

**Wood Mountain Lakota First Nation
Consolidated Financial Statements
March 31, 2020**

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Consolidated Financial Statements
March 31, 2020

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Wood Mountain Lakota First Nation
Management's Responsibility for Financial Reporting
March 31, 2020

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 fulfills 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.

On behalf of Wood Mountain Lakota First Nation:

Signature on file
Wood Mountain Lakota First Nation

November 2, 2020
Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants

3261 Saskatchewan Drive

Regina, Saskatchewan S4T 6S4

Phone: 306-359-3711 Fax: 306-569-3030

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, 2020, 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, 2020, and the results of its consolidated operations, its changes in its consolidated net financial assets, 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
November 2, 2020

Chalupiak & Associates
Chartered Professional Accountants

Wood Mountain Lakota First Nation
Consolidated Statement of Financial Position
March 31, 2020

	2020	2019
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 374,248	\$ 106,790
Restricted cash (Note 3)	154,978	303,243
Trust funds held by federal government (Notes 3 and 4)	157,722	53,995
Accounts receivable (Note 5)	3,790,041	115,046
Portfolio investments (Note 7)	60,000	60,000
	<hr/>	<hr/>
	4,536,989	639,074
Liabilities		
Short-term financing (Note 8)	2,595,392	-
Accounts payable and accrued liabilities (Note 9)	196,169	85,713
Deferred revenue - unexpended funds (Note 10)	27,956	44,638
Deferred revenue (Note 11)	1,701,041	366,242
	<hr/>	<hr/>
	4,520,558	496,593
Net financial assets	<hr/>	<hr/>
Non-financial Assets	<hr/>	<hr/>
Capital assets (Note 12)	810,770	807,560
Prepaid expenses (Note 13)	15,305	7,145
	<hr/>	<hr/>
	826,075	814,705
Accumulated Surplus (Note 14)	<hr/>	<hr/>
	\$ 842,506	\$ 957,186

Approved on behalf of the Chief and Council:

Signature on file _____, **Chief**

Signature on file _____, **Councilor**

Wood Mountain Lakota First Nation
Consolidated Statement of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 625,336	\$ 683,041	\$ 788,424
ISC - First Nations & Inuit Health Branch (FNIHB)	95,981	100,875	95,981
Indian Affairs & Northern Development - Native claims	337,285	168,868	337,285
Wood Mountain Legacy Trust	-	3,780,000	-
Earned and held in Trust by federal government	50,782	103,728	50,782
CMHC	-	10,380	-
First Nations Trust	98,510	96,005	98,510
FHQ Tribal Council	33,101	40,664	31,486
FHQ Developments Ltd.	-	207	-
Keseechiwan Holdings LP	60,000	120,000	60,000
Living Sky Community Development Corporation	17,709	13,642	17,709
QBOW Child & Family Services Inc.	177,748	324,800	177,748
Other revenue	15,880	26,932	15,979
Administration fees	21,365	23,055	21,365
Unexpended funds transferred - prior year	44,638	45,019	91,333
Deferred revenue - prior year	366,242	366,242	14,627
Deferred revenue - current year	-	(1,701,041)	(366,242)
	1,944,577	4,202,417	1,434,987
Expenses			
Claims and Indian Government (Schedule 1)	386,589	439,320	386,589
Community Development (Schedule 2)	521,849	392,280	166,565
Economic Development (Schedule 3)	22,036	10,894	22,037
Education (Schedule 4)	118,057	140,350	118,057
Indian Government Support (Schedule 5)	165,713	201,593	204,287
Land Management (Schedule 6)	34,709	104,956	48,165
Social Development (Schedule 7)	43,657	49,754	41,558
Health Programs (Schedule 8)	98,550	97,875	98,550
Band Programs (Schedule 9)	226,717	2,793,327	166,716
Amortization (Schedule 10)	56,094	58,792	56,094
	1,673,971	4,289,141	1,308,618
Current surplus (deficit) before unexpended transfers	270,606	(86,724)	126,369
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(27,956)	(44,638)
Current surplus (deficit)	\$ 270,606	\$ (114,680)	\$ 81,731

