

**Wahpeton Dakota Nation
Consolidated Financial Statements**
March 31, 2021





Wahpeton Dakota Nation Contents

For the year ended March 31, 2021

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Changes in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements.....	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	17
Schedule 2 - Consolidated Schedule of Expenses by Object.....	18
Schedule 3 - Schedule of Segment Revenues and Expenses - Education & Post Secondary.....	19
Schedule 4 - Schedule of Segment Revenues and Expenses - Community Infrastructure.....	20
Schedule 5 - Schedule of Segment Revenues and Expenses - Daycare/Headstart.....	21
Schedule 6 - Schedule of Segment Revenues and Expenses - Administration/Economic Development.....	22
Schedule 7 - Schedule of Segment Revenues and Expenses - Health.....	23
Schedule 8 - Schedule of Segment Revenues and Expenses - Social Assistance.....	24
Schedule 9 - Schedule of Segment Revenues and Expenses - Housing.....	25
Schedule 10 - Schedule of Segment Revenues and Expenses - Enterprise.....	26
Schedule 11 - Schedule of Segment Revenues and Expenses - COVID-19.....	27

Management's Responsibility

To the Members of Wahpeton Dakota Nation:

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 are 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.

January 9, 2024

(Signature on file)

Executive Director

Independent Auditor's Report

To the Members of Wahpeton Dakota Nation:

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Dakota Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Chief and Council for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Dakota Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Dakota Nation or to cease operations, or has no realistic alternative but to do so.

Chief and Council are responsible for overseeing the Dakota Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Independent Auditor's Report (continued...)

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

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

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

Prince Albert, Saskatchewan

January 9, 2024

MNP LLP

Chartered Professional Accountants



Wahpeton Dakota Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Current		
Cash and cash equivalents	690,307	-
Restricted cash (Note 3)	346,241	346,033
Accounts receivable (Note 4)	651,672	423,004
Inventory for resale (Note 5)	46,128	31,980
	1,734,348	801,017
Investments in Nation partnerships (Note 6)	2,628,573	2,751,682
Funds held in trust (Note 7)	48,639	47,884
Restricted cash (Note 8)	2,635	28,260
Total financial assets	4,414,195	3,628,843
Liabilities		
Current		
Bank indebtedness (Note 9)	-	543,138
Accounts payable and accruals (Note 10)	317,837	440,717
Deferred revenue (Note 11)	1,390,446	469,599
Current portion of long-term debt (Note 12)	227,040	243,375
	1,935,323	1,696,829
Long-term debt (Note 12)	1,623,157	1,880,606
Total financial liabilities	3,558,480	3,577,435
Net financial assets	855,715	51,408
Non-financial assets		
Tangible capital assets (Note 13)	6,987,231	7,125,227
Inventories held for use	750	750
Prepaid expenses	-	5,320
Total non-financial assets	6,987,981	7,131,297
Accumulated surplus (Note 15)	7,843,696	7,182,705

Approved on behalf of the Council

(Signature on file)

Chief

(Signature on file)

Councilor



Wahpeton Dakota Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	<i>2021 Budget (Note 14)</i>	<i>2021</i>	<i>2020</i>
Revenue				
Government funding (Note 16)				
Indigenous Services Canada		5,293,351	4,522,814	2,704,136
Indigenous Services Canada - FNIH		117,076	266,647	158,024
Canada Mortgage and Housing Corporation		-	131,536	214,889
		5,410,427	4,920,997	3,077,049
Tribal council		297,692	473,493	960,689
Retail sales, net (Note 17)		-	198,309	155,516
Rental income		-	176,630	268,582
Other revenue		26,235	210,556	148,826
First Nations Trust - gaming revenue allocation		168,051	126,878	171,522
QBOW Child and Family Services Inc.		-	78,800	392,766
User fees		-	77,128	70,066
Northern Lights Community Development Corporation		10,000	30,650	104,081
Interest income		-	14,519	1,133
Earnings (loss) from investment in Nation partnerships		-	(123,109)	11,424
		5,912,405	6,184,851	5,361,654
Program expenses				
Education & Post Secondary	3	1,750,701	1,508,745	1,475,066
Community Infrastructure	4	91,033	540,133	656,873
Daycare / Headstart	5	138,772	308,473	264,709
Administration / Economic Development	6	2,172,162	1,128,855	1,757,213
Health	7	302,231	304,863	343,476
Social Assistance	8	496,544	318,249	455,729
Housing	9	-	770,305	992,364
Enterprise	10	-	124,287	153,452
COVID-19	11	1,067,619	519,950	61,158
Total expenditures		6,019,062	5,523,860	6,160,040
Surplus (deficit) before other item		(106,657)	660,991	(798,386)
Other item				
Gain (loss) on disposal of tangible capital assets		-	-	1,000
Surplus (deficit)		(106,657)	660,991	(797,386)
Accumulated surplus, beginning of year		7,182,705	7,182,705	7,980,091
Accumulated surplus, end of year		7,076,048	7,843,696	7,182,705



