

Wahpeton Dakota Nation
Consolidated Financial Statements
March 31, 2015

Wahpeton Dakota Nation

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For the year ended March 31, 2015

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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, 2015, and the statements of operations and accumulated surplus, changes in net financial assets (net debt), 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 consolidated 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, 2015 and the results of its operations, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

August 5, 2015

MNP LLP

Chartered Professional Accountants

Wahpeton Dakota Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Current		
Cash and cash equivalents	18,536	22,729
Restricted cash (Note 4)	1,572	9,923
Accounts receivable (Note 5)	568,117	775,403
Inventory for resale (Note 6)	49,403	53,100
	637,628	861,155
Investments in Nation business entities (Note 7)	2,666,021	2,629,593
Funds held in trust (Note 8)	5,803	34,631
Restricted cash (Note 9)	84,924	89,855
Total financial assets	3,394,376	3,615,234
Liabilities		
Current		
Bank indebtedness (Note 10)	213,065	435,134
Accounts payable and accruals (Note 11)	360,799	294,732
Deferred revenue (Note 12)	24,748	25,868
Advances from related Nation entities (Note 13)	35,035	27,958
Current portion of long-term debt (Note 14)	314,127	192,761
	947,774	976,453
Long-term debt (Note 14)	2,508,346	2,619,793
Total financial liabilities	3,456,120	3,596,246
Net financial assets (net debt)	(61,744)	18,988
Contingencies (Note 21)		
Non-financial assets		
Tangible capital assets (Note 15)	7,633,403	8,005,128
Inventories held for use	750	750
Total non-financial assets	7,634,153	8,005,878
Accumulated surplus (Note 16)	7,572,409	8,024,866
Approved on behalf of the Council		
<i>(signature on file)</i> Chief Leo J. Omani	<i>(signature on file)</i> Councillor Garry Standing	

The accompanying notes are an integral part of these financial statements

Wahpeton Dakota Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget (note 17)</i>	<i>2015</i>	<i>2014</i>
Federal government funding (Note 18)				
Aboriginal Affairs and Northern Development Canada				
Fixed contributions		1,441,954	1,366,074	1,306,999
Set contributions		344,692	525,190	510,542
Flexible contributions		91,033	99,398	466,104
Set receivables (recoveries)		(14,191)	3,510	(30,966)
Health Canada		110,492	103,446	154,624
Canada Mortgage and Housing Corporation				
Non-profit on-reserve housing		-	175,806	157,691
RRAP conversions		-	41,854	11,215
		1,973,980	2,315,278	2,576,209
Tribal council		561,466	618,137	634,119
Rental income		-	258,021	254,475
First Nations Trust - gaming revenue allocation		174,000	186,192	192,924
Retail sales, net (Note 19)		-	146,993	143,745
Northern Lights Community Development Corporation		102,000	110,324	134,651
Contributions		-	105,917	2,791
Other revenue		141,070	102,682	57,816
Earnings (loss) from investment in Nation partnerships		-	36,428	208,433
User fees		-	29,273	36,289
Province of Saskatchewan		-	10,087	12,537
Capital trust funds		-	815	-
Interest income		-	643	1,460
		2,952,516	3,920,790	4,255,449
Program expenses				
Education & Post Secondary	3	1,144,764	1,056,752	1,109,313
Community Infrastructure	4	277,275	522,591	545,689
Daycare / Headstart	5	134,200	144,543	168,969
Administration / Economic Development	6	759,368	919,229	868,884
Health	7	282,533	339,340	343,743
Social Assistance	8	366,695	455,634	398,904
Housing	9	-	625,993	443,759
Enterprise	10	-	309,165	171,746
		2,964,835	4,373,247	4,051,007
Surplus (deficit)		(12,319)	(452,457)	204,442
Accumulated surplus, beginning of year		8,024,866	8,024,866	7,820,424
Accumulated surplus, end of year (Note 16)		8,012,547	7,572,409	8,024,866

The accompanying notes are an integral part of these financial statements

Wahpeton Dakota Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)

