
PEGUIS FIRST NATION
TLE IMPLEMENTATION OFFICE
FINANCIAL STATEMENTS
MARCH 31, 2023

PEGUIS FIRST NATION TLE IMPLEMENTATION OFFICE

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MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Peguis First Nation

Opinion

We have audited the accompanying financial statements of Peguis First Nation TLE Implementation Office, which comprise the statement of financial position as at March 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Peguis First Nation TLE Implementation Office as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management and 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, 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 First Nation TLE Implementation Office'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 First Nation TLE Implementation Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Peguis First Nation TLE Implementation Office's financial reporting process.

(continued.....)

Auditor's Responsibilities 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 First Nation TLE Implementation Office'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 First Nation TLE Implementation Office'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 First Nation TLE Implementation Office 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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
January 25, 2024

STATEMENT OF FINANCIAL POSITION

MARCH 31

	2023	2022
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FINANCIAL ASSETS

Cash	\$ 528,089	\$ 296,720
Accounts receivable (Note 3)	<u>116,750</u>	<u>110,445</u>
	<u>644,839</u>	<u>407,165</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 5)	18,216	14,171
Due to related parties (Note 4)	<u>185,282</u>	<u>86,124</u>
	<u>203,498</u>	<u>100,295</u>
Net financial assets	<u>441,341</u>	<u>306,870</u>

NON - FINANCIAL ASSETS

Prepaid expenses	<u>2,741</u>	<u>3,731</u>
Accumulated surplus	\$ <u>444,082</u>	\$ <u>310,601</u>

Approved on behalf of the Board of Directors:



 Chief


 Councillor



 Councillor


 Councillor

PEGUIS FIRST NATION TLE IMPLEMENTATION OFFICE

STATEMENT 2

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2 0 2 3	2 0 2 2
REVENUE		
Peguis First Nation Trust operating grant <i>(Note 6)</i>	\$ 446,311	\$ 425,833
Funding directions and other reimbursements	<u>72,274</u>	<u>42,360</u>
	<u>518,585</u>	<u>468,193</u>
EXPENSES		
Advertising	3,222	28,485
Bank charges	522	525
Equipment lease and maintenance	4,954	7,913
Land selection and acquisition	5,732	2,168
Legal	28,575	20,264
Office insurance	419	500
Printing and duplication	911	2,580
Recoverable costs	5,280	7,855
Salaries and benefits	301,630	285,474
Storage and archiving	360	480
Studies	1,523	20,622
Supplies and postage	3,048	7,607
Telephone	10,578	7,521
Training and workshops	2,366	2,260
Travel	2,904	3,103
Utilities	<u>13,080</u>	<u>16,900</u>
	<u>385,104</u>	<u>414,257</u>
ANNUAL SURPLUS BEFORE OTHER ITEM	133,481	53,936
OTHER ITEM		
Revaluation of intercompany account	<u>-</u>	<u>(63,127)</u>
ANNUAL SURPLUS (DEFICIT)	133,481	(9,191)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>310,601</u>	<u>319,792</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 444,082</u>	<u>\$ 310,601</u>

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31

	2 0 2 3	2 0 2 2
Annual surplus (deficit)	\$ <u>133,481</u>	\$(<u>9,191</u>)
Acquisition of prepaid expenses	(<u>2,741</u>)	(<u>3,731</u>)
Use of prepaid expenses	<u>3,731</u>	<u>2,949</u>
	<u>990</u>	(<u>782</u>)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	134,471	(9,973)
NET FINANCIAL ASSETS, <i>beginning of year</i>	<u>306,870</u>	<u>316,843</u>
NET FINANCIAL ASSETS, <i>end of year</i>	\$ <u>441,341</u>	\$ <u>306,870</u>

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 3	2 0 2 2
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Annual surplus (deficit)	\$ 133,481	\$(9,191)
Items not affecting cash:		
Accrued termination entitlement		(33,213)
Revaluation of intercompany account	<u>-</u>	<u>63,127</u>
	<u>133,481</u>	<u>20,723</u>
Changes in non-cash working capital:		
Accounts receivable	(6,305)	(105,826)
Due to Peguis First Nation	99,158	144,928
Accounts payable and accrued liabilities	4,045	(32,962)
Prepaid expenses	<u>990</u>	<u>(782)</u>
	<u>97,888</u>	<u>5,358</u>
NET INCREASE IN CASH DURING YEAR	231,369	26,081
<i>CASH, beginning of year</i>	<u>296,720</u>	<u>270,639</u>
<i>CASH, end of year</i>	<u>\$ 528,089</u>	<u>\$ 296,720</u>