Wahpeton Dakota Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021	2020
Annual surplus (deficit)	(106,657)	660,991	(797,386)
Purchases of tangible capital assets	(422,000)	(235,651)	(186,653)
Amortization of tangible capital assets	-	373,647	452,355
Gain on sale of tangible capital assets	-	-	(1,000)
Proceeds of disposal of tangible capital assets	-	-	1,000
	(422,000)	137,996	265,702
Use of prepaid expenses	-	5,320	-
Increase (decrease) in net financial assets	(528,657)	804,307	(531,684)
Net financial assets, beginning of year	51,408	51,408	583,092
Net financial assets, end of year	(477,249)	855,715	51,408

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, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	660,991	(797,386)
Non-cash items		
Amortization	373,647	452,355
Gain on disposal of capital assets	-	(1,000)
Loss (earnings) from investment in Nation partnerships	123,109	(11,424)
	1,157,747	(357,455)
Changes in working capital accounts		
Accounts receivable	(228,668)	138,722
Inventory for resale	(14,148)	(14,149)
Prepaid expenses	5,320	-
Accounts payable and accruals	(122,880)	(48,483)
Deferred revenue	920,847	(51,763)
	1,718,218	(333,128)
Financing activities		
Repayment of long-term debt	(273,784)	(228,261)
Increase (decrease) in bank indebtedness	(543,138)	543,138
	(816,922)	314,877
Capital activities		
Purchases of tangible capital assets	(235,651)	(186,653)
Proceeds of disposal of tangible capital assets	-	1,000
Investing activities		
Decrease (increase) in funds held in trust	(755)	(1,090)
Increase (decrease) in cash resources	664,890	(204,994)
Cash resources, beginning of year	374,293	579,287
Cash resources, end of year	1,039,183	374,293
Cash resources are composed of:		
Cash and cash equivalents	690,307	-
Restricted cash - current and long-term	348,876	374,293
	1,039,183	374,293



Wahpeton Dakota Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

1. Operations

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.

Impact on operations of COVID-19 (coronavirus)

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses and organizations through restrictions put in place by the Canadian, provincial, municipal, and First Nation governments regarding travel, business operations, and isolation/quarantine orders.

The Dakota Nation's operations were impacted by COVID-19 due to office closures, travel restrictions, cancellation of events, and increased cost of compliance with guidelines and regulations. As the Dakota Nation provides essential services to its members, Indigenous Services Canada has increased the amount of financial resources provided to the Dakota Nation in order to ensure the safe and orderly provision of services. The Dakota Nation's total revenues were not negatively impacted as a result.

2. 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 Dakota Nation reporting entity, except for Dakota Nation business entities. Trusts administered on behalf of third parties by Wahpeton Dakota Nation are excluded from the Dakota Nation reporting entity.

The Dakota 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 Dakota Nation business entities are accounted for using the modified equity method. The Dakota 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.

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



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

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, inventories of supplies and prepaid expenses.

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.