For the year ended March 31, 2015

	2015 Budget (note 17)	2015	2014
Annual surplus (deficit)	(12,319)	(452,457)	204,442
Purchases of tangible capital assets	-	(51,775)	(1,107,837)
Amortization of tangible capital assets	-	423,500	432,338
Use of prepaid expenses	-	-	16,992
Increase (decrease) in net debt	(12,319)	(80,732)	(454,065)
Net financial assets, beginning of year	18,988	18,988	473,053
Net financial asset (net debt), end of year	6,669	(61,744)	18,988

The accompanying notes are an integral part of these financial statements

Wahpeton Dakota Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(452,457)	204,442
Non-cash items		
Amortization	423,500	432,338
Bad debts	228,696	8,104
Earnings from investment in Nation business entities	(36,428)	(208,433)
	163,311	436,451
Changes in working capital accounts		
Accounts receivable	(21,410)	(134,293)
Inventory for resale	3,697	(10,501)
Prepaid expenses	-	16,992
Accounts payable and accruals	66,069	4,970
Deferred revenue	(1,120)	(351,572)
	210,547	(37,953)
Financing activities		
Advances of current portion of long-term debt	227,082	590,254
Repayment of current portion of long-term debt	(217,165)	(164,744)
Advances from related Nation entities & department	7,077	50,542
Increase (decrease) in bank indebtedness	(222,069)	257,450
	(205,075)	733,502
Capital activities		
Purchases of tangible capital assets	(51,775)	(1,107,837)
Investing activities		
Contributions to Nation business partnerships	-	(15,200)
Withdrawals from Nation business partnerships	-	30,000
(Increase) decrease in funds held in trust	28,828	(19,080)
	28,828	(4,280)
Decrease in cash resources	(17,475)	(416,568)
Cash resources, beginning of year	122,507	539,075
Cash resources, end of year	105,032	122,507
Cash	18,536	22,729
Restricted cash total	86,496	99,778
	105,032	122,507

The accompanying notes are an integral part of these financial statements

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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 Nation and are either owned or controlled by the Nation.

2. Change in accounting policy

Effective April 1, 2014, the First Nation adopted the recommendations relating to PS 3260, *Liability for Contaminated Sites*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the First Nation is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 3, *Significant Accounting Policies*.

There was no effect on the First Nation's financial statements of adopting the above-noted change in accounting policy.

3. Significant accounting policies

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

Reporting entity

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

The 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 partnerships are accounted for using the modified equity method. The '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

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

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

- 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.

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

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 (PAGC 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.

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. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

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 equivalent 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.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

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 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:

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Amortization

Social housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") 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 for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	straight-line	20-40 years
Equipment	straight-line	5-10 years
Community infrastructure	straight-line	40 years
Housing	straight-line	25 years

Long-lived assets and discontinued operations

Long-lived assets consist of tangible 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 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 recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the records externally restricted inflows in deferred revenue.

Other revenue

Rental revenue is recognized over the rental term and when collection is reasonably assured. Revenues from retail sales are recognized upon completion of the sale transaction and the customer takes possession of the merchandise. Other revenue is recognized when services have been provided, all significant contractual obligations have been satisfied and collectability is reasonably assured.

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

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

Segments

The 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 '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*.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

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

4. Restricted cash

The First Nation has \$1,572 (2014 - \$9,923) of cash received from Aboriginal and Northern Affairs Canada to fund major capital projects which was not spent prior to March 31, 2015. 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 \$791 (2014 - \$9,156) as disclosed in Note 12.

5. Accounts receivable

	2015	2014
Rent receivable	736,777	708,327
Members and employees	244,071	179,768
Other government agencies	227,775	227,775
Other accounts receivable	134,652	173,415
Tribal council	26,767	43,955
Aboriginal Affairs and Northern Development Canada	18,210	(13,956)
Housing	18,182	17,937
Northern Lights Community Development Corporation	15,017	63,722
CMHC subsidy assistance receivable	14,696	13,106
Commodity taxes receivable	10,178	7,894
Health and Welfare Canada	7,454	9,122
	1,453,779	1,431,065
Less: Allowance for doubtful accounts	885,662	655,662
	568,117	775,403

Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2015

6. Inventory for resale

	2015	2014
Tatanka store inventory	40,243	43,940
Livestock inventory	7,600	7,600
Inventory for resale	1,560	1,560
	49,403	53,100

The cost of inventories recognized as an expense and included in Tatanka store sales, net amounted to \$788,073 (2014 – \$804,003).

