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DEGUI'S FIRST NATION TRAINING &  
EMPLOYMENT  
FINANCIAL STATEMENTS

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 Training & Employment which comprise the statement of revenue and expenditures for the year ended March 31, 2023 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the financial reporting provisions as described in the Sub-Agreement between Peguis First Nation ("the First Nation") and First Peoples Development Inc. ("FPDI") and also as required by Employment and Social Development Canada ("ESDC").

### **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 Training & Employment 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.

### **Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the First Nation in complying with the financial reporting provisions as described in their Sub-Agreement with FPDI and also as required by ESDC. As such, the financial statements may not be suitable for another purpose. Our report is intended solely for the First Nation, FPDI and ESDC and should not be distributed to or used by any other party. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions as described in the Sub-Agreement between the First Nation and FPDI and also as required by ESDC 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.

Those charged with governance are responsible for overseeing Peguis First Nation Training & Employment'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 Training & Employment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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  
November 13, 2023

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

STATEMENT 1

## STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

	2023	2022
<b>REVENUE</b>		
First Peoples Development Inc.	\$ 2,413,075	\$ 2,522,622
Assembly of Manitoba Chiefs Secretariat Inc.	1,087,988	570,248
Child care fees, donations and other	111,436	98,760
Sundry income, interchanges and cost recoveries	8,290	
Deferred from prior year	947,474	1,078,137
Deferred to following year	<u>(1,648,733)</u>	<u>( 947,474)</u>
	<u>2,919,530</u>	<u>3,322,293</u>
<b>EXPENDITURES</b>		
Bad debts (recovery)	2,417	( 2,098)
Contractors	97,932	85,990
Insurance	13,362	7,753
Interest and bank charges	8,642	3,808
Office	287,653	276,673
Professional fees	8,500	10,835
Program supplies	23,933	23,135
Repairs and maintenance	12,375	32,419
Salaries and benefits	1,074,666	1,209,088
Training and development	1,255,127	1,608,971
Travel	71,044	36,327
Utilities	<u>16,679</u>	<u>19,019</u>
	<u>2,872,330</u>	<u>3,311,920</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS	47,200	10,373
<b>OTHER ITEMS</b>		
Forgiveness of debt		421,475
Bad debts	<u>-</u>	<u>( 164,317)</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 47,200</u>	<u>\$ 267,531</u>

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

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### 1. PURPOSE OF THE ORGANIZATION

Peguis First Nation Training & Employment primarily administers funding associated with the Child Care and Labour Market (covering both Consolidated Revenue Fund and Employment Insurance) sub-programs of the Indigenous Skills and Employment Training Strategy ("ISETS") program on behalf of Peguis First Nation ("the First Nation"). The principal activity of Peguis First Nation Training & Employment is to provide the First Nation members with training in becoming successful competitors for employment opportunities.

### 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *BASIS OF ACCOUNTING*

These financial statements present the operations of the Peguis First Nation Training & Employment and does not reflect the assets, liabilities, revenues or expenditures of Peguis First Nation. The statement of revenue and expenditures include only programs funded through a Sub-Agreement with FPDI and ESDC. Programs funded through any other sources have been excluded from these financial statements.

#### *REVENUE RECOGNITION*

Peguis First Nation Training & Employment follows the deferral method of accounting for contributions from funding agencies. Unrestricted contributions from funding agencies are recognized as revenue once allocated by the funder under the terms of the related Agreement or Sub-Agreement. Contributions from funding agencies received pursuant to the Agreement or Sub-Agreement which relate to a subsequent fiscal year are reflected as deferred revenue and matched with the related expenditures in the fiscal year of their occurrence. Contributions from funding agencies restricted for particular purposes are deferred and recognized as revenue when the related eligible expenditures have been incurred. All other types of revenue other than contributions from funding agencies are recognized when received.

#### *PURCHASE OF CAPITAL ASSETS*

Any purchases by Peguis First Nation Training & Employment of a capital nature are recorded as expenditures when paid since ownership of these assets is not retained.

### 3. CONTINGENT LIABILITY

Peguis First Nation Training & Employment receives funding from agencies such as FPDI and ESDC based on specified program needs and budgets. These agencies have the right to review the accounting records for any sub-program of Peguis First Nation Training & Employment to ensure compliance with the terms and conditions of the corresponding Agreement or Sub-Agreement. For accounting purposes, any amounts assessed as recoverable or recoveries paid will be accounted for in the year of determination.

### 4. ECONOMIC DEPENDENCE

Peguis First Nation Training & Employment receives a major portion of its revenue from funding agencies such as FPDI (pursuant to the Sub-Agreement) and ESDC along with financing from Peguis First Nation on an as needed basis. The ability of Peguis First Nation Training & Employment to continue operations is dependent upon the aforementioned financial commitments.

### 5. COMPARATIVE FIGURES

Certain figures presented for comparison have been reclassified where necessary to conform with the current financial statement presentation.

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## COMPILATION ENGAGEMENT REPORT

To Management of Peguis First Nation Training & Employment,

On the basis of information provided by management, we have compiled the Schedules of Revenue and Expenditures of Peguis First Nation Training & Employment as at March 31, 2023, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

*Baker Tilly HMA LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
November 13, 2023

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

## BASIS OF PRESENTATION - SCHEDULES OF REVENUE AND EXPENDITURES

MARCH 31 2023

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### 1. BASIS OF PRESENTATION

The basis of accounting applied in the preparation of the financial information is on the accrual basis, reflecting cash transactions with the addition of:

- Accounts receivable less an allowance for doubtful accounts,
- Prepaid expenses for amounts with goods or services to be received in the future,
- Capital asset acquisitions allocated to funding revenues are expensed, with no amortization presented.
- Accounts payable and accrued liabilities,
- Deferral method of accounting for contributions.

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 1

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### CHILD CARE - FPGI

2023

2022

#### REVENUE

First Peoples Development Inc.

\$ 151,049

\$ 318,940

#### EXPENDITURES

Interest and bank charges

2,236

2,757

Office

43,348

55,753

Professional fees

2,500

4,335

Program supplies

9,674

12,445

Repairs and maintenance

3,514

6,020

Salaries and benefits

87,813

217,045

Training and development

1,431

6,350

Travel

44

991

Utilities

5,669

13,244

156,229

318,940

EXCESS OF EXPENDITURES OVER REVENUE

\$ ( 5,180 )

\$ -



# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 2

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### LABOUR MARKET - CRF

2 0 2 3

2 0 2 2

#### REVENUE

First Peoples Development Inc.	\$ 790,995	\$ 1,538,435
Other contribution		57,569
Indigenous Services Canada	<u>662,959</u>	<u>-</u>
	<u>1,453,954</u>	<u>1,596,004</u>

#### EXPENDITURES

Insurance	13,362	7,753
Interest and bank charges	3,184	305
Office	114,712	85,999
Professional fees	6,000	6,500
Salaries and benefits	424,166	531,624
Training and development	817,556	910,317
Travel	42,741	27,945
Utilities	2,800	4,302
Repairs and maintenance	<u>5,820</u>	<u>-</u>
	<u>1,430,341</u>	<u>1,574,745</u>

#### EXCESS OF REVENUE OVER EXPENDITURES

\$ 23,613      \$ 21,259

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 3

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### LABOUR MARKET - EI

2023

2022

#### REVENUE

First Peoples Development Inc.	\$ 362,534	\$ 665,247
Indigenous Services Canada	286,934	
Deferred to following year		( 12,490)
Deferred from prior year	<u>12,491</u>	<u>-</u>
	<u>661,959</u>	<u>652,757</u>

#### EXPENDITURES

Bad debts (recovery)		( 2,098)
Office	14,226	14,709
Salaries and benefits	203,227	152,180
Training and development	396,279	478,726
Travel	18,814	6,141
Utilities	<u>1,300</u>	<u>1,300</u>
	<u>633,846</u>	<u>650,958</u>

#### EXCESS OF REVENUE OVER EXPENDITURES

\$ 28,113      \$ 1,799

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 4

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### LPN NURSING PROGRAM

2023

2022

#### REVENUE

Deferred from prior year	\$ _____ -	\$ <u>309,038</u>
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#### EXPENDITURES

Interest and bank charges		450
Contract and program delivery costs		31,801
Salaries and benefits		70,532
Training and development		205,005
Travel	<u>          -</u>	<u>1,250</u>
	<u>          -</u>	<u>309,038</u>

#### EXCESS OF REVENUE OVER EXPENDITURES

	\$ <u>          -</u>	\$ <u>          -</u>
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# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 5

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### CHILD CARE - ELCC

2023

2022

#### REVENUE

Assembly of Manitoba Chiefs Secretariat Inc.	\$ 1,087,988	\$ 570,248
Deferred from prior year	699,028	434,395
Deferred to following year	(1,594,395)	(699,028)
	<u>192,621</u>	<u>305,615</u>

#### EXPENDITURES

Contractors		1,965
Office	51,120	75,248
Program supplies	1,392	2,502
Repairs and maintenance	75	26,399
Salaries and benefits	137,196	190,929
Training and development	26,121	8,572
Travel	<u>7,355</u>	<u>-</u>
	<u>223,259</u>	<u>305,615</u>

#### EXCESS OF EXPENDITURES OVER REVENUE

\$ (30,638)      \$ -

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 6

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### CHILD CARE - ELCC COVID-19

2023

2022

#### REVENUE

Deferred from prior year	\$ 227,886	\$ 334,704
Deferred to following year	( 53,290)	( 227,886)
	<u>174,596</u>	<u>106,818</u>

#### EXPENDITURES

Contractors	97,932	84,025
Repairs and maintenance	1,383	
Salaries and benefits	<u>36,952</u>	<u>22,793</u>
	<u>136,267</u>	<u>106,818</u>

#### EXCESS OF REVENUE OVER EXPENDITURES

\$ <u>38,329</u>	\$ <u>-</u>
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# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 7

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### CHILD CARE - ISC

2023

2022

#### REVENUE

Indigenous Services Canada	\$ 158,603	\$
Deferred from prior year	1,048	
Deferred to following year	(1,048)	(1,048)
	<u>158,603</u>	<u>(1,048)</u>

#### EXPENDITURES

Office	22,595	5,516
Repairs and maintenance	1,584	
Salaries and benefits	121,118	1,216
Program supplies	5,565	
Interest and bank charges	1,289	
Utilities	6,910	
Training and development	66	
Travel	<u>1,711</u>	<u>-</u>
	<u>160,838</u>	<u>6,732</u>

#### EXCESS OF EXPENDITURES OVER REVENUE

\$ (2,235)    \$ (7,780)

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 8

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

<b>CHILD CARE - OTHER SOURCES</b>	<b>2 0 2 3</b>	<b>2 0 2 2</b>
<b>REVENUE</b>		
Parent fees and other contributions	\$ 87,001	\$ 41,191
Deferred to following year		( 7,022)
Deferred from prior year	<u>7,022</u>	<u>-</u>
	<u>94,023</u>	<u>34,169</u>
<b>EXPENDITURES</b>		
Bad debts	2,417	
Interest and bank charges	1,933	296
Office	10,438	7,648
Program supplies	7,301	8,188
Salaries and benefits	46,651	22,769
Training and development	13,675	
Utilities	<u>-</u>	<u>173</u>
	<u>82,415</u>	<u>39,074</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>		
(EXPENDITURES OVER REVENUE)	\$ <u>11,608</u>	\$ <u>( 4,905)</u>

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 9

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

<b>FLOOD</b>	<b>2 0 2 3</b>	<b>2 0 2 2</b>
REVENUE		
Other revenue	\$ <u>8,290</u>	\$ <u>-</u>
EXPENDITURES		
Office	<u>8,038</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES	\$ <u><u>252</u></u>	\$ <u><u>-</u></u>



# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 10

## SCHEDULE OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

### PFNTE - OTHERS

2023

2022

#### REVENUE

Administration

\$ 24,435

\$ -

#### EXPENDITURES

Office

23,174

Salaries and benefits

17,543

Travel

380

-

41,097

-

#### EXCESS OF EXPENDITURES OVER REVENUE

\$ (16,662)

\$ -

# PEGUIS FIRST NATION TRAINING & EMPLOYMENT

SCHEDULE 11

## COMBINED SCHEDULE OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	Federal Revenue	Other and Deferred Revenue	Total Revenue	Total Expenditures	Excess (Deficiency) of Revenue over Expenditures
Child Care - FPD	\$ 151,049		\$ 151,049	\$ 156,229	\$( 5,180)
Labour Market - CRF	662,959	790,995	1,453,954	1,430,341	23,613
Labour Market - EI	286,934	375,025	661,959	633,846	28,113
LPN Nursing Program					
Child Care - ELCC		192,621	192,621	223,259	( 30,638)
Child Care - ELCC Covid-19		174,596	174,596	136,267	38,329
Child Care - ISC	158,603		158,603	160,838	( 2,235)
Child Care - Other Sources		94,023	94,023	82,415	11,608
Flood		8,290	8,290	8,038	252
PFNTE - Others	<u>-</u>	<u>24,435</u>	<u>24,435</u>	<u>41,097</u>	<u>( 16,662)</u>
	<u>\$ 1,259,545</u>	<u>\$ 1,659,985</u>	<u>\$ 2,919,530</u>	<u>\$ 2,872,330</u>	<u>\$ 47,200</u>

YEAR ENDED MARCH 31, 2022

	Federal Revenue	Other and Deferred Revenue	Total Revenue	Total Expenditures	Excess (Deficiency) of Revenue over Expenditures
Child Care - FPD	\$ 318,940	\$	\$ 318,940	\$ 318,940	\$
Labour Market - CRF	1,538,435	57,569	1,596,004	1,574,745	21,259
Labour Market - EI	665,247	( 12,490)	652,757	650,958	1,799
LPN Nursing Program		309,038	309,038	309,038	
Child Care - ELCC		305,615	305,615	305,615	
Child Care - ELCC Covid-19		106,818	106,818	106,818	
Child Care - ISC		( 1,048)	( 1,048)	6,732	( 7,780)
Child Care - Other Sources	<u>-</u>	<u>34,169</u>	<u>34,169</u>	<u>39,074</u>	<u>( 4,905)</u>
	<u>\$ 2,522,622</u>	<u>\$ 799,671</u>	<u>\$ 3,322,293</u>	<u>\$ 3,311,920</u>	<u>\$ 10,373</u>

### OTHER ITEMS

Forgiveness of debt	421,475
Bad debts	( 164,317)
	<u>\$ 267,531</u>