

Wahpeton Dakota Nation
Financial Statements
March 31, 2014

Wahpeton Dakota Nation Contents

For the year ended March 31, 2014

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Management's Responsibility

To the Members of Wahpeton Dakota Nation:

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

Management is responsible for the preparation and presentation of the accompanying 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 judgment is required.

In discharging its responsibilities for the integrity and fairness of the 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 Wahpeton Dakota Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the 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 Nation's external auditors.

MNP LLP is appointed by the Members to audit the 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.

August 5, 2014

(signature on file _____)

Pearl Tacan
Administrator

Independent Auditors' Report

To the Members of Wahpeton Dakota Nation:

We have audited the accompanying financial statements of Wahpeton Dakota Nation, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and accumulated surplus, changes in net financial assets, cash flows, and the related schedules 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wahpeton Dakota Nation as at March 31, 2014 and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

August 5, 2014

MNP LLP
Chartered Accountants

Wahpeton Dakota Nation
Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Current		
Cash and cash equivalents	22,729	62,873
Restricted cash (Note 3)	9,923	361,095
Accounts receivable (Note 4)	758,611	635,714
Inventory for resale (Note 5)	53,100	42,599
Advances to related Nation entities (Note 6)	-	74,911
	844,363	1,177,192
Investments in Nation business entities (Note 7)	2,629,593	2,413,894
Funds held in trust (Note 8)	34,631	15,551
Restricted cash (Note 9)	89,855	115,107
Total financial assets	3,598,442	3,721,744
Liabilities		
Current		
Bank indebtedness (Note 10)	435,134	177,684
Accounts payable and accruals (Note 11)	277,933	276,252
Deferred revenue (Note 12)	25,868	377,440
Advances from related Nation entities (Note 6)	27,958	30,265
Current portion of long-term debt (Note 13)	192,761	156,957
	959,654	1,018,598
Long-term debt (Note 13)	2,619,793	2,230,087
Total financial liabilities	3,579,447	3,248,685
Net financial assets	18,995	473,059
Contingencies (Note 20)		
Subsequent event and commitments (Note 21)		
Non-financial assets		
Tangible capital assets (Note 14) (Schedule 1)	8,005,128	7,329,629
Inventories of supplies / Inventories held for use	750	750
Prepaid expenses	-	16,992
Total non-financial assets	8,005,878	7,347,371
Accumulated surplus (Note 15)	8,024,873	7,820,430

Approved on behalf of the Council

(signature on file)
 Leo J. Omani
 Chief

(signature on file)
 John Waditaka
 Councillor

Wahpeton Dakota Nation
Statement of Operations and Accumulated Operating Surplus
For the year ended March 31, 2014

	<i>Schedules</i>	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue				
Government funding (Note 17)				
Aboriginal Affairs and Northern Development Canada				
Fixed contributions	1,424,531	1,431,432	1,438,596	
Set contributions	554,911	477,142	527,911	
Flexible contributions	-	375,071	603,835	
Set receivables (recoveries)	-	(30,966)	(73,967)	
Health Canada	110,408	154,624	110,408	
Canada Mortgage and Housing Corporation				
Non-profit on-reserve housing	-	157,691	139,490	
RRAP conversions	-	11,215	28,800	
	2,089,850	2,576,209	2,775,073	
Tribal council	580,659	634,119	633,048	
Rental income	-	254,475	227,048	
Earnings (loss) from investment in Nation partnerships	-	208,433	138,927	
First Nations Trust - gaming revenue allocation	143,238	192,924	193,519	
Retail sales, net (Note 18)	-	143,745	153,421	
Northern Lights Community Development Corporation	101,483	134,651	154,938	
Province of Saskatchewan	-	12,537	-	
Other revenue	106,485	57,816	90,913	
User fees	-	36,289	32,264	
Contributions	-	2,791	194,898	
Interest income	-	1,460	1,060	
	3,021,715	4,255,449	4,595,109	
Program expenses				
Education & Post Secondary	3	1,119,564	1,109,313	1,108,526
Community Infrastructure	4	445,144	545,689	628,010
Daycare / Headstart	5	151,885	168,969	162,144
Administration / Economic Development	6	566,903	868,884	685,794
Health	7	266,508	343,742	296,910
Social Assistance	8	439,546	398,904	439,523
Housing	9	-	443,759	421,089
Enterprise	10	-	171,746	379,410
	2,989,550	4,051,006	4,121,406	
Surplus		32,165	204,443	473,703
Accumulated surplus, beginning of year		7,820,430	7,820,430	7,346,727
Accumulated surplus, end of year (Note 15)		7,852,595	8,024,873	7,820,430

