

PINAYMOOTANG FIRST NATION
INDEPENDENT AUDITOR'S REPORT
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022

PINAYMOOTANG FIRST NATION

MARCH 31, 2022

INDEX

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to Consolidated Financial Statements	8 - 22

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Pinaymootang First Nation are the responsibility of management and have been approved by the Chief and Council.

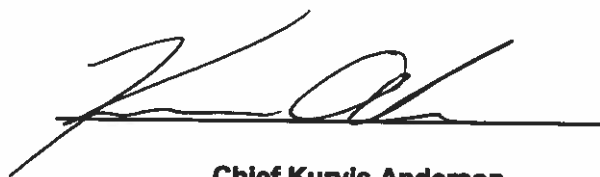
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include certain amounts based on estimates or judgments.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council review the First Nation's consolidated financial statements and recommends their approval to the membership. Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, to review the consolidated financial statements and the external auditor's report. The Chief and Council also consider and submit for approval by the members, the engagement of the external auditors.

The external auditors, Fort Group Chartered Professional Accountants Inc., conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of Pinaymootang First Nation and Chief and Council and meet when required.



Chief Kurvis Anderson



INDEPENDENT AUDITOR'S REPORT

To The Members of Pinaymootang First Nation and Chief and Council:

Opinion

We have audited the accompanying consolidated financial statements of Pinaymootang First Nation, which comprise the consolidated statement of financial position as at March 31 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and the notes to 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 financial position of Pinaymootang First Nation as at March 31 2022, and the results of its operations and its cash flow 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 the Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's 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 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 consolidated 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 Organization'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 Organization'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 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 auditor's report. However, future events or conditions may cause the Organization 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 representing the underlying transactions and events in a manner that achieved fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.






**Winnipeg, Manitoba
December 8, 2022**

**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash (Note 2)	\$ 5,957,897	8,922,426
Trust funds held by the federal government (Note 3)	2,041,768	13,769
Accounts receivable (Note 4)	835,383	949,206
Due from government and other government organizations (Note 5)	898,692	3,600,555
Inventories for resale (Note 6)	248,070	171,378
Trust fund (Note 7)	-	20,400,000
Portfolio investments (Note 13)	<u>15,247,544</u>	<u>-</u>
	<u>25,229,354</u>	<u>34,057,334</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	4,253,363	4,306,533
Due to government and other governmental organizations (Note 9)	227,189	227,189
Deferred revenue (Note 10)	1,530	383,583
Long-term debt (Note 11)	<u>9,197,556</u>	<u>16,020,007</u>
	<u>13,679,638</u>	<u>20,937,312</u>
NET FINANCIAL ASSETS	<u>11,549,716</u>	<u>13,120,022</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	77,783,977	70,666,065
Prepaid expenses and deferred charges	<u>1,021,335</u>	<u>186,422</u>
	<u>78,805,312</u>	<u>70,852,487</u>
ACCUMULATED SURPLUS	<u>\$ 90,355,028</u>	<u>83,972,509</u>

APPROVED BY THE FIRST NATION:

 _____	Chief	
 _____	Councillor	 _____
 _____	Councillor	_____
 _____	Councillor	_____



**PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED MARCH 31, 2022**

	2022		2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 16)		
REVENUE			
Federal government transfers - operating (Note 18) \$	15,640,796	18,496,223	17,995,844
Federal government transfers - capital (Note 18)	3,295,745	4,315,792	32,550,253
Provincial government transfers - operating (Note 18)	1,038,000	1,209,319	2,109,519
Provincial government transfers - capital (Note 18)	-	381,538	352,112
Other funding	-	114,972	127,224
Economic activities	11,919,525	12,069,545	7,810,370
Other revenue	203,144	659,449	858,238
Income from portfolio investments	-	23,454	-
	<u>32,097,210</u>	<u>37,270,292</u>	<u>61,803,560</u>
EXPENSES			
Health	6,043,499	4,415,569	4,605,936
Education	-	52,026	50,426
Social services	4,646,091	3,953,379	4,068,481
Economic development	567,720	669,304	776,303
Public works	2,724,851	926,704	881,766
Housing	1,214,180	316,686	222,729
Band government	3,832,040	4,105,828	2,913,904
Private enterprises	13,703,394	12,954,041	8,793,863
Interest	-	471,279	644,187
Amortization of tangible capital assets	-	3,022,957	2,653,411
	<u>32,731,775</u>	<u>30,887,773</u>	<u>25,611,006</u>
ANNUAL SURPLUS (DEFICIT)	(634,565)	6,382,519	36,192,554
ACCUMULATED SURPLUS, BEGINNING OF YEAR,	<u>83,972,509</u>	<u>83,972,509</u>	<u>47,779,955</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 83,337,944</u>	<u>90,355,028</u>	<u>83,972,509</u>

**PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2022**

	<u>Budget</u> (Note 16)	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(634,565)</u>	<u>6,382,519</u>	<u>36,192,554</u>
Tangible capital assets			
Acquisition of tangible capital assets	-	(20,008,350)	(20,637,586)
Amortization of tangible capital assets	-	3,022,957	2,653,411
Assets under construction completed	-	9,512,913	12,628,248
Loss on disposal of tangible capital assets	<u>-</u>	<u>354,568</u>	<u>551,400</u>
	<u>-</u>	<u>(7,117,912)</u>	<u>(4,804,527)</u>
Other non-financial assets			
Acquisition of prepaid expenses	<u>-</u>	<u>(834,913)</u>	<u>(9,885)</u>
CHANGE IN NET FINANCIAL ASSETS	(634,565)	(1,570,306)	31,378,142
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>13,120,022</u>	<u>13,120,022</u>	<u>(18,258,120)</u>
NET FINANCIAL ASSETS , END OF YEAR	\$ <u>12,485,457</u>	<u>11,549,716</u>	<u>13,120,022</u>

**PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Annual surplus	\$ 6,382,519	36,192,554
Add back non-cash item(s):		
Amortization of tangible capital assets	3,022,957	2,653,411
Loss on disposal of tangible capital assets	<u>354,568</u>	<u>551,400</u>
	9,760,044	39,397,365
Change in non-cash working capital:		
Accounts receivable	113,823	(392,993)
Due from government and other government organizations	2,701,863	(2,764,022)
Inventories for resale	(76,692)	(56,405)
Accounts payable and accrued liabilities	(53,170)	(1,817,431)
Deferred revenue	(382,053)	142,179
CMHC forgivable loans	-	(10,480)
Trust fund	20,400,000	(20,400,000)
Portfolio investments	(15,247,544)	-
Prepaid expenses and deferred charges	<u>(834,913)</u>	<u>(9,885)</u>
	<u>16,381,358</u>	<u>14,088,328</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	<u>(10,495,437)</u>	<u>(8,009,338)</u>
FINANCING ACTIVITIES		
Demand loan advances	-	(4,482,757)
Long-term debt proceeds (repayments)	<u>(6,822,451)</u>	<u>5,837,217</u>
	<u>(6,822,451)</u>	<u>1,354,460</u>
CHANGE IN CASH	(936,530)	7,433,450
CASH, BEGINNING OF YEAR	<u>8,936,195</u>	<u>1,502,745</u>
CASH, END OF YEAR	<u><u>7,999,665</u></u>	<u><u>8,936,195</u></u>
CASH IS REPRESENTED BY:		
Cash	5,957,897	8,922,426
Cash in Ottawa Trusts	<u>2,041,768</u>	<u>13,769</u>
	<u>\$ 7,999,665</u>	<u>8,936,195</u>

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The Pinaymootang First Nation ("First Nation") follows the ISC accounting guidelines as set out in the "Year End Reporting Handbook for funding agreements covering fiscal year 2019-2020" which requires that the consolidated financial statements be prepared in accordance with Canadian generally accepted accounting principles for governments, as defined in the CPA Canada Public Sector Accounting Handbook.

