369 | 15,000 |
| HR Management - Capacity Development | 20,000 | |
| Housing Renovation | | 21,490 |
| New Housing Units | | 392,675 |
| Provincial School Accommodation | | 411,097 |
| Renos Education Facilities | | 24,767 |
| Water Systems | - | 26,620 |
| | <u>119,651</u> | <u>977,979</u> |
| First Nations and Inuit Health | | |
| CDE Response (COVID-19) | 228,110 | |
| Drinking Water | 5,272 | |
| Jordan's Principle | <u>33,933</u> | <u>42,998</u> |
| | <u>267,315</u> | <u>42,998</u> |
| Other Programs | | |
| Assembly of Manitoba Chiefs | | 40,237 |
| Employment and Social Development Canada | 3,604 | 21,933 |
| Southern Chief's Organization | <u>42,362</u> | <u>45,687</u> |
| | <u>45,966</u> | <u>107,857</u> |
| | <u>\$ 432,932</u> | <u>\$ 1,128,834</u> |

6. LONG TERM DEBT

| | 2 0 2 1 | 2 0 2 0 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| Peace Hills Trust mortgage, repayable in monthly installments of \$5,367 including interest at 3.75%, due April 2021, secured by Ministerial Guarantee and assignment of all risks insurance. | \$ 5,392 | \$ 68,515 |
| C.M.H.C. mortgage, repayable in monthly installments of \$3,210 including interest at 1.43%, due April 2022, secured by Ministerial Guarantee and assignment of all risks insurance. | 218,433 | 253,572 |
| C.M.H.C. mortgage, repayable in monthly installments of \$1,146 including interest at 0.96%, due March 2026, secured by Ministerial Guarantee and assignment of all risks insurance | 116,484 | 129,149 |
| C.M.H.C. mortgage, repayable in monthly installments of \$1,206 including interest at 1.21%, due May 2021, secured by Ministerial Guarantee and assignment of all risks insurance. | 136,266 | 149,014 |
| C.M.H.C. mortgage, repayable in monthly installments of \$1,330 including interest at 2.13%, due October 2022, secured by Ministerial Guarantee and assignment of all risks insurance. | 160,680 | 173,100 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

6. LONG TERM DEBT *(continued)*

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| C.M.H.C. mortgage, repayable in monthly installments of \$1,243 including interest at 2.68%, due October 2023, secured by Ministerial Guarantee and assignment of all risks insurance. | 158,460 | 169,014 |
| C.M.H.C. mortgage, repayable in monthly installments of \$669 including interest at 2.22%, due January 2024, secured by Ministerial Guarantee and assignment of all risks insurance. | 88,150 | 94,166 |
| C.M.H.C. mortgage, repayable in monthly installments of \$1,407 including interest at 0.68%, due August 2025, secured by Ministerial Guarantee and assignment of all risks insurance. | 379,745 | |
| Peace Hills Trust loan, repayable in monthly installments of \$5,576 including interest at 8.00%, due April 2023, secured by Ministerial Guarantee and assignment of all risks insurance. | 126,291 | 180,713 |
| Peace Hills Trust loan, repayable in monthly installments of \$1,099 including interest at 8.00%, due July 2020, secured by Ministerial Guarantee and assignment of all risks insurance. | | 4,265 |
| Peace Hills Trust loan, repayable in annual installments of \$54,000 plus monthly interest payments at 5.50%, due April 2022, secured by Ministerial Guarantee and assignment of all risks insurance. | 107,735 | 161,735 |
| Peace Hills Trust loan, repayable in monthly installments of \$4,393 including interest at 5.50%, due April 2022, secured by Ministerial Guarantee and assignment of all risks insurance. | 55,480 | 103,692 |
| Peace Hills Trust loan, repayable in annual installments of \$50,000 plus monthly interest payments at 8.00%, due May 2023, secured by Ministerial Guarantee and assignment of all risks insurance.. | 142,000 | 192,000 |
| C.M.H.C. mortgage advances to be converted to long term debt upon completion of Post-96 housing project. | - | 97,020 |
| | <u>\$ 1,695,116</u> | <u>\$ 1,775,955</u> |

