

Wahpeton Dakota Nation
Consolidated Financial Statements
March 31, 2018





Wahpeton Dakota Nation
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For the year ended March 31, 2018

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Management's Responsibility



To the Members of Wahpeton Dakota Nation:

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

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

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

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council to audit the consolidated financial statements and report directly to the Members; 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.

December 21, 2018

(signature on file) Executive Director

Independent Auditors' Report

To the Members of Wahpeton Dakota Nation:

We have audited the accompanying consolidated financial statements of Wahpeton Dakota Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated 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 consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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 consolidated financial statements present fairly, in all material respects, the financial position of Wahpeton Dakota Nation as at March 31, 2018 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

December 21, 2018

MNP LLP

Chartered Professional Accountants



Wahpeton Dakota Nation

Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Current		
Cash and cash equivalents	2,669	35,040
Restricted cash (Note 4)	959,890	977,910
Accounts receivable (Note 5)	698,429	542,394
Inventory for resale (Note 6)	24,280	28,196
	1,685,268	1,583,540
Investments in Nation partnership and business entities (Note 7)	2,960,735	2,927,136
Funds held in trust (Note 8)	65,983	26,857
Restricted cash (Note 9)	127,428	60,489
Total financial assets	4,839,414	4,598,022
Liabilities		
Current		
Bank indebtedness (Note 10)	129,344	324,918
Accounts payable and accruals (Note 11)	710,130	537,822
Deferred revenue (Note 12)	1,028,967	980,895
Advances from related Dakota Nation entities (Note 13)	-	34,826
Current portion of long-term debt (Note 14)	241,744	207,601
	2,110,185	2,086,062
Long-term debt (Note 14)	2,204,410	2,025,814
Total financial liabilities	4,314,595	4,111,876
Net financial assets	524,819	486,146
Non-financial assets		
Tangible capital assets (Note 15)	6,884,672	7,215,642
Inventories of supplies / Inventories held for use	750	750
Prepaid expenses	5,309	-
Total non-financial assets	6,890,731	7,216,392
Accumulated surplus (Note 16)	7,415,550	7,702,538
Approved on behalf of the Council		
<u>(signature on file)</u> Chief	<u>(signature on file)</u>	Councillor

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, 2018

	Schedules	2018 Budget (Note 17)	2018	2017
Government funding (Note 18)				
Indigenous Services Canada		1,908,575	2,211,651	2,068,890
Health Canada		117,076	131,872	165,211
Canada Mortgage and Housing Corporation		-	170,396	178,947
		2,025,651	2,513,919	2,413,048
Tribal council		727,595	990,524	894,099
Retail sales, net (Note 19)		-	181,697	192,344
Rental income		-	329,244	272,465
First Nations Trust - gaming revenue allocation		168,051	179,100	176,651
Other revenue		-	201,666	200,745
Northern Lights Community Development Corporation		-	114,519	102,223
User fees		-	48,021	30,538
Earnings from investment in Nation partnerships (Note 7)		-	33,599	215,303
Contributions		-	12,046	24,019
Interest income		-	5,768	822
		2,921,297	4,610,103	4,522,257
Program expenses				
Education & Post Secondary	3	1,354,268	1,458,853	1,303,056
Community Infrastructure	4	230,548	693,108	603,874
Daycare / Headstart	5	138,772	147,180	133,736
Administration / Economic Development	6	530,004	996,173	866,952
Health	7	292,231	326,313	406,153
Social Assistance	8	362,667	389,816	397,531
Housing	9	-	560,584	411,012
Enterprise	10	-	326,564	193,664
		2,908,490	4,898,591	4,315,978
Surplus (deficit) before other items		12,807	(288,488)	206,279
Other item				
Gain on disposal of tangible capital assets		-	1,500	94,787
Surplus (deficit)		12,807	(286,988)	301,066
Accumulated surplus, beginning of year		7,702,538	7,702,538	7,401,472
Accumulated surplus, end of year (Note 16)		7,715,345	7,415,550	7,702,538