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 moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Dakota 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:



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

	<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

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 Dakota 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 Dakota Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

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 Dakota Nation conducts its business through nine reportable segments: Education and Post Secondary, Community Infrastructure, Daycare / Headstart, Administration / Economic Development, Health, Social Assistance, Housing, Enterprise and COVID-19. These operating segments are established by senior management to facilitate the achievement of the Dakota 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 Dakota 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, 2021.

At each financial reporting date, the Dakota 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 Dakota 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, 2021

3. Restricted cash

The Dakota Nation has \$346,241 (2020 - \$346,033) 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.

4. Accounts receivable

	2021	2020
Rent receivable	1,185,992	1,110,071
Members and employees	420,591	349,610
Indigenous Services Canada	360,101	83,684
Other government agencies	227,775	227,775
Other accounts receivable	187,658	216,429
CMHC subsidy assistance receivable	10,961	10,961
Commodity tax receivables	12,065	10,492
	2,405,143	2,009,022
Less: Allowance for doubtful accounts	1,753,471	1,586,018
	651,672	423,004

5. Inventory for resale

	2021	2020
Tatanka store inventory	42,328	28,180
Livestock inventory	3,800	3,800
	46,128	31,980

The cost of inventories recognized as an expense and included in Tatanka store sales, net per Note 17 amounted to \$982,244 (2020 - \$774,553).



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

6. Investments in Nation partnerships and business entities

The Dakota Nation has investments in the following entities:

	2021			
	<i>Investment, beginning of the year</i>	<i>Withdrawals</i>	<i>Undistributed Earnings (Loss)</i>	<i>Total investment</i>
Wahpeton Dakota Developments Ltd. - 100%	14	-	-	14
Wahpeton Dakota Developments LP - 99.9%	2,751,668	-	(123,109)	2,628,559
	2,751,682	-	(123,109)	2,628,573

	2020			
	<i>Investment, beginning of the year</i>	<i>Withdrawals</i>	<i>Undistributed Earnings (Loss)</i>	<i>Total investment</i>
Wahpeton Dakota Developments Ltd. - 100%	14	-	-	14
Wahpeton Dakota Developments LP - 99.9%	2,740,244	-	11,424	2,751,668
	2,740,258	-	11,424	2,751,682

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

*Wahpeton
Dakota
Developments
As at March 31,
2021*

Assets
Cash
Accounts receivable
Investments
Tangible capital assets
Total assets
122,335
189,167
Total liabilities
134,957
Owners's equity
55,993
179,102
Net loss



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Principal repayments on long-term debt of the Dakota Nation's business entities 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:

	2022	2023	2024	2025	2026	Thereafter	Total
WDDLP	32,835	33,985	35,177	36,410	37,690	45,905	222,002

During the year, the Dakota Nation charged \$nil (2020 - \$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.

7. Funds held in trust

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

	2021	2020
Capital Trust		
Balance, beginning and end of year	123	123
Revenue Trust		
Balance, beginning of year	47,761	46,671
Interest	14,519	1,133
Land leases	76,236	89,957
	138,516	137,761
Less: Transfers to Dakota Nation	90,000	90,000
	48,516	47,761
	48,639	47,884

8. 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, 2021, \$1,786 (2020 - \$27,410) has been set aside to fund this reserve. The unfunded portion at March 31, 2021 was \$300,157 (2020 - \$277,099).
- 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, 2021 \$849 (2020 - \$850) has been set aside to fund this reserve. The unfunded portion at March 31, 2021 was \$128,976 (2020 - \$107,449).

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.



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Bank indebtedness

At March 31, 2021, the Dakota Nation had a line of credit of \$130,000 (2020 – \$130,000) with \$nil drawn upon (2020 - \$nil). Interest is charged at prime plus 2.5% and the line of credit is secured by a general security agreement. The remaining bank indebtedness includes amounts made up of outstanding cheques greater than the cash balance.

10. Accounts payable and accruals

	2021	2020
General	259,038	365,015
Enterprise	14,530	48,064
Housing	44,270	27,638
	317,838	440,717

11. Deferred revenue

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

	<i>Balance, beginning year</i>	<i>of Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
ISC - New School	334,885	161	-	335,046
ISC - Lagoon Assessment & Upgrades	41,829	42	-	41,871
ISC - Subdivision	4,900	5	-	4,905
ISC - Community Infrastructure Re-opening	-	54,803	-	54,803
ISC - FNLM ESA	25,000	-	-	25,000
ISC - FNLM Designation Vote	-	25,000	-	25,000
ISC - CEDO Drone and Training	-	14,000	-	14,000
ISC- FNIH - Medical transportation vehicle	60,000	-	60,000	-
ISC - Community Owned Business	-	43,730	-	43,730
ISC - Emergency Measures Action Plan - ICFS2	-	87,497	79,906	7,591
ISC - Food Security	-	136,165	40	136,125
ISC - COVID Top Up	-	77,482	882	76,600
ISC - Return to School	-	21,080	-	21,080
ISC - COVID Response	-	262,828	90,187	172,641
ISC - Perimeter Security - ICSF3	-	208,419	113,793	94,626
ISC - Food Security - ICSF3	-	76,500	-	76,500
ISC - Basic Needs - COVID	-	90,052	61	89,991
ISC - Special Needs - COVID	-	21,419	6,249	15,170
ISC- FNIH - CDCM - Public Health	-	150,992	38,829	112,163
ISC- FNIH - Mental Health - COVID	-	44,915	4,296	40,619
NLCD - Store	2,985	-	-	2,985
	469,599	1,315,090	394,243	1,390,446



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

12. Long-term debt

	2021	2020
CMHC phase 9 mortgage, 1.05%, repayable in monthly instalments of \$275 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2024 and renews in August 2021.	11,088	14,260
CMHC phase 10 mortgage, 1.44%, repayable in monthly instalments of \$1,079 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2026 and renews in February 2022.	69,415	81,275
CMHC phase 11 mortgage, 1.14%, repayable in monthly instalments of \$4,184 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2031 and renews in June 2021.	489,261	533,644
CMHC phase 12 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 May 2022.	255,953	270,202
CMHC phase 13 mortgage, 2.48%, repayable in monthly instalments of \$2,189 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2038 and renews in August 2023.	364,465	381,535
CMHC phase 14 mortgage, 1.87%, repayable in monthly instalments of \$2,090 blended principal and interest. Loan is guaranteed by Government of Canada. Matures in 2039 and renews in May 2024.	387,286	405,015
Affinity Credit Union term loan, 6.45%, repayable in quarterly instalments of \$26,017 blended principal and interest. Matures in 2022.	149,800	265,417
Caterpillar Financing, 6.50%, repayable in monthly instalments of \$3,550 blended principal and interest. Loan is secured by a tangible capital asset with a net book value of \$168,665 and matures in 2024.	100,553	141,422
Canadian Imperial Bank of Commerce mortgage, 3.09%, repayable in monthly instalments of \$736 blended principal and interest. Matures in 2024.	22,376	31,211
	1,850,197	2,123,981
<u>Less: current portion</u>	227,040	243,375
	1,623,157	1,880,606

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:

2022	227,040
2023	232,465
2024	152,331
2025	122,334
2026	113,567



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

13. 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 Dakota 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 and buildings. 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 \$988,690 at March 31, 2021 (2020 - \$815,964).

14. Budget information

The disclosed budget information has been approved by the Chief and Council of the Wahpeton Dakota Nation on May 19, 2020.

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.



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. Accumulated surplus

Accumulated surplus consists of the following:

	2021	2020
Equity in Ottawa Trust Funds		
Balance, beginning of year	47,884	46,794
Contributions	90,755	91,090
Withdrawals (Christmas bonus)	(90,000)	(90,000)
	48,639	47,884
Equity in CMHC reserves		
Balance, beginning of year	436,632	444,570
Contributions	25,320	37,626
Withdrawals	(30,184)	(45,564)
	431,768	436,632
Equity in tangible capital assets		
Balance, beginning of year	5,266,663	5,367,165
Amortization	(373,647)	(452,355)
Capital purchases	235,651	186,653
Capital long-term debt repayments	158,167	165,200
	5,286,834	5,266,663
Equity in business investments		
Balance, beginning of year	2,751,682	2,740,258
Income (loss)	(123,109)	11,424
	2,628,573	2,751,682
Unrestricted operating deficit - Nation		
Balance, beginning of year	(1,351,903)	(641,423)
Change in Ottawa Trust Fund equity	(755)	(1,090)
Change in CMHC reserves equity	4,864	7,938
Change in tangible capital asset equity	(20,171)	100,502
Change in business investment equity	123,109	(11,424)
Change in store equity	(83,021)	(9,020)
Surplus (deficit)	660,991	(797,386)
	(666,886)	(1,351,903)
Unrestricted operating surplus - Store		
Balance, beginning of year (includes 122,975 contributed surplus)	31,747	22,727
Surplus	83,021	9,020
	114,768	31,747
	7,843,696	7,182,705



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. 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.

16. Government funding

	2021	2020
Indigenous Services Canada		
Funding per confirmation	5,350,879	2,611,018
Add: Deferred revenue, beginning of year	406,614	518,377
Add: Basic Needs 2018/19 program reconciliation	-	(15,191)
Add: Band Employee Benefits - Pension reconciliation	-	(3,454)
Less: Deferred revenue, end of year	(1,234,679)	(406,614)
	4,522,814	2,704,136
Health Canada		
Funding per confirmation	359,429	218,024
Less: Deferred revenue, end of year	(152,782)	(60,000)
Add: Deferred revenue, prior year	60,000	-
	266,647	158,024
Canada Housing and Mortgage Corporation		
Housing subsidy per confirmation	131,536	142,258
RRAP contributions	-	72,631
	131,536	214,889
	4,920,997	3,077,049



Wahpeton Dakota Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

17. Tatanka retail sales, net

	2021	2020
Sales		
Retail sales	1,078,631	861,676
Fuel and tobacco tax rebates, to customer	(99,148)	(68,471)
	979,483	793,205
Cost of sales		
Purchases	(982,244)	(774,553)
Delivery	(8,295)	(7,356)
Fuel and tobacco tax rebates, received	209,365	144,220
	(781,174)	(637,689)
	198,309	155,516

18. 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 ability of the Dakota Nation to continue operations is dependent upon funding from the Government of Canada.

19. Comparative figures

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

20. 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, 2021. As the audit report is dated after July 29, 2021, 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, 2021

	Buildings	Equipment	Community infrastructure	Housing	Construction in progress	2021	2020
Cost							
Balance, beginning of year	1,994,983	2,308,340	3,758,212	5,429,789	815,964	14,307,288	14,121,635
Acquisition of tangible capital assets	-	62,924	-	-	172,727	235,651	186,653
Disposal of tangible capital assets	-	-	-	-	-	-	(1,000)
Balance, end of year	1,994,983	2,371,264	3,758,212	5,429,789	988,691	14,542,939	14,307,288
Accumulated amortization							
Balance, beginning of year	758,684	1,499,724	1,347,918	3,575,735	-	7,182,061	6,730,706
Annual amortization	50,258	72,456	107,701	143,232	-	373,647	452,355
Accumulated amortization on disposals	-	-	-	-	-	-	(1,000)
Balance, end of year	808,942	1,572,180	1,455,619	3,718,967	-	7,555,708	7,182,061
Net book value of tangible capital assets	1,186,041	799,084	2,302,593	1,710,822	988,691	6,987,231	7,125,227
2020 Net book value of tangible capital assets	1,236,299	808,616	2,410,294	1,854,054	815,964	7,125,227	



Wahpeton Dakota Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2021

	2021	2020
Consolidated expenses by object		
Salaries and benefits	1,994,436	1,998,900
Contracted services	680,788	180,410
Repairs and maintenance	517,642	517,743
Program expense	419,448	584,298
Amortization	373,647	452,355
Supplies	288,674	258,188
Student expenses	177,894	233,658
Social assistance	168,339	286,417
Insurance	164,100	111,888
Bad debts	150,126	394,637
Travel and meetings	119,031	217,005
Professional fees	98,480	97,426
Chief and council	81,705	134,844
Utilities	81,049	88,604
Interest on long-term debt	76,687	60,685
Community support	28,151	98,439
Telephone	25,796	19,554
Meeting	21,500	11,380
Administration	18,726	14,468
Training	18,099	39,757
Furniture and equipment	16,944	20,889
Bank charges and interest	11,618	26,402
Advertising	8,737	6,160
Recreation expenses	8,318	133,376
Elders fees	1,200	24,239
Community events	-	143,403
Other expenses 6	(27,020)	-
NLCDC grant expense	(255)	4,915
	5,523,860	6,160,040



Wahpeton Dakota Nation
Education & Post Secondary
Schedule 3 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	1,673,218	1,103,553
Other revenue	-	23,000
Tribal council	-	306,985
	1,673,218	1,433,538
Expenses		
Salaries and benefits	1,006,826	1,008,506
Student expenses	177,894	233,658
Administration	83,661	74,409
Contracted services	78,700	450
Supplies	63,850	38,920
Travel and meetings	41,734	57,063
Program expense	37,208	19,951
Repairs and maintenance	6,338	10,693
Furniture and equipment	4,562	4,562
Meeting	2,500	3,900
Training	1,503	8,786
Insurance	1,263	3,431
Advertising	1,029	-
Telephone	931	-
Chief and council	596	-
Elders fees	150	5,620
Miscellaneous	-	4,500
Community events	-	617
	1,508,745	1,475,066
Surplus (deficit)	126,575	(80,409)



Wahpeton Dakota Nation
Community Infrastructure
Schedule 4 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	912,214	379,327
Other revenue	1,760	-
Tribal council	-	5,000
	913,974	384,327
 Expenses		
Amortization	175,121	175,121
Salaries and benefits	132,466	140,847
Repairs and maintenance	61,040	100,450
Utilities	55,636	54,869
Administration	41,266	10,088
Contracted services	26,786	15,788
Supplies	20,724	29,782
Telephone	12,377	9,273
Program expense	9,062	74,987
Travel and meetings	2,711	12,000
Insurance	2,194	29,679
Furniture and equipment	750	-
Training	-	3,989
	540,133	656,873
Surplus (deficit) before transfers	373,841	(272,546)
Transfers between programs	37,898	38,881
Surplus (deficit)	411,739	(233,665)



Wahpeton Dakota Nation
Daycare / Headstart
Schedule 5 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Tribal council	248,013	359,365
Other revenue	-	11,285
	248,013	370,650
 Expenses		
Salaries and benefits	132,592	109,951
Program expense	66,099	87,233
Supplies	65,031	14,859
Administration	12,401	17,969
Contracted services	10,743	2,206
Training	9,226	2,685
Amortization	3,326	3,326
Utilities	3,015	2,843
Telephone	2,071	2,389
Travel and meetings	1,886	18,145
Repairs and maintenance	1,171	925
Insurance	812	2,028
Meeting	100	150
	308,473	264,709
Surplus (deficit)	(60,460)	105,941



Wahpeton Dakota Nation
Administration / Economic Development
Schedule 6 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	462,591	479,708
First Nations Trust - gaming revenue allocation	126,878	171,522
Tribal council	82,500	83,000
QBOW Child and Family Services Inc. - prevention reimbursement	78,800	392,766
Rental income	76,235	129,162
Northern Lights Community Development Corporation	30,650	86,831
Other revenue	86,554	108,186
Interest income	14,519	1,133
	958,727	1,452,308
Expenses		
Salaries and benefits	461,606	444,278
Program expense	150,508	218,450
Insurance	131,797	49,611
Contracted services	100,085	118,326
Bad debts	85,126	142,900
Professional fees	82,641	82,114
Chief and council	81,109	134,844
Supplies	60,084	89,022
Repairs and maintenance	31,898	4,557
Community support	28,151	98,439
Amortization	25,634	25,545
Interest on long-term debt	22,647	25,328
Travel and meetings	21,508	100,503
Furniture and equipment	8,778	13,476
Recreation expenses	8,318	133,376
Meeting	6,850	4,351
Bank charges and interest	5,999	21,841
Training	4,348	21,821
Advertising	4,216	1,566
Telephone	4,025	2,267
Elders fees	1,050	17,900
Utilities	253	465
Community events	-	142,786
Administration	(197,776)	(136,553)
	1,128,855	1,757,213
Deficit before other items	(170,128)	(304,905)
Other income (expense)		
Gain on disposal of tangible capital assets	-	1,000
Deficit	(170,128)	(303,905)



Wahpeton Dakota Nation
Health
Schedule 7 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	20,235	16,235
Indigenous Services Canada - FNIH	227,818	158,024
Tribal council	123,264	196,621
Other revenue	5,903	-
	377,220	370,880
Expenses		
Salaries and benefits	158,603	177,570
Program expense	46,221	74,192
Contracted services	28,294	2,269
Amortization	19,505	15,392
Administration	15,271	18,475
Supplies	11,949	18,447
Utilities	7,092	6,003
Travel and meetings	5,946	14,323
Telephone	3,331	3,269
Furniture and equipment	2,851	2,851
Repairs and maintenance	2,524	5,368
Training	1,510	1,237
Social assistance	1,217	-
Insurance	449	2,186
Meeting	100	350
Professional fees	-	824
Elders fees	-	720
	304,863	343,476
Surplus	72,357	27,404



Wahpeton Dakota Nation
Social Assistance
Schedule 8 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	371,150	341,218
 Expenses		
Social assistance	167,122	286,417
Program expense	98,950	109,486
Salaries and benefits	30,929	38,368
Administration	7,803	7,035
Contracted services	6,058	-
Travel and meetings	4,320	7,220
Training	1,512	738
Supplies	829	3,500
Advertising	483	-
Telephone	372	-
Utilities	126	-
Meeting	-	2,550
Miscellaneous	(255)	415
	318,249	455,729
Surplus (deficit)	52,901	(114,511)



Wahpeton Dakota Nation
Housing
Schedule 9 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	622,000	350,000
Canada Mortgage and Housing Corporation	131,536	214,889
Other revenue	109,010	1,158
User fees	77,128	70,066
Rental income	100,395	139,420
	1,040,069	775,533
Expenses		
Repairs and maintenance	412,178	383,147
Amortization	143,232	225,801
Bad debts	65,000	251,737
Administration	56,100	21,340
Interest on long-term debt	54,040	35,357
Contracted services	25,222	27,263
Insurance	21,296	18,775
Utilities	8,949	18,195
Professional fees	8,400	6,450
Meeting	1,350	79
Travel and meetings	1,335	3,123
Bank charges and interest	223	1,097
Other expenses 6	(27,020)	-
	770,305	992,364
Surplus (deficit)	269,764	(216,831)



Wahpeton Dakota Nation
Enterprise
Schedule 10 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Retail sales, net (Note 17)	198,309	155,516
Other revenue	7,330	5,197
Earnings (loss) from investment in Nation partnerships	(123,109)	11,424
	82,530	172,137
Expenses		
Salaries and benefits	69,273	79,380
Professional fees	7,440	8,038
Amortization	6,828	7,169
Insurance	6,291	6,178
Contracted services	6,255	7,644
Utilities	5,979	6,230
Supplies	5,911	12,390
Bank charges and interest	5,396	3,464
Advertising	3,008	4,593
Travel and meetings	2,725	2,907
Telephone	2,689	2,356
Repairs and maintenance	2,492	12,603
Training	-	500
	124,287	153,452
Surplus (deficit)	(41,757)	18,685



Wahpeton Dakota Nation
COVID-19
Schedule 11 - Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenue		
Indigenous Services Canada	461,405	34,095
Indigenous Services Canada - FNIH	38,829	-
Tribal council	19,716	9,716
Northern Lights Community Development Corporation	-	17,250
	519,950	61,061
Expenses		
Contracted services	398,646	6,464
Supplies	60,296	51,268
Travel and meetings	36,867	1,721
Program expense	11,400	-
Meeting	10,600	-
Salaries and benefits	2,141	-
Administration	-	1,705
	519,950	61,158
Surplus (deficit)	-	(97)