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

| | |
|----------------|------------|
| March 31, 2022 | \$ 324,426 |
| 2023 | 278,861 |
| 2024 | 153,882 |
| 2025 | 110,018 |
| 2026 | 111,697 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

7. TANGIBLE CAPITAL ASSETS

| | Cost | | | Accumulated Amortization | | | Net Book Value | |
|-------------------|----------------------|---------------------|----------------------|--------------------------|-------------------|----------------------|---------------------|---------------------|
| | Opening Balance | Additions | Closing Balance | Opening Balance | Amortization | Closing Balance | Total 2021 | Total 2020 |
| Buildings | \$ 14,485,934 | \$ 1,704,575 | \$ 16,190,509 | \$ 11,027,080 | \$ 433,132 | \$ 11,460,212 | \$ 4,730,297 | \$ 3,458,854 |
| Computers | 160,962 | | 160,962 | 118,047 | 14,305 | 132,352 | 28,610 | 42,915 |
| Equipment | 1,217,716 | 12,100 | 1,229,816 | 541,915 | 233,319 | 775,234 | 454,582 | 675,801 |
| Land | 225,586 | | 225,586 | | | | 225,586 | 225,586 |
| Land improvements | 1,642,062 | | 1,642,062 | 446,645 | 39,289 | 485,934 | 1,156,128 | 1,195,417 |
| Roads | 98,845 | | 98,845 | 83,480 | 2,471 | 85,951 | 12,894 | 15,365 |
| Vehicles | 1,377,614 | 290,987 | 1,668,601 | 1,185,057 | 118,784 | 1,303,841 | 364,760 | 192,557 |
| | <u>\$ 19,208,719</u> | <u>\$ 2,007,662</u> | <u>\$ 21,216,381</u> | <u>\$ 13,402,224</u> | <u>\$ 841,300</u> | <u>\$ 14,243,524</u> | <u>\$ 6,972,857</u> | <u>\$ 5,806,495</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2021**

8. CONTINGENT LIABILITIES

The Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. If any amounts become repayable, they will be accounted for in the year of determination.

9. 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 postclosure care considering current technology, the length of the post-closure care 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 Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

10. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

11. RELATED PARTY TRANSACTIONS

In the normal course of business the 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 Nation and related parties aggregate revenue and expenditures derived from related parties is not determinable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

12. RECONCILIATION OF I.S.C. AND F.N.I.H. REVENUE

| | 2 0 2 1 | 2 0 2 0 |
|-----------------------------------------------------------|---------------------|---------------------|
| Arrangement: I.S.C. #1617-MB-000010 | \$ 6,412,372 | \$ 5,838,730 |
| F.N.I.H. #1920-MB-000030 | 2,437,061 | 1,893,979 |
| Plus: I.S.C. revenue deferred from previous years | 977,979 | 77,595 |
| F.N.I.H. revenue deferred from previous years | 42,998 | |
| Less: I.S.C. revenue deferred to subsequent year | (119,651) | (977,979) |
| F.N.I.H. revenue deferred to subsequent year | (267,315) | (42,998) |
| Recovery of I.S.C. - Skills Link | - | (156) |
| TOTAL I.S.C. AND F.N.I.H REVENUE PER FINANCIAL STATEMENTS | \$ <u>9,483,444</u> | \$ <u>6,789,171</u> |

REVENUE PER STATEMENT OF OPERATIONS (Statement 2)

| | | |
|--------------------------------|---------------------|---------------------|
| Indigenous Services Canada | \$ 7,270,700 | \$ 4,938,190 |
| First Nations and Inuit Health | <u>2,212,744</u> | <u>1,850,981</u> |
| | \$ <u>9,483,444</u> | \$ <u>6,789,171</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