The accompanying notes are an integral part of these financial statements



Wahpeton Dakota Nation

Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31, 2018

	2018 Budget (Note 17)	2018	2017
Annual surplus (deficit)	12,807	(286,988)	301,066
Purchases of tangible capital assets	-	(106,821)	(372,645)
Amortization of tangible capital assets	-	437,791	436,472
Gain on sale of tangible capital assets	-	(1,500)	(94,787)
Proceeds of disposal of tangible capital assets	-	1,500	138,399
Acquisition of prepaid expenses	-	(5,309)	-
Increase in net financial assets	12,807	38,673	408,505
Net financial assets, beginning of year	486,146	486,146	77,641
Net financial assets, end of year	498,953	524,819	486,146

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, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(286,988)	301,066
Non-cash items		
Amortization	437,791	436,472
Gain on disposal of capital assets	(1,500)	(94,787)
Earnings from investment in Nation partnerships	(33,599)	(215,303)
Debt not repayable from dissolution of government partnership	(34,826)	-
	80,878	427,448
Changes in working capital accounts		
Accounts receivable	(156,034)	(88,086)
Inventory for resale	3,916	11,773
Prepaid expenses	(5,309)	-
Accounts payable and accruals	120,612	171,819
Deferred revenue	48,071	969,956
	92,134	1,492,910
Financing activities		
Advances of long-term debt	428,691	-
Repayment of long-term debt	(215,952)	(301,898)
Increase (decrease) in bank indebtedness	(195,574)	67,576
Repayment of advances from related Dakota Nation entities	-	(209)
	17,165	(234,531)
Capital activities		
Purchases of tangible capital assets	(55,125)	(372,645)
Proceeds of disposal of tangible capital assets	1,500	138,399
	(53,625)	(234,246)
Investing activities		
(Increase) decrease in funds held in trust	(39,126)	942
Increase in cash resources	16,548	1,025,075
Cash resources, beginning of year	1,073,439	48,364
Cash resources, end of year	1,089,987	1,073,439
Cash resources are composed of:		
Cash and cash equivalents	2,669	35,040
Restricted cash - current and long-term	1,087,318	1,038,399
	1,089,987	1,073,439

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, 2018

1. Operations

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

2. Change in accounting policy

Effective April 1, 2017, the Dakota Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

PS 2200 Related Party Disclosures

PS 3420 Inter-entity Transactions

PS 3210 Assets

PS 3320 Contingent Assets

PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

3. Significant accounting policies

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

Reporting entity

The consolidated 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, including Tatanka Store; 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 partnerships 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:

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



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

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

- Four Nations Police Management Board (25%) (2017 year only as the entity ceased to exist in 2018).

Investments in government partnerships are accounted for using the proportionate consolidation method. The Dakota 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 Dakota Nation.

Other economic interests

The Dakota 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 Dakota 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.
- The Dakota Nation is a member of the QBOW Child and Family Services Inc. ("QBOW"). QBOW is an organization of five Nations. The mandate of QBOW is to provide child and family protection and prevention services on reserve to the five member Nations.

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 inventories of supplies.

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 Dakota 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.

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. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

3. Significant accounting policies (Continued from previous page)

Funds held in Ottawa Trust Fund

Trust monies consist of funds held in trust on behalf of Dakota Nation members by the Government of Canada. Trust monies consist of:

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

Revenues for the trust moneys are recognized when measurable, earned, and collected. These moneys are reported on by the Government of Canada.

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:

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
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 Dakota 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.



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

3. Significant accounting policies (Continued from previous page)

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. Investment and interest income are recognized when earned. 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*.

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, 2018.

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 made to settle the liability are deducted from the reported liability when they are made.

No provision for contaminated sites has been reported in these consolidated financial statements.



