

**SIOUX VALLEY DAKOTA NATION**

**INDEPENDENT AUDITOR'S REPORT  
AND AMENDED FINANCIAL STATEMENTS**

**for the year ended March 31, 2014**

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**SIoux VALLEY DAKOTA NATION**

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## **Management's Responsibility for the Consolidated Financial Statements**

To the Members of Sioux Valley Dakota Nation:

The accompanying consolidated financial statements of Sioux Valley Dakota Nation are the responsibility of management and have been approved by the 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 Accountants and as such include amounts that are the best estimates and judgments of management.

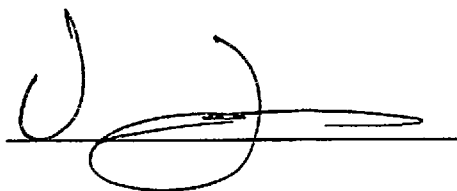
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The 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 auditor's report.

The external auditors, Lorne Horning CA PC Inc., 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 the financial management of Sioux Valley Dakota Nation and meet when required.

On behalf of Sioux Valley Dakota Nation:



2911A CLEVELAND AVENUE  
SASKATOON, SASK  
S7K 8A9  
Phone (306) 931-2131  
Fax (306) 931-2323

INDEPENDENT AUDITOR'S REPORT

To the Members of the  
**Sioux Valley Dakota Nation**

I have audited the accompanying amended consolidated financial statements of Sioux Valley Dakota Nation which comprise of the consolidated amended statement of financial position as of March 31, 2014 and the consolidated amended statements of changes in net financial assets, operations, surplus, moveable asset reserve, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility of 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.

*Independent Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



# LORNE HORNING CHARTERED ACCOUNTANT

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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

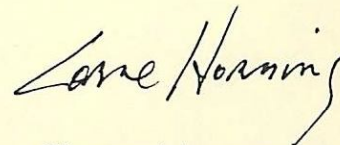
## *Opinion*

In my opinion, the consolidated amended financial statements present fairly, in all material aspects, the financial position of Sioux Valley Dakota Nation as at March 31, 2014, and the results of its operation and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The supplementary information contained in the accompanying schedules is presented for purposes of additional information to the membership and Aboriginal Affairs and Northern Development Canada and does not form part of the consolidated financial statements. The schedules have not been audited other than in the course of my audit of the financial statements to the extent necessary to allow me to render an opinion thereon.

This financial statement replaces the statement issued on October 10, 2014. The financial statement was amended to reflect a change in accounting policy – see note 16 to the financial statements.

Saskatoon, Saskatchewan  
December 12, 2014

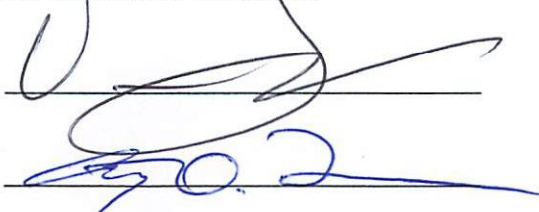
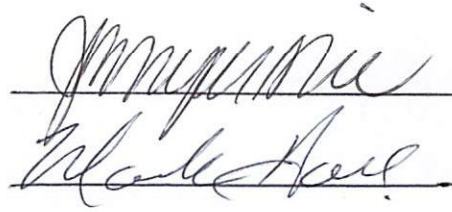


Chartered Accountant.

SIoux VALLEY DAKOTA NATIONAMENDED STATEMENT OF FINANCIAL POSITION  
as at March 31, 2014

	<u>2014</u> (as restated)	<u>2013</u> (as restated)
<u>FINANCIAL ASSETS</u>		
Term deposit	\$ 32,425	\$ 20,000
Marketable securities (Note 2)	177,160	128,288
Accounts receivable (Note 3)	267,165	1,535,477
Notes receivable (Note 4)	670,000	780,000
Trust funds (Note 5)	5,546	5,176
Investments (Note 6)	1,924,862	1,901,806
Advances receivable (Note 7)	251,153	169,832
Employee advances (Note 8)	<u>113,892</u>	<u>104,818</u>
	<u>3,442,203</u>	<u>4,645,397</u>
<u>FINANCIAL LIABILITIES</u>		
Bank indebtedness	63,192	164,851
Accounts payable (Note 9)	2,703,583	2,835,874
Revenue refund payable (Note 10)	209,297	217,065
Unexpended revenue (Note 11)	1,085,357	1,458,369
Term debt (Note 12 & 13)	5,149,929	6,033,883
Moveable asset reserve (Note 11)	<u>84,509</u>	<u>74,281</u>
	<u>9,295,867</u>	<u>10,784,323</u>
 NET FINANCIAL ASSETS	 ( <u>5,853,664</u> )	 ( <u>6,138,926</u> )
 <u>NON-FINANCIAL ASSETS</u>		
Tangible capital assets (Note 14)	19,662,649	20,773,751
Prepaid expenses	<u>109,955</u>	<u>10,350</u>
	<u>19,772,604</u>	<u>20,784,101</u>
 SURPLUS	 \$ <u>13,918,940</u>	 \$ <u>14,645,175</u>