13. EXPENSES BY OBJECT

The following is a summary of expenses by object:

| | 2 0 2 1 | 2 0 2 0 |
|-----------------------------------------|---------------------|---------------------|
| Administration | \$ 430,122 | \$ 344,923 |
| Amortization of capital assets | 841,300 | 610,920 |
| Bad debts (recovery) | 45,577 | 5,395 |
| Community initiatives and contributions | 767,481 | 636,726 |
| Enbridge expenses | 8,711 | 602,759 |
| Equipment | 23,333 | |
| Flood | | 15,740 |
| Insurance | 192,671 | 145,442 |
| Interest | 53,712 | 47,620 |
| Office | 135,134 | 228,332 |
| Fuel and oil | 74,271 | 107,531 |
| Other | 514,201 | 248,800 |
| Professional fees | 373,149 | 216,115 |
| Program costs | 28,065 | 99,255 |
| Rent | 1,440 | 12,588 |
| Repairs and maintenance | 549,360 | 525,098 |
| Salaries and benefits | 2,347,598 | 2,426,269 |
| Social assistance | 848,270 | 688,383 |
| Student support | 417,950 | 1,313,590 |
| Supplies | 271,622 | 129,879 |
| Telephone | 87,205 | 71,071 |
| Training | 57,778 | 86,661 |
| Travel | 133,316 | 272,380 |
| Utilities | 228,660 | 272,713 |
| Eliminations | (568,175) | (442,528) |
| | <u>\$ 7,862,751</u> | <u>\$ 8,665,662</u> |

14. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in economic downturn. This outbreak may also cause staff shortages, reduced demand, increased government regulations or interventions, all of which may negatively impact the financial condition or results of operations of the Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

15. BUDGET INFORMATION

The budget figures are generally presented as supplementary information to the financial statements and are not audited. The disclosed budget information has been approved by the Chief and Council of Canupawakpa Dakota Nation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

16. SEGMENT DISCLOSURE

Canupawakpa Dakota Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

| | Governance and Administration | | Economic Development | | Social Services | | Employment, Training and Child Care | |
|-----------------------|----------------------------------|------------|----------------------|-------------|-----------------|--------------|----------------------------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | | | | |
| Federal Government | | | | | | | | |
| ISC | \$ 528,527 | \$ 466,523 | \$ 141,915 | \$ 26,986 | \$ 1,776,430 | \$ 1,101,887 | \$ 28,647 | \$ 15,244 |
| CMHC | | | | | | | | |
| ESDC | | | | | | | 142,874 | 217,389 |
| Other | - | - | - | - | - | - | - | - |
| Subtotal | 528,527 | 466,523 | 141,915 | 26,986 | 1,776,430 | 1,101,887 | 171,521 | 232,633 |
| Other revenue | 489,134 | 369,966 | - | - | 44,834 | - | - | 731 |
| Total revenue | 1,017,661 | 836,489 | 141,915 | 26,986 | 1,821,264 | 1,101,887 | 171,521 | 233,364 |
| Expenses | | | | | | | | |
| Amortization | 358,588 | 197,870 | | | | | | |
| Debt servicing | 10,081 | 766 | | | | | | |
| Other | 339,925 | 283,710 | 102,162 | 124,371 | 1,503,372 | 935,571 | 79,220 | 112,875 |
| Salaries and benefits | 326,568 | 253,491 | 39,753 | (20) | 174,010 | 81,468 | 112,037 | 120,489 |
| Total expenses | 1,035,162 | 735,837 | 141,915 | 124,351 | 1,677,382 | 1,017,039 | 191,257 | 233,364 |
| Surplus (Deficit) | \$ (17,501) | \$ 100,652 | \$ - | \$ (97,365) | \$ 143,882 | \$ 84,848 | \$ (19,736) | \$ - |