Wahpeton Dakota Nation
Statement of Change in Net Financial Assets
For the year ended March 31, 2014

	2014 Budget	2014	2013
Annual surplus	32,165	204,443	473,703
Purchases of tangible capital assets	-	(1,107,837)	(1,115,138)
Amortization of tangible capital assets	-	432,338	406,196
Transfer of capital assets from WDDLP	-	-	(159,101)
Acquisition of prepaid expenses	-	-	(5,287)
Use of prepaid expenses	-	16,992	-
Increase (decrease) in net debt	32,165	(454,064)	(399,627)
Net financial assets, beginning of year	473,059	473,059	872,686
Net financial assets, end of year	505,224	18,995	473,059

Wahpeton Dakota Nation
Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Surplus	204,443	473,703
Non-cash items		
Amortization	432,338	406,196
Earnings (loss) from investment in Nation partners	(208,433)	(138,927)
	428,348	740,972
Changes in working capital accounts		
Accounts receivable	(122,897)	1,243
Inventory for resale	(10,501)	-
Prepaid expenses	16,992	(5,287)
Accounts payable and accruals	1,677	97,723
Deferred revenue	(351,572)	277,607
	(37,953)	1,112,258
Financing activities		
Advances of long-term debt	590,254	527,342
Repayment of long-term debt	(164,744)	(161,542)
Net advances/repayments with related Nation entities and businesses	50,542	(2,094)
	476,052	363,706
Capital activities		
Purchases of tangible capital assets	(1,107,837)	(1,115,138)
Investing activities		
Contributions to Nation business partnerships	(15,200)	(28,800)
Withdrawals from Nation business partnerships	30,000	47,144
Increase (decrease) in Ottawa Trust funds	(19,080)	2,319
	(4,280)	20,663
Increase (decrease) in cash resources	(674,018)	381,489
Cash resources, beginning of year	361,391	(20,098)
Cash resources, end of year	(312,627)	361,391
Cash resources are composed of:		
Cash and cash equivalents	22,729	62,873
Restricted cash	99,778	476,202
Bank indebtedness	(435,134)	(177,684)
	(312,627)	361,391

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

1. Operations

The Wahpeton Dakota Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. Wahpeton Dakota Nation includes the Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and are consistent with the accounting policies set out by the Department of Aboriginal Affairs and Northern Development Canada. Significant aspects of the accounting policies adopted by the First Nation are as follows:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Wahpeton Dakota Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Wahpeton Dakota Nation General;
- Wahpeton Dakota Nation Enterprises; and,
- Wahpeton Dakota Nation Housing Program.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Investments in First Nation business entities are accounted for using the modified equity method. The First Nation's investment equity of the First Nation business entities have been reported as a long-term investment. Investments accounted for by the modified equity method include:

- Wahpeton Dakota Developments LP; and,
- Wahpeton Dakota Developments Ltd.

The Dakota Nation has proportionately consolidated the assets, liabilities, revenues, and expenses of the following government partnerships:

- Four Nations Police Management Board.

Investments in government partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the government partnership have been combined on a line-by-line basis with similar items of the First Nation.

Other economic interests

The First Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the Wahpeton Dakota Nation.

- The First Nation is a member of the Prince Albert Grand Council (PADC Management Co. Ltd. or "PAGC"). The PAGC is an organization of twelve Nations. The PAGC is mandated to enhance the services provided to the member Nations.

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is based on the lower of cost and net realizable value. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the periods in which they become known.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in Ottawa Trust Fund

Trust moneys consist of funds held in trust on behalf of First Nation members by the Government of Canada. Trust moneys 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 moneys 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 which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets are amortized over their expected useful life using the following rates and methods:

	Method	Rate
Buildings	straight-line	20-40 years
Equipment	straight-line	5-15 years
Community infrastructure	straight-line	40 years
Housing	straight-line	25 years

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets and discontinued operations

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 Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

Revenue recognition

Non-government funding

Non-government funding 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 are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Other revenue is recognized when services have been provided, all significant contractual obligations have been satisfied and collectability is reasonably assured.

Segments

The First Nation conducts its business through eight reportable segments: Education and Post Secondary, Community Infrastructure, Daycare / Headstart, Administration / Economic Development, Health, Social Assistance, Housing, and Enterprise. 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 2 the *Significant accounting policies*.