APPROVED BY COUNCIL:



SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED DECEMBER 12, 2014

**SIOUX VALLEY DAKOTA NATION****AMENDED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
for the year ended March 31, 2014**

	<u>2014</u> (as restated)	<u>2013</u> (as restated)
SURPLUS (DEFICIT) FOR THE YEAR	\$ ( 527,588)	\$ 2,797,935
Receipt of deferred capital	551,577	110,029
Purchase of capital assets	( 1,012,421)	( 2,430,441)
Amortization of capital assets	957,114	850,888
Disposal of capital assets	395,223	-
Surplus adjustment	<u>20,962</u>	<u>-</u>
	384,867	1,328,411
Prepaid expenses	( <u>99,605</u> )	( <u>3,433</u> )
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	285,262	1,324,978
BALANCE, beginning of the year	( <u>6,138,926</u> )	( <u>7,463,904</u> )
BALANCE, end of the year	\$ ( <u>5,853,664</u> )	\$ ( <u>6,138,926</u> )

**SIOUX VALLEY DAKOTA NATION**

**AMENDED STATEMENT OF OPERATIONS**  
**for the year ended March 31, 2014**

	<u>Budget 2014</u>	<u>2014 (as restated)</u>	<u>2013 (as restated)</u>
REVENUE:			
Grants and Contributions:			
- AANDC	\$ 13,439,138	\$ 13,547,071	\$ 14,006,365
- Health Canada	2,717,545	2,717,545	2,008,879
- Canada Mortgage and Housing	-	777	-
- Government of Manitoba	-	45,490	-
- First Peoples Development	452,419	452,419	500,693
- Dakota Ojibway Tribal Council	-	-	4,394
Interest	300	323	1,190
Expense recoveries and other income	516,889	1,038,076	1,560,142
Rentals and user fees	231,630	198,517	280,683
Housing rentals and subsidy	1,524,674	1,500,636	1,166,545
Trust Fund interest	370	370	415
Care home fees	<u>295,500</u>	<u>312,189</u>	<u>271,019</u>
	19,178,465	19,813,413	19,800,325
UNEXPENDED REVENUE - prior year	1,120,196	1,532,470	708,059
- current year	<u>( 174,101)</u>	<u>( 1,169,686)</u>	<u>( 1,532,470)</u>
	20,124,560	20,176,197	18,975,914
EXPENSES	<u>19,386,344</u>	<u>20,775,713</u>	<u>18,506,788</u>
SURPLUS (DEFICIT) BEFORE THE UNDERNOTED	738,216	( 599,516)	469,126
Re-measurement gain (Note 2)	-	48,872	18,743
Receipt of distribution (Note 15)	-	-	2,282,400
Change in investment equity	<u>-</u>	<u>23,056</u>	<u>27,666</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ <u>738,216</u>	\$ ( <u>527,588</u> )	\$ <u>2,797,935</u>



**SIOUX VALLEY DAKOTA NATION****STATEMENT OF SURPLUS  
for the year ended March 31, 2014**

	<u>2014</u>	<u>2013</u>
<b><u>SURPLUS, DEFERRED CAPITAL FUNDING</u></b>		
BALANCE, beginning of the year	\$ 10,094,128	\$ 10,743,266
Plus: Receipt of government funding	551,577	110,029
Less: Amortization recorded	( <u>771,186</u> )	( <u>759,167</u> )
BALANCE, end of the year	\$ 9,874,519	\$ 10,094,128
	<u>                    </u>	<u>                    </u>
<b><u>SURPLUS, RE-MEASUREMENT GAIN</u></b>		
BALANCE, as previously reported	\$ -	\$ -
PRIOR PERIOD ADJUSTMENT		
- Record opening gain	<u>72,752</u>	<u>54,009</u>
BALANCE, as restated	72,752	54,009
RE-MEASUREMENT GAIN	<u>48,872</u>	<u>18,743</u>
BALANCE, end of the year	\$ 121,624	\$ 72,752
	<u>                    </u>	<u>                    </u>