CANUPAWAKPA DAKOTA NATION

PAGE 12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

16. SEGMENT DISCLOSURE *(continued)*

| | Education | | Health | | Community Services | | Housing | |
|-----------------------|---------------------|------------------|-------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Revenues | | | | | | | | |
| Federal Government | | | | | | | | |
| ISC | \$ 2,328,071 | \$ 2,008,245 | \$ | \$ | \$ 562,946 | \$ 366,898 | \$ | \$ |
| FNIH | | | 2,212,744 | 1,850,981 | | | | |
| CMHC | | | | | | | 275,515 | 162,565 |
| ESDC | | | | | | | | |
| Other | - | - | - | - | 14,500 | 110,867 | - | - |
| Subtotal | 2,328,071 | 2,008,245 | 2,212,744 | 1,850,981 | 577,446 | 477,765 | 275,515 | 162,565 |
| Other revenue | 5,082 | - | 186,809 | 29,738 | 41,922 | 49,895 | 207,790 | 207,519 |
| Total revenue | <u>2,333,153</u> | <u>2,008,245</u> | <u>2,399,553</u> | <u>1,880,719</u> | <u>619,368</u> | <u>527,660</u> | <u>483,305</u> | <u>370,084</u> |
| Expenses | | | | | | | | |
| Amortization | | | 89,542 | 67,769 | | | 392,465 | 345,060 |
| Debt servicing | 6,901 | 7,098 | | | 18,007 | 18,120 | 18,723 | 21,636 |
| Other | 857,765 | 1,463,038 | 963,538 | 963,761 | 484,885 | 340,641 | 361,898 | 277,844 |
| Salaries and benefits | 273,634 | 484,679 | 914,752 | 956,955 | 206,392 | 203,397 | 50,847 | 81,610 |
| Total expenses | <u>1,138,300</u> | <u>1,954,815</u> | <u>1,967,832</u> | <u>1,988,485</u> | <u>709,284</u> | <u>562,158</u> | <u>823,933</u> | <u>726,150</u> |
| Surplus (Deficit) | \$ <u>1,194,853</u> | \$ <u>53,430</u> | \$ <u>431,721</u> | \$ <u>(107,766)</u> | \$ <u>(89,916)</u> | \$ <u>(34,498)</u> | \$ <u>(340,628)</u> | \$ <u>(356,066)</u> |

CANUPAWAKPA DAKOTA NATION

PAGE 13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

16. SEGMENT DISCLOSURE *(continued)*

| | Band Based Capital | | Band Funds | | Elimination | | TOTAL | |
|-----------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Revenues | | | | | | | | |
| Federal Government | | | | | | | | |
| ISC | \$ 1,904,164 | \$ 952,407 | \$ | \$ | \$ | \$ | \$ 7,270,700 | \$ 4,938,190 |
| FNIH | | | | | | | 2,212,744 | 1,850,981 |
| CMHC | | | | | | | 275,515 | 162,565 |
| ESDC | | | | | | | 142,874 | 217,389 |
| Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>14,500</u> | <u>110,867</u> |
| Subtotal | 1,904,164 | 952,407 | | | | | 9,916,333 | 7,279,992 |
| Other revenue | <u>-</u> | <u>-</u> | <u>1,270,424</u> | <u>1,259,243</u> | <u>(568,175)</u> | <u>(442,528)</u> | <u>1,677,820</u> | <u>1,474,564</u> |
| Total revenue | <u>1,904,164</u> | <u>952,407</u> | <u>1,270,424</u> | <u>1,259,243</u> | <u>(568,175)</u> | <u>(442,528)</u> | <u>11,594,153</u> | <u>8,754,556</u> |
| Expenses | | | | | | | | |
| Amortization | | | 705 | 221 | | | 841,300 | 610,920 |
| Debt servicing | | | | | | | 53,712 | 47,620 |
| Other | 231,906 | 384,070 | 263,645 | 1,137,500 | (568,175) | (442,528) | 4,620,141 | 5,580,853 |
| Salaries and benefits | <u>17,471</u> | <u>-</u> | <u>232,134</u> | <u>244,200</u> | <u>-</u> | <u>-</u> | <u>2,347,598</u> | <u>2,426,269</u> |
| Total expenses | <u>249,377</u> | <u>384,070</u> | <u>496,484</u> | <u>1,381,921</u> | <u>(568,175)</u> | <u>(442,528)</u> | <u>7,862,751</u> | <u>8,665,662</u> |
| Surplus (Deficit) | \$ <u>1,654,787</u> | \$ <u>568,337</u> | \$ <u>773,940</u> | \$ <u>(122,678)</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>3,731,402</u> | \$ <u>88,894</u> |