

**PINAYMOOTANG FIRST NATION
INDEPENDENT AUDITOR'S REPORT
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024**

PINAYMOOTANG FIRST NATION

MARCH 31, 2024

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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:

Qualified Opinion

We have audited the accompanying consolidated financial statements of Pinaymootang First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31 2024, 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, except for the effects and possible effects of the matters described in the *Basis for Qualified Opinion* section of this report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Pinaymootang First Nation as at March 31 2024, and the results of its consolidated operations and its consolidated cash flow for the year then ended, in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation is required to follow PS 3280 asset retirement obligations. Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. The First Nation has identified its landfill would represent a liability under the standard. However, the First Nation has not provided sufficient appropriate audit evidence regarding the valuation of the amounts that should be recorded and the omitted disclosures in respect of this liability. Consequently, we were unable to determine the impact of this scope limitation on the asset retirement obligation, tangible capital assets and accumulated surplus as at March 31, 2024 and 2023, and the related expenses for the March 31, 2024, and 2023 years ended.

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 Consolidated Financial Statements* section of our report. We are independent of the First Nation 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 qualified 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 First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 First Nation'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 First Nation'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 First Nation 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation 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.

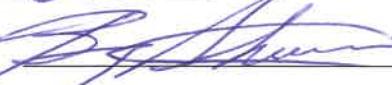


CHARTERED PROFESSIONAL
ACCOUNTANTS INC.

Winnipeg, Manitoba
January 30, 2024



PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

	2024	2023	
FINANCIAL ASSETS			
Cash (Note 2)	\$ 5,268,281	9,110,805	
Trust funds held by the federal government (Note 3)	2,178,029	2,111,348	
Accounts receivable (Note 4)	806,679	719,595	
Due from government and other government organizations (Note 5)	2,438,456	1,327,752	
Inventory held for resale (Note 6)	151,788	220,091	
Portfolio investments (Note 12)	<u>1,644,201</u>	<u>4,321,658</u>	
	<u>12,487,434</u>	<u>17,811,249</u>	
LIABILITIES			
Accounts payable and accrued liabilities (Note 7)	4,823,241	5,881,242	
Due to government and other governmental organizations (Note 8)	227,189	227,189	
Deferred revenue (Note 9)	4,900	1,810	
Debt (Note 10)	<u>9,062,603</u>	<u>8,631,837</u>	
	<u>14,117,933</u>	<u>14,742,078</u>	
NET FINANCIAL ASSETS (DEBT)	<u>(1,630,499)</u>	<u>3,069,171</u>	
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 11)	101,032,014	93,067,454	
Prepaid expenses and deferred charges	<u>3,000,930</u>	<u>775,715</u>	
	<u>104,032,944</u>	<u>93,843,169</u>	
ACCUMULATED SURPLUS	<u>\$102,402,445</u>	<u>96,912,340</u>	
APPROVED BY THE FIRST NATION:			
	Chief		
	Councillor		Councillor
	Councillor		

PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED MARCH 31, 2024

	2024	2023
	Budget (Note 15)	Actual Actual
REVENUE		
Federal government transfers - operating (Note 17)	\$ 8,615,727	25,122,617
Federal government transfers - capital (Note 17)	874,881	3,953,810
Provincial government transfers - operating (Note 17)	1,496,000	872,586
Provincial government transfers - capital (Note 17)	-	610,330
Other funding	55,235	160,255
Economic activities	15,414,800	17,004,621
Other revenue	1,559,207	1,726,344
Income from portfolio investments	-	225,156
	28,015,850	49,675,719
	43,892,110	
EXPENSES		
Health	5,884,710	7,840,247
Education	-	101,662
Social services	4,437,932	7,669,146
Economic development	793,493	688,821
Public works	2,039,811	1,268,322
Housing	478,153	348,786
Band government	2,855,976	4,327,934
Private enterprises	17,308,223	17,857,780
Interest	-	388,093
Amortization of tangible capital assets	579,565	3,694,823
	34,377,863	44,185,614
	37,334,798	
ANNUAL SURPLUS	(6,362,013)	5,490,105
		6,557,312
ACCUMULATED SURPLUS, BEGINNING OF YEAR	96,912,340	96,912,340
		90,355,028
ACCUMULATED SURPLUS, END OF YEAR	\$ 90,550,327	102,402,445
		96,912,340

PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget (Note 15)	Actual	Actual
ANNUAL SURPLUS	\$ (6,362,013)	5,490,105	6,557,312
Tangible capital assets			
Acquisition of tangible capital assets	-	(11,775,032)	(19,102,503)
Amortization of tangible capital assets	-	3,694,823	3,264,098
Loss on disposal of tangible capital assets	-	115,649	554,928
	-	(7,964,560)	(15,283,477)
Other non-financial assets			
Acquisition (consumption) of prepaid expenses	-	(2,225,215)	245,620
CHANGE IN NET FINANCIAL ASSETS	(6,362,013)	(4,699,670)	(8,480,545)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,069,171	3,069,171	11,549,716
NET FINANCIAL ASSETS (DEBT) , END OF YEAR	\$ (3,292,842)	(1,630,499)	3,069,171

PINAYMOOTANG FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Annual surplus	\$ 5,490,105	6,557,312
Add back non-cash item(s):		
Amortization of tangible capital assets	3,694,823	3,264,098
Loss on disposal of tangible capital assets	<u>115,649</u>	<u>554,928</u>
	9,300,577	10,376,338
Change in non-cash working capital:		
Accounts receivable	(87,084)	(568,957)
Due from government and other government organizations	(1,110,704)	255,685
Inventories for resale	68,303	27,979
Accounts payable and accrued liabilities	(1,058,001)	1,627,879
Deferred revenue	3,090	280
Prepaid expenses and deferred charges	<u>(2,225,215)</u>	<u>245,620</u>
	4,890,966	11,964,824
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	<u>(11,775,032)</u>	<u>(19,102,503)</u>
FINANCING ACTIVITIES		
Debt advances (repayments)	430,766	(565,719)
Proceeds on sale of portfolio investments	<u>2,677,457</u>	<u>10,925,886</u>
	3,108,223	10,360,167
CHANGE IN CASH	(3,775,843)	3,222,488
CASH, BEGINNING OF YEAR	<u>11,222,153</u>	<u>7,999,665</u>
CASH, END OF YEAR	<u>7,446,310</u>	<u>11,222,153</u>
CASH IS REPRESENTED BY:		
Cash	5,268,281	9,110,805
Trust funds held by the federal government	<u>2,178,029</u>	<u>2,111,348</u>
	<u>\$ 7,446,310</u>	<u>11,222,153</u>

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

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 2023-2024 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 and Gas
Wabung Abinoochi'ak Day Care Centre
Pinaymootang First Nation Motel and Entertainment Centre
Pinaymootang First Nation Housing Trust

(d) Basis of Presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(e) 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 and prepaid expenses.

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventory held for resale

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

(g) 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

(h) 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.

(i) 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.

reasonably

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Net Financial Assets

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

(k) 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

(l) 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, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial Instruments

Financial instruments held by the First Nation include cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities, amounts due to/from government and other government organizations, and debt.

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. Except for those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance, or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years or recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

(n) Asset Retirement Obligation

Asset retirement obligations reflect the legal obligations arising from the retirement of the First Nation's tangible capital assets, and are recognized when a) there is a legal obligation for the First Nation to incur costs in relation to a specific tangible capital asset; b) there is a past transaction or event causing the liability that has occurred; c) when economic benefits will need to be given up to remediate the liability; and d) when a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use, or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the First Nation derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) New Accounting Policies Adopted During the Year

PS 3400 - Revenue

Effective April 1, 2023, the First Nation adopted the new standard for the recognition, measurement and disclosure of revenue under PS 3400. The new standard establishes when to recognize and how to measure revenue and provides the related financial statement presentation and disclosure requirements. The policy was applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