7. Investments in First Nation partnerships and 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 has investments in the following entities:

	<i>Investment, beginning of the year</i>	<i>Contributions/ Purchases</i>	<i>Withdrawals</i>	<i>Undistributed Earnings</i>	<i>2015 Total investment</i>
Wahpeton Dakota Developments Ltd. - 100%	17	-	-	-	17
Wahpeton Dakota Developments LP - 99.9%	2,629,576	-	-	36,428	2,666,004
	2,629,593	-	-	36,428	2,666,021

	<i>Investment, beginning of the year</i>	<i>Contributions/ Purchases</i>	<i>Withdrawals</i>	<i>Undistributed Earnings</i>	<i>2014 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

Wahpeton Dakota Nation Notes to the Consolidated Financial Statements

For the year ended March 31, 2015

7. Investments in First Nation partnerships and business entities *(continued from the previous page)*

The '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, 2015</i>
Assets	
Current assets	493,651
Investment property	2,738,354
Tangible capital assets	5,619
Total assets	3,237,624
Liabilities	
Current liabilities	31,448
Bank debt	361,482
Total liabilities	392,930
Owners's equity	2,844,694
Total revenue	160,250
Total expenses	123,818
Net income	36,432
Other comprehensive loss	178,648
Comprehensive income	215,080

8. Funds held in trust

Capital and revenue trust monies are transferred to the on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the 's Council.

	2015	2014
Capital Trust		
Balance, beginning of year	123	123
Balance, end of year	123	123
Revenue Trust		
Balance, beginning of year	34,508	15,428
Interest	637	1,077
Land leases	43,938	53,818
	79,083	70,323
Less: Transfers to Nation	73,403	35,815
Balance, end of year	5,680	34,508
	5,803	34,631

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

9. Restricted cash

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

- Replacement reserve, established by an annual allocation as per the various operating agreements, to ensure replacement of buildings financed by CMHC. At March 31, 2015, \$83,151 (2014 - \$42,240) has been set aside to fund this reserve. The unfunded portion at March 31, 2015 was \$167,176 (2014 - \$198,440).
- An operating reserve established by retaining surplus operating funds for the Fixed Subsidy program. Reserve funds may be used to supplement future operational losses incurred by maintaining older housing units. At March 31, 2015 \$1,773 (2014 - \$47,614) has been set aside to fund this reserve. The unfunded portion at March 31, 2015 was \$81,305 (2014 - \$26,857).

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, 2015, the had lines of credit totaling \$130,000 (2014 – \$105,000), with interest charged prime plus 3%.

11. Accounts payable and accruals

	2015	2014
General	247,322	237,835
Housing	44,382	29,794
Enterprise	69,095	27,103
	360,799	294,732

12. Deferred revenue

	2015	2014
AANDC - major capital projects	791	9,156
NLCDC - General	7,245	-
NLCDC - Tatanka Store	16,712	16,712
	24,748	25,868

13. Advances from related Nation entities

The Nation owes \$35,035 (2014 - \$27,958) 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.

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

14. Long-term debt

	2015	2014
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.	742,953	779,873
CMHC mortgage, 1.92%, repayable in monthly installments of \$2,112 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2039 and renews 2019.	487,824	468,539
CMHC mortgage, 1.62%, repayable in monthly installments of \$2,027 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2038 and renews in 2018.	466,595	467,757
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.	337,575	350,189
Affinity Credit Union term loan payable with payments of \$31,420 per quarter including interest at 5.35% per annum. Secured by general security agreement securing all personal property. Matures September 2016.	180,000	-
CMHC mortgage, 1.64%, repayable in monthly installments of \$1,089 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2026 and renews 2017.	137,824	148,545
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.	133,003	170,058
Affinity Credit Union term loan payable with payments of \$1,872 per month including interest at 6.1% per annum. Secured by specific equipment with a net book value of \$140,056.	88,658	110,168
CMHC mortgage, 1.92%, repayable in monthly installments of \$1,276 blended principal and interest. Loan is guaranteed by government of Canada. Matures in 2020 and renews in 2019.	70,622	-
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.	68,885	83,554
Canadian Imperial Bank of Commerce mortgage, 5.24%, repayable in monthly installments of \$719 blended principal and interest. Matures in 2017.	62,424	67,630
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.	29,387	32,158