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

4. Restricted cash

The Dakota Nation has \$959,890 (2017 - \$977,910) of cash received from Indigenous Services Canada to fund major capital projects. 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 \$973,345 (2017 - \$977,910) as disclosed in Note 12.

5. Accounts receivable

	2018	2017
Rent receivable	967,898	903,943
Other accounts receivable	274,471	232,575
Other government agencies	227,775	227,775
Members and employees	201,566	173,335
Health Canada	29,344	(3,837)
Indigenous Services Canada	27,179	(757)
CMHC subsidy assistance receivable	14,196	14,242
Commodity tax receivables	12,764	7,328
	1,755,193	1,554,604
Less: Allowance for doubtful accounts	1,056,764	1,012,210
	698,429	542,394

6. Inventory for resale

	2018	2017
Tatanka store inventory	20,480	20,596
Livestock inventory	3,800	7,600
	24,280	28,196

The cost of inventories recognized as an expense and included in Tatanka store sales, net as per Note 19 amounted to \$745,958 (2017 – \$727,581).

7. Investments in First Nation partnerships and business entities

The First Nation has investments in the following entities:

	<i>Investment, beginning of the year</i>	<i>Withdrawals</i>	<i>Undistributed Earnings</i>	2018 <i>Total investment</i>
Wahpeton Dakota Developments Ltd. - 100%	17	-	-	17
Wahpeton Dakota Developments LP - 99.9%	2,927,119	-	33,599	2,960,718
	2,927,136	-	33,599	2,960,735



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

	<i>Investment, beginning of the year</i>	<i>Withdrawals</i>	<i>Undistributed Earnings</i>	<i>Total investment</i>
				<i>2017</i>
Wahpeton Dakota Developments Ltd. - 100%	17	-	-	17
Wahpeton Dakota Developments LP - 99.9%	2,711,816	-	215,303	2,927,119
	2,711,833	-	215,303	2,927,136

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

	<i>Wahpeton Dakota Developments As at March 31, 2018</i>
Assets	
Current assets	818,633
Investments	2,620,332
Tangible capital assets	1,873
Total assets	3,440,838
Liabilities	
Current liabilities	38,271
Bank debt	306,852
Total liabilities	345,123
Accumulated other comprehensive income	134,980
Owners's equity	2,960,735
Total revenue	189,872
Total expenses	156,273
Net income	33,599
Other comprehensive income	17,473
Comprehensive income	51,072



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

Principal repayments on long-term debt of the First Nation's business enterprise 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:

	2019	2020	2021	2022	2023	Thereafter	Total
WDDLPL	28,126	29,272	30,464	31,705	32,997	154,288	306,852

During the year, the First Nation charged \$10,000 (2017 - \$10,000) to Wahpeton Dakota Developments LP for use of Dakota Nation infrastructure. The infrastructure fee is included in rent revenue on the statement of operations and accumulated surplus.

8. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Dakota Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2018	2017
Capital Trust		
Balance, beginning and end of year	123	123
Revenue Trust		
Balance, beginning of year	26,734	27,676
Interest	567	822
Land leases	93,559	46,116
	120,860	74,614
Less: Transfers to Dakota Nation	55,000	47,880
Balance, end of year	65,860	26,734
	65,983	26,857

Transfers to Dakota Nation:

BCR#10-17/18 - Related expenditures reported in Program expense in Schedule 6

BCR#11-17/18 - Related expenditures reported in Program expense in Schedule 6



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

9. Restricted cash

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Dakota 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, 2018, \$77,221 (2017 - \$47,736) has been set aside to fund this reserve. The unfunded portion at March 31, 2018 was \$241,887 (2017 - \$295,187).
- 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, 2018 \$50,207 (2017 - \$12,753) has been set aside to fund this reserve. The unfunded portion at March 31, 2018 was \$75,511 (2017 - \$109,553).