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, 2020

	2020	2019
Surplus at beginning of year	\$ 957,186	\$ 875,455
<u>Current surplus (deficit)</u>	(114,680)	81,731
Surplus at end of year	\$ 842,506	\$ 957,186

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Current surplus (deficit)	\$ 270,606	\$ (114,680)	\$ 81,731
Acquisition of tangible capital assets	-	(62,000)	(93,537)
Amortization of tangible capital assets	-	58,790	56,094
	-	(3,210)	(37,443)
Acquisition of prepaid asset	-	(15,305)	(7,145)
Use of prepaid asset	-	7,145	9,295
	-	(8,160)	2,150
Increase in net financial assets	270,606	(126,050)	46,438
Net financial assets at beginning of year	142,481	142,481	96,043
Net financial assets at end of year	\$ 413,087	\$ 16,431	\$ 142,481

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, 2020

	2020	2019
Cash flows from Operating activities		
Current surplus (deficit)	\$ (114,680)	\$ 81,731
Amortization	58,790	56,094
	<hr/>	<hr/>
	(55,890)	137,825
Change in non-cash operating working capital		
Accounts receivable	(3,674,995)	(83,921)
Prepaid expenses	(8,160)	2,150
Accounts payable and accrued liabilities	110,457	21,078
Deferred revenue - unexpended funds	(16,682)	(46,695)
Deferred revenue	1,334,799	351,615
	<hr/>	<hr/>
	(2,310,471)	382,052
Capital activities		
Capital asset purchases	(62,000)	(93,537)
Financing activities		
Restricted cash	148,265	(288,616)
Short-term financing	2,595,392	-
	<hr/>	<hr/>
	2,743,657	(288,616)
Investing activities		
Trust funds held by federal government	(103,728)	2,955
Increase in cash and cash equivalents	267,458	2,854
Cash and cash equivalents, beginning of year	106,790	103,936
Cash and cash equivalents, end of year	\$ 374,248	\$ 106,790
Represented by		
Cash and cash equivalents	\$ 374,248	\$ 106,790

The accompanying notes are an integral part of the financial statements

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

1. General

The Wood Mountain Lakota First Nation is a First Nation 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.

(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, 2020

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, 2020.

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	15 years Straight line
Roads	40 years Straight line
Office equipment	3-5 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, 2020

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) Segment 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, 2020

3. Cash and cash equivalents

Cash and cash equivalents is comprised of the following:

	2020	2019
Cash and cash equivalents		
Bank accounts	\$ 351,717	\$ 68,259
Lawyers' Trust account	22,531	38,531
	<hr/> 374,248	<hr/> 106,790
Restricted cash		
SAL Engineering - feasibility study	83,824	7,528
Immediate Needs - housing	71,154	224,955
QBOW - playground and arbor	-	70,760
	<hr/> 154,978	<hr/> 303,243
Trust funds held by federal government		
Capital	3,883	3,883
Revenue	153,839	50,112
	<hr/> 157,722	<hr/> 53,995
	<hr/> \$ 686,948	<hr/> \$ 464,028

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.

	2020	2020	2020	2019
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 50,111	\$ 3,883	\$ 53,994	\$ 56,950
Lease revenue	102,227	-	102,227	49,713
Interest earnings	1,501	-	1,501	1,069
Withdrawals	-	-	-	(53,737)
Surplus, end of year	<hr/> \$ 153,839	<hr/> \$ 3,883	<hr/> \$ 157,722	<hr/> \$ 53,995

In the current year, the lease revenue includes \$52,743 that was in suspense and was released into the account in the current year.

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

5. Accounts receivable

	2020	2019
Due from others		
FHQ Tribal Council	\$ 1,376	\$ 29,108
First Nations Trust	- -	22,938
Federation of Sovereign Indigenous Nations (FSIN)	2,860	-
QBOW Child & Family Services	- -	63,000
Total due from others	4,236	115,046
Due from government and other government organizations		
Settlement claim - Wood Mountain Legacy Trust (Note 6)	3,780,000	-
Indigenous Services Canada (ISC) - basic needs	5,805	-
	3,785,805	-
Total accounts receivable	\$ 3,790,041	\$ 115,046

6. Wood Mountain Legacy Trust

On January 12, 2020 the First Nation ratified a specific claims settlement with the Government of Canada. As part of the settlement agreement a per capita distribution was made to eligible band members. The settlement funds were deposited into the trust account on June 2, 2020.

