

**PEGUIS FIRST NATION REAL ESTATE TRUST**

**Financial Statements**

**Five Month Period Ended December 31, 2021**

**PEGUIS FIRST NATION REAL ESTATE TRUST**

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**Five Month Period Ended December 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Peguis First Nation Real Estate Trust

*Opinion*

We have audited the financial statements of Peguis First Nation Real Estate Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the five month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in all material respects, in accordance with the financial reporting provisions of the Peguis First Nation Real Estate Trust Agreement dated July 28, 2021 between the Trust and Peguis First Nation.

*Basis for Opinion*

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

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

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Trust to comply with the financial reporting provisions of the Peguis First Nation Real Estate Trust Agreement. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trust and Peguis First Nation and should not be distributed or used by parties other than the Trust or Peguis First Nation. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Peguis First Nation Real Estate Trust Agreement, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

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

(continues)

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 Trust'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 the Trust 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.



Winnipeg, MB  
May 24, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

## PEGUIS FIRST NATION REAL ESTATE TRUST


## Statement of Financial Position

December 31, 2021

	Capital Account	Revenue Account	2021
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 249,913	\$ -	\$ 249,913
Due (to) from fund - fund rebalancing	4,999	(4,999)	-
	254,912	(4,999)	249,913
<b>INVESTMENT IN PFNRET 2021-1 LIMITED PARTNERSHIP (Note 4)</b>			
	9,996,000	-	9,996,000
	\$ 10,250,912	\$ (4,999)	\$ 10,245,913
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 24,939	\$ -	\$ 24,939
<b>NET ASSETS</b>			
Settlor contribution	100	-	100
Net assets	10,225,873	(4,999)	10,220,874
	10,225,973	(4,999)	10,220,974
	\$ 10,250,912	\$ (4,999)	\$ 10,245,913

## ON BEHALF OF THE TRUSTEES


  
 \_\_\_\_\_ Trustee


  
 \_\_\_\_\_ Trustee - Greg Stevenson.

**PEGUIS FIRST NATION REAL ESTATE TRUST**

**Statement of Revenues and Expenditures**

**Five Month Period Ended December 31, 2021**

	Capital Account	Revenue Account	2021
<b>PROCEEDS</b>			
Land purchase and development funding (Note 5)	\$ 10,000,000	\$ -	\$ 10,000,000
Administration funding (Note 5)	250,000	-	250,000
<b>NET PROCEEDS</b>	10,250,000	-	10,250,000
<b>EXPENSES</b>			
Interest and bank charges	187	-	187
Professional fees	12,989	-	12,989
Travel	10,951	-	10,951
	24,127	-	24,127
<b>EXCESS OF PROCEEDS OVER EXPENSES FROM OPERATIONS</b>	10,225,873	-	10,225,873
<b>OTHER EXPENSES</b>			
Share of loss from partnership in PFNRET2021- 1 (Note 4)	-	4,999	4,999
<b>EXCESS (DEFICIENCY) OF PROCEEDS OVER EXPENSES</b>	\$ 10,225,873	\$ (4,999)	\$ 10,220,874

**PEGUIS FIRST NATION REAL ESTATE TRUST**

**Statement of Changes in Net Assets**

**Five Month Period Ended December 31, 2021**

	Capital Account	Revenue Account	2021
<b>NET ASSETS - BEGINNING OF PERIOD</b>	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenses	10,225,873	(4,999)	<b>10,220,874</b>
<b>NET ASSETS - END OF PERIOD</b>	<b>\$ 10,225,873</b>	<b>\$ (4,999)</b>	<b>\$ 10,220,874</b>

PEGUIS FIRST NATION REAL ESTATE TRUST

Statement of Cash Flows

Five Month Period Ended December 31, 2021

	2021
<b>OPERATING ACTIVITIES</b>	
Excess of proceeds over expenses	\$ 10,220,874
Item not affecting cash:	
Share of loss from partnership	4,999
	<u>10,225,873</u>
Change in non-cash working capital:	
Accounts payable and accrued liabilities	24,939
	<u>10,250,812</u>
<b>INVESTING ACTIVITY</b>	
Investment in partnership	(10,000,999)
	<u>(10,000,999)</u>
<b>FINANCING ACTIVITY</b>	
Settlor contribution	100
	<u>100</u>
<b>INCREASE IN CASH</b>	<b>249,913</b>
Cash - beginning of period	-
<b>CASH - END OF PERIOD</b>	<b>\$ 249,913</b>



# PEGUIS FIRST NATION REAL ESTATE TRUST

## Notes to Financial Statements

Five Month Period Ended December 31, 2021

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### 1. PURPOSE OF THE ORGANIZATION

The Peguis First Nation Real Estate Trust was established on July 28, 2021 for the purpose of managing funds under a settlement agreement between Peguis First Nation and the Trust. The Trust is managed by the Trustees (Ryan Wayne McCorrister, Gregory D.A. Stevenson, William R. Spence, Candace McCorrister, Sheena Walker) for the benefit of the Peguis First Nation and its Members.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with the financial reporting requirements of the Peguis First Nation Real Estate Trust Agreement.

#### Measurement uncertainty

The preparation of financial statements in conformity with the financial reporting requirements of the Peguis First Nation Real Estate Trust Agreement requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Capital Fund

Disbursements from the Capital Fund are restricted according to the terms of the Trust agreement.

#### Investments

The investment in the limited partnership is recorded using the equity method.

#### Revenue recognition

Funding proceeds are recognized when received.

### 3. FINANCIAL INSTRUMENTS

The Trust is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Trust has no exposure to financial instruments risk as of December 31, 2021.

**PEGUIS FIRST NATION REAL ESTATE TRUST**

**Notes to Financial Statements**

**Five Month Period Ended December 31, 2021**

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4. INVESTMENT IN PFNRET 2021-1 LIMITED PARTNERSHIP

	2021
Contribution	\$ 10,000,999
Share of loss	(4,999)
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	\$ 9,996,000

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The Peguis First Nation Real Estate Trust has a 99% share of the limited partnership.

5. PROCEEDS

Administration funding is contributed by Peguis First Nation. It is to be used specifically to pay for administration costs of the Trust. Each year the Trustees prepare and submit an annual budget for all expenses.

Land purchase and development funding is contributed by Peguis Treaty Land Entitlement Trust for the purchase and development of land on behalf of Peguis First Nation. As per the Trust agreement these funds are to be used for the advancement of the interest of and quality of life of Peguis First Nation and its Members.