

**Wood Mountain Lakota First Nation
Consolidated Financial Statements
March 31, 2019**

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Wood Mountain Lakota First Nation
Management's Responsibility for Financial Reporting
March 31, 2019

To the Members of Wood Mountain Lakota First Nation:

The accompanying consolidated financial statements of Wood Mountain Lakota First 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.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Chalupiak & Associates CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by 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 Chief and Council and management to discuss their audit findings.

Signature on file
Wood Mountain Lakota First Nation

July 20, 2019
Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants
3261 Saskatchewan Drive
Regina, Saskatchewan S4T 6S4
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Independent Auditors' Report

To the Members of
Wood Mountain Lakota First Nation

Opinion

We have audited the consolidated financial statements of Wood Mountain Lakota First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows 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 consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the First 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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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 consolidated 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 First 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 First 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 auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ 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.

**Regina, Saskatchewan
July 20, 2019**

Chalupiak & Associates

Chartered Professional Accountants

Wood Mountain Lakota First Nation
Consolidated Statement of Financial Position
March 31, 2019

	2019	2018
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 106,790	\$ 103,936
Restricted cash (Note 3)	303,243	14,627
Trust funds held by federal government (Notes 3 and 4)	53,995	56,950
Accounts receivable (Note 5)	115,046	31,125
Portfolio investments (Note 6)	60,000	60,000
	<u>639,074</u>	<u>266,638</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	85,713	64,635
Deferred revenue - unexpended funds (Note 8)	44,638	91,333
Deferred revenue (Note 9)	366,242	14,627
	<u>496,593</u>	<u>170,595</u>
Net financial assets	<u>142,481</u>	<u>96,043</u>
Non-financial Assets		
Capital assets (Note 10)	807,560	770,117
Prepaid expenses (Note 11)	7,145	9,295
	<u>814,705</u>	<u>779,412</u>
Accumulated Surplus (Note 12)	<u>\$ 957,186</u>	<u>\$ 875,455</u>

Approved on behalf of the Chief and Council:

Signature on file _____, **Chief**

Signature on file _____, **Councilor**

The accompanying notes are an integral part of the financial statements

Wood Mountain Lakota First Nation
Consolidated Statement of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - grant contribution	\$ 132,381	\$ 132,381	\$ 132,381
Indigenous Services Canada - fixed contribution	326,868	311,862	227,637
Indigenous Services Canada - set contribution	10,000	10,001	-
Indigenous Services Canada - flexible contribution	327,639	327,639	179,088
ISC - prior period revenue (recovery)	-	6,542	-
Health Canada - set	95,981	95,981	91,912
Indian Affairs & Northern Development - Native claims	337,285	337,285	135,490
First Nations Trust	102,000	98,510	101,881
FHQ Tribal Council	33,246	31,486	33,784
Living Sky Community Development Corporation	-	17,709	-
QBOW Child & Family Services Inc.	13,515	177,748	13,515
FHQ Developments Ltd.	15,000	-	15,000
Earned and held in Trust by federal government	21,022	50,782	21,022
Keseechiwan Holdings LP	60,000	60,000	60,000
Other revenue	22,500	15,978	42,908
Administration fees	20,000	21,365	5,803
Unexpended funds transferred - prior year	63,085	91,333	-
Deferred revenue - prior year	14,627	14,627	97,813
Deferred revenue - current year	-	(366,242)	(14,627)
	1,595,149	1,434,987	1,143,607
Expenses			
Claims and Indian Government (Schedule 1)	337,285	343,131	107,242
Community Development (Schedule 2)	428,829	166,565	192,198
Economic Development (Schedule 3)	29,108	22,037	31,042
Education (Schedule 4)	116,899	118,057	91,557
Indian Government Support (Schedule 5)	263,921	247,745	175,519
Land Management (Schedule 6)	128,183	48,165	27,839
Social Development (Schedule 7)	38,576	41,558	35,043
Health Programs (Schedule 8)	95,981	98,550	91,095
Band Programs (Schedule 9)	181,515	166,716	210,130
Amortization (Schedule 10)	-	56,094	46,313
	1,620,297	1,308,618	1,007,978
Current surplus before unexpended transfers	(25,148)	126,369	135,630
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(44,638)	(91,333)
Current surplus	\$ (25,148)	\$ 81,731	\$ 44,297

The accompanying notes are an integral part of the financial statements

Wood Mountain Lakota First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2019