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

14. Long-term debt *(continued from the previous page)*

FNB mortgage, 5.35%, repayable in monthly installments of \$447 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2018.	16,723	21,069
FNB mortgage, 6.65%, repayable in monthly installments of \$1,954 blended principal and interest. Loan is guaranteed by Government of Canada.	-	113,014
	2,822,473	2,812,554
Less: current portion	314,127	192,761
	2,508,346	2,619,793

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:

	Total
2016	314,127
2017	266,821
2018	212,236
2019	166,261
2020	131,282

15. 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 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 \$46,583 in 2015 (2014 - \$606,636).

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

16. Accumulated surplus

Accumulated surplus consists of the following:

	2015	2014
Equity in Ottawa Trust Funds		
Balance, beginning of year	34,631	15,551
Contributions	44,575	54,895
Withdrawals	(73,403)	(35,815)
	5,803	34,631
Equity in CMHC reserves		
Balance, beginning of year	315,150	291,683
Contributions	27,745	44,692
Withdrawals	(9,490)	(21,225)
	333,405	315,150
Equity in tangible capital assets		
Balance, beginning of year	5,161,113	4,926,850
Amortization	(423,500)	(432,338)
Capital Purchases	51,775	1,107,837
Capital long-term debt proceeds	(47,082)	(590,254)
Capital long-term debt repayments	217,165	164,744
Capital payable repaid	-	15,733
Capital loan advances receivable	-	(31,459)
Capital loan advances paid	31,459	-
	4,990,930	5,161,113
Equity in business investments		
Balance, beginning of year	2,629,593	2,413,894
Income earned / contributions	36,428	245,699
Losses earned / withdrawals	-	(30,000)
	2,666,021	2,629,593
Unrestricted surplus (deficit)		
Balance, beginning of year	(115,621)	172,446
Change in Ottawa Trust Fund equity	28,828	(19,080)
Change in CMHC reserves equity	(18,255)	(23,467)
Change in tangible capital asset equity	170,183	(234,263)
Change in business investment equity	(36,428)	(215,699)
Surplus (deficit)	(452,457)	204,442
	(423,750)	(115,621)
	7,572,409	8,024,866

Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2015

16. Accumulated surplus *(continued from previous page)*

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

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.

17. Budget information

The disclosed budget information has been approved by the Chief and Council of the Wahpeton Dakota Nation in February of 2015.

The disclosed budget is required to be presented on the same basis as the actual results. The First Nation has not budgeted for amortization, housing rental operations, retail store operations, and earnings from Nation business entities.

18. Government funding

	2015	2014
Aboriginal Affairs and Northern Development Canada		
Funding per confirmation	1,976,959	1,932,074
Add: Major capital deferred funding recognized	8,365	351,571
Add: Receivable - Basic needs	9,046	-
Add: Other	2,670	-
Less: Recoveries - Band employee benefits	-	(5,431)
Less: Recoveries - Basic needs	-	(5,058)
Less: Recoveries - Special needs	(2,868)	(17,197)
Less: Other	-	(3,280)
	1,994,172	2,252,679
Health Canada		
Funding per confirmation	116,258	154,624
Less: Recoveries	(12,812)	-
	103,446	154,624
Canada Housing and Mortgage Corporation		
Housing subsidy as per confirmation	175,806	157,691
RRAP funding as per confirmation	41,854	11,215
	217,660	168,906
	2,315,278	2,576,209

Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

19. Tatanka retail sales, net

	2015	2014
Sales		
Retail sales	782,139	773,649
Cost of sales		
Purchases	(788,073)	(804,003)
Delivery	(3,951)	(3,534)
Fuel and tobacco tax rebates, net	156,878	177,633
	(635,146)	(629,904)
	146,993	143,745

20. 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 First Nations and Inuit Health Branch of Health Canada. The ability of the to continue operations is dependent upon funding from these bodies.

21. 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.

