
PEGUIS TREATY COMMITTEE

FINANCIAL STATEMENTS

MARCH 31, 2023

PEGUIS TREATY COMMITTEE

INDEX TO FINANCIAL STATEMENTS

MARCH 31, 2023

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

STATEMENT OF CHANGES IN NET ASSETSSTATEMENT 2

STATEMENT OF REVENUE AND EXPENDITURESSTATEMENT 3

STATEMENT OF CASH FLOWS.....STATEMENT 4

NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership

Opinion

We have audited the accompanying financial statements of Peguis Treaty Committee, which comprise the statement of financial position as at March 31, 2023, and the statement of revenue and expenditures, changes in net 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 Treaty Committee 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 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 Treaty Committee 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 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 Treaty Committee'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 Treaty Committee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Peguis Treaty Committee'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 Treaty Committee'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 Treaty Committee'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 Treaty Committee 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

PEGUIS TREATY COMMITTEE

STATEMENT 1

STATEMENT OF FINANCIAL POSITION

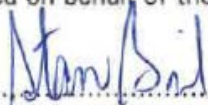
MARCH 31

	2 0 2 3	2 0 2 2
A S S E T S		
CURRENT		
Cash	\$ 244,644	\$ 297,747
Accounts receivable (Note 3)	26,446	158,474
Inventory	15,736	13,027
Prepaid expenses	<u>6,044</u>	<u>-</u>
	<u>292,870</u>	<u>469,248</u>
CAPITAL ASSETS (Note 4)	<u>53,956</u>	<u>78,759</u>
	<u>\$ 346,826</u>	<u>\$ 548,007</u>


L I A B I L I T I E S		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 79,119	\$ 60,163
DUE TO RELATED PARTIES - NET (Note 6)	<u>22,748</u>	<u>47,682</u>
	<u>101,867</u>	<u>107,845</u>


N E T A S S E T S		
INVESTED IN CAPITAL ASSETS	53,956	78,759
UNRESTRICTED	<u>191,003</u>	<u>361,403</u>
	<u>244,959</u>	<u>440,162</u>
	<u>\$ 346,826</u>	<u>\$ 548,007</u>

Approved on behalf of the Board of Directors:


.....
Chief


.....
Councillor


.....
Councillor


.....
Councillor

PEGUIS TREATY COMMITTEE

STATEMENT 2

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31

	Equity in Capital Assets	Unrestricted Net Assets	2 0 2 3	2 0 2 2
BALANCE, <i>beginning of year</i>	78,759	361,403	\$ 440,162	\$ 437,348
Excess of revenue over expenditures (expenditures over revenue)		(195,203)	(195,203)	2,814
Amortization of capital assets	(24,803)	24,803	-	-
BALANCE, <i>end of year</i>	\$ <u>53,956</u>	\$ <u>191,003</u>	\$ <u>244,959</u>	\$ <u>440,162</u>

PEGUIS TREATY COMMITTEE

STATEMENT 3

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

	2023	2022
REVENUE		
Bingo and breakopen	\$ 499,933	\$ 376,635
Media bingo	55,119	112,682
Minor hockey and other fundraising	141,550	59,329
Treaty days	359,400	123,000
Junior B's hockey	210,162	179,115
Concession revenue	102,675	38,873
Tobacco sales and rebates	<u>329,256</u>	<u>199,631</u>
	<u>1,698,095</u>	<u>1,089,265</u>
EXPENDITURES		
Advertising	\$ 4,999	\$
Amortization	24,803	24,803
Bingo and breakopen prizes	338,790	52,569
Bingo and breakopen supplies	9,695	3,989
Community services and donations	34,842	3,304
Concessions purchases	56,128	21,015
Insurance		774
Interest and bank charges	3,670	2,284
Junior B's hockey expenses	292,387	123,182
Media bingo expenses	122,623	384,938
Minor hockey expenses	192,291	75,684
Office and supplies	21,892	9,817
Professional fees	22,594	13,500
Salaries and benefits	78,369	54,724
Travel	27,420	18,594
Treaty days	344,268	99,941
Tobacco cost of goods sold	<u>318,527</u>	<u>197,333</u>
	<u>1,893,298</u>	<u>1,086,451</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$ <u>(195,203)</u>	\$ <u>2,814</u>