(b) Reporting Entity

The First Nation is a non-profit Indian Band as defined by Indigenous Services Canada (ISC). The objective of the First Nation is to operate as the governing entity in providing services on the reserve in all areas. The First Nation reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

(c) Basis of Consolidation

All controlled entities are fully consolidated on a line-by-line basis. This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization. These consolidated financial statements include the financial assets, liabilities, net debt, non-financial assets, accumulated surplus, revenue and expenses for the following entities controlled or owned by the First Nation:

- Pinaymootang First Nation
- Pinaymootang First Nation Arena and Lottery
- Pinaymootang First Nation CMHC Housing Authority
- Pinaymootang First Nation Grocery Store and Gas Bar
- Pinaymootang First Nation Health Authority
- Pinaymootang First Nation Human Resource Development Strategy
- Powder Horn Creek Restaurant & Gas
- Wabung Abinoochi'ak Day Care Centre
- Pinaymootang First Nation Motel and Entertainment Centre
- Pinaymootang First Nation Housing Trust (Note 7)

(d) 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 tangible capital assets, construction in progress, prepaid expenses and inventories of supplies.

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Inventory

Inventories for resale are stated at the lower of cost and net realizable value with cost being determined using the first-in, first-out method.

(f) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are initially recorded at cost. 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.

Amortization of tangible capital assets is recognized as an expense in the Statement of Operations.

Amortization is provided for on a straight-line basis at the rates in the table that follows. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Buildings	25 - 50 years
Housing	40 years
Infrastructure	20 - 50 years
Equipment and signage	3 - 10 years
Vehicles	5 - 10 years
Computers	5 years
Roads	40 years

(g) Deferred Revenue

Deferred revenue represents unspent Government transfers for programs where eligibility criteria have not been met at year end. The unspent revenue is carried forward to be recognized as stipulations are met or until the funder deems the surplus to be repayable at which time an amount payable is recognized.

(h) Revenue Recognition

Government transfers

Transfers from the Government of Canada are recognized as revenue in the year the entitlement has been authorized, when any eligibility criteria have been met and when the amount can be reasonably estimated.

Other revenue

Restricted other revenue is recognized as revenue in the year in which the related expenses are incurred and when the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted other revenue is recognized when:

- services have been performed;
- goods have been delivered;
- the amount has been received or is receivable, and when the amount can be reasonably estimated and collection is reasonably assured.

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Net Financial Assets

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

(j) Segmented Information

The First Nation discloses segmented results of operations for the year in note 20 to the consolidated financial statements. The First Nation has segregated its activities into the following segments based on distinguishable groups of activities.

Health

Pinaymootang Health Authority

Education

Pinaymootang Education

Social

Social services

Economic Development

Economic development program
Human Resource Development Strategy

Public Works

Community services
Operations and maintenance
Policing, security and protection

Housing

CMHC housing
Capital housing projects
Pinaymootang First Nation Housing Trust

Band Government

Band administration
Capital projects
Legal Settlements

Private Enterprises

Pinaymootang Arena and Lottery
Pinaymootang Grocery Store and Gas Bar
Pinaymootang Motel and Entertainment Centre
Powder Horn Creek Restaurant & Gas
Wabung Abinoochi'ak Day Care Centre

(k) Measurement Uncertainty

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from these estimates.

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments

Financial instruments held by the First Nation include cash, accounts receivable, trust fund, accounts payable and accrued liabilities, amounts due to/from government and other government organizations, and long term debt. The First Nation initially measures its financial instruments at fair value when the asset or liability is first recognized. The First Nation subsequently measures its financial instruments at cost or amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

(m) Portfolio Investments

Portfolio investments held by the First Nation include mutual funds. Portfolio Investments are written down when there has been a loss in value that is other than a temporary decline in value.

2. CASH

	<u>2022</u>	<u>2021</u>
Unrestricted - operating	\$ 5,864,800	8,919,587
Externally restricted - CMHC	<u>93,097</u>	<u>2,839</u>
	<u>\$ 5,957,897</u>	<u>8,922,426</u>

The First Nation has a demand line of credit for \$150,000 (2021 - \$150,000) available from First Nations Bank of Canada, of which \$nil (2021 - \$nil) was utilized at the year-end. This line of credit bears interest at prime plus 1.85% and is secured by future funding of Indigenous Services Canada.