SIoux VALLEY DAKOTA NATIONAMENDED STATEMENT OF SURPLUS  
for the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
<u>SURPLUS, UNAPPROPRIATED</u>		
BALANCE, as previously reported	\$ 4,890,569	\$ 2,807,516
PRIOR PERIOD ADJUSTMENTS		
- Record moveable assets reserve	-	( 64,351)
- Record corrections to CMHC Housing reserves	20,962	( 1,044,062)
- Change in accounting policy (Note 16)	( 433,236)	<u>-</u>
BALANCE, as restated	4,478,295	1,699,103
SURPLUS (DEFICIT) FOR THE YEAR	( 527,588)	2,797,935
ALLOCATE TO SURPLUS – RE-MEASUREMENT	( 48,872)	( 18,743)
BALANCE, end of the year	<u>\$ 3,901,835</u>	<u>\$ 4,478,295</u>

SIoux VALLEY DAKOTA NATIONSTATEMENT OF MOVEABLE ASSET RESERVEfor the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
BALANCE, beginning of the year	\$ 74,281	\$ 64,351
Plus: Amount provided in funding agreement	10,228	9,930
Less: Expenditures	<u>-</u>	<u>-</u>
BALANCE, end of the year	<u>\$ 84,509</u>	<u>\$ 74,281</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED DECEMBER 12, 2014

**SIoux VALLEY DAKOTA NATION****AMENDED STATEMENT OF CASH FLOWS  
for the year ended March 31, 2014**

	<u>2014</u> (as restated)	<u>2013</u> (as restated)
<b>OPERATIONS:</b>		
Surplus (deficit) for the year	\$ ( 527,588)	\$ 2,797,935
Plus: Amortization	957,114	850,888
Less: Adjustments	<u>20,962</u>	<u>-</u>
	450,488	3,648,823
<b>Changes in non-cash Working Capital items:</b>		
Accounts receivable	1,268,312	( 786,351)
Employee advances	( 9,074)	( 104,818)
Prepaid expenses	( 99,605)	( 3,433)
Accounts payable	( 140,059)	( 924,268)
Unexpended revenue	( 373,012)	814,481
Moveable asset reserve	<u>10,228</u>	<u>9,930</u>
	<u>1,107,278</u>	<u>2,654,364</u>
<b>INVESTING ACTIVITIES:</b>		
Capital asset sale	395,223	-
Marketable securities	( 48,872)	( 18,743)
Advances to related entities	( 81,321)	( 169,832)
Receipt of notes receivable	110,000	110,000
Capital asset additions	( 1,012,421)	( 2,430,441)
Trust fund increase	( 370)	( 415)
Investment equity increase	<u>( 23,056)</u>	<u>( 27,666)</u>
	<u>( 660,817)</u>	<u>( 2,537,097)</u>
<b>FINANCING ACTIVITIES:</b>		
Receipt of deferred capital funding	551,577	110,029
Repayment of term debt	<u>( 883,954)</u>	<u>( 849,713)</u>
	<u>( 332,377)</u>	<u>( 739,684)</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	114,084	( 622,417)
<b>CASH RESOURCES, beginning of the year</b>	( <u>144,851</u> )	<u>477,566</u>
<b>CASH RESOURCES, end of the year</b>	\$ ( <u>30,767</u> )	\$ ( <u>144,851</u> )