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

At March 31, 2018, the Dakota Nation had lines of credit totaling \$130,000 (2017 - \$130,000) with \$122,483 drawn upon (2017 - \$118,030). Interest charged at prime plus 2.5% and secured by a general security agreement. The remaining bank indebtedness includes amounts made up of outstanding cheques greater than the cash balance.

11. Accounts payable and accruals

	2018	2017
General	555,797	399,312
Housing	77,400	67,006
Enterprise	76,933	71,504
	710,130	537,822

12. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
ISC - Education major capital	977,910	-	22,869	955,041
ISC - Infrastructure major capital	-	70,000	51,696	18,304
ISC - Housing minor capital	-	150,000	97,363	52,637
NLCDC - Store	2,985	-	-	2,985
	980,895	220,000	171,928	1,028,967

13. Advances from related Dakota Nation entities

The Dakota Nation owes \$nil (2017 - \$34,826) 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, 2018

14. Long-term debt

	2018	2017
Canada Mortgage and Housing Corporation ("CMHC") mortgage, 1.14%, repayable in monthly instalments of \$4,184 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2032 and renews in 2022.	620,871	663,753
CMHC mortgage, 1.98%, repayable in monthly instalments of \$2,112 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2040 and renews in 2020.	439,206	455,732
Affinity Credit Union term loan, 5.95%, repayable in quarterly instalments of \$26,017 blended principal and interest. Matures in 2022.	428,691	-
CMHC mortgage, 1.62%, repayable in monthly instalments of \$2,027 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2038 and renews in 2019.	415,033	432,498
CMHC mortgage, 1.35%, repayable in monthly instalments of \$1,483 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2037 and renews in 2019.	298,106	311,710
CMHC mortgage, 1.44%, repayable in monthly instalments of \$1,079 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2027 and renews in 2022.	104,483	115,841
Canadian Imperial Bank of Commerce mortgage, 3.09%, repayable in monthly instalments of \$676 blended principal and interest. Matures in 2020.	44,988	51,060
CMHC mortgage, 1.92%, repayable in monthly instalments of \$1,276 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2020.	27,560	42,190
CMHC mortgage, 0.92%, repayable in monthly instalments of \$1,339 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2020.	22,609	38,392
CMHC mortgage, 1.05%, repayable in monthly instalments of \$275 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2025 and renews in 2022.	20,503	23,577
Affinity Credit Union term loan payable with payments of \$7,090 per quarter including interest at 5.95% per annum. Secured by specific equipment with a net book value of \$107,737.	11,169	37,983
First Nations Bank ("FNB") mortgage, 4.75%, repayable in monthly instalments of \$3,690 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2019.	10,772	53,448



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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

FNB mortgage, 3.85%, repayable in monthly instalments of \$438 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2019.	2,163	7,231
	2,446,154	2,233,415
Less: current portion	241,744	207,601
	2,204,410	2,025,814

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:

2019	241,744
2020	212,897
2021	200,287
2022	208,013
2023	191,213

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 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 \$144,232 in 2018 (2017 - \$160,149).



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

16. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Equity in Ottawa Trust Funds		
Balance, beginning of year	26,857	27,799
Contributions	94,126	46,938
Withdrawals (Christmas bonus)	(35,000)	(35,000)
Withdrawals (Other)	(20,000)	(12,880)
	65,983	26,857
Equity in CMHC reserves		
Balance, beginning of year	428,232	377,285
Contributions	56,410	59,280
Withdrawals	(39,815)	(8,333)
CMHC adjustments	(5,015)	-
	439,812	428,232
Equity in tangible capital assets		
Balance, beginning of year	4,982,227	4,879,823
Amortization	(437,791)	(436,472)
Capital purchases	106,821	372,645
Capital disposals	(20,000)	(43,612)
Capital long-term debt repayments	215,952	209,843
Capital payable advanced	(51,696)	-
	4,795,513	4,982,227
Equity in business investments		
Balance, beginning of year	2,927,136	2,711,833
Income earned / contributions	33,599	215,303
	2,960,735	2,927,136
Unrestricted operating deficit - Nation		
Balance, beginning of year	(774,434)	(722,831)
Change in Ottawa Trust Fund equity	(39,126)	942
Change in CMHC reserves equity	(11,580)	(50,947)
Change in tangible capital asset equity	186,714	(102,404)
Change in business investment equity	(33,599)	(215,303)
Change in store equity	29,189	15,043
Surplus (deficit)	(286,988)	301,066
	(929,824)	(774,434)
Unrestricted operating surplus (deficit) - Store		
Balance, beginning of year (includes 122,975 contributed surplus)	112,520	127,563
Deficit	(29,189)	(15,043)
	83,331	112,520
	7,415,550	7,702,538