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 publicly available and submit its consolidated financial statements to Aboriginal Affairs and Northern Development Canada by July 29, 2015. As the audit report is dated after July 29, 2015, 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 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Buildings</i>	<i>Equipment</i>	<i>Community infrastructure</i>	<i>Housing</i>	2015	2014
Cost						
Balance, beginning of year	1,820,508	1,758,282	3,800,013	5,402,323	12,781,126	11,720,872
Acquisition of tangible capital assets	8,365	43,410	-	-	51,775	735,708
Construction-in-progress	-	-	47,583	-	47,583	372,129
Balance, end of year	1,828,873	1,801,692	3,847,596	5,402,323	12,880,484	12,828,709
Accumulated amortization						
Balance, beginning of year	371,546	1,108,087	798,345	2,545,603	4,823,581	4,391,243
Annual amortization	71,958	101,971	79,915	169,656	423,500	432,338
Balance, end of year	443,504	1,210,058	878,260	2,715,259	5,247,081	4,823,581
Net book value of tangible capital assets	1,385,369	591,634	2,969,336	2,687,064	7,633,403	8,005,128
Net book value of tangible capital assets	1,448,962	650,195	3,049,251	2,856,720	8,005,128	

Wahpeton Dakota Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Consolidated expenses by object			
Salaries and benefits	1,512,931	1,705,697	1,707,292
Amortization	-	423,500	432,338
Social assistance	280,657	292,198	251,716
Bad debts	-	228,696	8,104
Community Support	-	166,508	93,168
Supplies	88,917	163,119	149,779
Community events	124,978	153,203	81,144
Program expense	241,417	134,610	159,265
Repairs and maintenance	74,598	114,240	234,478
Insurance	62,154	112,966	105,417
Chief and council	100,404	98,946	77,078
Professional fees	10,000	98,536	66,296
Utilities	43,092	96,638	81,637
Student expenses	169,121	92,328	141,006
Renovations	-	91,508	27,370
Interest on long-term debt	-	73,200	68,440
Travel	72,844	67,407	81,935
Contracted services	9,000	67,406	45,892
Tuition costs	-	40,380	60,023
Bank charges and interest	7,200	35,259	26,136
Meeting	9,720	18,330	38,810
Telephone	21,576	18,322	19,206
Furniture and equipment	18,217	15,744	19,818
Training	22,660	15,294	29,252
Advertising	3,400	12,882	485
Board travel, training and honouraria	-	10,087	12,587
Elders fees	9,490	7,640	3,229
Community donations	-	5,757	3,136
Consulting	-	4,848	-
Office supplies	-	3,699	5,068
Miscellaneous	26,033	3,050	17,465
Automotive	-	949	153
Administration	56,426	300	552
Recreation expenses	-	-	2,732
	2,964,835	4,373,247	4,051,007

Wahpeton Dakota Nation
Education & Post Secondary
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	907,104	887,538	837,908
Set contributions	-	19,562	18,079
Set receivables (recoveries)	-	(5,338)	-
	907,104	901,762	855,987
Tribal council	237,660	246,858	241,306
Other revenue	-	2,740	-
Northern Lights Community Development Corporation	-	-	3,354
First Nations Trust - gaming revenue allocation	-	-	10,000
	1,144,764	1,151,360	1,110,647
Expenses			
Salaries and benefits	828,809	773,765	739,169
Student expenses	169,121	89,214	134,183
Supplies	39,619	62,073	63,630
Travel	40,140	45,880	50,722
Tuition costs	-	40,380	60,023
Insurance	12,000	12,835	13,191
Elders fees	6,300	6,300	2,950
Interest on long-term debt	-	5,137	2,702
Furniture and equipment	4,800	5,006	9,282
Utilities	-	4,949	1,395
Meeting	3,000	3,592	9,901
Telephone	7,080	3,337	3,074
Contracted services	-	2,100	-
Training	1,000	1,426	8,382
Program expense	-	500	-
Repairs and maintenance	-	258	10,092
Miscellaneous	1,200	-	200
Administration	22,895	-	-
Community events	7,800	-	107
Advertising	1,000	-	310
	1,144,764	1,056,752	1,109,313
Surplus	-	94,608	1,334