Recent accounting pronouncements

Liability for contaminated sites

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation does not expect the adoption of the new section to have a material impact on its financial statements.

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted. The PSAB plans to review application of this Section by governments by December 31, 2013.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation has not yet determined the effect of these new standards on its financial statements.

3. Restricted cash

The First Nation has \$9,923 (2013 - \$361,095) of cash received from Aboriginal and Northern Affairs Canada to fund major capital projects which was not spent prior to March 31, 2014. Externally restricted revenue related to the government transfer has been deferred to the subsequent period in which the restricted cash is expended on eligible expenditures. Deferred revenue for major capital projects is \$9,156 (2013 - \$360,728) as disclosed in Note 12.

4. Accounts receivable

	2014	2013
Aboriginal Affairs and Northern Development Canada	(13,956)	(30,764)
Health and Welfare Canada	9,122	-
Northern Lights Community Development Corporation	63,722	34,366
CMHC subsidy assistance receivable	13,106	13,177
Other government agencies	227,775	227,775
Tribal council	43,955	91,596
Members and employees	162,976	141,708
Rent receivable	708,327	593,237
Commodity taxes receivable	7,894	21,008
Housing	17,937	20,127
Other accounts receivable	148,848	156,705
Tatanka store trade receivables	24,567	19,000
	1,414,273	1,287,935
Less: Allowance for doubtful accounts	655,662	652,221
	758,611	635,714

5. Inventory for resale

	2014	2013
Tatanka store inventory	43,940	33,439
Livestock inventory	7,600	7,600
Inventory for resale	1,560	1,560
	53,100	42,599

The cost of inventories recognized as an expense and included in Tatanka store sales, net amounted to \$804,003 (2013 - \$798,081).

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

6. Advances with related Nation entities

During the year, an advance to an entity the Nation has an investment in was repaid by \$52,845 and the remaining balance of \$22,066 was contributed to the investment equity. As such, no advances to or from the investment is outstanding as of March 31, 2014 (2013 - \$74,911).

The Nation owes \$27,958 (2013 - \$30,265) to an entity included in the reporting entity as a government partnership. There are no fixed repayment terms, no security, and the advance does not bear interest.

7. Investments in First Nation business entities

Summary financial information for each First Nation business and business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

The First Nation has investments in the following entities:

					2014
	<i>Investment, beginning of the year</i>	<i>Contributions/ Purchases</i>	<i>Withdrawals</i>	<i>Undistributed Earnings</i>	<i>Total investment</i>
Wahpeton Dakota Developments Ltd.					
- 100%	17	-	-	-	17
Wahpeton Dakota Developments LP					
- 99.9%	2,413,877	37,266	(30,000)	208,433	2,629,576
	2,413,894	37,266	(30,000)	208,433	2,629,593
					2013
	<i>Investment, beginning of the year</i>	<i>Contributions/ Purchases</i>	<i>Withdrawals</i>	<i>Undistributed Earnings</i>	<i>Total investment</i>
Wahpeton Dakota Developments Ltd.					
- 100%	3	-	-	14	17
Wahpeton Dakota Developments LP					
- 99.9%	2,359,054	28,800	(112,890)	138,913	2,413,877
	2,359,057	28,800	(112,890)	138,927	2,413,894

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

7. Investments in First Nation business entities *(Continued from previous page)*

The First Nation's investment in Wahpeton Dakota Developments LP and Wahpeton Dakota Developments Ltd. was established for the purposes of managing investments and rental properties to create wealth for the members of the Dakota Nation.

Summary financial information for the Development entities is as follows:

<i>Wahpeton Dakota Developments As at March 31, 2014</i>	
Assets	
Current assets	475,885
Investment property	2,587,139
Total assets	3,063,024
Liabilities	
Current liabilities	22,512
Bank debt	410,871
Total liabilities	433,383
Owners' equity	2,629,641
Total revenue	527,310
Total expenses	120,386
Net income	406,924
Other comprehensive income (loss)	(198,470)
Comprehensive income	208,454

8. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council. During 2014, a single transfer was made for the purpose of supporting a community Christmas with the related expenses reported as Community Support on Schedule 6.

	2014	2013
Capital Trust		
Balance, beginning of year	123	123
Balance, end of year	123	123
Revenue Trust		
Balance, beginning of year	15,428	17,747
Interest	1,077	953
Land use revenues	53,818	33,378
Less: Transfers to Nation	70,323	52,078
	35,815	36,650
Balance, end of year	34,508	15,428
	34,631	15,551

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

9. Restricted cash - Replacement reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- Replacement reserves, established by an annual allocation as per the various operating agreements, to ensure replacement of buildings financed by CMHC. At March 31, 2014, \$42,240 (2013 - \$110,365) has been set aside to fund these reserves. The unfunded portion at March 31, 2014 was \$198,440 (2013 - \$112,877).
- An operating reserve established by retaining surplus operating funds for the Fixed Subsidy program. Reserve funds may be used to supplement future operating losses incurred by maintaining older housing units. At March 31, 2014 \$47,614 (2013 - \$4,742) has been set aside to fund this reserve. The unfunded portion at March 31, 2014 was \$26,857 (2013 - \$63,701).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

10. Bank indebtedness

Bank indebtedness includes amounts made up of outstanding cheques greater than the cash balance.

At March 31, 2014, the First Nation had a line of credit for \$105,000 (2013 – \$105,000) with interest charged prime plus 3%.

11. Accounts payable and accruals

	2014	2013
General	221,036	226,652
Housing	29,794	22,944
Enterprise	27,103	26,656
	<hr/> 277,933	<hr/> 276,252

12. Deferred revenue

	2014	2013
AANDC - major capital projects	9,156	360,728
NLCDC - Tatanka Store	16,712	16,712
	<hr/> 25,868	<hr/> 377,440

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

13. Long-term debt

	2014	2013
Canada Mortgage and Housing Corporation ("CMHC") mortgage, 2.37%, repayable in monthly installments of \$4,577 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2031 and renews in 2016.	779,873	815,933
CMHC mortgage, 1.62%, repayable in monthly installments of \$2,026.71 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2038 and renews in 2018.	467,757	484,379
CMHC mortgage, 1.98%, repayable in monthly installments of \$2,112.42 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2039 and renews in 2019.	468,539	-
CMHC mortgage, 1.67%, repayable in monthly installments of \$1,529 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2039 and renews in 2017.	350,189	362,594
First Nations Bank ("FNB") mortgage, 5.52%, repayable in monthly installments of \$3,758 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018.	170,058	205,101
CMHC mortgage, 1.64%, repayable in monthly installments of \$1,089.16 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2026 and renews 2017.	148,545	159,093
FNB mortgage, 6.65%, repayable in monthly installments of \$1,954 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2020.	113,014	128,398
Affinity Credit Union term loan payable with payments of \$7,090 per quarter including variable interest at prime plus 3%. Secured by specific equipment.	110,168	-
CMHC mortgage, 2.26%, repayable in monthly installments of \$1,367 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2019 and renews in 2016.	83,554	97,898
Canadian Imperial Bank of Commerce mortgage, 5.24%, repayable in monthly installments of \$719 blended principal and interest. Matures in 2017.	67,630	68,276
CMHC mortgage, 2.26%, repayable in monthly installments of \$289 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2024 and renews in 2016.	32,158	34,867
FNB mortgage, 5.35%, repayable in monthly installments of \$447 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018.	21,069	25,192
Affinity Credit Union term loan payable with payments of \$1,872 per month including interest at 6.1% per annum. Secured by specific equipment.	-	5,313
	2,812,554	2,387,044
<u>Less: less: current portion</u>	192,761	156,957
	2,619,793	2,230,087

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

13. Long-term debt *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2015	192,761
2016	202,789
2017	210,500
2018	218,586
2019	173,365

14. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include 19 housing units disclosed at a nominal amount as the age of the housing units resulted in fully amortized assets at the time of tangible capital asset adoption.

The First Nation holds some works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

Construction in progress includes major capital infrastructure projects. No amortization of these assets has been recorded during the year because they are currently under construction or still in the planning stage. Construction in progress amounted to \$606,636 in 2014 (2013 - \$259,995).