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED DECEMBER 12, 2014



**SIOUX VALLEY DAKOTA NATION**

**STATEMENT OF REVENUE AND EXPENSES BY ACTIVITY**  
**for the year ended March 31, 2014**

	<u>Sch</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue Adjust</u>	<u>Surplus (Deficit)</u>
<b>EDUCATION:</b>					
Instruction	1	\$ 1,248,624	1,251,532	-	\$ ( 2,908)
Instruction support	1A	8,607	1,275	-	7,332
Band Operated	2	426,421	426,421	-	-
Ancillary	2A	2,610	2,610	-	-
Low Cost	3	175,230	175,230	-	-
Skills Link - Skills	3A	15,953	15,953	-	-
Skills Link -- Info	3A	27,203	27,203	-	-
Guidance	4	116,391	116,391	-	-
Enhanced	4A	50,295	50,295	-	-
Instruction admin	5	20,000	20,000	-	-
Tuition	5A	88,315	88,315	-	-
Transportation	6	431,482	296,464	( 135,018)	-
Headstart	6A	204,450	205,389	-	( 939)
New Paths	8	83,000	83,000	-	-
Benefits	8	87,300	87,300	-	-
Post Secondary	9	<u>1,050,921</u>	<u>867,774</u>	<u>( 183,147)</u>	<u>-</u>
		<u>4,036,802</u>	<u>3,715,152</u>	<u>( 318,165)</u>	<u>3,485</u>
<b>SOCIAL SERVICES:</b>					
Basic Needs	10	3,127,019	3,627,668	239,948	( 260,701)
Special Needs	10	100,800	116,254	-	( 15,454)
Home Care	11	114,643	109,032	( 26,571)	( 20,960)
Family Violence	11A	<u>14,000</u>	<u>14,000</u>	<u>-</u>	<u>-</u>
		<u>3,356,462</u>	<u>3,866,954</u>	<u>213,377</u>	<u>( 297,115)</u>
<b>INFRASTRUCTURE:</b>					
School Maintenance	7	377,910	342,404	( 35,506)	-
Roads	12	137,779	160,042	-	( 22,263)
Special Services	12A	-	5,915	5,915	-
Fire	13	50,550	50,888	-	( 338)
Maintenance Mgt	13	26,000	26,634	-	( 634)
Water	14	116,300	116,348	48	-
Water Operations	14A	60,677	60,677	-	-
Community Buildings	15	37,928	38,909	-	( 981)
Sanitation	15A	16,993	16,993	-	-
Local Buildings	15B	85,927	120,336	-	( 34,409)
Sanitation	16	41,627	54,345	-	( 12,718)
Other Protection	16	45,000	45,000	-	-
Flood Relief	17	621,415	533,455	( 87,960)	-
WTP Upgrade	17A	21,321	24,190	-	( 2,869)
Flood Relief	18	-	194,322	194,322	-
Flood Relief	18A	<u>130,697</u>	<u>130,697</u>	<u>-</u>	<u>-</u>
		<u>1,770,124</u>	<u>1,921,155</u>	<u>76,819</u>	<u>( 74,212)</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED DECEMBER 12, 2014

**SIoux VALLEY DAKOTA NATION**

**STATEMENT OF REVENUE AND EXPENSES BY ACTIVITY**  
**for the year ended March 31, 2014**

	<u>Sch</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue Adjust</u>	<u>Surplus (Deficit)</u>
<b>BAND SUPPORT:</b>					
Administration	19	\$ 1,021,122	789,280	-	\$ 231,832
Service Delivery	20	82,378	88,619	-	( 6,241)
Capacity	20A	49,229	49,229	-	-
Benefits	21	45,488	46,238	-	( 750)
		<u>1,198,217</u>	<u>973,366</u>	<u>-</u>	<u>224,851</u>
<b>CAPITAL:</b>					
Education Building	21A	26,369	26,369	-	-
Education Repair	21A	12,000	13,195	-	( 1,195)
Major Repairs	22	100,000	121,013	-	( 21,013)
Public Works	22A	23,950	17,458	( 6,492)	-
Renovations	23	368,460	460,580	52,508	( 39,612)
Equipment	23A	215,000	215,000	-	-
Renovation Management	23B	40,377	52,817	-	( 12,440)
		<u>786,156</u>	<u>906,432</u>	<u>46,016</u>	<u>( 74,260)</u>
<b>HEALTH:</b>					
Brighter Futures	25	109,542	109,542	-	-
Adult Diabetes	25	50,743	50,743	-	-
Community Health	26	299,909	299,904	-	5
Facilities	26	99,684	124,175	-	( 24,491)
Transportation	27	231,945	250,753	-	( 18,808)
Pre Natal	27	15,365	15,365	-	-
Wellness	28	116,326	108,647	-	7,679
Foot Care	28	8,073	7,110	-	963
Mental Health	29	50,000	50,000	-	-
Addiction Services	30	143,158	137,965	-	5,193
MARR	30	10,228	-	( 10,228)	-
Accreditation	31	35,945	35,945	-	-
HIV/AIDS	31	10,069	10,069	-	-
Home Care	32	263,327	249,236	-	14,091
Drinking Water	32	16,640	16,640	-	-
Administration	33	438,272	441,189	-	( 2,917)
E Health	34	20,000	11,042	-	8,958
Health Centre Renov	44	726,904	561,950	( 164,954)	-
		<u>2,646,130</u>	<u>2,480,275</u>	<u>( 175,182)</u>	<u>( 9,327)</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED DECEMBER 12, 2014