PSG-8 - Purchased intangibles

Effective April 1, 2023, the First Nation adopted the new guideline on accounting for and reporting on purchased intangibles. The guideline provides clarity on the recognition criteria along with instances of assets that would not meet the definition of such. The policy was applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

2. CASH	<u>2024</u>	<u>2023</u>
Unrestricted - operating	\$ 5,137,024	9,005,090
Externally restricted - CMHC	<u>131,257</u>	<u>105,715</u>
	<u><u>\$ 5,268,281</u></u>	<u><u>9,110,805</u></u>

The First Nation has a demand line of credit for \$150,000 (2023 - \$150,000) available from First Nations Bank of Canada, of which \$nil (2023 - \$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, 2024, \$131,257 (2023 - \$105,715) was restricted for expenditures to be approved by CMHC.

3. TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	Additions		Withdrawals	
	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>
Revenue	\$ 14,950	584	-	15,534
Capital	<u>2,096,398</u>	<u>66,097</u>	<u>-</u>	<u>2,162,495</u>
	<u><u>\$ 2,111,348</u></u>	<u><u>66,681</u></u>	<u><u>-</u></u>	<u><u>2,178,029</u></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, 2024

4. ACCOUNTS RECEIVABLE

	2024	2023
Trade receivables	\$ 806,679	<u>719,595</u>

5. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	2024	2023
Federal Government		
Indigenous Services Canada	\$ 1,243,230	473,077
CMHC	<u>51,098</u>	<u>29,880</u>
Total Federal Government	<u>1,294,328</u>	<u>502,957</u>
Provincial Government		
Province of Manitoba	151,851	132,082
Assembly of Manitoba Chiefs	<u>992,277</u>	<u>692,713</u>
	<u>1,144,128</u>	<u>824,795</u>
	<u><u>\$ 2,438,456</u></u>	<u><u>1,327,752</u></u>

6. INVENTORY HELD FOR RESALE

	2024	2023
Pinaymootang First Nation Grocery Store and Gas Bar	\$ 92,993	147,598
Powderhorn Creek Restaurant and Gas Bar	<u>58,795</u>	<u>72,493</u>
	<u><u>\$ 151,788</u></u>	<u><u>220,091</u></u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	\$ 2,976,915	4,317,769
Accrued salaries and benefits	<u>55,727</u>	<u>43,278</u>
Mortgage advances	<u>852,306</u>	<u>241,991</u>
Accrued hydro	<u>324,452</u>	<u>203,561</u>
Accrued professional fees	<u>308,331</u>	<u>855,250</u>
Other accrued liabilities	<u>305,510</u>	<u>219,393</u>
	<u><u>\$ 4,823,241</u></u>	<u><u>5,881,242</u></u>

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

8. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	2024	2023
Indigenous Services Canada Debt management #789	\$ 227,189	227,189
9. DEFERRED REVENUE		
	2023	Amount Received 2024
Federal Government	2024	Revenue Recognized/ Repaid 2024
Prepaid deposits - private enterprise	\$ 1,810	4,900
	1,810	4,900
10. DEBT	2024	2023
CMHC mortgage payable, interest at 5.00%, repayable in blended monthly installments of \$6,246, due September 1, 2028, secured by a Ministerial Guarantee and assignment of fire insurance.	\$ 543,461	589,898
CMHC mortgage payable, interest at 3.81%, repayable in blended monthly installments of \$8,607, due March 1, 2028, secured by a Ministerial Guarantee and assignment of fire insurance.	786,935	858,906
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.	283,456	308,161
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.	538,807	580,551
CMHC mortgage payable, interest at 3.55%, repayable in blended monthly installments of \$3,294, due October 1, 2027, secured by a Ministerial Guarantee and assignment of fire insurance.	411,825	436,338
CMHC mortgage payable, interest at 4.07%, repayable in blended monthly installments of \$2,951, due August 1, 2028, secured by a Ministerial Guarantee and assignment of fire insurance.	386,614	407,085
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.	388,537	411,509
Sub total	\$ 3,339,635	3,592,448

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

10. DEBT (Continued)

	<u>2024</u>	<u>2023</u>
Sub total	\$ 3,339,635	3,592,448
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.	486,100	-
Loan payable, Royal Bank of Canada, interest at prime plus 6.12%, repayable in monthly principal payments of \$7,748, due May 26, 2028, secured by a promissory note signed by the Band, a general security agreement, assignment of insurance and a Band Council Resolution.	341,557	-
Loan payable, Manitoba Liquor and Lotteries Corporation, interest at 4.40%, repayable in weekly installments of \$887, due April 3, 2028, secured by 9 cobalt video lottery terminals.	170,643	-
Loan payable, Manitoba Liquor and Lotteries Corporation, interest at 2.35%, repayable in weekly installments of \$1,393, due September 25, 2024, secured by 25 video lottery terminals.	36,003	106,750
CMHC mortgage payable, interest at 1.67%, repayable in blended monthly installments of \$6,324, due July 1, 2024, secured by a Ministerial Guarantee and assignment of fire insurance.	720,058	783,363
Loan payable, Bank of Montreal, interest at 5.94%, repayable in monthly installments of \$35,272, due January 1, 2025 and secured by a general security agreement, assignment of insurance over the Pinaymootang Motel and Entertainment Centre and a Band Council Resolution.	<u>3,968,607</u>	<u>4,149,276</u>
	<u>\$ 9,062,603</u>	<u>8,631,837</u>

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

March 31, 2025	\$ 677,283
2026	681,423
2027	711,857
2028	749,650
2029	640,667
Thereafter	<u>5,601,723</u>
	<u>\$ 9,062,603</u>

PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

11. TANGIBLE CAPITAL ASSETS

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE			
	Opening Balance	Additions	Transfers / Disposals	Closing Balance	Opening Balance	Amortization	Closing Balance	Disposals and Write Offs	Total 2024	Total 2023
Tangible Capital Assets										
Land	\$ 233,146	-	233,146	-	-	-	-	-	233,146	233,146
Buildings	31,017,451	86,110	3,012,729	34,116,290	15,702,629	876,827	-	16,579,456	17,536,834	15,314,822
Housing	56,653,874	66,327	18,441,303	75,161,504	20,231,828	1,457,627	(52,568)	21,636,887	53,524,617	36,422,046
Infrastructure	15,145,190	-	-	15,145,190	3,284,107	338,491	-	3,622,598	11,522,592	11,861,083
Equipment	4,227,558	1,920,622	-	6,148,180	2,726,611	296,076	-	3,022,687	3,125,493	1,500,947
Vehicles	6,061,678	2,197,937	-	8,259,615	3,722,986	584,625	-	4,307,611	3,952,004	2,338,692
Computers	203,997	10,922	-	214,919	160,832	21,888	-	182,720	32,199	43,165
Roads	5,806,306	-	-	5,806,306	2,247,911	119,289	-	2,367,200	3,439,106	3,558,395
	119,349,200	4,281,918	21,454,032	145,085,150	48,076,904	3,694,823	(52,568)	51,719,159	93,365,991	71,272,296
Assets Under Construction										
Buildings	21,795,158	7,493,114	(21,622,249)	7,666,023	-	-	-	-	7,666,023	21,795,158
TOTAL	\$ 141,144,358	11,775,032	(168,217)	152,751,173	48,076,904	3,694,823	(52,568)	51,719,159	101,032,014	93,067,454

**PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

12. PORTFOLIO INVESTMENTS

Portfolio investments consist of money market securities held with RBC Royal Trust. The fair market value of the portfolio investments is equal to the cost basis.

13. 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 \$63,100 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, 2024, the replacement reserve was underfunded by \$485,229 (2023 - \$452,779) due to the fact that the replacement reserve assets total \$78,947 (2023 - \$66,175) while the replacement reserve liability is \$564,176 (2023 - \$518,954).

14. 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 Risk

Interest rate cash flow risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments. Interest rate price risk is the risk that changes in market interest rates may have an effect on the fair value of other financial instruments. It is management's opinion that the First Nation is not exposed to interest rate risk due to low, fixed rate debt. .

(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 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 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, 2024, the First Nation has a bank balance of \$5,268,281 (2023 - \$9,110,805) and a net financial asset position of \$(1,630,499) (2023 - \$3,069,171). Additionally, \$9,062,603 (2023 - \$8,631,837) of the liabilities relates to 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.

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

14. RISK MANAGEMENT (Continued)

(d) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. It is management's opinion that the First Nation is not exposed to other price risk due to owning financial instruments that are not subject to market fluctuation.

15. BUDGET INFORMATION

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

16. COMPARATIVE FIGURES

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

17. GOVERNMENT TRANSFERS

	<u>2024</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Indigenous Services Canada	\$ 12,744,276	3,525,256	16,269,532
Province of Manitoba	872,586	610,330	1,482,916
Canada Mortgage and Housing Corporation	408,196	428,554	836,750
Health Canada	10,260,167	-	10,260,167
First Peoples Development	<u>1,709,978</u>	<u>-</u>	<u>1,709,978</u>
	<u>\$ 25,995,203</u>	<u>4,564,140</u>	<u>30,559,343</u>
	<u>2023</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Indigenous Services Canada	\$ 11,428,032	3,180,436	14,608,468
Province of Manitoba	851,543	-	851,543
Canada Mortgage and Housing Corporation	383,381	-	383,381
Health Canada	6,502,736	228,596	6,731,332
First Peoples Development	<u>1,391,877</u>	<u>-</u>	<u>1,391,877</u>
	<u>\$ 20,557,569</u>	<u>3,409,032</u>	<u>23,966,601</u>

PINAYMOOTANG FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

18. EXPENSES BY OBJECT

	<u>2024</u>	<u>2023</u>
Accreditation	\$ 90,502	33,215
Administration and office	1,180,154	726,001
Amortization of tangible capital assets	3,694,824	3,264,098
Bad debts (recovery)	(1,629)	15,373
Band support	419,885	44,021
Bank charges and interest	79,005	73,727
Capital and equipment	42,375	15,603
Contract fees	8,250	21,589
Fuel	(78,619)	3,293
Fuel for resale	5,759,388	6,265,740
Insurance	556,687	621,398
Interest on debt	388,093	341,571
Loss due to theft (Note 19)	116,734	-
Lottery tickets	83,993	75,008
MLC commissions	188,245	187,812
Operations and maintenance services	5,459,363	4,228,689
Other expenses	986,043	698,734
Professional fees	127,656	301,117
Social assistance	4,810,042	4,186,950
Supplies and materials	5,876,155	4,915,991
Telephone and communications	114,171	114,079
Training	249,007	129,221
Travel	586,863	483,995
Utilities	177,651	172,815
VLT dollars out	6,150,983	4,801,080
Wages and benefits	<u>7,119,793</u>	<u>5,613,678</u>
	<u>\$ 44,185,614</u>	<u>37,334,798</u>

19. LOSS DUE TO THEFT

During the year, the First Nation discovered that a robbery had occurred at the Arena and Lottery. Evidence suggests that employees were involved. A police report was filed with the RCMP, with video surveillance provided, and the employees of the Arena and Lottery were terminated. The RCMP investigation is ongoing. The shortfall in cash at the Arena and Lottery due to theft has led to a qualification in the Arena and Lottery financial statements.

PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

20. SEGMENTED INFORMATION

	HEALTH			EDUCATION			SOCIAL		
	Budget 2024	2024	2023	Budget 2024	2024	2023	Budget 2024	2024	2023
REVENUES									
Federal Government	\$ -	10,260,167	6,502,736	101,662	128,688	29,811	4,437,932	9,382,258	7,024,572
Operating Transfers			228,596	-	-	-	-	289,559	-
Capital Transfers				-	-	-	-	-	-
Provincial Government				-	-	-	-	-	-
Operating Transfers				-	-	-	-	-	-
Capital Transfers				-	-	-	-	-	-
Other funding				-	-	-	-	-	-
Economic activities				-	-	-	-	-	-
Other revenue				-	-	-	-	-	-
	65,000	82,568	196,218	101,662	128,688	29,811	4,437,932	9,671,817	7,024,572
EXPENSES									
Wages and benefits	5,526,966	3,067,525	1,881,114	-	-	-	117,986	142,416	121,372
Interest	-	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	579,565	544,746	455,197	-	201,112	201,112	-	-	-
Other	357,744	4,772,722	2,789,870	-	101,662	30,000	4,319,946	7,526,730	5,836,847
	6,464,275	8,394,993	5,126,181	-	302,774	231,112	4,437,932	7,669,146	5,958,219
	ANNUAL SURPLUS (DEFICIT)	\$ (6,399,275)	1,957,742	1,801,369	101,662	(174,086)	(201,301)	-	2,002,671
ADJUSTMENTS									
(i)	The imputed value of Band supported housing provided to band members totaling \$251,004 (2023 - \$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; \$1,024,099 (2023 - \$669,295).								
(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; \$413,203 (2023 - \$330,374) Band Government.								

- (i) The imputed value of Band supported housing provided to band members totaling \$251,004 (2023 - \$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; \$1,024,099 (2023 - \$669,295).
- (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; \$413,203 (2023 - \$330,374) Band Government.

PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

20. SEGMENTED INFORMATION

	ECONOMIC DEVELOPMENT			PUBLIC WORKS			HOUSING		
	Budget 2024	2024	2023	Budget 2024	2024	2023	Budget 2024	2024	2023
	REVENUES								
Federal Government	633,310	725,878	713,294	1,600,730 (289,768)	1,600,730 1,166,014	1,763,347 -	427,448 -	408,196 856,002	383,381 1,876,750
Operating Transfers	-	-	-	-	-	28,000	70,000	-	-
Capital Transfers	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-	-	-	-
Capital Transfers	-	-	-	-	-	-	-	-	-
Other funding	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-
Other revenue	-	1,077	179,232	-	-	17,853	-	222,851	209,226
633,310	726,955	892,526	1,310,962	2,794,744	1,851,200	427,448	1,487,049	2,469,357	
EXPENSES									
Wages and benefits	53,910	86,069	213,184	616,164	490,178	796,638	-	19,424	-
Interest	-	-	-	-	-	-	-	116,435	86,137
Amortization of tangible capital assets	-	3,395	2,974	-	269,858	197,845	-	1,418,791	1,190,814
Other	739,583	602,752	669,973	1,423,647	778,144	587,198	478,153	329,362	208,960
793,493	692,216	886,131	2,039,811	1,538,180	1,581,681	478,153	1,884,012	1,485,911	
ANNUAL SURPLUS (DEFICIT)	(160,183)	34,739	6,395	(728,849)	1,256,564	269,519	(50,705)	(396,963)	983,446

PINAYMOOTANG FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

20. SEGMENTED INFORMATION

	BAND GOVERNMENT			PRIVATE ENTERPRISE			CONSOLIDATED TOTAL		
	Budget 2024	2024	2023	Budget 2024	2024	2023	Budget 2024	2024	2023
REVENUES									
Federal Government	967,441	1,447,895	2,414,234	874,652	1,168,805	874,652	\$ 8,615,727	25,122,617	19,706,027
Operating Transfers	737,201	1,642,235	1,303,686	-	-	-	874,881	3,953,810	3,409,032
Capital Transfers	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-
Operating Transfers	-	610,330	59,942	1,496,000	844,586	781,543	1,496,000	872,586	851,543
Capital Transfers	55,235	160,255	-	-	-	-	-	610,330	-
Other funding	-	-	-	15,414,800	17,004,621	15,554,844	55,235	160,255	59,942
Economic activities	-	-	-	271,869	208,241	460,075	15,414,800	17,004,621	15,554,844
Other revenue	1,222,338	1,436,763	3,248,118	18,057,321	19,226,253	17,671,114	28,015,850	41,951,500	43,310,722
EXPENSES									
Wages and benefits	1,421,103	1,697,972	1,110,924	1,520,932	1,523,042	1,490,446	9,257,061	7,026,626	5,613,678
Interest	-	19,137	-	-	252,520	255,434	-	388,092	341,571
Amortization of tangible									
capital assets									
Other	1,434,873	2,629,962	904,327	836,226	352,595	379,930	579,565	3,694,824	3,264,098
Other	2,855,976	5,251,398	2,874,901	15,787,291	16,334,738	15,117,702	24,541,237	33,076,072	28,115,451
ANNUAL SURPLUS (DEFICIT)	126,239	46,080	2,203,929	749,098	763,358	427,602	\$ (6,362,013)	5,490,105	6,557,312

PINAYMOOTANG FIRST NATION

General Delivery

Fairford Manitoba R0C 0X0

Fort Group Chartered Professional Accountants Inc.
100 - 865 Henderson Hwy
Winnipeg, Manitoba
R2K 2L6

Dear Fort Group Partners:

Re: Representation Letter

This representation letter is provided in connection with your audit of the financial statements of Pinaymootang First Nation for the year ended March 31, 2024. We acknowledge that we have fulfilled our responsibilities, as set out in the terms of the engagement letter. We confirm, to the best of our knowledge and belief, as at January 30, 2025, the date the financial statements have been approved, the following representations made to you during your audit.

Overall Financial statements

1. The financial statements are fairly presented in accordance with Canadian accounting standards for not-for-profit organizations, applied on a consistent basis with that of the financial statements for the preceding fiscal year.
2. We have reviewed and approved the adjusting journal entries arising from the audit (Appendix A).
3. We have reviewed and approved the unadjusted errors summarized in Appendix B. In our opinion, the effects of not recording such identified financial statement misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole.
4. We have disclosed to you any significant matters that we are aware of that could require a restatement of prior year figures or matters previously disclosed.
5. The financial statements are free of material errors and omissions.
6. We have prepared the financial statements on a going concern basis. There are not any events or circumstances that raise significant doubt about the entity's ability to continue as a going concern.

Completeness of information

7. We have provided you with access to all information of which we are aware that is relevant to the preparation of the financial statement including:
 - (a) Accounting records and supporting documentation;
 - (b) Board and finance committee meeting minutes; and
 - (c) Information relating to any other matters of which we are aware that is relevant to the preparation of the financial statements.
8. We have made available all persons within the entity from whom you determined it necessary to obtain audit evidence and complied with any requests for additional information required for the purpose of completing the audit.
9. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

Completeness of information (continued)

10. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
11. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis for recording a contingent loss.
12. We have designed and implemented such internal control as we determined is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. As well as, having communicated to you any deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

Fraud and error

13. Other than the loss due to theft occurring between January and April 2024 that has been communicated to us and to which there is an ongoing RCMP investigation, we have no knowledge of fraud or suspected fraud affecting the entity involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
14. Other than the loss due to theft occurring between January and April 2024 that has been communicated to us and to which there is an ongoing RCMP investigation, we have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators or others.
15. We communicated to you the results of our risk assessment regarding possible fraud or error in the financial statements.
16. We communicated all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements; and
17. We communicated all known, actual, or possible litigation and claims that should be considered when preparing the financial statements.

Recognition, measurement and disclosure

18. We have evaluated whether there are indicators of impairment for all financial assets measured at cost or amortized cost, and where there has been a significant adverse change in the expected timing or amount of future cash flows from a financial asset or group of similar financial assets, we have assessed whether a reduction in carrying value is necessary.
19. All marketable securities owned by us are recorded in the accounts, and by rights are our property.
20. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
21. We have identified to you all known related parties and related party transactions, including; sales, purchases, loans, asset transfers, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period covered by the audit as well as related balances due to or from such parties at the period end.
22. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
23. There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.
24. The organization has satisfactory title to all assets, and there are no liens or encumbrances on the organization's assets.

Recognition, measurement and disclosure (continued)

25. Where assets have been pledged as collateral, or are otherwise subject to lien or encumbrance, relevant facts have been adequately disclosed in the financial statements.
26. Where required, provision has been made to reduce all excess or obsolete inventory to estimated net realizable value. All inventories are the property of the organization and do not include any items consigned to it, any items billed to customers, or any items for which the related cost has not been recorded in the accounts.
27. All receivables are presented in the financial statements at net realizable value, and an adequate provision for doubtful amounts has been made set up in the financial statements where required.
28. The organization, using its best estimates based on reasonable and supportable assumptions and projections, reviews its capital assets for impairment in accordance with Canadian accounting standards for not-for-profit organizations.
29. All accounts payable and accrued liabilities and other liabilities have been recorded in the financial statements.
30. There have been no events subsequent to the statement of financial position date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the financial statements that would require adjustment of those financial statements and the related notes.
31. We have provided all information that is relevant to the prior period correction of an error disclosed. We believe there is no other reasonable accounting method to correct for the error other than a prior period correction an error in the financial statements.

Responsibilities relating to other information

32. We have informed you of all the documents (if any) that we expect to issue that may comprise "other information".
33. The financial statements and any other information provided to you prior to the date of the auditor's report are consistent with one another, and such other information does not contain any material misstatements.

Yours truly,

Pinaymootang First Nation

Kurvis Anderson, Chief

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
					0.00	0.00		

Net Income (Loss) 5,490,098.45

Pinaymootang First Nation
SCHEDULE OF UNADJUSTED DIFFERENCES
 March 31, 2023

Version (Dec, 2018)

Overall Materiality	\$ 900,000
Performance Materiality	\$ 720,000

G + H + I + J + L must equal zero

Immaterial threshold \$ 45,000 Items below this amount are not posted below.

Description of Misstatement	Ref	Assets	Liabilities	Revenue	Expenses	dr. (cr.) Closing Equity	dr. (cr.) Opening Equity	Column should = 0 Check
<u>Identified</u>								
Prior period receivable in Daycare	Daycare (X10.6)	350,722		(350,722)		(350,722)		-
Gas bar expenses paid by cash	Gas bar (X30)	55,917			(55,917)	(55,917)		-
Unrecorded vacation accrual	Health (BB)		(87,617)		87,617	87,617		-
Social cash clearing account ending with credit	Admin (A.1)	(113,446)		-	113,446	113,446		-
RRAP funding (4 of 5 yr should be deferred)	Admin (X10.4)		(257,134)	257,134				-
Total identified		293,193	(344,751)	(93,588)	145,146	(205,576)		-
<u>Likely</u>								
Total Likely identified			-	-	-	-		-
Total identified current year misstatements		293,193	(344,751)	(93,588)	145,146	(205,576)		-
Effect of prior period misstatements identified								-
Total misstatements		293,193	(344,751)	(93,588)	145,146	(205,576)		-
Overall Materiality		900,000	900,000	900,000	900,000	900,000	900,000	900,000
Amount remaining for further misstatement		606,807	555,249	806,412	754,854	694,424	900,000	900,000

The possible adjustments noted above do not affect the fair presentation of the financial statements.

Pinaymootang First Nation
SCHEDULE OF UNADJUSTED DIFFERENCES
March 31, 2023

Appendix B

Materiality	\$	900,000				
Description of Misstatement		dr. (cr.)	dr. (cr.)	dr. (cr.)	dr. (cr.)	dr. (cr.)
	Assets	Liabilities	Revenue	Expenses	Closing Equity	Opening Equity
<i>Identified</i>						
Prior period receivable in Daycare	350,722	-	(350,722)	-	(350,722)	-
Gas bar expenses paid by cash	55,917	-	-	(55,917)	(55,917)	-
Unrecorded vacation accrual	-	(87,617)	-	87,617	87,617	-
Total identified	406,639	(87,617)	(350,722)	31,700	(319,022)	-
<i>Likely</i>						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Likely identified	-	-	-	-	-	-
Total identified current year misstatements	406,639	(87,617)	(350,722)	31,700	(319,022)	-
<i>Effect of prior period misstatements identified</i>						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total unadjusted misstatements	406,639	(87,617)	(350,722)	31,700	(319,022)	-