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

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

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

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

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

The equity in Ottawa Trust Funds represent amount not readily available for operation as they are held in trust are only accessible through Council BCR.

17. Budget information

The disclosed budget information has been approved by the Chief and Council of the Wahpeton Dakota Nation in January of 2018.

The disclosed budget is required to be presented on the same basis as the actual results. The Dakota Nation has not budgeted for amortization, housing rental operations, retail store operations, and earnings from Dakota Nation business entities. Also, the Dakota Nation's budgeted deficit of \$15,553 has been adjusted for budgeted loan payments of \$28,360 to report a budgeted surplus of \$12,807.

18. Government funding

	2018	2017
Indigenous Services Canada		
Funding per confirmation	2,263,402	3,059,892
Add: Major capital (education) deferred funding recognized	22,869	-
Less: Major capital (infrastructure) deferred funding	(18,304)	-
Less: Minor capital (housing) deferred funding	(52,637)	-
Less: Recoveries - Band employee benefits	-	(2,558)
Less: Recoveries - Basic needs	(3,679)	(3,574)
Less: Recoveries - Special needs	-	(6,960)
Less: Major capital deferred funding	-	(977,910)
	2,211,651	2,068,890
Health Canada		
Funding per confirmation	131,872	171,425
Add: Other	-	10,000
Less: Recoveries	-	(16,214)
	131,872	165,211
Canada Housing and Mortgage Corporation		
Housing subsidy as per confirmation	170,396	171,955
RRAP funding as per confirmation	-	6,991
	170,396	178,946
	2,513,919	2,413,047



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

19. Tatanka retail sales, net

	2018	2017
Sales		
Retail sales	854,249	841,996
Fuel and tobacco tax rebates, to customer	(72,261)	(79,183)
	781,988	762,813
Cost of sales		
Purchases	(745,591)	(727,581)
Delivery	(7,618)	(4,345)
Fuel and tobacco tax rebates, received	152,918	161,457
	(600,291)	(570,469)
	181,697	192,344

20. Economic dependence

Wahpeton Dakota Nation receives substantially all of its revenue from Indigenous Services Canada (ISC) as a result of funding agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the Indian Act. The Dakota Nation also receives significant funding through contribution agreements with 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.

21. Comparative figures

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

22. Compliance with authorities

The Dakota Nation is required to make its consolidated financial statements publicly available and submit its consolidated financial statements to ISC by July 29, 2018. As the audit report is dated after July 29, 2018, the Dakota Nation is in breach of this requirement. The possible effect of this breach has not yet been determined.

These consolidated 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.

Wahpeton Dakota Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Buildings</i>	<i>Equipment</i>	<i>Community infrastructure</i>	<i>Housing</i>	<i>2018</i>	<i>2017</i>
Cost						
Balance, beginning of year	1,936,006	2,055,897	3,854,601	5,429,789	13,276,293	12,994,506
Acquisition of tangible capital assets	62,135	-	44,686	-	106,821	372,645
Disposal of tangible capital assets	-	(20,000)	-	-	(20,000)	(90,858)
Balance, end of year	1,998,141	2,035,897	3,899,287	5,429,789	13,363,114	13,276,293
Accumulated amortization						
Balance, beginning of year	578,825	1,420,446	1,052,956	3,008,424	6,060,651	5,671,425
Annual amortization	78,284	108,597	80,155	170,755	437,791	436,472
Accumulated amortization on disposals	-	(20,000)	-	-	(20,000)	(47,246)
Balance, end of year	657,109	1,509,043	1,133,111	3,179,179	6,478,442	6,060,651
Net book value of tangible capital assets	1,341,032	526,854	2,766,176	2,250,610	6,884,672	7,215,642
2017 Net book value of tangible capital assets	1,357,181	635,451	2,801,645	2,421,365	7,215,642	



Wahpeton Dakota Nation

Schedule 2 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2018

	<i>2018 Budget (Note 17)</i>	<i>2018</i>	<i>2017</i>
Consolidated expenses by object			
Salaries and benefits	1,531,998	1,831,995	1,765,877
Amortization	-	437,791	436,472
Repairs and maintenance	4,598	306,774	143,180
Student expenses	154,777	301,829	270,503
Program expense	423,340	307,883	411,566
Supplies	191,561	236,172	225,633
Social assistance	210,525	219,118	238,317
Bad debts	-	197,834	28,148
Travel and meetings	78,740	180,129	86,007
Chief and council	63,300	123,144	37,665
Community events	-	102,829	4,805
Utilities	14,921	98,674	99,068
Insurance	8,231	96,838	82,861
Contracted services	-	77,732	84,531
Professional fees	730	51,485	77,141
Training	32,664	50,592	35,083
Administration	101,399	44,035	6,920
Interest on long-term debt	-	41,524	47,575
Recreation expenses	-	39,465	10,867
Bank charges and interest	-	35,846	19,856
Community support	-	19,362	98,223
Furniture and equipment	67,586	19,448	23,206
Elders fees	-	18,718	7,046
Telephone	12,700	18,572	17,415
Community donations	-	18,150	19,400
Meeting	11,420	17,326	28,065
Advertising	-	5,306	6,993
Miscellaneous	-	20	109
Renovations	-	-	3,446
	2,908,490	4,898,591	4,315,978



Wahpeton Dakota Nation
Education & Post Secondary
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 17)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada			
Fixed contributions	919,315	937,376	902,031
Tribal council	429,903	559,248	498,318
Other revenue	-	54,872	88,000
	1,349,218	1,551,496	1,488,349
Expenses			
Salaries and benefits	911,386	831,188	816,525
Student expenses	154,777	301,679	270,503
Travel and meetings	39,940	127,771	55,138
Supplies	114,860	101,912	107,441
Training	6,900	20,012	-
Repairs and maintenance	-	6,784	-
Elders fees	-	12,750	6,784
Program expense	38,289	29,242	18,442
Contracted services	-	9,298	6,100
Meeting	4,450	4,750	4,742
Furniture and equipment	36,002	4,562	5,562
Administration	40,183	1,957	-
Insurance	4,731	1,257	517
Advertising	-	-	591
Telephone	1,200	5,691	1,789
Community events	-	-	4,555
Recreation expenses	-	-	2,471
Interest on long-term debt	-	-	1,896
Utilities	1,550	-	-
	1,354,268	1,458,853	1,303,056
Surplus	(5,050)	92,643	185,293



Wahpeton Dakota Nation
Community Infrastructure
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 17)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada			
Fixed contributions	139,515	171,505	157,406
Flexible contributions	91,033	311,033	1,171,033
Deferred from prior year	-	22,869	-
Deferred to future year	-	(70,940)	(977,910)
	230,548	434,467	350,529
Tribal council	-	5,000	5,000
	230,548	439,467	355,529
Expenses			
Amortization	-	209,027	209,916
Salaries and benefits	97,998	152,046	120,065
Repairs and maintenance	3,348	136,883	60,358
Utilities	-	47,803	50,945
Insurance	-	47,623	46,681
Supplies	22,787	26,461	34,641
Program expense	91,033	19,479	19,681
Contracted services	-	20,707	21,000
Telephone	-	3,932	3,427
Travel and meetings	2,500	7,062	6,772
Training	5,406	3,358	13,901
Furniture and equipment	500	2,300	-
Miscellaneous	-	-	60
Administration	6,976	16,427	16,427
	230,548	693,108	603,874
Surplus (deficit)	-	(253,641)	(248,345)



Wahpeton Dakota Nation
Daycare / Headstart
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 17)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Tribal council	138,772	146,773	150,796
Other revenue	-	11,705	14,561
	138,772	158,478	165,357
Expenses			
Salaries and benefits	62,884	90,059	92,192
Supplies	26,866	25,637	13,565
Repairs and maintenance	-	8,415	10,011
Administration	6,939	7,471	7,471
Travel and meetings	2,500	4,484	121
Program expense	-	3,555	3,360
Utilities	3,000	3,073	2,672
Telephone	1,500	2,439	2,461
Insurance	1,500	947	1,033
Training	7,500	750	-
Meeting	-	200	-
Contracted services	-	150	-
Furniture and equipment	26,083	-	850
	138,772	147,180	133,736
Surplus	-	11,298	31,621



Wahpeton Dakota Nation
Administration / Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 17)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Government funding			
Indigenous Services Canada			
Fixed contributions	81,570	122,489	75,869
Recovery of prior year funding	-	-	(2,558)
Grant contributions	269,845	269,845	269,845
Set contributions	-	57,847	95,277
	351,415	450,181	438,433
First Nations Trust - gaming revenue allocation	168,051	179,100	176,651
Northern Lights Community Development Corporation	-	114,519	102,223
Tribal council	-	96,292	55,506
Rental income	-	93,559	46,116
Other revenue	-	73,563	73,508
Interest income	-	5,768	822
	519,466	1,012,982	893,259
Expenses			
Salaries and benefits	255,113	403,172	391,717
Chief and council	63,300	123,144	37,665
Program expense	121,803	92,747	130,296
Community events	-	102,829	-
Supplies	9,525	47,660	39,385
Recreation expenses	-	39,465	8,396
Professional fees	-	38,085	64,259
Amortization	-	34,678	32,054
Community support	-	19,362	98,023
Travel and meetings	26,000	24,412	15,255
Training	4,000	22,788	19,048
Bank charges and interest	-	22,036	12,455
Repairs and maintenance	-	14,515	6,006
Insurance	-	12,756	-
Contracted services	-	11,430	25,511
Furniture and equipment	5,000	9,735	13,093
Meeting	-	7,557	7,200
Interest on long-term debt	-	6,255	2,422
Elders fees	-	4,288	-
Advertising	-	675	751
Telephone	10,000	646	5,327
Utilities	10,000	149	-
Administration	25,263	(42,211)	(41,911)
	530,004	996,173	866,952
Surplus (deficit) before other items	(10,538)	16,809	26,307
Other item			
Gain on disposal of tangible capital assets	-	1,500	-
Surplus (deficit)	(10,538)	18,309	26,307



Wahpeton Dakota Nation Health

Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 17)	2018	2017
Revenue			
Government funding			
Health Canada			
Set funding	117,076	131,872	181,425
Indigenous Services Canada			
Flexible contributions	16,235	16,235	16,235
Unexpended funding owing	-	-	(16,214)
	133,311	148,107	181,446
Tribal council	158,920	177,211	175,299
	292,231	325,318	356,745
Expenses			
Salaries and benefits	169,461	205,825	202,701
Program expense	62,655	52,118	135,738
Supplies	17,524	14,494	21,501
Amortization	-	15,392	15,392
Travel and meetings	7,800	8,577	5,500
Utilities	371	7,698	6,772
Repairs and maintenance	1,250	5,705	6,684
Telephone	-	3,312	2,818
Furniture and equipment	-	2,851	3,701
Meeting	6,970	2,795	1,626
Insurance	2,000	2,507	1,571
Training	8,858	2,260	1,574
Elders fees	-	1,680	262
Contracted services	-	755	300
Social assistance	-	194	-
Student expenses	-	150	-
Administration	14,612	-	-
Professional fees	730	-	13
	292,231	326,313	406,153
Deficit	-	(995)	(49,408)



Wahpeton Dakota Nation
Social Assistance
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 17)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Government funding			
Indigenous Services Canada			
Flexible contributions	325,851	343,851	242,556
Fixed contributions	33,221	33,221	33,221
Recovery of prior year funding	-	(3,679)	(10,534)
Set contributions	-	-	96,419
	359,072	373,393	361,662
Expenses			
Social assistance	210,525	218,923	238,317
Program expense	109,560	106,277	98,919
Salaries and benefits	35,155	36,702	36,256
Administration	7,427	18,959	18,014
Travel and meetings	-	6,352	1,491
Training	-	1,424	560
Meeting	-	1,324	1,550
Contracted services	-	107	-
Supplies	-	3	1,782
Miscellaneous	-	-	42
Repairs and maintenance	-	-	600
Utilities	-	(255)	-
	362,667	389,816	397,531
Deficit	(3,595)	(16,423)	(35,869)



Wahpeton Dakota Nation Housing

Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 17)	2018	2017
Revenue			
Government funding			
Canada Mortgage and Housing Corporation			
Non-profit on-reserve housing	-	170,396	171,955
RRAP conversions	-	-	6,991
	-	170,396	178,946
Rental income	-	225,685	216,349
Other revenue	-	49,122	1,200
User fees	-	48,021	30,538
	-	493,224	427,033
Expenses			
Amortization	-	170,755	170,755
Repairs and maintenance	-	130,887	56,674
Bad debts	-	84,452	28,148
Administration	-	41,433	6,920
Interest on long-term debt	-	35,270	43,258
Utilities	-	35,210	33,027
Insurance	-	26,791	28,267
Contracted services	-	17,844	19,867
Bank charges and interest	-	11,286	2,138
Professional fees	-	6,300	6,300
Meeting	-	300	11,697
Travel and meetings	-	56	515
Renovations	-	-	3,446
	-	560,584	411,012
Surplus (deficit) before other items	-	(67,360)	16,021
Other item			
Gain on disposal of tangible capital assets	-	-	94,787
Surplus (deficit)	-	(67,360)	110,808



Wahpeton Dakota Nation Enterprise

Schedule 10 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 17)	2018	2017
Revenue			
Earnings from investment in Nation partnerships	-	33,599	215,303
Retail sales, net (Note 19)	-	181,697	192,344
Contributions	-	12,046	24,019
Other revenue	-	12,405	23,476
Rental income	-	10,000	10,000
Tribal council	-	6,000	9,180
	-	255,747	474,322
Expenses			
Bad debts	-	113,383	-
Salaries and benefits	-	113,003	106,421
Supplies	-	20,006	7,319
Community donations	-	18,150	19,400
Contracted services	-	17,442	11,754
Amortization	-	7,939	8,355
Professional fees	-	7,100	6,570
Utilities	-	4,996	5,652
Insurance	-	4,958	4,791
Advertising	-	4,631	5,651
Program expense	-	4,464	5,131
Repairs and maintenance	-	3,586	2,847
Telephone	-	2,552	1,594
Bank charges and interest	-	2,525	5,263
Travel and meetings	-	1,416	1,216
Meeting	-	400	1,250
Miscellaneous	-	13	-
Community support	-	-	200
Community events	-	-	250
	-	326,564	193,664
Surplus (deficit)	-	(70,817)	280,658