
PEGUIS CONSULTATION & SPECIAL
PROJECTS INC.
FINANCIAL STATEMENTS
MARCH 31, 2023

PEGUIS CONSULTATION & SPECIAL PROJECTS INC.

INDEX TO FINANCIAL STATEMENTS

MARCH 31, 2023

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

STATEMENT OF OPERATIONS.....STATEMENT 2

STATEMENT OF CHANGE IN NET ASSETS (DEBT).....STATEMENT 3

STATEMENT OF CASH FLOWS.....STATEMENT 4

NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Peguis First Nation

Opinion

We have audited the accompanying financial statements of Peguis Consultation & Special Projects Inc, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, statement of change in net assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Peguis Consultation & Special Projects Inc as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

We were not appointed as the auditor of the entity until the fiscal year ended, March 31, 2023. Accordingly, we have not audited financial statements for year ended March 31, 2022. There were no satisfactory audit procedures that we could apply to verify opening balances. The evidence available to us was limited because we were appointed as auditors during the year, and we have been unable to carry out auditing procedures necessary to obtain adequate assurance regarding the opening balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Peguis Consultation & Special Projects Inc in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Peguis Consultation & Special Projects Inc'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 Peguis Consultation & Special Projects Inc or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Peguis Consultation & Special Projects Inc's financial reporting process.

(continued.....)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peguis Consultation & Special Projects Inc'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 Peguis Consultation & Special Projects Inc's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Peguis Consultation & Special Projects Inc to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants

Winnipeg, Manitoba
January 25, 2024

PEGUIS CONSULTATION & SPECIAL PROJECTS INC.

STATEMENT 1

STATEMENT OF FINANCIAL POSITION

MARCH 31

2023

FINANCIAL ASSETS

Cash	\$ 73,828
Accounts receivable (Note 3)	303,373
Due from related parties (Note 4)	<u>390,999</u>
	<u>768,200</u>

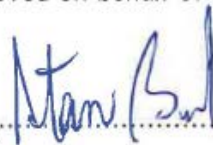
LIABILITIES

Accounts payable and accrued liabilities (Note 5)	26,700
Due to related parties (Note 6)	<u>490,728</u>
	<u>517,428</u>
Net assets	<u>250,772</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 7)	58,071
Prepaid expenses	<u>18,200</u>
Total non-financial assets	<u>76,271</u>
Accumulated surplus	<u>\$ 327,043</u>

Approved on behalf of the Board of Directors:


.....
Chief


.....
Councillor


.....
Councillor


.....
Councillor

PEGUIS CONSULTATION & SPECIAL PROJECTS INC.

STATEMENT 2

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

2 0 2 3

REVENUE

Canadian Heritage	\$	202,276
Community trust funding		275,500
Province of Manitoba		373,490
Sundry income, interchanges and cost recoveries		916,959
Donations and other grant		<u>281,897</u>
		<u>2,050,122</u>

EXPENSES

Advertising and promotion		10,864
Amortization		4,929
Bank and interest charges		911
Contractors		539,480
Donations		200,825
Office and general		76,033
Office supplies		34,584
Prize payouts		79,158
Professional fees		275,475
Rent		65,214
Repairs and maintenance		15,408
Salaries and benefits		115,591
Telephone		16,084
Training and development		36,689
Travel		236,174
Utilities		<u>15,660</u>
		<u>1,723,079</u>

ANNUAL SURPLUS 327,043ACCUMULATED SURPLUS, *beginning of year* -ACCUMULATED SURPLUS, *end of year* \$ 327,043

PEGUIS CONSULTATION & SPECIAL PROJECTS INC.

STATEMENT 3

STATEMENT OF CHANGE IN NET ASSETS (DEBT)

YEAR ENDED MARCH 31

2 0 2 3

Annual surplus	\$ <u>327,043</u>
Acquisition of tangible capital assets	(63,000)
Amortization of tangible capital assets	<u>4,930</u>
	(<u>58,070</u>)
Acquisition of prepaid expenses	(<u>18,201</u>)
CHANGE IN NET ASSETS FOR THE YEAR	250,772
NET ASSETS, <i>beginning of year</i>	<u>-</u>
NET ASSETS, <i>end of year</i>	\$ <u><u>250,772</u></u>

PEGUIS CONSULTATION & SPECIAL PROJECTS INC.