	2019	2018
Surplus at beginning of year	\$ 875,455	\$ 831,158
Current surplus	81,731	44,297
Surplus at end of year	\$ 957,186	\$ 875,455

The accompanying notes are an integral part of the financial statements

Wood Mountain Lakota First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Current surplus	\$ (25,148)	\$ 81,731	\$ 44,297
Acquisition of tangible capital assets	-	(93,537)	(69,592)
Amortization of tangible capital assets	-	56,094	46,313
	-	(37,443)	(23,279)
Acquisition of prepaid asset	(7,145)	(7,145)	(9,295)
Use of prepaid asset	9,295	9,295	7,060
	2,150	2,150	(2,235)
(Decrease) increase in net financial assets	(22,998)	46,438	18,783
Net financial assets at beginning of year	96,043	96,043	77,260
Net financial assets at end of year	\$ 73,045	\$ 142,481	\$ 96,043

The accompanying notes are an integral part of the financial statements

Wood Mountain Lakota First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018
Cash flows from		
Operating activities		
Current surplus	\$ 81,731	\$ 44,297
Amortization	56,094	46,313
	137,825	90,610
Change in non-cash operating working capital		
Accounts receivable	(83,921)	33,373
Prepaid expenses	2,150	(2,235)
Accounts payable and accrued liabilities	21,078	(35,009)
Deferred revenue - unexpended funds	(46,695)	91,333
Deferred revenue	351,615	(83,186)
	382,052	94,886
Capital activities		
Capital asset purchases	(93,537)	(69,592)
Financing activities		
Restricted cash	(288,616)	4,760
Investing activities		
Trust funds held by federal government	2,955	(21,022)
Increase in cash and cash equivalents	2,854	9,032
Cash and cash equivalents, beginning of year	103,936	94,904
Cash and cash equivalents, end of year	\$ 106,790	\$ 103,936
Represented by		
Cash and cash equivalents	\$ 106,790	\$ 103,936

The accompanying notes are an integral part of the financial statements

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

1. General

The Wood Mountain Lakota First Nation is an Indian Band subject to the provisions of the Indian Act.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity

The Wood Mountain Lakota First Nation reporting entity includes the Wood Mountain Lakota First Nation government and all programs administered by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Wood Mountain Lakota First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Wood Mountain Lakota First Nation.

There are no controlled entities included in the Wood Mountain Lakota First Nation consolidated financial statements and there are no entities included on a modified equity basis.

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

2. Basis of presentation and significant accounting policies, continued

(f) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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, 2019.

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's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Wood Mountain Lakota First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	25 years Straight line
Machinery & equipment	10-15 years Straight line
Roads	40 years Straight line
Office equipment	5 years Straight line
Band houses	25 years Straight line
Infrastructure	40 years Straight line
Land Improvements	15 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Wood Mountain Lakota First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

2. Basis of presentation and significant accounting policies, continued

(h) Use of estimates

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

(i) Fund accounting

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(j) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

3. Cash and cash equivalents

Cash and cash equivalents is comprised of the following:

	2019	2018
Cash and cash equivalents		
Bank accounts	\$ 68,259	\$ 57,405
Lawyers' Trust account	38,531	46,531
	<u>106,790</u>	<u>103,936</u>
Restricted cash		
SAL Engineering - feasibility study	7,528	14,627
Immediate Needs - housing	224,955	-
QBOW - playground and arbor	70,760	-
	<u>303,243</u>	<u>14,627</u>
Trust funds held by federal government		
Capital	3,883	3,883
Revenue	50,112	53,067
	<u>53,995</u>	<u>56,950</u>
	<u><u>\$ 464,028</u></u>	<u><u>\$ 175,513</u></u>

4. Trust funds held by federal government

The Trust funds held by federal government arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds are primarily governed by the Sections 63 to 69 of the Indian Act. As these are not the assets or liabilities of the First Nation, they have not been included in these consolidated financial statements.

