
PAUINGASSI FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

PAUINGASSI FIRST NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONSSTATEMENT 2

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS.....STATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWS.....STATEMENT 4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Pauingassi First Nation and all the information in this annual report 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. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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 is 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 meets 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, and to review the consolidated financial statements and the external auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Pauingassi First Nation and meet when required.


Chief


Councillor


Councillor


Councillor


Councillor


Councillor

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Pauingassi First Nation

Opinion

We have audited the accompanying consolidated financial statements of Pauingassi First Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, change in net assets and cash flows for the year then ended, and notes to the 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 consolidated financial position of Pauingassi First Nation as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the 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 Pauingassi 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 Pauingassi First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Pauingassi First Nation's financial reporting process.

(continued.....)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pauingassi 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 Pauingassi 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 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 Pauingassi First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
November 25, 2024

 **bakertilly**

PAUINGASSI FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2024

2023

FINANCIAL ASSETS

Cash	\$ 7,909,410	\$ 6,477,767
Restricted cash (Note 2)	524,230	512,057
Accounts receivable (Note 3)	3,448,508	2,331,353
Inventory (Note 4)	407,328	530,000
Investments (Note 5)	<u>3,693,531</u>	<u>3,403,809</u>
	<u>15,983,007</u>	<u>13,254,986</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 6)	2,048,377	1,131,324
Deferred revenue (Note 7)	2,564,547	3,103,887
Long term debt (Note 8)	<u>8,866,337</u>	<u>8,847,124</u>
	<u>13,479,261</u>	<u>13,082,335</u>
Net assets	<u>2,503,746</u>	<u>172,651</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	80,567,576	78,311,609
Prepaid expenses	<u>81,456</u>	<u>117,296</u>
	<u>80,649,032</u>	<u>78,428,905</u>
Accumulated surplus	<u>\$ 83,152,778</u>	<u>\$ 78,601,556</u>

Contingent liabilities (Note 10)

Approved on behalf of Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

PAUINGASSI FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2024	2023
REVENUE			
Indigenous Services Canada	\$ 14,086,724	\$ 14,336,996	\$ 13,242,883
First Nations and Inuit Health	4,663,047	4,928,598	2,853,871
Canada Mortgage and Housing Corporation	490,130	500,026	860,364
Employment and Social Development Canada	530,100	549,455	245,933
Province of Manitoba	500,100	154,926	51,980
Band generated revenue	2,452,999	2,170,721	4,058,095
Rental	391,810	467,132	414,929
Other revenue	2,623,644	4,506,917	2,647,969
Elimination of inter-department transactions	<u>-</u>	<u>(1,736,863)</u>	<u>(1,856,608)</u>
	<u>25,738,554</u>	<u>25,877,908</u>	<u>22,519,416</u>
EXPENSES			
Governance and administration	1,824,103	1,327,399	1,103,881
Social assistance	2,267,121	1,964,737	2,100,320
Education	4,633,975	3,494,526	3,222,420
Operations and maintenance	1,463,786	1,463,312	1,792,922
Capital and housing	3,269,372	6,168,735	4,507,771
Training and employment	530,100	549,454	351,584
Health	6,043,298	3,615,483	3,381,026
Band funds	6,029,386	4,479,903	3,706,002
Elimination of inter-department transactions	<u>-</u>	<u>(1,736,863)</u>	<u>(1,856,608)</u>
	<u>26,061,141</u>	<u>21,326,686</u>	<u>18,309,318</u>
ANNUAL SURPLUS (DEFICIT)	(322,587)	4,551,222	4,210,098
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>78,601,556</u>	<u>78,601,556</u>	<u>74,391,458</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 78,278,969</u>	<u>\$ 83,152,778</u>	<u>\$ 78,601,556</u>