Restrictions on cash

The First Nation is subject to restrictions placed on its cash due to an agreement with CMHC as disclosed in Note 14 to these consolidated financial statements. As at March 31, 2022, \$93,097 (2021 - \$2,839) was restricted for expenditures to be approved by CMHC.

3. TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	<u>March 31, 2021</u>	<u>Additions 2022</u>	<u>Withdrawals 2022</u>	<u>March 31, 2022</u>
Revenue	\$ 13,627	571	-	14,198
Capital	<u>142</u>	<u>2,027,428</u>	<u>-</u>	<u>2,027,570</u>
	<u>\$ 13,769</u>	<u>2,027,999</u>	<u>-</u>	<u>2,041,768</u>

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

4. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Trade receivables	\$ <u>835,383</u>	<u>949,206</u>

5. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2022</u>	<u>2021</u>
Federal Government		
Indigenous Services Canada (Schedule 79)	\$ 683,203	2,155,092
First Peoples Development	9,607	47,563
CMHC	28,885	120,029
Health Canada	<u>-</u>	<u>10,000</u>
Total Federal Government	721,695	2,332,684
Province of Manitoba	<u>176,997</u>	<u>1,267,871</u>
	<u>\$ 898,692</u>	<u>3,600,555</u>

6. INVENTORIES FOR RESALE

	<u>2022</u>	<u>2021</u>
Pinaymootang First Nation Grocery Store and Gas Bar	\$ 184,022	136,135
Powderhorn Creek Restaurant and Gas Bar	<u>64,048</u>	<u>35,243</u>
	<u>\$ 248,070</u>	<u>171,378</u>

7. TRUST FUND

In 2019, a comprehensive settlement agreement (CSA) was reached between the First Nation, the Province of Manitoba and the Government of Canada regarding flooding that adversely impacted the First Nation in 2011. The CSA resulted in a trust fund being established for \$20,400,000. In June 2021, prior to these consolidated financial statements being finalized, a trust agreement was finalized and signed by Chief and Council and the trustee. As a result, during the 2020-21 year, the First Nation has recorded a trust fund receivable and the related revenue in relation to this CSA for \$20,400,000 in these financial statements. Subsequent to March 31, 2021, these funds were deposited in a trust fund that is managed by RBC Royal Trust and controlled by the First Nation.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 3,329,544	1,684,020
Accrued salaries and benefits	74,956	81,357
Accrued legal settlement fees	-	1,793,999
Accrued hydro	129,675	144,165
Accrued professional fees	282,065	165,498
Other accrued liabilities	<u>437,123</u>	<u>437,494</u>
	<u>\$ 4,253,363</u>	<u>4,306,533</u>

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

9. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2022</u>	<u>2021</u>
Indigenous Services Canada Debt management #789	\$ <u>227,189</u>	<u>227,189</u>

10. DEFERRED REVENUE

	<u>Balance March 31, 2021</u>	<u>Funding Received 2022</u>	<u>Revenue Recognized/ Repaid 2022</u>	<u>Balance March 31, 2022</u>
Federal Government				
Prepaid deposits - private enterprise	2,045	1,530	2,045	1,530
Province of Manitoba				
Daycare Construction	<u>381,538</u>	<u>-</u>	<u>381,538</u>	<u>-</u>
	<u>\$ 383,583</u>	<u>1,530</u>	<u>383,583</u>	<u>1,530</u>