	2019 Revenue	2019 Capital	2019 Total	2018 Total
Surplus, beginning of year	\$ 53,067	\$ 3,883	\$ 56,950	\$ 35,928
Lease revenue	49,713	-	49,713	19,994
Interest earnings	1,069	-	1,069	1,028
Withdrawals	(53,737)	-	(53,737)	-
	<u>50,112</u>	<u>3,883</u>	<u>53,995</u>	<u>56,950</u>
Surplus, end of year	<u><u>\$ 50,112</u></u>	<u><u>\$ 3,883</u></u>	<u><u>\$ 53,995</u></u>	<u><u>\$ 56,950</u></u>

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

5. Accounts receivable

	2019	2018
Due from others		
FHQ Tribal Council	\$ 29,108	\$ 3,415
Living Sky Community Development Corporation	-	1,523
First Nations Trust	22,938	23,687
QBOW Child & Family Services	63,000	-
Other	-	2,500
Total due from others	115,046	31,125
Total accounts receivable	\$ 115,046	\$ 31,125

6. Portfolio investments

	2019	2018
Keseechiwan Holdings LP (8.3%)	\$ 60,000	\$ 60,000

7. Accounts payable and accrued liabilities

	2019	2018
Trade payables and accrued liabilities	\$ 85,224	\$ 64,157
Canada Revenue Agency	489	478
Total accounts payable	\$ 85,713	\$ 64,635

Wood Mountain Lakota First Nation

Notes to Consolidated Financial Statements

March 31, 2019

8. Deferred revenue - unexpended funds

Indigenous Services Canada (ISC) funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to Indigenous Services Canada, deferred to the following year, or transferred to another Indigenous Services Canada program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

	2019	2018
Land Management	\$ 18,293	\$ -
Inherent Rights Consultation	2,543	-
Specific Claims	22,402	28,248
In-home Care	1,400	700
LEDSP - Fencing Project	-	62,385
	<u>\$ 44,638</u>	<u>\$ 91,333</u>

9. Deferred revenue

	March 31, 2018	Funding received, 2019	Revenue recognized, 2019	March 31, 2019
Federal government				
Sanitation	\$ 14,627	\$ 98	\$ (7,198)	\$ 7,527
Housing - Immediate Needs	-	250,000	(25,045)	224,955
QBOW Child & Family Services	-	177,748	(43,988)	133,760
	<u>\$ 14,627</u>	<u>\$ 427,846</u>	<u>\$ (76,231)</u>	<u>\$ 366,242</u>

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

10. Tangible capital assets

	Cost	Additions	Accumulated amortization	2019 Net book value
Buildings	\$ 964,015	\$ -	\$ 397,710	\$ 566,305
Machinery & equipment	44,407	-	29,607	14,800
Roads	86,786	-	53,584	33,202
Office equipment	15,072	11,031	15,705	10,398
Band houses	749,812	-	714,848	34,964
Infrastructure	53,611	-	32,236	21,375
Land Improvements	49,510	82,506	5,500	126,516
	<u>\$ 1,963,213</u>	<u>\$ 93,537</u>	<u>\$ 1,249,190</u>	<u>\$ 807,560</u>

	Cost	Additions	Accumulated amortization	2018 Net book value
Buildings	\$ 949,005	\$ 15,010	\$ 361,657	\$ 602,358
Machinery & equipment	44,407	-	27,140	17,267
Roads	86,786	-	51,414	35,372
Office equipment	10,000	5,072	11,014	4,058
Band houses	749,812	-	710,735	39,077
Infrastructure	53,611	-	31,136	22,475
Land Improvements	-	49,510	-	49,510
	<u>\$ 1,893,621</u>	<u>\$ 69,592</u>	<u>\$ 1,193,096</u>	<u>\$ 770,117</u>

11. Prepaid expenses

	2019	2018
Social assistance	\$ 1,020	\$ -
Living allowance	6,125	4,300
Sewing machines	-	4,995
	<u>\$ 7,145</u>	<u>\$ 9,295</u>

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

12. Accumulated surplus

	2019	2018
Invested in tangible capital assets	\$ 807,560	\$ 770,117
Trust funds held by federal government	53,995	56,950
Operating fund	95,631	48,388
	<u>\$ 957,186</u>	<u>\$ 875,455</u>

13. Contingent liabilities

Wood Mountain Lakota First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Wood Mountain Lakota First Nation may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Wood Mountain Lakota First Nation's financial statements.

Wood Mountain Lakota First Nation is involved in the following legal proceedings.

1. Lecaine v. Harry Lafond et. al. - 2005 action commenced by the First Nation against the trustees of the First Nations Trust. Cheques issued to the First Nation were deposited into a lawyers' trust account and not into the First Nation's bank account. Amount at stake - approximately \$100,000. Inactive since January 2006.
2. Kirk Goodtrack v. Wood Mountain Lakota First Nation - 2007 action commenced by Kirk Goodtrack against the First Nation. Amount at stake - \$148,138. Inactive since August 2008.
3. Wood Mountain Lakota First Nation has entered into a Native Claims Loan Agreement with Canada specifically related to alienation of reserve lands. The loan is interest free and payable on the date in which the claim is settled. Wood Mountain Lakota First Nation is contingently liable to repay all funds advanced by the Government of Canada if the First Nation fails to observe the conditions of the Loan agreement. Loan advances in the current fiscal year were \$337,285 (2018 - \$135,490).