Wahpeton Dakota Nation
Community Infrastructure
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	169,301	130,047	119,463
Set contributions	-	27,000	27,000
Flexible contributions	91,033	99,398	466,104
Set receivables (recoveries)	(5,659)	-	-
	254,675	256,445	612,567
Other revenue	22,600	11,214	16,649
Tribal council	-	5,000	5,000
	277,275	272,659	634,216
Expenses			
Amortization	-	208,448	204,722
Salaries and benefits	142,788	139,124	125,624
Repairs and maintenance	71,118	49,668	124,724
Utilities	3,000	38,350	41,129
Insurance	24,996	31,213	9,439
Supplies	10,392	28,397	24,935
Contracted services	-	13,369	3,276
Travel	12,000	7,689	8,710
Training	2,000	4,674	1,704
Telephone	-	1,059	1,351
Miscellaneous	672	600	-
Social assistance	-	-	75
Administration	10,309	-	-
	277,275	522,591	545,689
Surplus (deficit)	-	(249,932)	88,527

Wahpeton Dakota Nation
Daycare / Headstart
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Other revenue	19,200	18,493	12,495
Tribal council	115,000	127,358	144,273
	134,200	145,851	156,768
Expenses			
Salaries and benefits	98,120	107,027	130,234
Supplies	7,358	16,344	9,501
Administration	3,500	7,064	7,838
Insurance	2,599	3,695	4,256
Repairs and maintenance	3,480	3,423	9,555
Utilities	5,100	2,547	2,979
Telephone	-	2,117	352
Student expenses	-	1,639	893
Travel	2,818	687	1,146
Contracted services	-	-	600
Meeting	3,360	-	-
Training	1,720	-	330
Furniture and equipment	1,417	-	-
Miscellaneous	4,728	-	1,285
	134,200	144,543	168,969
Surplus (deficit)	-	1,308	(12,201)

Wahpeton Dakota Nation
Administration / Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Government funding			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	327,311	315,807	309,628
Set contributions	-	102,838	93,541
Set receivables (recoveries)	(8,532)	2,670	(8,711)
	318,779	421,315	394,458
Northern Lights Community Development Corporation	102,000	110,324	131,297
First Nations Trust - gaming revenue allocation	174,000	72,020	161,324
Tribal council	53,000	59,292	57,115
Other revenue	99,270	56,695	20,910
Rental income	-	43,938	53,818
Province of Saskatchewan	-	10,087	12,537
Interest income	-	637	1,077
	747,049	774,308	832,536
Expenses			
Salaries and benefits	270,820	371,182	404,722
Chief and council	100,404	98,946	77,078
Community events	117,178	81,990	75,754
Bad debts	-	80,000	4,663
Professional fees	10,000	76,931	50,495
Community Support	-	60,475	58,381
Supplies	24,000	30,708	30,825
Amortization	-	22,662	48,723
Bank charges and interest	7,200	20,810	20,188
Insurance	18,000	12,139	10,065
Advertising	2,400	11,882	175
Board travel, training and honouraria	-	10,087	12,587
Travel	10,950	7,920	11,399
Utilities	30,000	7,898	-
Furniture and equipment	3,000	7,760	6,923
Telephone	12,000	7,650	9,225
Training	14,436	6,123	10,142
Interest on long-term debt	-	5,788	86
Contracted services	9,000	4,842	7,422
Meeting	-	2,624	1,650
Miscellaneous	19,433	2,000	14,290
Repairs and maintenance	-	1,354	6,197
Recreation expenses	-	-	2,732
Program expense	102,000	-	15,000
Administration	8,547	(12,542)	(9,838)
	759,368	919,229	868,884
Deficit	(12,319)	(144,921)	(36,348)