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

11. LONG-TERM DEBT	<u>2022</u>	<u>2021</u>
CMHC mortgage payable, interest at 2.39%, repayable in blended monthly installments of \$5,528, due March 1, 2023, secured by a Ministerial Guarantee and assignment of fire insurance.	\$ 641,535	691,959
CMHC mortgage payable, interest at 2.39%, repayable in blended monthly installments of \$8,049, due March 1, 2023, secured by a Ministerial Guarantee and assignment of fire insurance.	934,089	1,007,508
CMHC mortgage payable, interest at 0.96%, repayable in blended monthly installments of \$2,296, due March 1, 2026, secured by a Ministerial Guarantee and assignment of fire insurance.	332,637	356,880
CMHC mortgage payable, interest at 1.22%, repayable in blended monthly installments of \$4,049, due May 1, 2026, secured by a Ministerial Guarantee and assignment of fire insurance.	621,806	662,619
CMHC mortgage payable, interest at 1.30%, repayable in blended monthly installments of \$2,830, due October 1, 2022, secured by a Ministerial Guarantee and assignment of fire insurance.	462,683	490,152
CMHC mortgage payable, interest at 2.48%, repayable in blended monthly installments of \$2,648, due August 1, 2023, secured by a Ministerial Guarantee and assignment of fire insurance.	428,525	449,443
CMHC mortgage payable, interest at 0.71%, repayable in blended monthly installments of \$2,152, due November 1, 2025, secured by a Ministerial Guarantee and assignment of fire insurance.	<u>434,325</u>	<u>456,980</u>
Sub total	\$ <u>3,855,600</u>	<u>4,115,541</u>

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

11. LONG-TERM DEBT (Continued)

	<u>2022</u>	<u>2021</u>
Sub total	\$ 3,855,600	4,115,541
Loan payable, First Nations Bank, interest at prime plus 2.10%, repayable in monthly installments, due March 31, 2025, secured by a general security agreement, assignment of insurance and a Band Council Resolution.	-	6,287,859
Loan payable, Manitoba Liquor and Lotteries Corporation, interest at 2.35%, repayable in weekly installments of \$1,393, due October 26, 2023, secured by 25 video lottery terminals.	175,855	227,919
CMHC mortgage payable, interest at 3.43%, repayable in blended monthly installments of \$5,593, due February 1, 2024, secured by a Ministerial Guarantee and assignment of fire insurance.	845,651	906,912
Loan payable, Bank of Montreal, interest at 5.94%, repayable in monthly installments of 35,272, due January 1, 2024 and secured by a general security agreement, assignment of insurance over the Pinaymootang Motel and Entertainment Centre and a Band Council Resolution.	<u>4,320,450</u>	<u>4,481,776</u>
	<u>\$ 9,197,556</u>	<u>16,020,007</u>

The principal portion of long-term debt is repayable for the years ended as follows:

March 31, 2023	\$ 566,016
2024	583,722
2025	566,173
2026	547,971
2027	566,606
Thereafter	<u>6,367,078</u>
	<u>\$ 9,197,566</u>

**PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

12. TANGIBLE CAPITAL ASSETS

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Additions	Transfers / Disposals	Closing Balance	Opening Balance	Amortization	Disposals and Write Offs	Closing Balance	Total 2022	Total 2021
Tangible Capital Assets										
Land	\$ 233,146	-	-	233,146	-	-	-	-	233,146	233,146
Buildings	30,084,358	502,369	-	30,586,727	14,063,669	807,871	-	14,871,540	15,715,187	16,020,689
Housing	50,328,956	6,148,612	(561,880)	55,915,688	18,064,801	1,169,220	(207,312)	19,026,709	36,888,979	32,264,155
Infrastructure	10,712,735	4,547,155	-	15,259,890	2,648,218	295,104	-	2,943,322	12,316,568	8,064,517
Equipment	2,667,845	790,861	-	3,458,706	2,147,782	188,139	-	2,335,921	1,122,785	520,063
Vehicles	5,149,320	686,953	(70,597)	5,765,676	3,039,897	428,261	(70,597)	3,397,561	2,368,115	2,109,423
Computers	177,040	12,849	-	189,889	125,654	16,241	-	141,895	47,994	51,386
Roads	5,759,581	-	-	5,759,581	2,011,085	118,121	-	2,129,206	3,630,375	3,748,496
	<u>105,112,981</u>	<u>12,688,799</u>	<u>(632,477)</u>	<u>117,169,303</u>	<u>42,101,106</u>	<u>3,022,957</u>	<u>(277,909)</u>	<u>44,846,154</u>	<u>72,323,149</u>	<u>63,011,875</u>
Assets Under Construction										
Buildings	<u>7,654,190</u>	<u>7,319,551</u>	<u>(9,512,913)</u>	<u>5,460,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,460,828</u>	<u>7,654,190</u>
TOTAL	<u>\$ 112,767,171</u>	<u>20,008,350</u>	<u>(10,145,390)</u>	<u>122,630,131</u>	<u>42,101,106</u>	<u>3,022,957</u>	<u>(277,909)</u>	<u>44,846,154</u>	<u>77,783,977</u>	<u>70,666,065</u>