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

14. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

Wood Mountain Lakota First Nation does not provide extended health, dental and life insurance benefits and therefore has no obligations with regards to post employment benefits.

Pension plan

Wood Mountain Lakota First Nation does not provide a defined contribution plan and therefore has no obligations with regards to a pension plan.

15. Contractual Obligations

The nature of Wood Mountain Lakota First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. There are no significant contractual obligations that can be reasonably estimated.

16. Indigenous Services Canada (ISC) contributions

The following is a reconciliation of the funds received from Indigenous Services Canada:

	2019	2018
Balance per Indigenous Services Canada confirmation	\$ 781,882	\$ 539,106
Prior period - payable (receivable)		
Basic needs	6,542	-
	<u>\$ 788,424</u>	<u>\$ 539,106</u>

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

17. Government Transfers

	2019		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 481,982	\$ 306,442	\$ 788,424
Health Canada	95,981	-	95,981
Indian Affairs & Northern Development - Native claims	337,285	-	337,285
Total	915,248	306,442	1,221,690
Provincial government transfers	-	-	-
Total	\$ 915,248	\$ 306,442	\$ 1,221,690

	2018		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 348,799	\$ 190,307	\$ 539,106
Health Canada	91,912	-	91,912
Indian Affairs & Northern Development - Native claims	135,490	-	135,490
Total	576,201	190,307	766,508
Provincial government transfers	-	-	-
Total	\$ 576,201	\$ 190,307	\$ 766,508

18. Historical access to accounting records and contingent liabilities

As reported in the March 31, 2007 audit, records were not available to complete a consolidated audit for the fiscal years ended March 31, 2004; March 31, 2005; and March 31, 2006. The March 31, 2003 audited financial statements reported cash assets of \$320,581; these assets were held in trust by the Merchant Law Group.

In the period from April 2003 through December 2005 there were cheques issued from First Nations Trust totaling \$96,627 that were not included in the audited financial statements. In the 2009 fiscal year the funds being held were released and a total of \$262,350 was entered as other revenue into the program Other Band Programs. There is a minimum of \$154,858 that has not been accounted for.

The First Nation has not been able to gain access to the records for the three year period and therefore it has never been determined whether or not they received all the monies they may have been entitled to. The amount of revenue received during that three year period and how those monies were spent has not been reported on.

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

19. Economic dependence

Wood Mountain Lakota First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada (ISC).

20. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the Wood Mountain Lakota First Nation.

21. Subsequent events

There are no subsequent events to report.

22. Expenses by object

	2019 Budget	2019 Actual	2018 Actual
Administration	\$ 21,365	\$ 21,365	\$ 5,803
Amortization	-	56,094	46,313
Assistance	21,897	24,459	17,640
Assistance to band members	26,568	22,036	12,229
Child nutrition	177	177	295
Consultants and contractors	385,898	425,918	189,501
Cultural programs	19,072	11,463	22,524
First Nations Trust expenses	102,000	35,577	121,773
Honorariums	104,200	110,630	103,667
Insurance	18,919	14,375	4,919
Interest and bank charges	1,250	1,564	1,253
Janitorial services	3,392	104	3,392
Living allowance	54,000	53,750	27,625
Professional fees	238,885	185,749	82,667
Facility rental	1,000	1,095	-
Rent - office	6,000	6,000	6,000
Repairs and maintenance	6,420	7,656	4,728
Supplies	236,913	134,012	162,257
Telephone	11,496	9,030	11,988
Training	-	-	1,919
Travel, meetings, per diems	219,459	155,806	107,435
Tuition	54,000	53,778	54,967
Utilities	17,263	13,251	19,486
Wages and benefits	70,123	58,266	69,189
Transfer to capital assets	-	(93,537)	(69,592)
	\$ 1,620,297	\$ 1,308,618	\$ 1,007,978

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2019

23. Segmented information

As previously discussed in note 2 (i) the First Nation conducts its business through reportable segments as follows:

1 - Indigenous Services Canada (ISC)

Claims and Indian Government: Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development: Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development: Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education: Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with Indigenous Services Canada's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support: Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Land Management: Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

23. Segmented information, continued

Social Development: First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration: Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government: Costs associated with Governance and Institution of Government activities.