Wahpeton Dakota Nation
Health

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2013</i>
Revenue			
Government funding			
Aboriginal Affairs and Northern Development Canada			
Set contributions	16,235	16,235	16,235
Health Canada			
Children	116,258	116,258	154,624
Unexpended funding owing	(5,766)	(12,812)	-
	126,727	119,681	170,859
Tribal council	155,806	170,449	165,485
First Nations Trust - gaming revenue allocation	-	77,298	1,600
Other revenue	-	2,044	68
	282,533	369,472	338,012
Expenses			
Salaries and benefits	136,682	169,578	163,866
Community Support	-	59,159	14,587
Program expense	91,617	53,153	56,132
Amortization	-	15,365	24,097
Supplies	7,548	12,893	18,855
Utilities	4,992	6,153	5,114
Repairs and maintenance	-	4,121	23,878
Insurance	4,559	3,517	4,007
Furniture and equipment	9,000	2,978	3,613
Training	3,504	2,906	5,579
Travel	6,936	2,840	4,541
Telephone	2,496	2,005	3,193
Student expenses	-	1,475	5,930
Meeting	3,360	1,400	3,587
Elders fees	3,190	1,340	279
Bank charges and interest	-	355	-
Contracted services	-	102	1,284
Professional fees	-	-	501
Administration	8,649	-	-
Community events	-	-	4,700
	282,533	339,340	343,743
Surplus (deficit)	-	30,132	(5,731)

Wahpeton Dakota Nation
Social Assistance
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Government funding			
Aboriginal Affairs and Northern Development Canada			
Fixed contributions	38,238	32,682	40,000
Set contributions	328,457	359,555	355,687
Set receivables (recoveries)	-	6,178	(22,255)
	366,695	398,415	373,432
First Nations Trust - gaming revenue allocation	-	36,873	20,000
Other revenue	-	2,109	128
	366,695	437,397	393,560
Expenses			
Social assistance	280,657	292,198	251,641
Program expense	47,800	75,773	83,317
Community Support	-	36,873	20,200
Salaries and benefits	35,712	32,350	33,372
Supplies	-	10,469	12
Administration	2,526	5,478	2,000
Travel	-	1,101	2,328
Meeting	-	950	1,754
Repairs and maintenance	-	278	75
Training	-	164	3,116
Miscellaneous	-	-	1,089
	366,695	455,634	398,904
Deficit	-	(18,237)	(5,344)

Wahpeton Dakota Nation
Housing
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Government funding			
Canada Mortgage and Housing Corporation			
Non-profit on-reserve housing	-	175,806	157,691
RRAP conversions	-	41,854	11,215
	-	217,660	168,906
Rental income	-	214,083	200,657
User fees	-	29,273	36,289
Interest income	-	6	383
Other revenue	-	-	3,181
	-	461,022	409,416
Expenses			
Amortization	-	169,656	147,294
Bad debts	-	118,600	5,692
Renovations	-	91,508	27,370
Interest on long-term debt	-	62,275	65,652
Repairs and maintenance	-	49,506	56,322
Insurance	-	45,165	59,886
Contracted services	-	35,720	25,841
Utilities	-	28,853	23,782
Meeting	-	8,578	20,668
Bank charges and interest	-	8,405	2,529
Professional fees	-	6,300	6,300
Travel	-	1,127	1,871
Administration	-	300	552
	-	625,993	443,759
Deficit	-	(164,971)	(34,343)

Wahpeton Dakota Nation
Enterprise

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015 Budget	2015	2014
Revenue			
Retail sales, net	-	146,993	143,745
Contributions	-	105,917	2,791
Earnings (loss) from investment in Nation partnerships	-	36,428	208,433
Other revenue	-	9,386	4,384
Tribal council	-	9,180	20,940
Capital trust funds	-	815	-
	-	308,719	380,293
Expenses			
Salaries and benefits	-	112,670	110,306
Community events	-	71,213	584
Bad debts	-	30,096	(2,251)
Professional fees	-	15,304	9,000
Contracted services	-	11,274	7,470
Community Support	-	10,000	-
Utilities	-	7,887	7,239
Amortization	-	7,368	7,501
Community donations	-	5,757	3,136
Bank charges and interest	-	5,689	3,419
Repairs and maintenance	-	5,633	3,635
Program expense	-	5,184	4,817
Consulting	-	4,848	-
Insurance	-	4,401	4,572
Office supplies	-	3,699	5,068
Supplies	-	2,238	2,017
Telephone	-	2,155	2,012
Meeting	-	1,186	1,250
Advertising	-	1,000	-
Automotive	-	949	153
Miscellaneous	-	450	600
Travel	-	164	1,218
	-	309,165	171,746
Surplus (deficit)	-	(446)	208,547