PAUINGASSI FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2024	2023
Annual surplus	<u><u>\$ (322,587)</u></u>	<u><u>\$ 4,551,222</u></u>	<u><u>\$ 4,210,098</u></u>
Acquisition of tangible capital assets and construction in progress		<u><u>(6,000,988)</u></u>	<u><u>(6,674,968)</u></u>
Amortization of tangible capital assets	<u><u>-</u></u>	<u><u>3,745,021</u></u>	<u><u>3,417,927</u></u>
	<u><u>-</u></u>	<u><u>(2,255,967)</u></u>	<u><u>(3,257,041)</u></u>
Acquisition of prepaid expenses		<u><u>(81,456)</u></u>	<u><u>(117,296)</u></u>
Use of prepaid expenses	<u><u>-</u></u>	<u><u>117,296</u></u>	<u><u>241,431</u></u>
	<u><u>-</u></u>	<u><u>35,840</u></u>	<u><u>124,135</u></u>
CHANGE IN NET ASSETS FOR YEAR	<u><u>(322,587)</u></u>	<u><u>2,331,095</u></u>	<u><u>1,077,192</u></u>
NET ASSETS (DEBT), <i>beginning of year</i>	<u><u>172,651</u></u>	<u><u>172,651</u></u>	<u><u>(904,541)</u></u>
NET ASSETS, <i>end of year</i>	<u><u>\$ (149,936)</u></u>	<u><u>\$ 2,503,746</u></u>	<u><u>\$ 172,651</u></u>

PAUINGASSI FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 4	2 0 2 3
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous Services Canada	\$ 13,223,984	\$ 14,176,214
Cash received from other sources	11,444,571	6,334,484
Cash paid to suppliers and employees	<u>(18,242,964)</u>	<u>(14,992,419)</u>
	<u><u>6,425,591</u></u>	<u><u>5,518,279</u></u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets	<u>(6,000,988)</u>	<u>(6,674,968)</u>
<i>INVESTING ACTIVITY</i>		
South Beach Casino income distribution received	<u>1,000,000</u>	<u>1,000,000</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	518,652	1,167,528
Repayment of long term debt	<u>(499,439)</u>	<u>(848,726)</u>
	<u><u>19,213</u></u>	<u><u>318,802</u></u>
NET INCREASE IN CASH DURING YEAR		
CASH, beginning of year	<u>1,443,816</u>	162,113
CASH, end of year	<u>\$ 8,433,640</u>	<u>\$ 6,989,824</u>
CASH COMPRISED OF		
Cash	\$ 7,909,410	\$ 6,477,767
Restricted cash	<u>524,230</u>	<u>512,057</u>
	<u><u>\$ 8,433,640</u></u>	<u><u>\$ 6,989,824</u></u>

PAUINGASSI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The consolidated financial statements report the financial activities of all entities and departments comprising the reporting entity of Pauingassi First Nation.

The First Nation has consolidated assets, liabilities, revenue and expenses of the following entities and departments:

- Pauingassi First Nation Operating Fund
- Pauingassi First Nation Housing Authority
- Pauingassi First Nation Care Home
- Pauingassi First Nation Educational Authority Inc.
- Pauingassi First Nation Health Authority
- Pauingassi First Nation Gas Bar & Store
- 10178309 Manitoba Inc.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Pauingassi First Nation business entities owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations and government partnerships are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- South Beach Casino Limited Partnership
- Pauingassi First Nation Construction Inc.

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 and prepaid expenses.

INVENTORY

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2024****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******INVESTMENTS***

Portfolio investments are recorded at fair market value. Pauingassi's investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for Pauingassi's share of the commercial enterprises' income or loss less dividends.

NET ASSETS (DEBT)

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net assets (debt) of the First Nation is determined by its financial assets less liabilities. Net assets (debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost and recorded in the capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates;

Buildings	2 - 10%
Computers and software	20%
Equipment	5 - 20%
Housing	2.5 %
Roads	2%
Water and sewer systems	2%
Vehicles	10 - 20%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods or services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

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.

SEGMENTS

Pauingassi First Nation conducts its business through a number of reportable segments. These operating segments are established by management to facilitate the achievement of Pauingassi First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2024****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******ASSET RETIREMENT OBLIGATION***

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at management's best estimate at the present fair value of the estimated future cash flows required to settle the retirement obligation. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

REVENUErecognition

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

FINANCIAL INSTRUMENTS**Measurement**

The First Nation measures all of its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, marketable securities in equity instruments that are quoted in an active market and marketable securities that the Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and federal trust funds. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

No financial assets are measured at fair value.

Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2024****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******USE OF ESTIMATES***

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Capitalization of labour costs is based on an estimate of the proportionate share of direct labour and overhead labour.

Asset retirement obligations are estimated based on the present value of the required cost at retirement of specific assets.

2. RESTRICTED CASH***INDIGENOUS SERVICES CANADA TRUST***

Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other First Nation capital assets. Capital trust monies are expended on the authorization of the Minister, with the consent of the First Nation Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue Fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended under the provisions of the Indian Act.

REPLACEMENT RESERVE

Under the terms of the operating agreements with CMHC, the Replacement Reserve is to be credited with an annual allocation of \$53,409. These funds, along with accumulated interest, must be held in a separate bank account and/or invested 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. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2024 there is an accumulated balance of \$604,638 for this reserve, there is \$522,296 in the replacement reserve bank account and the reserve is underfunded by \$82,342 as of March 31, 2024.

At the end of the year, the restricted cash consisted of the following balances:

	2 0 2 4	2 0 2 3
Indigenous Services Canada Trust	\$ 1,934	\$ 1,871
CMHC Replacement Reserve	<u>522,296</u>	<u>510,186</u>
	<u>\$ 524,230</u>	<u>\$ 512,057</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

3. ACCOUNTS RECEIVABLE

	2 0 2 4	2 0 2 3
Indigenous Services Canada		
Preparedness/ Mitigation	\$ 11,500	\$ 11,500
Capacity Building	25,000	
Food Claims	363,140	363,140
Band Support Funding	221,997	
Basic Needs	26,100	26,100
Basic Needs - Inflation	23,678	
Recovery - Spring 2022 Flood	252,356	6,060
Response - Spring 2022 Flood		60,909
Response Covid-19 Community Support	142,121	142,121
Recovery - White Goods Safe Removal	276,969	291,109
Adult Education Program		151,443
FNCFS Capital	714,975	184,732
Service Delivery	95,684	45,374
Pension Plan Admin & Non-Stat	4,174	
CPP/QPP and Pension - First Nation Employer	10,669	
Prevention Projects		14,000
Roads and bridges		68,350
Lot Servicing - Other Infrastructure		68,200
Canada Mortgage and Housing Corporation	23,237	13,511
Goods and services tax	77,014	42,014
Shawano Wapunong Investment Inc.	293,125	312,269
Trade and other receivables	<u>920,580</u>	<u>514,332</u>
	<u>3,457,319</u>	2,340,164
Less: Allowance for doubtful accounts	(8,811)	(8,811)
	<u><u>\$ 3,448,508</u></u>	<u><u>\$ 2,331,353</u></u>

4. INVENTORY

	2 0 2 4	2 0 2 3
Fuel	\$ 207,328	\$ 297,820
Gravel	<u>200,000</u>	<u>232,180</u>
	<u><u>\$ 407,328</u></u>	<u><u>\$ 530,000</u></u>

5. INVESTMENTS

	2 0 2 4	2 0 2 3
Pauingassi First Nation Construction Inc.	\$ 4,109	\$ 4,109
South Beach Casino LP	<u>3,689,422</u>	<u>3,399,700</u>
	<u><u>\$ 3,693,531</u></u>	<u><u>\$ 3,403,809</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 4	2 0 2 3
Accrued liabilities	\$ 307,386	\$ 260,735
Capital project payables	836,398	490,692
Trade and other payables	<u>904,593</u>	<u>379,897</u>
	<u><u>\$ 2,048,377</u></u>	<u><u>\$ 1,131,324</u></u>

7. DEFERRED REVENUE

	Balance, beginning of year	Funding received 2024	Revenue Recognized 2024	Balance, end of year
Indigenous Services Canada				
Basic Needs	\$ 154,830	\$ 1,431,978	\$ 1,586,808	\$
Centerline Trail Clearing of Water	68,350			68,350
Evacuation Support	395,670	360,508	193,672	562,506
FNCFS Capital		655,280		655,280
Housing Renovations -				
Extensions & Repairs	1,029,343	588,000	1,105,644	511,699
Landfill Expansion Project	128,938		(82,612)	211,550
School Generator Project	474,275		251,245	223,030
School Renovations	17,803		40	17,763
4 Unit ISC Housing Project	146,040	417,360	563,400	
Winter Road Feasibility Study	<u>123,000</u>	<u>-</u>	<u>73,388</u>	<u>49,612</u>
	<u><u>2,538,249</u></u>	<u><u>3,453,126</u></u>	<u><u>3,691,585</u></u>	<u><u>2,299,790</u></u>
First Nations and Inuit Health				
Health Centre Project	453,986		189,229	264,757
Medical Transportation	<u>111,652</u>	<u>74,992</u>	<u>186,644</u>	<u>-</u>
	<u><u>565,638</u></u>	<u><u>74,992</u></u>	<u><u>375,873</u></u>	<u><u>264,757</u></u>
	<u><u>\$ 3,103,887</u></u>	<u><u>\$ 3,528,118</u></u>	<u><u>\$ 4,067,458</u></u>	<u><u>\$ 2,564,547</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

8. LONG TERM DEBT	2 0 2 4	2 0 2 3
Mortgage payable to CMHC, 0.68%, repayable in monthly installments of \$4,235 (P&I), due October 1, 2025.	\$ 294,640	\$ 343,275
Mortgage payable to CMHC, 4.07%, repayable in monthly installments of \$2,162 (P&I), due August 1, 2028.	198,510	216,673
Mortgage payable to CMHC, 4.07%, repayable in monthly installments of \$3,470 (P&I), due August 1, 2028.	321,080	350,150
Mortgage payable to CMHC, 1.01%, repayable in monthly installments of \$2,179 (P&I), due August 1, 2026.	291,597	314,676
Mortgage payable to CMHC, 1.67%, repayable in monthly installments of \$2,142 (P&I), due July 1, 2024.	335,997	355,916
Mortgage payable to CMHC, 3.45%, repayable in monthly installments of \$2,129.84 (P&I), due August 1, 2027.	341,869	355,434
Mortgage payable to CMHC, 5.00%, repayable in monthly installments of \$4,054 (P&I), due September 1, 2028.	598,424	616,647
Mortgage payable to CMHC, 3.78%, repayable in monthly installments of \$3,091 (P&I), due February 1, 2029.	519,744	540,047
Mortgage payable to CMHC, 0.80%, repayable in monthly installments of \$3,350 (P&I), due May 1, 2025.	782,691	816,477
Mortgage payable to C.M.H.C., 3.06%, repayable in monthly installments of \$2,281.72 (P&I), due May 1, 2027.	454,921	468,215
Mortgage payable to C.M.H.C., 3.29%, repayable in monthly installments of \$4,926.81 (P&I), due September 1, 2027.	644,626	676,699
Mortgage payable to CMHC, 3.58%, repayable in monthly installments of \$3,684.23 (P&I), due January 1, 2029.	509,086	
Term loan payable to First Nations Bank of Canada, 4.38%, repayable in monthly installments of \$4,877 (P&I), due June 2024.	482,552	519,013
Term loan payable to First Nation Bank of Canada, 7.26%, repayable in annual installments of \$50,000 plus interest, due July 14, 2024.	700,000	750,000
Term loan payable to First Nation Bank of Canada, 4.55%, repayable in annual installments of \$52,025 plus interest, due March 1, 2026.	884,425	936,450
Term loan payable to First Nation Bank of Canada, 4.55%, repayable in monthly installments of \$3,550 (P&I), due March 1, 2026.	502,340	521,537
Term loan payable to First Nation Bank of Canada, 4.55%, repayable in annual installments of \$10,555 plus interest, due March 1, 2026.	179,435	189,990
Term loan payable to First Nation Bank of Canada, prime plus 0.75%, repayable in annual installments of \$51,525 plus interest, due December 1, 2024.	824,400	875,925
	\$ 8,866,337	\$ 8,847,124

8. LONG TERM DEBT *(continued)*

Mortgages payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guaranteed by Indigenous Services Canada.

The aggregate of payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2025	\$ 515,239
2026	525,852
2027	536,863
2028	548,289
2029	560,147