2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3 - Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

4 - Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Schedule #1
Wood Mountain Lakota First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indian Affairs & Northern Development - Native claims	\$ 337,285	\$ 337,285	\$ 135,490
Unexpended funds transferred - prior year	-	28,248	-
	337,285	365,533	135,490
Expenses			
Consultants and contractors	50,000	203,000	38,190
Professional fees	152,285	96,762	42,579
Travel, meetings, per diems	135,000	43,369	26,473
	337,285	343,131	107,242
Current surplus before unexpended transfers	-	22,402	28,248
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(22,402)	(28,248)
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #2
Wood Mountain Lakota First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 74,127	\$ 59,121	\$ 95,617
Indigenous Services Canada - flexible contribution	306,442	306,442	56,442
FHQ Tribal Council	4,138	1,385	4,676
Other revenue	-	98	71
Deferred revenue - prior year	14,627	14,627	19,387
Deferred revenue - current year	-	(232,482)	(14,627)
	399,334	149,191	161,566
Expenses			
Administration	5,803	5,803	5,803
Consultants and contractors	189,923	46,099	61,480
Cultural programs	-	-	150
Honorariums	-	-	200
Insurance	18,919	14,375	4,919
Janitorial services	3,392	104	3,392
Repairs and maintenance	6,420	7,656	4,728
Supplies	153,835	53,157	73,338
Telephone	4,431	3,603	4,870
Travel, meetings, per diems	58	140	58
Utilities	17,263	12,290	19,486
Wages and benefits	28,785	23,336	28,785
Transfer to capital assets	-	-	(15,010)
	428,829	166,563	192,199
Current deficit before transfers	(29,495)	(17,372)	(30,633)
Transfers			
Transfer - Band Programs	-	17,373	30,632
Transfer - Amortization	-	(56,094)	(46,313)
Current deficit	\$ (29,495)	\$ (56,093)	\$ (46,314)

The accompanying notes are an integral part of the financial statements

Schedule #3
Wood Mountain Lakota First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
FHQ Tribal Council	\$ 29,108	\$ 29,108	\$ 29,108
Expenses			
Assistance to band members	26,568	22,037	12,230
Consultants and contractors	2,540	-	18,812
	29,108	22,037	31,042
Current surplus (deficit) before transfers	-	7,071	(1,934)
Transfers			
Transfer - Band Programs	-	(7,071)	1,934
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #4
Wood Mountain Lakota First Nation
Education
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 90,663	\$ 90,663	\$ 88,588
Expenses			
Child nutrition	177	177	295
Cultural programs	72	72	-
Living allowance	54,000	53,750	27,625
Supplies	550	2,280	552
Tuition	54,000	53,778	54,967
Wages and benefits	8,100	8,000	8,118
	116,899	118,057	91,557
Current deficit before transfers	(26,236)	(27,394)	(2,969)
Transfers			
Transfer - Band Programs	-	27,394	2,969
Current surplus	\$ (26,236)	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #5
Wood Mountain Lakota First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - grant contribution	\$ 132,381	\$ 132,381	\$ 132,381
Indigenous Services Canada - fixed contribution	79,601	79,601	5,000
Indigenous Services Canada - set contribution	10,000	10,000	-
Other revenue	2,500	4,992	2,500
FHQ Tribal Council	-	993	-
	224,482	227,967	139,881
Expenses			
Consultants and contractors	17,500	10,953	895
Cultural programs	500	200	775
Facility rental	1,000	1,095	-
Honorariums	102,500	108,430	102,000
Interest and bank charges	1,250	1,564	1,253
Professional fees	86,600	88,987	34,174
Supplies	20,005	20,841	7,405
Telephone	7,065	5,427	7,118
Training	-	-	1,919
Travel, meetings, per diems	21,401	21,280	16,898
Wages and benefits	6,100	-	3,082
Transfer to capital assets	-	(11,031)	-
	263,921	247,746	175,519
Current deficit before unexpended transfers	(39,439)	(19,779)	(35,638)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(2,543)	-
Current deficit before transfers	(39,439)	(22,322)	(35,638)
Transfers			
Transfer - Band Programs	-	33,352	35,638
Current surplus	\$ (39,439)	\$ 11,030	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #6
Wood Mountain Lakota First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 65,798	\$ 65,798	\$ 21,822
Indigenous Services Canada - flexible contribution	-	-	111,895
Unexpended funds transferred - prior year	62,385	62,385	-
	128,183	128,183	133,717
Expenses			
Administration	7,950	7,950	-
Consultants and contractors	90,435	101,647	28,823
Supplies	29,798	21,075	48,526
Transfer to capital assets	-	(82,506)	(49,510)
	128,183	48,166	27,839
Current surplus before unexpended transfers	-	80,017	105,878
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(18,293)	(62,385)
Current surplus before transfers	-	61,724	43,493
Transfers			
Transfer - Band Programs	-	20,781	6,017
Current surplus	\$ -	\$ 82,505	\$ 49,510