PEGUIS TREATY COMMITTEE

STATEMENT 4

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2023	2022
CASH FLOWS FROM:		
<i>OPERATING ACTIVITIES</i>		
Excess (deficiency) of revenue over expenses	\$(195,203)	\$ 2,814
Adjustment for non-cash item:		
Amortization of capital assets	24,803	24,803
Changes in non-cash working capital balances:		
Accounts receivable	132,028	(145,347)
Inventory	(2,709)	(1,096)
Prepaid expenses	(6,044)	
Accounts payable and accrued liabilities	18,956	(157)
Due to related parties	(24,934)	47,682
	(53,103)	(71,301)
NET DECREASE IN CASH DURING YEAR	(53,103)	(71,301)
CASH, <i>beginning of year</i>	297,747	369,048
CASH, <i>end of year</i>	\$ 244,644	\$ 297,747

PEGUIS TREATY COMMITTEE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. ORGANIZATION

Peguis Treaty Committee is an unincorporated, non-profit, non-taxable entity, and is engaged in the operation of a bingo hall at Peguis First Nation. The organization is accountable to and controlled by Peguis First Nation. These statements reflect the assets, liabilities, revenues and expenses related to the bingo operation operated by Peguis First Nation and does not reflect its other assets, liabilities, revenues or expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as defined by the Chartered Professional Accountants of Canada Public Sector Accounting Handbook.

BASIS OF PRESENTATION

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

REVENUE RECOGNITION

The organization follows the deferral method of accounting for restricted revenues. Restricted revenues are recognized as revenue in the year in which the related resources are used for the purposes specified. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

CAPITAL ASSETS

Capital assets are recorded at acquisition cost and amortized on the following basis:

Building	40 years	straight-line basis
Equipment	5 years	straight-line basis

INVENTORY

Inventory of bingo and breakopen supplies is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

CASH AND CASH IN BANK

Cash and cash in bank consist of cash on hand and bank balances.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment annually. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost. Due to the nature of the financial instruments held by the organization, there are no unrealized gains or losses, and therefore a statement of remeasurement of gains and losses are not required for these financial statements.

3. ACCOUNTS RECEIVABLE

	2 0 2 3	2 0 2 2
Peguis First Nation Surrender Claim Trust	\$	\$ 148,320
GST recovery	<u>26,446</u>	<u>10,154</u>
	<u>\$ 26,446</u>	<u>\$ 158,474</u>

The balance due from Peguis and its related parties is due on demand, is non-interest bearing and has no security.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value	
			2 0 2 3	2 0 2 2
Buildings	\$ 406,003	\$ 355,253	\$ 50,750	\$ 60,900
Equipment	<u>138,301</u>	<u>135,095</u>	<u>3,206</u>	<u>17,859</u>
	<u>\$ 544,304</u>	<u>\$ 490,348</u>	<u>\$ 53,956</u>	<u>\$ 78,759</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 3	2 0 2 2
Trade accounts payable	\$ 38,350	\$ 14,433
Accrued liabilities	<u>40,769</u>	<u>45,730</u>
	<u>\$ 79,119</u>	<u>\$ 60,163</u>

6. DUE TO RELATED PARTIES - NET

	2 0 2 3	2 0 2 2
Due to Peguis Band	\$ 7,527	\$
Due to Peguis VLT	968	34,100
Due to Peguis Midway	15,458	13,327
Due to Peguis Foods	67	255
Due from Peguis Tobacco Store	<u>(1,272)</u>	<u>-</u>
	<u>\$ 22,748</u>	<u>\$ 47,682</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.

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2023**

7. FINANCIAL INSTRUMENTS

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit or liquidity risks arising from these financial instruments, except as otherwise disclosed.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the organization to credit risk consist principally of accounts receivable.

The organization's maximum exposure to credit risk without taking account of any collateral or other credit enhancements is considered to be the accounts receivable balance.

LIQUIDITY RISK

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable.

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.