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value		
	Opening Balance	Additions	Transfers	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2024	Total 2023
Buildings	30,885,666	\$ 1,277,362	\$ (4,241,110)	\$ 32,163,028	\$ 8,804,612	\$ 879,417	\$ 9,684,029	\$ 22,478,999	\$ 22,081,054
Construction in progress	2,533,200	1,707,910	(4,241,110)	9,483,314	2,120,288	279,677	2,399,965	7,083,349	2,533,200
CMHC Housing	7,687,259	304,055	1,492,000	9,483,314	2,120,288	279,677	2,399,965	7,083,349	5,566,971
Computer equipment	372,276	24,008		396,284	352,283	13,185	365,468	30,816	19,993
Fuel Storage Tanks	28,000	1,465,444		1,493,444	11,200	118,326	129,526	1,363,918	16,800
Furniture and equipment	176,444	165,868		342,312	133,115	21,673	154,788	187,524	43,329
Heavy equipment	1,294,513	285,135		1,579,648	609,245	141,608	750,853	828,795	685,268
Housing	28,482,458	314,400	2,749,110	31,545,968	14,810,521	860,928	15,671,449	15,874,519	13,671,937
Roads	1,213,242			1,213,242	617,969	23,861	641,830	571,412	595,273
Sewer systems	15,293,938			15,293,938	2,592,615	371,388	2,964,003	12,329,935	12,701,323
Infrastructure	6,247,821	123,300		6,371,121	312,391	318,556	630,947	5,740,174	5,935,430
Vehicles	4,030,092	333,506		4,363,598	2,639,043	318,692	2,957,735	1,405,863	1,391,049
Water system	<u>16,507,983</u>	<u>-</u>	<u>-</u>	<u>16,507,983</u>	<u>3,438,001</u>	<u>397,710</u>	<u>3,835,711</u>	<u>12,672,272</u>	<u>13,069,982</u>
	<u>\$ 114,752,892</u>	<u>\$ 6,000,988</u>	<u>\$ -</u>	<u>\$ 120,753,880</u>	<u>\$ 36,441,283</u>	<u>\$ 3,745,021</u>	<u>\$ 40,186,304</u>	<u>\$ 80,567,576</u>	<u>\$ 78,311,609</u>

10. CONTINGENT LIABILITIES

The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.

11. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 4	2 0 2 3
Arrangement No. 2021-MB-000027	\$ 18,011,279	\$ 16,585,526
Plus: Revenue deferred from previous years	3,103,887	2,251,976
Receivable for funding related to flood claims		363,139
Receivable for FNCFS Capital Projects	714,975	
Less: Revenue deferred to subsequent year	(2,564,547)	(3,103,887)
TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS	\$ 19,265,594	\$ 16,096,754

REVENUE PER STATEMENT OF OPERATIONS (*Statement 2*)

Indigenous Services Canada	\$ 14,336,996	\$ 13,242,883
First Nations and Inuit Health	<u>4,928,598</u>	<u>2,853,871</u>
	\$ 19,265,594	\$ 16,096,754

12. ECONOMIC DEPENDENCE

Pauingassi First Nation receives a major portion of its revenue pursuant to funding arrangements with Indigenous Services Canada and First Nations and Inuit Health Branch.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2024****13. EXPENSES BY OBJECT**

	2 0 2 4	2 0 2 3
Administration fees	\$ 1,388,347	\$ 792,402
Amortization of capital assets	3,745,021	3,417,927
Community events and assistance	1,918,394	1,467,756
Equipment and supplies	1,808,095	2,292,409
Fuel	783,040	680,030
Insurance	225,304	169,850
Interest on long term debt	320,770	289,772
Other	381,134	389,207
Professional fees	843,513	945,154
Rent	73,294	60,220
Repairs and maintenance	2,609,064	1,383,529
Salaries and benefits	6,243,353	5,371,378
Social assistance	1,795,356	1,794,181
Travel	617,400	777,849
Utilities	244,984	334,262
Workshop and training	66,480	
Eliminations	(1,736,863)	(1,856,608)
	\$ 21,326,686	\$ 18,309,318

14. FINANCIAL INSTRUMENTS

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

SEGMENTED INFORMATION

MARCH 31, 2024

15. SEGMENT DISCLOSURE

Pauingassi First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	GOVERNANCE AND ADMINISTRATION		SOCIAL ASSISTANCE		EDUCATION		OPERATIONS AND MAINTENANCE		CAPITAL AND HOUSING	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues										
Federal Government										
ISC	\$ 747,192	\$ 708,264	\$ 2,421,951	\$ 2,588,232	\$ 3,830,102	\$ 3,604,785	\$ 1,297,641	\$ 2,100,615	\$ 2,655,861	\$ 2,930,013
FNIHB									189,229	83,485
CMHC	—	—	—	—	—	—	—	—	500,026	860,364
Subtotal	747,192	708,264	2,421,951	2,588,232	3,830,102	3,604,785	1,297,641	2,100,615	3,345,116	3,873,862
Other revenue	<u>1,052,972</u>	<u>715,672</u>	<u>—</u>	<u>—</u>	<u>28,334</u>	<u>265,437</u>	<u>228,513</u>	<u>165,698</u>	<u>548,026</u>	<u>296,253</u>
Total revenue	<u>1,800,164</u>	<u>1,423,936</u>	<u>2,421,951</u>	<u>2,588,232</u>	<u>3,858,436</u>	<u>3,870,222</u>	<u>1,526,154</u>	<u>2,266,313</u>	<u>3,893,142</u>	<u>4,170,115</u>
Expenses										
Amortization									3,626,695	3,412,327
Debt servicing									132,263	96,977
Other	584,134	670,276	1,871,284	1,895,126	1,230,875	1,187,783	930,153	1,203,015	2,140,633	928,698
Salaries and benefits	<u>743,265</u>	<u>433,605</u>	<u>93,453</u>	<u>205,194</u>	<u>2,263,651</u>	<u>2,034,637</u>	<u>533,159</u>	<u>589,907</u>	<u>269,144</u>	<u>69,769</u>
Total expenses	<u>1,327,399</u>	<u>1,103,881</u>	<u>1,964,737</u>	<u>2,100,320</u>	<u>3,494,526</u>	<u>3,222,420</u>	<u>1,463,312</u>	<u>1,792,922</u>	<u>6,168,735</u>	<u>4,507,771</u>
Surplus (Deficit)	\$ <u>472,765</u>	\$ <u>320,055</u>	\$ <u>457,214</u>	\$ <u>487,912</u>	\$ <u>363,910</u>	\$ <u>647,802</u>	\$ <u>62,842</u>	\$ <u>473,391</u>	\$ <u>(2,275,593)</u>	\$ <u>(337,656)</u>

SEGMENTED INFORMATION

MARCH 31, 2024

15. SEGMENT DISCLOSURE *(continued)*

	TRAINING AND EMPLOYMENT		HEALTH		BAND FUNDS		ELIMINATIONS		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues										
Federal Government										
ISC	\$	\$	\$ 177,148	\$ 135,073	\$ 3,207,101	\$	\$	\$	\$ 14,336,996	\$ 13,242,883
FNIHB			4,739,369	2,770,386					4,928,598	2,853,871
CMHC									500,026	860,364
ESDC	<u>549,455</u>	<u>245,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,455</u>	<u>245,933</u>
Subtotal	<u>549,455</u>	<u>245,933</u>	<u>4,916,517</u>	<u>2,905,459</u>	<u>3,207,101</u>				<u>20,315,075</u>	<u>17,203,051</u>
Other revenue	<u>-</u>	<u>105,651</u>	<u>470,701</u>	<u>279,206</u>	<u>4,971,150</u>	<u>(1,736,863)</u>	<u>(1,856,608)</u>	<u>(1,856,608)</u>	<u>5,562,833</u>	<u>5,316,365</u>
Total revenue	<u>549,455</u>	<u>351,584</u>	<u>5,387,218</u>	<u>3,184,665</u>	<u>8,178,251</u>	<u>(1,736,863)</u>	<u>(1,856,608)</u>	<u>(1,856,608)</u>	<u>25,877,908</u>	<u>22,519,416</u>
Expenses										
Amortization					118,326				<u>3,745,021</u>	<u>3,417,927</u>
Debt servicing					188,507				<u>320,770</u>	<u>289,772</u>
Other	<u>95,176</u>	<u>32,332</u>	<u>1,898,534</u>	<u>1,766,358</u>	<u>4,003,616</u>	<u>(1,736,863)</u>	<u>(1,856,608)</u>	<u>(1,856,608)</u>	<u>11,017,542</u>	<u>9,230,241</u>
Salaries and benefits	<u>454,278</u>	<u>319,252</u>	<u>1,716,949</u>	<u>1,614,668</u>	<u>169,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,243,353</u>	<u>5,371,378</u>
Total expenses	<u>549,454</u>	<u>351,584</u>	<u>3,615,483</u>	<u>3,381,026</u>	<u>4,479,903</u>	<u>(1,736,863)</u>	<u>(1,856,608)</u>	<u>(1,856,608)</u>	<u>21,326,686</u>	<u>18,309,318</u>
Surplus (Deficit)	\$ <u>1</u>	\$ <u>-</u>	\$ <u>1,771,735</u>	\$ <u>(196,361)</u>	\$ <u>3,698,348</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,551,222</u>	\$ <u>4,210,098</u>