PEGUIS FIRST NATION TLE IMPLEMENTATION OFFICE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. NATURE OF OPERATIONS

Peguis First Nation ("the First Nation") entered into a Treaty Entitlement Agreement ("the Agreement") with both the Government of Canada and Province of Manitoba for the purpose of acquiring up to 166,794 acres of additional reserve lands. Under the Agreement, the First Nation created the Peguis First Nation Trust ("the Trust"), to manage and administer certain monies to be paid for the purchase of land and other administrative implementation responsibilities. Additional monies were to be received for community purposes as per the terms of the Agreement. The Trust is commonly known as the Peguis First Nation Treaty Land Entitlement (TLE) Trust.

The TLE Implementation Office (the "organization") was created to manage the annual operating grant from the Trust as per request of the First Nation's Chief and Council for various administrative responsibilities such as overseeing land purchases and reserve land creation as per the terms of the Agreement. The organization is an unincorporated and non-taxable entity accountable to and controlled by the First Nation.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements reflect only the financial position and operating results of the organization and do not include all of the assets, liabilities, revenue and expenditures of Peguis First Nation.

BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian public sector accounting standards as defined by the CPA Canada Public Sector Accounting Handbook, which encompasses the following principles:

ASSET CLASSIFICATION

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not 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 prepaid expenses.

CASH

Cash includes cash on hand and balances with banks net of bank overdrafts.

NET FINANCIAL ASSETS

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

NON-FINANCIAL ASSETS

The organization's non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

REVENUE RECOGNITION

Revenue is recognized in the year in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis, except when the accrual cannot be determined with a reasonable degree of certainty or when its estimation is impracticable.

Funding from Peguis First Nation TLE Trust is recognized as revenue when the transfer is authorized and any eligibility criteria under the terms of the Agreement are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

All other types of revenue are recognized by the organization when the services are provided or the goods are shipped.

FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, accounts receivable, due from Peguis First Nation, accounts payable and accrued liabilities, accrued termination entitlement and due to Peguis First Nation. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying value of the organization's financial assets and liabilities approximates their fair value.

FAIR VALUE

Due to the short term nature of all financial instruments, the carrying values as presented in the financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so, any difference would be accounted for in the year in which it becomes known.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenditures during the reporting year. Significant estimates include accounts receivable which are stated after assessment of collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations and accumulated surplus in the year in which they become known.

3. ACCOUNTS RECEIVABLE

	2 0 2 3	2 0 2 2
Peguis First Nation Trust	\$ 116,750	\$ 110,245
Recoverable costs	<u>-</u>	<u>200</u>
	<u>\$ 116,750</u>	<u>\$ 110,445</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

4. DUE TO RELATED PARTIES

	2 0 2 3	2 0 2 2
Due to Peguis First Nation	\$ 185,182	\$ 86,124
Due to Midway	<u>100</u>	<u>-</u>
	<u>\$ 185,282</u>	<u>\$ 86,124</u>

Amounts due to Peguis First Nation are unsecured and non-interest bearing with no fixed terms of repayment. Peguis First Nation and its TLE Implementation Office are related by virtue of the common control of the First Nation's Chief and Council.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 3	2 0 2 2
Trade payables and other accruals	\$ 13,886	\$ 14,171
Accrued salaries and benefits payable	<u>4,330</u>	<u>-</u>
	<u>\$ 18,216</u>	<u>\$ 14,171</u>

6. RELATED PARTY TRANSACTIONS

The following table summarizes the organization's related party transactions for the year:

	2 0 2 3	2 0 2 2
Revenue		
<i>Peguis First Nation Trust</i>		
Annual operating grant	\$ 446,311	\$ 425,833
Expenditures		
<i>Peguis First Nation</i>		
Payroll administration fees	\$ 8,509	\$ 15,219

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The organization and the above parties are related by virtue of the common control of Peguis First Nation Chief and Council.

7. ECONOMIC DEPENDENCE

The organization receives the majority of its revenue from Peguis First Nation Trust pursuant to the Treaty Entitlement Agreement. The ability of the organization to continue operations is dependent on the annual financial commitments from Peguis First Nation Trust.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

8. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified where necessary to conform with the financial statement presentation adopted for the current year.

9. BUDGET INFORMATION

The First Nation has not prepared a budget for the year ended March 31, 2023. Accordingly, budget figures are not presented in these financial statements.