**SIOUX VALLEY DAKOTA NATION**

**STATEMENT OF REVENUE AND EXPENSES BY ACTIVITY**  
**for the year ended March 31, 2014**

	<u>Sch</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue Adjust</u>	<u>Surplus (Deficit)</u>
<b>BAND PROGRMS:</b>					
Training	34	\$ 351,965	291,384	-	\$ 60,581
Summer Student	35	22,485	22,485	-	-
Ottawa Trust	35	370	-	-	370
Child Care	36	106,508	125,714	-	( 19,206)
Wicayuza	36	-	922	-	( 922)
Band Revenue	37	60,585	625,305	-	( 564,720)
Economic	38	133,057	133,123	-	( 66)
Communications	38A	71,651	61,840	-	9,811
Brandon School	39	-	12,785	-	( 12,785)
Flood Recovery	39	351,389	351,389	-	-
		<u>1,098,010</u>	<u>1,624,947</u>	<u>-</u>	<u>( 526,937)</u>
<b>GOVERNANCE:</b>					
Community	40	83,350	83,350	-	-
Self Government	41	922,000	925,051	-	( 3,051)
War of 1812	41	39,000	28,381	-	10,619
Inherent Right	42	300,000	302,115	-	( 2,115)
Ratification	42	24,130	29,094	-	( 4,964)
		<u>1,368,480</u>	<u>1,367,991</u>	<u>-</u>	<u>489</u>
<b>RESERVES AND TRUSTS:</b>					
Registry	43	<u>18,109</u>	<u>13,367</u>	<u>( 4,742)</u>	<u>-</u>
<b>APPROPRIATED:</b>					
Lodge Operations	46	312,189	57,729	-	254,460
Lodge Care	47	1,721,319	2,223,462	502,143	-
Lodge Capital	48	323	22,841	22,518	-
Social Housing	49	1,314,207	1,314,207	-	-
Gaming Commission	50	456	312	-	144
Off Reserve Rentals	51	186,429	287,523	-	( 101,094)
		<u>3,534,923</u>	<u>3,906,074</u>	<u>524,661</u>	<u>153,510</u>
		<u>\$ 19,813,413</u>	<u>20,775,713</u>	<u>362,784</u>	<u>\$ ( 599,516)</u>

SEE ACCOMPANYING NOTES SUBJECT TO  
INDEPENDENT AUDITOR'S REPORT DATED DECEMBER 12, 2014

## SIoux VALLEY DAKOTA NATION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2014

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

These summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

##### Reporting Entity and Principles of Financial Reporting

The Sioux Valley Dakota Nation reporting entity includes the Sioux Valley Dakota Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

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

- Sioux Valley Dakota Nation CMHC Housing Authority
- Sioux Valley Dakota Education Authority Inc.
- Sioux Valley Dakota Oyate Lodge
- Sioux Valley Gaming Commission
- Sioux Valley Housing Authority Inc.

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

##### Investments

Incorporated business entities, which are owned or controlled by the Sioux Valley Dakota Nation for their continuing operations, are included in the financial statements using the modified equity method.

Long term investments in non-controlled entities are recorded at the lower of cost or net realizable value.

##### Capital Assets

Property, equipment and infrastructure expenditures incurred are valued at acquisition cost.



**SIOUX VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended March 31, 2014**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**Amortization**

Capital assets recorded are amortized annually over their expected useful life using the straight line method at the following rates:

Buildings	50 to 75 years
General equipment	5 years
Vehicles and machinery	4 years
Trailers	10 years
Roads	25 years
Infrastructure	20 to 80 years
Houses	40 years

No amortization is recorded in the year of acquisition.

**Revenue Recognition**

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as unexpended revenue in the year of receipt.

**Comparative Figures**

Prior year's comparative amounts have been reclassified where necessary to conform to the current year's presentation.

**2. MARKETABLE SECURITIES:**

The Dakota Nation owns 4,628 shares of Sun Life Financial Inc. The shares were received when the company went public. The shares have been valued at the initial public offering price of \$12 per share. The market value of these shares are \$177,160 (2013 \$128,288).

**SIoux VALLEY DAKOTA NATION**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014

3. ACCOUNTS RECEIVABLE:

Accounts receivable include:

	<u>2014</u>	<u>2013</u>
<u>Band Operations</u>		
- AANDC	\$ 121,100	\$ 336,094
- First Peoples Devel	24,789	48,905
- Health Canada	13,281	63,004
- GST refunds	-	50,959
- Housing rentals	-	201,436
- Other amounts	33,115	82,186
<u>Education Authority</u>		
- AANDC	27,300	5,300
- Other amounts	-	4,249
<u>Oyate Lodge</u>		
- Clients	43,810	27,966
- AANDC	-	710,326
- GST refunds	3,770	2,644
<u>Housing Authority</u>		
- Rentals	<u>-</u>	<u>2,408</u>
	<u>\$ 267,165</u>	<u>\$ 1,535,477</u>

4. NOTES RECEIVABLE:

During the 2011 fiscal year the Dakota Nation sold the assets of two Band Enterprises to a company wholly owned by the Dakota Nation (see note 6). The notes are collectable on the following terms:

1) Gaming Center sale	
- receivable over 10 years at \$60,000 per year, payable on March 15, commencing on March 15, 2012.	\$ 420,000
2) Quick Stop sale	
- receivable over 8 years at \$50,000 per year, payable on March 15, commencing on March 15, 2012.	250,000
	<u>\$ 670,000</u>

**SIoux VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014**

**5. TRUST FUNDS:**

The Dakota Nation has the following trust funds held by Aboriginal Affairs:

	<u>Capital</u>	<u>Revenue</u>	<u>Total</u>
Balance, March 31, 2013	\$ 111	\$ 5,065	\$ 5,176
Plus: Interest and permits	<u>-</u>	<u>370</u>	<u>370</u>
Balance, March 31, 2014	<u>\$ 111</u>	<u>\$ 5,435</u>	<u>\$ 5,546</u>

**6. INVESTMENTS:**

The Dakota Nation has the following wholly owned investments:

	<u>2014</u>	<u>2013</u>
1) Sioux Valley Development Inc.		
Contributed capital	\$ 1,857,105	\$ 1,857,105
Retained earnings	31	30
2) Sioux Valley Holdings Inc.		
Retained earnings	68,406	43,671
3) 6559710 Manitoba Inc.		
Contributed capital	1	1
4) Sioux Valley Ventures Limited Partnership		
Partnership equity	<u>( 681)</u>	<u>999</u>
	<u>\$ 1,924,862</u>	<u>\$ 1,901,806</u>

Sioux Valley Development Inc. owns non-reserve land being held for commercial development.

Sioux Valley Holdings Inc. operates a gaming centre and gas bar – see note 4.

Sioux Valley Ventures Limited Partnership was formed to acquire property and develop a commercial centre on the property. 6559710 Manitoba Inc. is the general partner of the limited partnership.

**SIoux VALLEY DAKOTA NATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014****7. ADVANCES RECEIVABLE:**

The following advances have been made to related entities. The advances are unsecured, non-interest bearing and not subject to a fixed repayment schedule.

Sioux Valley Holdings Inc.	\$ 137,462
Sioux Valley Ventures Limited Partnership	<u>113,691</u>
	\$ <u>251,153</u>

**8. EMPLOYEE ADVANCES:**

Payroll advances and loans have been made to employees:

Reported balances	\$ 148,831
Less allowance for uncollectable amounts	( <u>34,939</u> )
	\$ <u>113,892</u>



**SIoux VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014**

**9. ACCOUNTS PAYABLE:**

Accounts payable include:

<u>Band Operations</u>	
- Trade creditors	\$ 604,297
- Employee source deductions	123,042
- Payroll	92,840
<u>Education Authority</u>	
- Trade creditors	93,395
- Employee source deductions	177,691
- Payroll	82,425
<u>CMHC Housing Authority</u>	
- Trade creditors	17,324
- Replacement/operating reserves	1,328,166
- Deferred revenue	83,933
<u>Oyate Lodge</u>	
- Trade creditors	30,478
- Payroll	53,333
<u>Housing Authority</u>	
- Trade creditors	10,883
- Security deposits	<u>5,776</u>
	<u>\$ 2,703,583</u>

**10. REVENUE REFUND PAYABLE:**

The Dakota Nation's funding agency is recovering unspent contributions from prior years by reducing current period funding. The following are the balance outstanding for each of the listed programs:

	<u>Balance Outstanding</u>	
	<u>2014</u>	<u>2013</u>
Education direct services	\$ 3,000	\$ -
New Paths	134,520	197,669
Basic Needs	<u>71,777</u>	<u>19,396</u>
	<u>\$ 209,297</u>	<u>\$ 217,065</u>

**SIOUX VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended March 31, 2014**

**11. UNEXPENDED REVENUE:**

The Dakota Nation has the following programs which had funding that was unspent at the year end:

	<u>Sch</u>	<u>2014</u>	<u>2013</u>
Student transportation	6	\$ 335,421	\$ 200,403
School maintenance	7	86,641	51,135
Post secondary	9	353,135	169,988
Basic Needs	10	( 76,450)	163,498
Home Care	11	26,571	-
Special services	12	-	5,915
Water	14	2,832	2,880
Flood Relief	17	17,405	( 70,555)
Flood Relief	18A	-	194,322
Capital public works	22A	6,492	-
Capital renovations	23	-	52,508
MARR	30	84,329	74,101
Registry	43	4,742	-
Health Centre Renovations	44	216,818	51,864
Oyate Lodge Institutional	47	-	502,143
Oyate Lodge Capital - Building	48	<u>111,750</u>	<u>134,268</u>
		<u>\$ 1,169,686</u>	<u>\$ 1,532,470</u>

**12. BANK LOANS:**

The Dakota Nation has the following term debt outstanding:

	<u>2014</u>	<u>2013</u>
Bank loan repayable at the rate of \$11,111 per month plus interest at the bank's prime rate plus 3.0%.	\$ 377,778	\$ 511,111
	<u>377,778</u>	<u>511,111</u>

The amount of debt repayable in subsequent years is estimated to be:

Year ended 2015	\$ 111,111
2016	111,111
2017	111,111
2018	<u>44,445</u>
	<u>\$ 377,778</u>

**SIoux VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014**

**13. RENTAL MORTGAGES:**

The Fund has the following mortgages outstanding:

	<u>2014</u>	<u>2013</u>
1) TD Canada Trust, mortgage repayable in monthly installments of \$7,040 including interest at 4.35% due in March 2014.	\$ 25	\$ 82,555
2) TD Canada Trust, mortgage repayable in monthly installments of \$8,874 including interest at 4.38% due in January 2015.	87,038	187,355
3) CMHC, mortgage repayable in monthly installments of \$9,264 including interest at 1.71% due in June 2017.	351,190	455,402
4) TD Canada Trust, mortgage repayable in monthly installments of \$11,370 including interest at 4.85% due in May 2016.	280,242	400,072
5) CMHC, mortgage repayable in monthly installments of \$3,825 including interest at 1.61% due in November 2017.	163,341	206,249
6) TD Canada Trust, mortgage repayable in monthly installments of \$5,540 including interest at 5.05% due in May 2014.	297,925	348,137
7) TD Canada Trust, mortgage repayable in monthly installments of \$2,216 including interest at 4.37% due in September 2015.	38,334	62,884
8) TD Canada Trust, mortgage repayable in monthly installments of \$5,087 including interest at 4.85% due in April 2016.	221,771	270,876
9) CMHC, mortgage repayable in monthly installments of \$2,570 including interest at 1.80% due in October 2016.	345,081	369,492
10) CMHC, mortgage repayable in monthly installments of \$2,532 including interest at 3.16% due in June 2018.	345,583	366,294

**SIOUX VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended March 31, 2014**

**13. RENTAL MORTGAGES: (Continued)**

	<u>2014</u>	<u>2013</u>
11) CMHC, mortgage repayable in monthly installments of \$1,574 including interest at 2.86% due in November 2018.	\$ 82,369	\$ 98,729
12) CMHC, mortgage repayable in monthly installments of \$3,438 including interest at 2.65% due in February 2015.	535,806	562,560
13) CMHC, mortgage repayable in monthly installments of \$3,559 including interest at 1.80% due in October 2016.	640,990	671,897
14) CMHC, mortgage repayable in monthly installments of \$4,333 including interest at 1.71% due in September 2017.	818,186	855,891
15) CMHC, mortgage repayable in monthly installments of \$2,463 including interest at 1.67% due in March 2017.	<u>564,400</u>	<u>584,379</u>
	\$ 4,772,151	\$ 5,522,772
	<u>                    </u>	<u>                    </u>

The amount of debt repayable in subsequent years is estimated to be:

Year ended 2015	\$ 665,363
2016	585,176
2017	469,390
2018	352,941
2019	268,140
Subsequent years	<u>2,431,141</u>
	\$ 4,772,151
	<u>                    </u>

**SIOUX VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended March 31, 2014**

**14. CAPITAL ASSETS:**

Capital assets include:

	<u>2014</u>	<u>2013</u>
<u>Cost</u>		
Land	\$ 563,000	\$ 563,000
Rental houses	15,662,243	17,109,471
Buildings	12,456,752	12,073,903
Heavy equipment	1,345,288	1,345,288
Equipment	1,963,668	1,919,410
Office equipment	304,753	295,352
Vehicles	1,621,105	1,459,899
Roads	3,569,473	3,569,473
Infrastructure	2,985,688	2,985,688
Houses	<u>14,117,978</u>	<u>13,722,755</u>
	<u>54,589,948</u>	<u>55,044,239</u>
 <u>Accumulated Amortization</u>		
Rental houses	6,714,499	6,991,912
Buildings	4,903,715	4,659,574
Heavy equipment	1,265,211	1,238,518
Equipment	1,642,278	1,484,709
Office equipment	275,221	264,839
Vehicles	1,410,416	1,328,414
Roads	3,569,473	3,569,473
Infrastructure	1,715,447	1,652,223
Houses	<u>13,431,039</u>	<u>13,080,826</u>
	<u>34,927,299</u>	<u>34,270,488</u>
 Net Book Value	 \$ 19,662,649	 \$ 20,773,751

**SIoux VALLEY DAKOTA NATION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014**

**14. CAPITAL ASSETS: (Continued)**

Capital assets include:	<u>2014</u>	<u>2013</u>
<u>Net Book Value</u>		
Land	\$ 563,000	\$ 563,000
Rental houses	8,947,744	10,117,559
Buildings	7,553,037	7,414,329
Heavy equipment	80,077	106,770
Equipment	321,390	434,701
Office equipment	29,532	30,513
Vehicles	210,689	131,485
Infrastructure	1,270,241	1,333,465
Houses	<u>689,939</u>	<u>641,929</u>
	<u>\$ 19,662,649</u>	<u>\$ 20,773,751</u>

**15. RECEIPT OF DISTRIBUTION:**

Sioux Valley Dakota Nation was a shareholder in two non-profit housing corporations. Sioux Valley Dakota Nation withdrew from the corporations and received 23 housing units in exchange for its equity in the corporations.

Upon receipt of the properties, the shareholder transferred title to the properties to the Sioux Valley Housing Authority Inc. The properties were valued at \$2,282,400 at the time of transfer.

**16. PRIOR PERIOD ADJUSTMENT:**

Effective with the 2013 fiscal year, the unexpended revenue from fixed contribution funded programs is being recognized as a liability and removed from surplus. The cumulative effect of the changes on surplus previously reported is:

	<u>Current Period Surplus</u>	<u>Accumulated Surplus</u>
2013	\$ ( 393,531)	\$ ( 393,531)
2014	\$ ( 394,394)	\$ ( 787,925)



**SIOUX VALLEY DAKOTA NATION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended March 31, 2014****17. FINANCIAL INSTRUMENTS:**

The Dakota Nation, as part of its operations, carries a number of financial instruments which include bank, term deposit, marketable securities, accounts receivable, notes receivable, trust funds, investments, advances receivable, employee advances, bank indebtedness, accounts payable, refund payable, unexpended revenue, term debt, and moveable asset reserve.

The carrying amount of the Dakota Nation's financial instruments approximates their market value due to their relatively short-term maturity or capacity for prompt liquidation.

The Dakota Nation does not believe it is subject to a significant concentration of liquidity, interest rate, or credit risk. Bank and term deposits are in place with major financial institutions.