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

13. PORTFOLIO INVESTMENTS

The portfolio investments are comprised of Mutual Funds held with RBC Royal Trust. The investments are initially recorded at cost by the First Nation. The fair value at March 31, 2022 was \$15,247,544 (2021 - \$Nil).

14. CMHC HOUSING AUTHORITY REPLACEMENT RESERVE

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited with an amount of \$79,240 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. At March 31, 2022, the replacement reserve was underfunded by \$478,641 (2021 - \$538,615) due to the fact that the replacement reserve assets total \$66,289 (2021 - \$1,466) while the replacement reserve liability is \$544,930 (2021 - \$540,081).

15. RISK MANAGEMENT

(a) Credit Risk

Credit risk is the risk that a counterparty will default on its financial liabilities. Financial assets which potentially subject the First Nation to credit risk and concentrations of credit risk consist principally of cash and accounts receivable. Management manages credit risk associated with accounts receivable by pursuing collections when they are due.

(b) Interest Rate Price Risk

It is management's opinion that the First Nation is exposed to interest rate price risk due to long-term debt being at a fixed rate.

(c) Liquidity Risk

Liquidity risk is the risk that the First Nation will not be able to meet its financial obligations related to financial liabilities as they come due. Financial liabilities consist of accounts payable and accrued liabilities and long-term debt. Accounts payable and accrued liabilities are paid in the normal course of operations and except under certain exceptions, no later than three months. See Note 11 for the repayment schedule of long-term debt.

The First Nation's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At March 31, 2022, the First Nation has a bank balance of \$5,957,897 (2021 - \$8,922,426) and a net financial asset (debt) position of \$11,549,716 (2021 - \$13,120,022). Additionally, \$9,197,556 (2021 - \$16,020,007) of the liabilities relates to long-term debt, which is primarily comprised of loans on the CMHC housing project and the Motel and Entertainment Centre. The related assets are recorded under non-financial assets on the consolidated statement of financial position.

16. BUDGET INFORMATION

The unaudited budget figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council.

17. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to reflect the financial statement presentation adopted for the current year.

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

18. GOVERNMENT TRANSFERS

	<u>Operating</u>	<u>2022 Capital</u>	<u>Total</u>
Indigenous Services Canada	\$ 11,882,070	4,151,117	16,033,187
Province of Manitoba	1,209,319	381,538	1,590,857
Canada Mortgage and Housing Corporation	380,165	-	380,165
Health Canada	5,491,082	164,675	5,655,757
First Peoples Development	<u>742,906</u>	<u>-</u>	<u>742,906</u>
	<u>\$ 19,705,542</u>	<u>4,697,330</u>	<u>24,402,872</u>
	<u>Operating</u>	<u>2021 Capital</u>	<u>Total</u> (Restated)
Indigenous Services Canada	\$ 11,195,439	32,539,773	43,735,212
Province of Manitoba	2,109,519	352,112	2,461,631
Canada Mortgage and Housing Corporation	380,141	10,480	390,621
Health Canada	5,624,070	-	5,624,070
First Peoples Development	<u>796,194</u>	<u>-</u>	<u>796,194</u>
	<u>\$ 20,105,363</u>	<u>32,902,365</u>	<u>53,007,728</u>

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

19. EXPENSES BY OBJECT

	<u>2022</u>	<u>2021</u>
Accreditation	\$ 30,569	31,121
Administration and office	468,795	383,467
Amortization of tangible capital assets	3,022,957	2,653,411
Bad debts	270	36,345
Band support	260,364	(194,697)
Bank charges and interest	63,001	52,745
Capital and equipment	105,304	11,165
Contract fees	9,565	6,425
Fuel	71,913	182,692
Fuel for resale	5,085,241	3,187,587
Housing and renovations	-	34,800
Insurance	527,769	532,861
Interest on long-term debt	471,279	644,187
Lottery tickets	69,291	29,203
MLC commissions	152,483	24,788
Operations and maintenance services	3,378,398	3,257,478
Other expenses	540,721	489,702
Professional fees	412,621	(402,586)
Social assistance	3,779,616	3,699,291
Supplies and materials	3,365,787	2,884,657
Telephone and communications	75,070	105,027
Training	103,354	209,751
Travel	342,135	397,945
Utilities	148,143	184,344
VLT dollars out	3,418,609	2,319,081
Wages and benefits	<u>4,984,518</u>	<u>4,850,216</u>
	<u>\$ 30,887,773</u>	<u>25,611,006</u>

**PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

20. SEGMENTED INFORMATION

	HEALTH			EDUCATION			SOCIAL		
	Budget 2022	2022	2021	Budget 2022	2022	2021	Budget 2022	2022	2021
REVENUES									
Federal Government									
Operating Transfers	\$ 5,579,805	5,491,082	5,624,070	29,811	51,538	49,828	4,646,091	4,806,090	4,333,709
Capital Transfers	172,175	164,675	-	-	-	-	-	-	-
Provincial Government									
Operating Transfers	-	-	-	-	-	-	-	-	-
Capital Transfers	-	-	-	-	-	-	-	-	-
Other funding	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-
Other revenue	65,000	138,698	72,400	-	-	-	-	-	-
	<u>5,816,980</u>	<u>5,794,455</u>	<u>5,696,470</u>	<u>29,811</u>	<u>51,538</u>	<u>49,828</u>	<u>4,646,091</u>	<u>4,806,090</u>	<u>4,333,709</u>
EXPENSES									
Wages and benefits	2,296,576	2,049,238	2,383,522	-	(12,101)	-	160,363	173,669	118,002
Debt servicing	-	-	-	-	-	-	-	-	-
Amortization	-	391,269	355,615	-	201,112	201,112	-	-	-
Other	<u>3,746,923</u>	<u>2,366,331</u>	<u>2,222,414</u>	<u>-</u>	<u>64,127</u>	<u>50,426</u>	<u>4,485,728</u>	<u>3,779,710</u>	<u>3,950,479</u>
	<u>6,043,499</u>	<u>4,806,838</u>	<u>4,961,551</u>	<u>-</u>	<u>253,138</u>	<u>251,538</u>	<u>4,646,091</u>	<u>3,953,379</u>	<u>4,068,481</u>
ANNUAL SURPLUS (DEFICIT)	\$ (226,519)	987,617	734,919	29,811	(201,600)	(201,710)	-	852,711	265,228

ADJUSTMENTS

- (i) The imputed value of Band supported housing provided to band members totaling \$74,137 (2021 - \$251,004) is included as a band support expense in the Basic Needs program and as rental income in the CMHC Housing Authority program.
- (ii) Of the total current year Band other revenue, the following amounts have been recorded as administration fee expense in Health Authority and as an other revenue in the Band; \$299,225 (2021 - \$279,542).
- (iii) Of the total current year Grocery Store and Gas Bar economic activities revenue, the following amounts have been recorded as expenses in the other entities and as economic activities revenue in Grocery Store and Gas Bar; \$156,721 (2021 - \$128,283) Band Government.

**PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

20. SEGMENTED INFORMATION

	ECONOMIC DEVELOPMENT			PUBLIC WORKS			HOUSING		
	Budget 2022	2022	2021	Budget 2022	2022	2021	Budget 2022	2022	2021
REVENUES									
Federal Government									
Operating Transfers	770,145	739,864	794,401	1,586,300	1,586,300	737,963	-	380,165	380,141
Capital Transfers	-	-	-	1,090,770	2,012,126	5,744,765	1,200,000	1,200,000	23,969,623
Provincial Government									
Operating Transfers	-	-	-	32,000	31,462	30,620	-	-	-
Capital Transfers	-	-	-	-	-	-	-	-	234,318
Other funding	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-
Other revenue	-	-	1,500	-	-	-	-	298,957	212,114
	<u>770,145</u>	<u>739,864</u>	<u>795,901</u>	<u>2,709,070</u>	<u>3,629,888</u>	<u>6,513,348</u>	<u>1,200,000</u>	<u>1,879,122</u>	<u>24,796,196</u>
EXPENSES									
Wages and benefits	250,633	243,690	231,496	496,174	444,719	350,546	-	-	32,175
Debt servicing	-	-	-	-	-	-	-	85,150	90,577
Amortization	-	1,717	571	-	191,251	148,666	-	1,110,067	880,658
Other	<u>317,087</u>	<u>425,614</u>	<u>544,807</u>	<u>2,228,677</u>	<u>481,985</u>	<u>531,220</u>	<u>1,214,180</u>	<u>316,686</u>	<u>190,554</u>
	<u>567,720</u>	<u>671,021</u>	<u>776,874</u>	<u>2,724,851</u>	<u>1,117,955</u>	<u>1,030,432</u>	<u>1,214,180</u>	<u>1,511,903</u>	<u>1,193,964</u>
ANNUAL SURPLUS (DEFICIT)	<u>202,425</u>	<u>68,843</u>	<u>19,027</u>	<u>(15,781)</u>	<u>2,511,933</u>	<u>5,482,916</u>	<u>(14,180)</u>	<u>367,219</u>	<u>23,602,232</u>

**PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

20. SEGMENTED INFORMATION

	BAND GOVERNMENT			PRIVATE ENTERPRISE			CONSOLIDATED TOTAL		
	Budget 2022	2022	2021	Budget 2022	2022	2021	Budget 2022	2022	2021
REVENUES									
Federal Government									
Operating Transfers	2,846,705	5,242,719	5,893,793	181,939	198,465	181,939	\$ 15,640,796	18,496,223	17,995,844
Capital Transfers	832,800	938,991	2,835,865	-	-	-	3,295,745	4,315,792	32,550,253
Provincial Government									
Operating Transfers	-	296,729	1,150,000	1,006,000	881,128	928,899	1,038,000	1,209,319	2,109,519
Capital Transfers	-	-	-	-	381,538	117,794	-	381,538	352,112
Other funding	-	114,972	127,224	-	-	-	-	114,972	127,224
Economic activities	-	-	-	11,919,525	12,069,545	7,810,370	11,919,525	12,069,545	7,810,370
Other revenue	<u>50,934</u>	<u>193,050</u>	<u>425,418</u>	<u>87,210</u>	<u>52,198</u>	<u>146,806</u>	<u>203,144</u>	<u>682,903</u>	<u>858,238</u>
	<u>3,730,439</u>	<u>6,786,461</u>	<u>10,432,300</u>	<u>13,194,674</u>	<u>13,582,874</u>	<u>9,185,808</u>	<u>32,097,210</u>	<u>37,270,292</u>	<u>61,803,560</u>
EXPENSES									
Wages and benefits	750,874	797,598	819,398	1,986,168	1,287,706	915,077	5,940,788	4,984,519	4,850,216
Debt servicing	-	121,040	281,371	-	265,089	272,239	-	471,279	644,187
Amortization	-	747,892	685,416	-	379,649	381,373	-	3,022,957	2,653,411
Other	<u>3,081,166</u>	<u>3,308,230</u>	<u>2,094,506</u>	<u>11,717,226</u>	<u>11,666,335</u>	<u>7,878,786</u>	<u>26,790,987</u>	<u>22,409,018</u>	<u>17,463,192</u>
	<u>3,832,040</u>	<u>4,974,760</u>	<u>3,880,691</u>	<u>13,703,394</u>	<u>13,598,779</u>	<u>9,447,475</u>	<u>32,731,775</u>	<u>30,887,773</u>	<u>25,611,006</u>
ANNUAL SURPLUS (DEFICIT)	<u>(101,601)</u>	<u>1,811,701</u>	<u>6,551,609</u>	<u>(508,720)</u>	<u>(15,905)</u>	<u>(261,667)</u>	<u>\$ (634,565)</u>	<u>6,382,519</u>	<u>36,192,554</u>