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

15. Accumulated surplus

Accumulated surplus consists of the following:

	2014	2013
Equity in Ottawa Trust Funds		
Balance, beginning of year	15,551	17,870
Contributions	54,895	34,331
Withdrawals	(35,815)	(36,650)
	34,631	15,551
Equity in CMHC reserves		
Balance, beginning of year	291,684	301,026
Contributions	44,692	34,118
Withdrawals	(21,225)	(43,460)
	315,151	291,684
Equity in tangible capital assets		
Balance, beginning of year	4,926,850	4,397,377
Amortization	(432,338)	(406,196)
Capital purchases	1,107,837	1,115,138
Capital transfer	-	159,099
Capital long-term debt proceeds	(590,254)	(527,342)
Capital long-term debt repayments	164,744	161,543
Capital payable advanced	-	(15,733)
Capital payable repaid	15,733	42,964
Capital loan advances receivable	(31,459)	-
	5,161,113	4,926,850
Equity in business investments		
Balance, beginning of year	2,413,894	2,359,054
Income earned / contributions	245,699	167,730
Losses earned / withdrawals	(30,000)	(112,890)
	2,629,593	2,413,894
Unrestricted surplus		
Balance, beginning of year	172,451	271,400
Change in Ottawa Trust Fund equity	(19,080)	2,319
Change in CMHC reserves equity	(23,467)	9,342
Change in tangible capital asset equity	(234,263)	(529,473)
Change in business investment equity	(215,699)	(54,840)
Surplus (deficit)	204,443	473,703
	(115,615)	172,451
	8,024,873	7,820,430

The unrestricted operating surplus (deficit) represents amounts available to offset future operational revenue requirements (future revenue required for past operational activities).

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

15. Accumulated surplus *(Continued from previous page)*

The invested capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services.

The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

The business investments represents amounts not readily available for operations as the investments are not likely to be liquidated within the next year.

16. Budget information

The disclosed budget information has been approved by the Chief and Council of the Wahpeton Dakota Nation in March of 2014.

17. Government funding

	2014	2013
Aboriginal Affairs and Northern Development Canada		
Funding per confirmation	1,932,074	2,922,507
Add: Major capital deferred funding recognized	351,571	8,566
Less: Major capital funding deferred	-	(360,731)
Less: Receivable from 2011/12 included on 2012/13 confirmation - Band employee benefits	-	(10,512)
Less: Recoveries (2010/11) - Basic needs	-	(21,351)
Less: Recoveries (2010/11) - Special needs	-	(6,711)
Less: Recoveries (2010/11) - ECIP	-	(1,349)
Less: Recoveries - Band employee benefits	(5,431)	(366)
Less: Recoveries - In home care	-	(11)
Less: Recoveries - Basic needs	(5,058)	(4,705)
Less: Recoveries - Special needs	(17,197)	(15,055)
Less: Recoveries - SA Employment and training	-	(13,907)
Less: Other	(3,280)	-
	2,252,679	2,496,375
Health Canada		
Funding per confirmation	154,624	110,408
Canada Housing and Mortgage Corporation		
Housing subsidy as per confirmation	157,691	139,490
RRAP funding as per confirmation	11,215	28,800
	168,906	168,290
	2,576,209	2,775,073

Wahpeton Dakota Nation
Notes to the Financial Statements
For the year ended March 31, 2014

18. Tatanka retail sales, net

	2014	2013
Sales		
Retail sales	773,649	788,018
Cost of sales		
Purchases	(804,003)	(798,081)
Delivery	(3,534)	(4,106)
Fuel and tobacco tax rebates, net	177,633	167,590
	(629,904)	(634,597)
	143,745	153,421

19. Economic dependence

Wahpeton Dakota Nation receives substantially all of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The First Nation also receives significant funding through contribution agreements with the First Nations and Inuit Health Branch of Health Canada. The ability of the First Nation to continue operations is dependent upon funding from these bodies.

20. Contingencies

Prior to March of 2005, the First Nation claims to have a transfer payment entitlement remaining unpaid from Aboriginal Affairs and Northern Development Canada. The claim was under investigation, under the authority of the Public Accountability Act of Canada and other federal legislation. Due to the significant uncertainty of the results of the claim, no amount has been accrued in these financial statements for the \$2,121,103 claim.

These financial statements are subject to review by the Dakota Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

21. Subsequent event and commitments

During January 2013, the Wahpeton Dakota Nation signed a Project Operating Agreement, Direct Lending Commitment and Loan Agreement with CMHC, known as Phase 14. Phase 14 is for the purpose of building 4 new housing units. Costs incurred by March 31, 2014 were \$559,053 and loan proceeds advanced were \$468,539. Completion of the project is expected to occur during the 2015 fiscal year.

22. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

23. Compliance with authorities

The First Nation is required to make its financial statements publically available and submit its consolidated financial statements to Aboriginal Affairs and Northern Development Canada by July 29, 2014. As the audit report is dated after July 29, 2014, the First Nation is in breach of this requirement. The possible effect of this breach has not yet been determined.

Wahpeton Dakota Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Buildings</i>	<i>Equipment</i>	<i>Community infrastructure</i>	<i>Housing</i>	2014	2013
						<i>Restated Note 22</i>
Cost						
Balance, beginning of year	1,806,983	1,595,152	3,475,467	4,843,270	11,720,872	10,429,733
Acquisition of tangible capital assets	13,525	163,130	-	559,053	735,708	855,143
Construction-in-progress	-	-	372,129	-	372,129	259,995
Transfer from WDDLP	-	-	-	-	-	176,001
Balance, end of year	1,820,508	1,758,282	3,847,596	5,402,323	12,828,709	11,720,872
Accumulated amortization						
Balance, beginning of year	311,300	978,615	703,019	2,398,309	4,391,243	3,968,146
Annual amortization	60,246	129,472	95,326	147,294	432,338	406,196
Transfer from WDDLP	-	-	-	-	-	16,901
Balance, end of year	371,546	1,108,087	798,345	2,545,603	4,823,581	4,391,243
Net book value of tangible capital assets	1,448,962	650,195	3,049,251	2,856,720	8,005,128	7,329,629
Net book value of tangible capital assets	1,495,683	616,537	2,772,448	2,444,961	7,329,629	
	2013					

Wahpeton Dakota Nation
Schedule 2 - Schedule of Expenses by Object
For the year ended March 31, 2014

	2014 Budget	2014	2013
Consolidated expenses by object			
Salaries and benefits	1,513,243	1,707,292	1,665,185
Amortization	-	432,338	406,196
Social assistance	267,417	251,641	267,545
Repairs and maintenance	202,890	234,553	304,915
Program expense	143,987	159,265	146,706
Supplies	175,077	149,774	178,640
Student expenses	134,318	141,006	134,318
Insurance	54,017	105,417	108,988
Community support	75,359	93,168	95,724
Travel	59,061	81,935	85,419
Utilities	44,180	81,637	75,052
Community events	11,704	81,145	110,514
Chief and council	72,321	77,078	72,321
Interest on long-term debt	379	68,440	57,566
Professional fees	4,944	66,296	27,733
Post secondary expenses	43,375	60,023	43,375
Contracted services	29,713	45,892	42,363
Meeting	19,088	38,810	23,367
Training	39,547	29,252	42,930
Renovations	-	27,370	27,540
Bank charges and interest	13,471	26,136	19,836
Furniture and equipment	18,166	19,817	17,548
Telephone	14,881	19,206	16,964
Miscellaneous	44,280	17,465	23,274
Board travel, training and honouraria	-	12,587	-
Office supplies and expenses	-	5,068	4,959
Elders fees	2,842	3,229	2,842
Community donations	-	3,136	2,869
Recreation expenses	3,833	2,732	3,833
Bad debts	-	8,104	3,295
Administration	-	552	1,720
Advertising	1,457	485	1,460
Automotive	-	157	-
Consulting	-	-	106,357
Transportation	-	-	52
	2,989,550	4,051,006	4,121,406

Wahpeton Dakota Nation
Education & Post Secondary
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	822,170	837,908	822,170
Set contributions	41,434	18,079	41,434
	863,604	855,987	863,604
Other revenue	400	-	-
Tribal council	196,478	241,306	247,264
First Nations Trust - gaming revenue allocation	10,000	10,000	10,000
Northern Lights Community Development Corporation	-	3,354	-
	1,070,482	1,110,647	1,120,868
Expenses			
Salaries and benefits	769,965	739,168	739,594
Student expenses	134,318	134,183	134,318
Supplies	78,564	63,630	78,564
Tuition	43,375	60,023	43,375
Travel	16,586	50,722	42,367
Insurance	11,402	13,191	11,402
Repairs and maintenance	17,923	10,092	24,567
Meeting	4,070	9,901	4,070
Furniture and equipment	7,226	9,282	7,226
Training	5,797	8,382	8,661
Telephone	1,287	3,074	1,287
Elders fees	2,623	2,950	2,623
Interest on long-term debt	379	2,702	1,027
Utilities	4,385	1,395	4,385
Advertising	-	310	-
Miscellaneous	985	200	985
Community events	3,575	107	3,575
Contracted services	619	-	500
Community support	16,485	-	-
	1,119,564	1,109,312	1,108,526
Surplus	(49,082)	1,335	12,342

Wahpeton Dakota Nation
Community Infrastructure
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	223,444	210,496	237,509
Set contributions	27,000	27,000	-
Flexible contributions	-	375,071	603,835
 Northern Lights Community Development Corporation	 250,444	 612,567	 841,344
First Nations Trust - gaming revenue allocation	82,233	-	80,856
Tribal council	10,000	-	10,000
Other revenue	5,550	5,000	5,550
 Other revenue	 -	 16,649	 272
 Revenue	 348,227	 634,216	 938,022
 Expenses			
Amortization	-	204,722	178,623
Salaries and benefits	159,374	125,624	153,597
Repairs and maintenance	151,253	124,799	166,653
Utilities	31,782	41,129	31,782
Supplies	27,057	24,935	27,057
Insurance	24,162	9,439	24,162
Travel	15,662	8,710	15,662
Contracted services	23,867	3,276	18,170
Training	3,682	1,704	3,682
Telephone	-	1,351	-
Community support	4,260	-	4,260
Interest on long-term debt	-	-	317
Furniture and equipment	65	-	65
Community events	3,980	-	3,980
 Expenses	 445,144	 545,689	 628,010
 Surplus	 (96,917)	 88,527	 310,012

Wahpeton Dakota Nation
Daycare / Headstart
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 <i>Budget</i>	2014	2013
Revenue			
Other revenue	20,107	12,495	14,619
Tribal council	144,273	144,273	137,773
First Nations Trust - gaming revenue allocation	10,000	-	20,000
	174,380	156,768	172,392
Expenses			
Salaries and benefits	104,545	130,234	109,761
Repairs and maintenance	9,481	9,555	6,193
Supplies	23,680	9,501	25,417
Administration	-	7,838	6,720
Insurance	2,995	4,256	3,097
Utilities	2,107	2,979	2,861
Miscellaneous	-	1,285	-
Travel	918	1,146	300
Student expenses	-	893	-
Contracted services	71	600	177
Telephone	-	352	-
Training	1,937	330	2,456
Furniture and equipment	3,280	-	2,662
Meeting	2,871	-	2,500
	151,885	168,969	162,144
Surplus (deficit)	22,495	(12,201)	10,248

Wahpeton Dakota Nation
Administration / Economic Development
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	338,917	343,028	338,917
Set contributions	88,619	60,141	88,619
Set receivables (recoveries)	-	(8,711)	(10,878)
	427,536	394,458	416,658
Northern Lights Community Development Corporation			
19,250	131,297	74,082	
First Nations Trust - gaming revenue allocation	93,238	161,324	70,282
Tribal council	78,942	57,115	58,002
Other revenue	82,301	20,910	49,987
Rental income	-	53,818	33,378
Interest income	-	1,077	953
	701,267	819,999	703,342
Expenses			
Salaries and benefits	271,986	404,722	337,983
Chief and council	72,321	77,078	72,321
Community events	4,149	75,754	4,149
Community support	39,473	58,381	76,123
Professional fees	4,200	50,495	12,089
Amortization	-	48,723	48,288
Supplies	25,611	30,825	25,559
Bank charges and interest	13,471	20,188	13,415
Program expense	-	15,000	(8,805)
Miscellaneous	42,858	14,290	14,058
Board travel, training and honouraria	-	12,587	-
Travel	18,914	11,399	18,914
Training	21,950	10,142	21,950
Insurance	10,382	10,065	10,382
Telephone	10,769	9,225	10,769
Contracted services	5,157	7,422	9,657
Furniture and equipment	3,982	6,923	3,982
Repairs and maintenance	20,321	6,197	20,321
Bad debts	-	4,663	-
Recreation expenses	-	2,732	-
Meeting	550	1,650	550
Advertising	690	175	690
Interest on long-term debt	-	86	-
Elders fees	119	-	119
Administration	-	(9,838)	(6,720)
	566,903	868,884	685,794
Surplus (deficit)	134,364	(48,885)	17,548

Wahpeton Dakota Nation
Health
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 <i>Budget</i>	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Set contributions	16,235	16,235	16,235
Set receivables (recoveries)	-	-	(11)
Health Canada	110,408	154,624	110,408
Tribal council	126,643	170,859	126,632
First Nations Trust - gaming revenue allocation	155,417	165,485	163,520
Other revenue	-	1,600	10,000
	2,748	68	2,748
	284,808	338,012	302,900
Expenses			
Salaries and benefits	163,311	163,866	169,616
Program expense	53,434	56,132	53,434
Amortization	-	24,097	24,097
Repairs and maintenance	3,011	23,878	3,011
Supplies	9,336	18,854	9,336
Community support	3,055	14,587	3,055
Student expenses	-	5,930	-
Training	4,081	5,579	4,081
Utilities	5,907	5,114	5,907
Travel	5,513	4,541	5,513
Insurance	5,075	4,007	5,075
Furniture and equipment	3,613	3,613	3,613
Meeting	1,900	3,587	1,900
Community events	-	4,700	-
Telephone	2,825	3,193	2,825
Contracted services	-	1,284	-
Professional fees	744	501	744
Elders fees	100	279	100
Recreation expenses	3,833	-	3,833
Advertising	770	-	770
	266,508	343,742	296,910
Surplus (deficit)	18,300	(5,730)	5,990

Wahpeton Dakota Nation
Social Assistance
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	40,000	40,000	40,000
Set contributions	381,623	355,687	381,623
Set receivables (recoveries)	-	(22,255)	(63,078)
	421,623	373,432	358,545
First Nations Trust - gaming revenue allocation	20,000	20,000	20,000
Other revenue	929	128	929
	442,552	393,560	379,474
Expenses			
Social assistance	267,417	251,641	267,545
Program expense	90,553	83,317	90,553
Salaries and benefits	44,060	33,372	43,709
Community support	12,086	20,200	12,286
Training	2,099	3,116	2,099
Travel	1,468	2,328	1,468
Administration	-	2,000	-
Meeting	9,697	1,754	9,697
Miscellaneous	437	1,089	437
Repairs and maintenance	900	75	900
Supplies	10,829	12	10,829
	439,546	398,904	439,523
Deficit	3,006	(5,344)	(60,049)

Wahpeton Dakota Nation
Housing
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 <i>Budget</i>	2014	2013
Revenue			
Government funding			
Canada Mortgage and Housing Corporation			
Non-profit on-reserve housing	-	157,691	139,490
RRAP conversions	-	11,215	28,800
Rental income	-	168,906	168,290
User fees	-	200,657	193,670
Other revenue	-	36,289	32,264
Interest income	-	3,181	22,359
	-	383	18
	-	409,416	416,601
Expenses			
Amortization	-	147,294	147,294
Interest on long-term debt	-	65,652	56,221
Insurance	-	59,886	51,160
Repairs and maintenance	-	56,322	93,496
Renovations	-	27,370	27,540
Contracted services	-	25,841	7,902
Utilities	-	23,782	23,734
Meeting	-	20,668	3,050
Professional fees	-	6,300	5,900
Bad debts	-	5,692	-
Bank charges and interest	-	2,529	1,888
Travel	-	1,871	1,179
Administration	-	552	1,725
	-	443,759	421,089
Deficit	-	(34,343)	(4,488)

Wahpeton Dakota Nation
Enterprise
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 <i>Budget</i>	2014	2013
Revenue			
Contributions	-	2,791	194,898
Retail sales, net	-	143,745	153,421
Earnings (loss) from investment in Nation partnerships	-	208,433	138,927
First Nations Trust - gaming revenue allocation	-	-	53,238
Tribal council	-	20,940	20,940
Interest income	-	-	88
Other revenue	-	4,384	-
	-	380,293	561,512
Expenses			
Salaries and benefits	-	110,306	110,925
Amortization	-	7,501	7,893
Contracted services	-	7,470	5,957
Utilities	-	7,239	6,384
Office supplies	-	5,068	4,959
Program expense	-	4,817	11,523
Insurance	-	4,572	3,710
Repairs and maintenance	-	3,635	(10,227)
Bank charges and interest	-	3,419	4,533
Community donations	-	3,136	2,869
Professional fees	-	9,000	9,000
Supplies	-	2,017	1,878
Telephone	-	2,012	2,083
Meeting	-	1,250	1,600
Travel	-	1,218	15
Miscellaneous	-	600	7,794
Community events	-	584	98,810
Automotive	-	153	-
Consulting	-	-	106,357
Transportation	-	-	52
Bad debts	-	(2,251)	3,295
	-	171,746	379,410
Surplus	-	208,547	182,102