STATEMENT 4

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

2 0 2 3

CASH FLOW FROM

OPERATING ACTIVITIES

Cash received from Canadian Heritage	\$ 202,276
Cash received from other funding sources	1,544,473
Cash paid to suppliers and employees	<u>(1,709,650)</u>
	<u>37,099</u>

CAPITAL ACTIVITIES

Purchase of tangible capital assets	<u>(63,000)</u>
-------------------------------------	------------------

FINANCING ACTIVITY

Advances from related entities	<u>99,729</u>
--------------------------------	---------------

NET INCREASE IN CASH DURING YEAR 73,828

CASH, *beginning of year* -

CASH, *end of year* \$ 73,828

PEGUIS CONSULTATION & SPECIAL PROJECTS INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. NATURE OF ORGANIZATION

Peguis Consultation and Special Projects Inc., established in 2013 by Peguis Council members, addresses Section 35 Consultation and environmental issues. It ensures proper engagement processes for resource extraction projects and participates in Environmental Impact Statements. With 14 staff and diverse departments, it monitors projects, provides land-based education, promotes forestry, safeguards heritage, and facilitates community planning and development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board. ("PSAB for Government NPO's")

TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost less accumulated amortization. Amortization of tangible capital assets is calculated using the straight-line method over the following periods:

Vehicles	20%
----------	-----

The Peguis Consultation & Special Projects regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of the tangible capital asset cost.

REVENUE RECOGNITION

All revenue is recorded on the accrual basis whereby amounts received are recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

FINANCIAL INSTRUMENTS

The financial instruments of the Peguis Consultation & Special Projects consist of cash, temporary investments, accounts receivable and accounts payable and accrued liabilities. The Peguis Consultation & Special Projects classifies its financial instruments as either fair value or amortized cost. The Centre's accounting policy for each category is as follows:

Fair Value

These financial instruments are initially measured at cost and are subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Transaction costs are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

When a decline in fair value occurs which is determined by the Peguis Consultation & Special Projects to be other than of a temporary nature, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost

Financial instruments in this category are initially measured at cost and are subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs are added to the carrying value of the financial instrument.

If an impairment loss is determined by the Peguis Consultation & Special Projects and there is no realistic prospect of recovery the financial asset(s) are written down to net recoverable value with the write down being recognized in the statement of operations.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Significant estimates include the determination of the allowance for doubtful accounts and the useful life of capital assets. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE

Accounts receivable	\$ 302,494
GST receivable	<u>879</u>
	<u>\$ 303,373</u>

4. DUE FROM RELATED PARTIES

Due from Peguis First Nation	\$ 351,999
Due from Peguis School Board	<u>39,000</u>
	<u>\$ 390,999</u>

Amounts due to related parties are unsecured and non-interest bearing with no fixed terms of repayment. The organization and the above parties are related by virtue of the common control of Peguis First Nation Chief and Council.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accrued liabilities	<u>\$ 26,700</u>
---------------------	------------------

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

6. DUE TO RELATED PARTIES

Due to Peguis First Nation \$ 490,728

Amounts due to related parties are unsecured and non-interest bearing with no fixed terms of repayment. The organization and the above parties are related by virtue of the common control of Peguis First Nation Chief and Council.

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization		Net Book Value 2023
Vehicles	\$ <u>63,000</u>	\$ <u>4,929</u>	\$	<u>58,071</u>

8. ECONOMIC DEPENDENCE

The Peguis Consultation & Special Projects receives a major portion of its revenues from the Peguis Surrender Trust, funding arrangements with various government agencies and own source revenue for administration of manpower resources for community projects.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business, the Peguis Consultation & Special Projects carries a number of financial instruments. It is management's opinion that the Peguis Consultation & Special Projects is not exposed to significant interest, currency or credit risk arising from these financial instruments except as otherwise disclosed. Unless otherwise noted, the fair value of financial instruments approximates their carrying amount.

10. OPENING BALANCES

The entity was incorporated on January 13, 2022. Although operations did not commence until April 1, 2022, we were not appointed as auditors of the entity until the fiscal year ended, March 31, 2023. Accordingly, we have not audited financial statements for year ended March 31, 2022. There were no satisfactory audit procedures that we could apply to verify opening balances. The evidence available to us was limited because we were appointed as auditors during the year, and we have been unable to carry out auditing procedures necessary to obtain adequate assurance regarding the opening balances.