7. Portfolio investments

	2020	2019
Keseechiwan Holdings LP (8.3%)	\$ 60,000	\$ 60,000

8. Short Term Financing

The Wood Mountain Lakota First Nation acquired a revolving line of credit with the Royal Bank of Canada (RBC), approved to a maximum of \$3,780,000 at the rate of prime plus 0.250%. On March 31, 2020 the amount outstanding was \$2,595,392. The line of credit was paid in full on June 3, 2020 and the line of credit was terminated at that time.

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

9. Accounts payable and accrued liabilities

	2020	2019
Due to others		
Trade payables and accrued liabilities	\$ 195,931	\$ 85,224
Due to government and other government organizations		
Canada Revenue Agency - payroll remittances	238	489
	\$ 196,169	\$ 85,713

10. 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.

	2020	2019
LEDSP - Land Management	\$ -	\$ 18,293
Inherent Rights Consultation	10,119	2,543
Specific Claims	-	22,402
In-home Care	2,100	1,400
Recovery - COVID	9,712	-
Special Needs	950	-
Special Needs - COVID	1,313	-
Employment & Training	762	-
CDC/CDHE	3,000	-
	\$ 27,956	\$ 44,638

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

11. Deferred revenue

	March 31, 2019	Funding received, 2020	Revenue recognized, 2020	March 31, 2020
Federal government				
Sanitation	\$ 7,527	\$ 139,299	\$ (63,002)	\$ 83,824
Housing - Immediate Needs	224,955	-	(153,801)	71,154
	<hr/> 232,482	<hr/> 139,299	<hr/> (216,803)	<hr/> 154,978
Other Sources				
QBOW Child & Family Services	133,760	324,800	(97,497)	361,063
Wood Mountain Legacy Trust	-	3,780,000	(2,595,000)	1,185,000
Total other	<hr/> 133,760	<hr/> 4,104,800	<hr/> (2,692,497)	<hr/> 1,546,063
Total	<hr/>\$ 366,242	<hr/>\$ 4,244,099	<hr/>\$ (2,909,300)	<hr/>\$ 1,701,041

12. Tangible capital assets

	Cost	Additions	Accumulated amortization	2020 Net book value
Buildings	\$ 964,015	\$ 62,000	\$ 433,160	\$ 592,855
Machinery & equipment	44,407	-	32,073	12,334
Roads	86,786	-	55,753	31,033
Office equipment	26,103	-	20,396	5,706
Band houses	749,812	-	718,961	30,851
Infrastructure	53,611	-	33,336	20,275
Land Improvements	132,016	-	14,301	117,715
	<hr/> \$ 2,056,750	<hr/> \$ 62,000	<hr/> \$ 1,307,980	<hr/> \$ 810,769

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

12. Tangible capital assets, continued

	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
<u>Land Improvements</u>	<u>49,510</u>	<u>82,506</u>	<u>5,500</u>	<u>126,516</u>
	\$ 1,963,213	\$ 93,537	\$ 1,249,190	\$ 807,560

13. Prepaid expenses

	2020	2019
Social assistance	\$ 1,530	\$ 1,020
Honoraria	4,900	-
<u>Post Secondary - Living allowance</u>	<u>8,875</u>	<u>6,125</u>
	\$ 15,305	\$ 7,145

14. Accumulated surplus

	2020	2019
Invested in tangible capital assets	\$ 810,770	\$ 807,560
Trust funds held by federal government	157,772	53,995
<u>Operating fund</u>	<u>(126,036)</u>	<u>95,631</u>
	\$ 842,506	\$ 957,186

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

15. 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 \$168,868 (2019 - \$337,285).

16. 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.

17. 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.

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

18. Indigenous Services Canada (ISC) contributions

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

	2020	2019
Indigenous Services Canada (ISC) confirmation	\$ 677,236	\$ 781,882
ISC - First Nations & Inuit Health Branch (FNIHB) confirmation	100,875	-
Prior period - payable (receivable)		
Basic needs	-	6,542
Current year - receivable (payable)		
Basic needs	5,805	-
	<hr/> <hr/>	<hr/> <hr/>
	\$ 783,916	\$ 788,424

19. Government Transfers

	2020				
	Operating		Capital		Total
Federal government transfers					
Indigenous Services Canada (ISC)	\$ 496,599	\$ 186,442	\$ 683,041		
ISC - First Nations and Inuit Health Branch (FNIHB)	100,875	-	100,875		
Indian Affairs & Northern Development - Native claims	168,868	-	168,868		
CMHC	10,380	-	10,380		
Total	776,722	186,442	963,164		
Provincial government transfers					
Total	\$ 776,722	\$ 186,442	\$ 963,164		

	2019				
	Operating		Capital		Total
Federal government transfers					
Indigenous Services Canada (ISC)	\$ 481,982	\$ 306,442	\$ 788,424		
ISC - First Nations and Inuit Health Branch (FNIHB)	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		

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

20. 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.

21. Economic dependence

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

22. 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.

23. Subsequent events

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the First Nation's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the First Nation's operations.

The extent of the impact of this outbreak and related containment measures on the First Nation's operations cannot be reliably estimated at this time.

The Wood Mountain First Nation settled a specific claim with the Government of Canada for the total sum of \$50,000,000. On June 2, 2020 \$49,358,357, (the settlement amount less \$641,643, the amount outstanding for Native claims loans) was deposited into the Wood Mountain Legacy Trust.

Wood Mountain Lakota First Nation
Notes to Consolidated Financial Statements
March 31, 2020

24. Expenses by object

	2020 Budget	2020 Actual	2019 Actual
Administration	\$ 21,365	\$ 23,055	\$ 21,365
Amortization	56,094	58,792	56,094
Assistance	26,559	27,198	24,459
Assistance to band members	22,036	10,593	22,036
Child nutrition	177	295	177
Consultants and contractors	670,218	512,852	425,918
Cultural programs	11,463	5,055	11,463
Facility rental	-	-	1,095
First Nations Trust expenses	35,577	48,014	35,577
Honorariums	110,130	144,276	110,630
Insurance	14,375	23,003	14,375
Interest and bank charges	1,564	2,183	1,564
Janitorial services	104	250	104
Living allowance	53,750	74,326	53,750
Per capita distribution	-	2,595,000	-
Prior period - unrecorded unexpended funds	-	381	-
Professional fees	154,453	293,797	185,749
Rent - office	6,000	6,000	6,000
Repairs and maintenance	7,656	5,720	7,656
Supplies	192,719	155,382	134,012
Telephone	9,030	8,560	9,030
Travel, meetings, per diems	155,405	221,724	155,806
Tuition	53,778	49,082	53,778
Utilities	13,252	19,043	13,251
Wages and benefits	58,266	66,560	58,266
Transfer to capital assets	-	(62,000)	(93,537)
	<hr/>	<hr/>	<hr/>
	\$ 1,673,971	\$ 4,289,141	\$ 1,308,618

Schedule #1
Wood Mountain Lakota First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indian Affairs & Northern Development - Native claims	\$ 337,285	\$ 168,868	\$ 337,285
Indigenous Services Canada - fixed contribution	46,001	74,952	46,001
Unexpended funds transferred - prior year	24,945	24,945	28,248
	408,231	268,765	411,534
Expenses			
Consultants and contractors	203,000	122,506	203,000
Professional fees	134,153	218,780	134,153
Supplies	-	891	-
Travel, meetings, per diems	49,436	97,143	49,437
	386,589	439,320	386,590
Current surplus (deficit) before unexpended transfers	21,642	(170,555)	24,944
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(10,119)	(24,945)
Current deficit	\$ 21,642	\$ (180,674)	\$ (1)

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 73,971	\$ 74,550	\$ 59,121
Indigenous Services Canada - flexible contribution	186,442	186,442	306,442
CMHC - RRAP	-	10,380	-
FHQ Tribal Council	3,000	6,556	1,385
Other revenue	-	9,744	98
Deferred revenue - prior year	232,482	232,482	14,627
Deferred revenue - current year	-	(154,978)	(232,482)
	<hr/> 495,895	<hr/> 365,176	<hr/> 149,191
Expenses			
Administration	5,803	6,220	5,803
Consultants and contractors	311,428	219,998	46,099
Insurance	14,375	23,003	14,375
Janitorial services	104	-	104
Repairs and maintenance	7,656	5,454	7,656
Supplies	143,112	87,542	53,157
Telephone	3,603	3,576	3,603
Travel, meetings, per diems	140	395	140
Utilities	12,291	17,453	12,290
Wages and benefits	23,337	28,639	23,336
	<hr/> 521,849	<hr/> 392,280	<hr/> 166,563
Current deficit before transfers	(25,954)	(27,104)	(17,372)
Transfers			
Transfer - Band Programs	-	27,104	17,373
Transfer - Amortization	-	(58,792)	(56,094)
Current deficit	\$ (25,954)	\$ (58,792)	\$ (56,093)

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
FHQ Tribal Council	\$ 29,108	\$ 29,108	\$ 29,108
Expenses			
Assistance to band members	22,036	10,593	22,037
Consultants and contractors	- 301	301	-
	<u>22,036</u>	<u>10,894</u>	<u>22,037</u>
Current surplus before transfers	7,072	18,214	7,071
Transfers			
Transfer - Band Programs	- (18,214)	(18,214)	(7,071)
Current surplus	\$ 7,072	\$ -	\$ -

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 90,663	\$ 89,064	\$ 90,663
Expenses			
Child nutrition	177	295	177
Cultural programs	72	-	72
Living allowance	53,750	74,326	53,750
Student travel	-	755	-
Supplies	2,280	7,892	2,280
Tuition	53,778	49,082	53,778
Wages and benefits	8,000	8,000	8,000
	118,057	140,350	118,057
Current deficit before transfers	(27,394)	(51,286)	(27,394)
Transfers			
Transfer - Band Programs	-	51,286	27,394
Current surplus	\$ (27,394)	\$ -	\$ -

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - grant contribution	\$ 132,381	\$ 131,104	\$ 132,381
Indigenous Services Canada - fixed contribution	5,000	5,000	33,600
Indigenous Services Canada - set contribution	-	-	10,000
Indigenous Services Canada - flexible contribution	-	10,000	-
Other revenue	4,992	-	4,992
FHQ Tribal Council	993	5,000	993
	143,366	151,104	181,966
Expenses			
Consultants and contractors	8,453	8,733	10,953
Cultural programs	200	667	200
Facility rental	-	-	1,095
Honorariums	107,930	142,626	108,430
Interest and bank charges	1,564	2,183	1,564
Professional fees	20,300	22,490	51,596
Supplies	7,026	13,359	20,841
Telephone	5,427	4,984	5,427
Travel, meetings, per diems	14,813	6,251	15,212
Utilities	-	300	-
Transfer to capital assets	-	-	(11,031)
	165,713	201,593	204,287
Current deficit before unexpended transfers	(22,347)	(50,489)	(22,321)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(9,712)	-
Current deficit before transfers	(22,347)	(60,201)	(22,321)
Transfers			
Transfer - Band Programs	-	60,201	33,352
Current surplus	\$ (22,347)	\$ -	\$ 11,031

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 53,002	\$ 60,480	\$ 65,798
Unexpended funds transferred - prior year	18,293	18,293	62,385
	<hr/> 71,295	78,773	128,183
Expenses			
Administration	7,950	9,072	7,950
Consultants and contractors	23,119	32,510	101,647
Professional fees	-	52,527	-
Supplies	3,640	10,702	21,075
Utilities	-	145	-
Transfer to capital assets	-	-	(82,506)
	<hr/> 34,709	104,956	48,166
Current surplus (deficit) before unexpended transfers	36,586	(26,183)	80,017
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	-	(18,293)
Current surplus (deficit) before transfers	36,586	(26,183)	61,724
Transfers			
Transfer - Band Programs	-	26,183	20,781
Current surplus	<hr/> \$ 36,586	\$ -	\$ 82,505

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 16,679	\$ 16,679	\$ 16,679
Indigenous Services Canada - flexible contribution	21,197	24,483	21,197
ISC - prior period revenue (recovery)	-	4,482	6,542
ISC - current year receivable (payable)	-	5,805	-
Unexpended funds transferred - prior year	1,400	1,781	700
	39,276	53,230	45,118
Expenses			
Assistance	26,559	27,198	24,459
Travel, meetings, per diems	3,582	6,485	3,582
Wages and benefits	13,516	16,071	13,517
	43,657	49,754	41,558
Current surplus before unexpended transfers	(4,381)	3,476	3,560
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(5,125)	(1,400)
Current surplus (deficit) before transfers	(4,381)	(1,649)	2,160
Transfers			
Transfer - Band Programs	-	5,877	420
Current surplus	\$ (4,381)	\$ 4,228	\$ 2,580

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
ISC - First Nations & Inuit Health Branch (FNIHB)	\$ 95,981	\$ 100,875	\$ 95,981
Expenses			
Administration	7,612	7,763	7,612
Consultants and contractors	32,218	39,434	32,219
Cultural programs	11,191	1,388	11,191
Honorariums - elders	1,600	1,650	1,600
Janitorial services	-	250	-
Rent - office	6,000	6,000	6,000
Repairs and maintenance	-	265	-
Supplies	25,555	26,128	25,554
Utilities	961	1,146	961
Wages and benefits	13,413	13,851	13,413
	98,550	97,875	98,550
Current surplus (deficit) before unexpended transfers	(2,569)	3,000	(2,569)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(3,000)	-
Current deficit before transfers	(2,569)	-	(2,569)
Transfers			
Transfer - Band Programs	-	-	2,569
Current surplus	\$ (2,569)	\$ -	\$ -

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Wood Mountain Legacy Trust	\$ -	\$ 3,780,000	\$ -
First Nations Trust	98,510	96,005	98,510
Living Sky Community Development Corporation	17,709	13,642	17,709
QBOW Child & Family Services Inc.	177,748	324,800	177,748
FHQ Developments Ltd.	- -	207	-
Earned and held in Trust by federal government	50,782	103,728	50,782
Keseechiwan Holdings LP	60,000	120,000	60,000
Other revenue	10,888	17,188	10,889
Administration fees	21,365	23,055	21,365
Deferred revenue - prior year	133,760	133,760	-
Deferred revenue - current year	- -	(1,546,063)	(133,760)
	570,762	3,066,322	303,243
Expenses			
Consultants and contractors	92,000	89,370	32,000
Cultural programs	- -	3,000	-
First Nations Trust expenses	35,577	48,014	35,577
Honorariums	600	- -	600
Per capita distribution	- -	2,595,000	-
Prior period - unrecorded unexpended funds	- -	381	-
Supplies	11,106	8,867	11,105
Travel, meetings, per diems	87,434	110,696	87,435
Transfer to capital assets	- -	(62,000)	-
	226,717	2,793,328	166,717
Current surplus before transfers	344,045	272,994	136,526
Transfers			
Transfer - Community Development	- -	(27,104)	(17,373)
Transfer - Economic Development	- -	18,214	7,071
Transfer - Education	- -	(51,286)	(27,394)
Transfer - Indian Government Support	- -	(60,201)	(33,352)
Transfer - Land Management	- -	(26,183)	(20,781)
Transfer - Social Development	- -	(5,877)	(420)
Transfer - Health	- -	- -	(2,569)
Current surplus	\$ 344,045	\$ 120,557	\$ 41,708

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, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Roads and Bridges	4,636	5,651	4,636
Sanitation Systems	550	550	550
Water Systems	550	550	550
Community Buildings	46,245	47,928	46,245
Band Based Capital	4,113	4,113	4,113
	<hr/> 56,094	<hr/> 58,792	<hr/> 56,094
Current deficit before transfers	(56,094)	(58,792)	(56,094)
Transfers			
Transfer - Programs	-	58,792	56,094
Current surplus	<hr/> \$ (56,094)	<hr/> \$ -	<hr/> \$ -

The accompanying notes are an integral part of the financial statements