The accompanying notes are an integral part of the financial statements

Schedule #7
Wood Mountain Lakota First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 16,679	\$ 16,679	\$ 16,610
Indigenous Services Canada - flexible contribution	21,197	21,197	10,751
ISC - prior period revenue (recovery)	-	6,542	-
Unexpended funds transferred - prior year	700	700	-
	38,576	45,118	27,361
Expenses			
Assistance	21,897	24,459	17,640
Travel, meetings, per diems	3,000	3,582	1,270
Wages and benefits	13,679	13,517	16,133
	38,576	41,558	35,043
Current surplus (deficit) before unexpended transfers	-	3,560	(7,682)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(1,400)	(700)
Current surplus (deficit) before transfers	-	2,160	(8,382)
Transfers			
Transfer - Band Programs	-	420	793
Current surplus (deficit)	\$ -	\$ 2,580	\$ (7,589)

The accompanying notes are an integral part of the financial statements

Schedule #8
Wood Mountain Lakota First Nation
Health Programs
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Health Canada - set	\$ 95,981	\$ 95,981	\$ 91,912
Expenses			
Administration	7,612	7,612	-
Consultants and contractors	29,500	32,219	35,301
Cultural programs	12,500	11,191	15,440
Honorariums - elders	1,700	1,600	1,467
Rent - office	6,000	6,000	6,000
Supplies	25,210	25,554	24,886
Utilities	-	961	-
Wages and benefits	13,459	13,413	13,072
Transfer to capital assets	-	-	(5,072)
	95,981	98,550	91,094
Current surplus (deficit) before transfers	-	(2,569)	818
Transfers			
Transfer - Band Programs	-	2,569	4,255
Current surplus	\$ -	\$ -	\$ 5,073

The accompanying notes are an integral part of the financial statements

Schedule #9
Wood Mountain Lakota First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
First Nations Trust	\$ 102,000	\$ 98,510	\$ 101,881
Living Sky Community Development Corporation	-	17,709	-
QBOW Child & Family Services Inc.	13,515	177,748	13,515
FHQ Developments Ltd.	15,000	-	15,000
Earned and held in Trust by federal government	21,022	50,782	21,022
Keseechiwan Holdings LP	60,000	60,000	60,000
Other revenue	20,000	10,889	40,336
Administration fees	20,000	21,365	5,803
Deferred revenue - prior year	-	-	78,426
Deferred revenue - current year	-	(133,760)	-
	251,537	303,243	335,983
Expenses			
Consultants and contractors	6,000	32,000	6,000
Cultural programs	6,000	-	6,160
First Nations Trust expenses	102,000	35,577	121,773
Honorariums	-	600	-
Professional fees	-	-	5,913
Supplies	7,515	11,105	7,547
Travel, meetings, per diems	60,000	87,435	62,736
	181,515	166,717	210,129
Current surplus before transfers	70,022	136,526	125,854
Transfers			
Transfer - Community Development	-	(17,373)	(30,632)
Transfer - Economic Development	-	7,071	(1,934)
Transfer - Education	-	(27,394)	(2,969)
Transfer - Indian Government Support	-	(33,352)	(35,638)
Transfer - Land Management	-	(20,781)	(6,017)
Transfer - Social Development	-	(420)	(793)
Transfer - Health	-	(2,569)	(4,255)
Current surplus	\$ 70,022	\$ 41,708	\$ 43,616

The accompanying notes are an integral part of the financial statements

Schedule #10
Wood Mountain Lakota First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Roads and Bridges	-	4,636	4,636
Sanitation Systems	-	550	550
Water Systems	-	550	550
Community Buildings	-	46,245	36,464
Band Based Capital	-	4,113	4,113
	-	56,094	46,313
Current deficit before transfers	-	(56,094)	(46,313)
Transfers			
Transfer - Programs	-	56,094	46,313
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements