

**Peters First Nation**  
**Financial Statements**  
*For the year ended March 31, 2022*

# Peters First Nation

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For the year ended March 31, 2022

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## Management's Responsibility

To the Members of Peters First Nation:

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

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Peters First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP an independent firm of Chartered Professional Accountants, is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

April 4, 2023

Norma J. Webb Chief

Brian J. Peterson Councillor

Victor Peters councillor

## Independent Auditor's Report

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To the Members of Peters First Nation:

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the financial statements of Peters First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2022, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Qualified Opinion

The financial statements do not include budgeted information. The exclusion of such information is a departure from Canadian public sector accounting standards as the comparison of budgeted to actual results is a significant measurement of performance.

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 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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 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 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 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 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 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.

Chilliwack, British Columbia

April 4, 2023

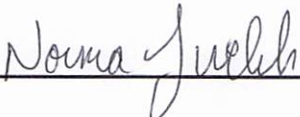
*MNP LLP*

Chartered Professional Accountants


**Peters First Nation**  
**Statement of Financial Position**  
*As at March 31, 2022*

	2022	2021
<b>Financial assets</b>		
Cash	3,576,232	2,153,336
Accounts receivable	1,746,249	357,624
Portfolio investments (Note 4)	8,179,282	8,387,224
Advances to related parties (Note 5)	3,108,285	3,072,071
Investments in Nation business enterprises (Note 6)	3,970,673	786,035
Funds held in trust (Note 7)	956,004	869,068
<b>Total of assets</b>	<b>21,536,725</b>	<b>15,625,358</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 8)	6,767,808	575,513
Deferred revenue (Note 9)	923,850	75,000
<b>Total of financial liabilities</b>	<b>7,691,658</b>	<b>650,513</b>
<b>Net financial assets</b>	<b>13,845,067</b>	<b>14,974,845</b>
<b>Contingencies (Note 10)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	963,315	688,598
Prepaid expenses	42,370	21,178
<b>Total non-financial assets</b>	<b>1,005,685</b>	<b>709,776</b>
<b>Accumulated surplus (Note 11)</b>	<b>14,850,752</b>	<b>15,684,621</b>

Approved on behalf of the Chief and Council

  
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Chief

  
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Councillor

  
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Councillor

**Peters First Nation**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Indigenous Services Canada	1,488,255	895,670
Economic activity and other revenue	1,769,177	615,785
First Nation Health Authority	287,486	434,274
First Nations Education Steering Committee	42,649	41,093
Investment income	169,995	453,198
Ottawa trust distributions	48,824	581,066
Income from investment in Nation partnerships and business entities	3,894,760	198,695
Province of British Columbia	1,880,793	90,764
	<b>9,581,939</b>	<b>3,310,545</b>
<b>Expenditures</b>		
Administration (Note 12)	7,456,438	10,521,612
Social Assistance	39,678	91,045
Health	156,911	283,706
Education	536,664	462,716
Maintenance and Capital	2,184,126	133,365
Other	41,991	34,033
<b>Total expenditures</b>	<b>10,415,808</b>	<b>11,526,477</b>
<b>Annual deficit</b>	<b>(833,869)</b>	<b>(8,215,932)</b>
<b>Accumulated surplus, beginning of year</b>	<b>15,684,621</b>	<b>23,900,553</b>
<b>Accumulated surplus, end of year (Note 11)</b>	<b>14,850,752</b>	<b>15,684,621</b>

The accompanying notes are an integral part of these financial statements

**Peters First Nation**  
**Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2022*

	<i>2022</i>	<i>2021</i>
<b>Annual deficit</b>	<b>(833,869)</b>	<b>(8,215,932)</b>
Purchases of tangible capital assets	(316,708)	(9,202)
Amortization of tangible capital assets	41,991	34,033
Acquisition of prepaid expenses	(42,370)	(22,099)
Use of prepaid expenses	21,178	32,813
<b>Decrease in net financial assets</b>	<b>(1,129,778)</b>	<b>(8,180,387)</b>
<b>Net financial assets, beginning of year</b>	<b>14,974,845</b>	<b>23,155,232</b>
<b>Net financial assets, end of year</b>	<b>13,845,067</b>	<b>14,974,845</b>

*The accompanying notes are an integral part of these financial statements*



**Peters First Nation**  
**Statement of Cash Flows**  
*For the year ended March 31, 2022*

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Deficit	(833,869)	(8,215,932)
Non-cash items		
Amortization	41,991	34,033
Income from investments in Nation business enterprises	(3,894,760)	(198,695)
	(4,686,638)	(8,380,594)
Changes in working capital accounts		
Accounts receivable	(1,388,625)	(24,591)
Prepaid expenses	(21,192)	10,714
Accounts payable and accruals	6,192,292	(40,871)
Deferred revenue	848,850	75,000
Funds held in trust	(86,936)	(680,463)
	857,751	(9,040,805)
<b>Capital activities</b>		
Purchases of tangible capital assets	(316,708)	(9,202)
<b>Investing activities</b>		
Proceeds on disposal of portfolio investments	207,943	12,212,146
Advances to related parties	(36,214)	(3,072,071)
Advances from Nation business enterprises	710,124	76,603
	881,853	9,216,678
<b>Increase in cash resources</b>	1,422,896	166,671
<b>Cash resources, beginning of year</b>	2,153,336	1,986,665
<b>Cash resources, end of year</b>	3,576,232	2,153,336

*The accompanying notes are an integral part of these financial statements*

**1. Operations**

The Peters First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Peters First Nation includes the First Nation's government and all related entities that are accountable to the Nation and are either owned or controlled by the First Nation.

***Impact on operations of COVID-19 (coronavirus)***

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation / quarantine orders.

The First Nation's operations were not significantly impacted by COVID-19 during the 2022 fiscal year other than additional health and safety procedures implemented by the First Nation.

At this time, it is unknown the extent of the impact of COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and isolation / quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the First Nation's business and financial condition.

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

***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.

***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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

***Net financial assets***

The First Nation's 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 financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

***Cash***

Cash includes balances with banks and short-term investments with maturities of three months or less.

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the First Nation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

**Peters First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

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**2. Significant accounting policies** *(Continued from previous page)*

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records for all tangible capital assets. Contributed tangible assets are recorded at their fair value at the date of contribution.

***Amortization***

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Buildings	declining balance	5 %
Equipment	declining balance	10 %
Infrastructure	straight-line	36-70 years
Computer equipment	declining balance	55 %

***Portfolio investments***

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments with prices quoted in an active market include cash bonds and equities.

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Peters First Nation are excluded from the First Nation reporting entity.

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.

Peters First Nation government business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, 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 government 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:

- PFN 3 Feathers Development Limited Partnership
- PFN 3 Feathers Development Corporation

Investments in government business entities are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the businesses have been combined on a line-by-line basis with similar items of the First Nation.

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

**2. Significant accounting policies** *(Continued from previous page)*

**Revenue recognition**

**Funding**

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

**Government Transfers**

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Funds held in Ottawa Trust Fund**

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

**Other revenue**

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Measurement uncertainty**

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

**Segments**

The First Nation conducts its business through six reportable segments: Administration, Social Assistance, Health, Education, Maintenance and Other. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

**Liability for contaminated site**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2022, management has determined that no liability is required to be recorded.

**Peters First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**3. Recent accounting pronouncement**

**PS 3280 Asset Retirement Obligations (New)**

In August 2018, new PS 3280 Assets Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed. Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

**4. Portfolio investments**

	2022	2021
Measured at cost:		
1100568 BC Ltd.	40,000	40,000
RBC Dominion Portfolio Investments	8,139,172	8,347,114
BC First Nations Gaming Revenue Sharing LP - Partnership Unit	100	100
BC First Nations Gaming Sharing General Partner Ltd. - Common Share	10	10
	<b>8,179,282</b>	<b>8,387,224</b>

Included in the RBC Dominion Portfolio Investment balance is \$4,845,000 of funds held in trust for minor Band members. On June 27, 2022, these funds were contributed to the Peters First Nation (2021) Minors Trust.

**5. Advances to related parties**

	2022	2021
1247835 Real Estate Limited Partnership	3,080,809	3,072,071
PFN 3 Feathers Recycling Limited Partnership	27,476	-
	<b>3,108,285</b>	<b>3,072,071</b>

During the year, loans were advanced to 1247835 Real Estate Limited Partnership and PFN 3 Feathers Recycling Limited Partnership, related entities through the First Nation's investment in PFN 3 Feathers Development Limited Partnership. The advances bear no interest and have no fixed terms of repayment.

**Peters First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

6. Investments in Nation business enterprises

The First Nation has investments in the following business enterprises:

				2022
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<b>First Nation Partnership and Business Entities - Modified Equity</b>				
PFN 3 Feathers Development Limited Partnership - 99%	100	(59,501)	4,041,187	3,981,786
PFN 3 Feathers Development Corporation - 100%	1	-	(11,114)	(11,113)
	<b>101</b>	<b>(59,501)</b>	<b>4,030,073</b>	<b>3,970,673</b>

				2021
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<b>First Nation Partnership and Business Entities - Modified Equity</b>				
PFN 3 Feathers Development Limited Partnership - 99%	100	650,623	141,903	792,626
PFN 3 Feathers Development Corporation - 100%	1	-	(6,592)	(6,591)
	<b>101</b>	<b>650,623</b>	<b>135,311</b>	<b>786,035</b>

**Peters First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**6. Investments in Nation business enterprises** *(Continued from previous page)*

The First Nation's investment in the following investment was established for the purpose of development and management of own source revenue contracts and economic development opportunities with third parties.

Summary financial information for each business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>PFN 3 Feathers Development Limited Partnership As at December 31, 2021</i>	<i>PFN 3 Feathers Development Corporation As at December 31, 2021</i>
<b>Assets</b>		
Cash	2,383,592	1
Accounts receivable	1,764,042	-
Prepaid expenses and deposits	142,963	-
Notes receivable	226,739	-
Advances to related parties	1,654	-
Investment in partnerships	769,225	(11,115)
Equipment	2,959	-
<b>Total assets</b>	<b>5,291,174</b>	<b>(11,114)</b>
<b>Liabilities</b>		
Accounts payable and accruals	214,860	-
Advances from related parties	862,553	-
<b>Total liabilities</b>	<b>1,077,413</b>	<b>-</b>
<b>Equity (deficiency)</b>	<b>4,213,761</b>	<b>(11,114)</b>
<b>Total revenue</b>	<b>4,394,177</b>	<b>391</b>
<b>Total expenses</b>	<b>494,503</b>	<b>4,914</b>
<b>Net income (loss)</b>	<b>3,899,674</b>	<b>(4,523)</b>

**Peters First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**7. Funds held in trust**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

Funds held in legal trust are retainer funds held with the Nation's legal council year-end.

	2022	2021
<b>Capital Trust</b>		
Balance, beginning of year	135,587	99,787
Band capital transfer	34,220	35,800
Balance, end of year	169,807	135,587
<b>Revenue Trust</b>		
Balance, beginning of year	600,987	55,720
Interest	14,232	4,196
BC Special Distribution	372	377
Principal transfer	-	540,694
Balance, end of year	615,591	600,987
<b>Funds held in legal trust</b>		
Balance, beginning of year	132,494	33,098
Net deposits	38,112	99,396
Balance, end of year	170,606	132,494
	956,004	869,068

**8. Accounts payable and accruals**

Included in accounts payable and accruals is \$4,845,000, representing the committed contribution to the Peters First Nation (2021) Minors Trust. The funds were contributed to the the Trust on June 27, 2022.

**9. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each funding source:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
First Nation Health Authority	45,000	-	45,000	-
BC Ministry of Child and Family Development	30,000	30,000	30,000	30,000
Indigenous Services Canada	-	1,041,039	147,189	893,850
	75,000	1,071,039	222,189	923,850



**Peters First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

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**10. Contingencies**

The First Nation's financial statements are subject to review by the First Nation's funding agents and it is possible that adjustments could be made based on the results of their reviews. Any liabilities resulting from these reviews will be accounted for as an expense at the time of resolution.

Indigenous Services Canada issued a management review letter for fiscal year 2020, indicating that the First Nation may be liable to repay funding in relation to their review. The review is under appeal by the First Nation with the ultimate the outcome uncertain. As such, no liability has been recorded as at March 31, 2022. Any liability resulting from the review will be accounted for as an expense at the time of resolution.

The First Nation is also the defendant in lawsuits related to membership that may result in damages payable to the plaintiffs if the lawsuits are successful. The outcome of these lawsuit are unknown.

**11. Accumulated surplus**

Accumulated surplus consists of the following:

	2022	2021
Operating surplus	9,131,366	13,473,414
Equity in Nation partnerships and business entities	3,970,673	786,035
Equity in Ottawa Trust Funds	785,398	736,574
Equity in tangible capital assets	963,315	688,598
	<b>14,850,752</b>	<b>15,684,621</b>

**12. Administration expenditures**

Included in Administration expenditures are member distributions totalling \$5,787,001 (2021 - \$9,326,236).

**13. Segments**

The First Nation receives revenue and incurs expenses from various projects and sources. For management and reporting purposes, the revenue, expenses and surpluses or deficits are organized by segments. Schedule 2 discloses the First Nation's revenue and expenses in the following segments:

*Administration*

Includes general operations, support and financial management of the First Nation.

*Social Assistance*

Includes revenue and expenses relating to the social assistance of the members of the First Nation.

*Health*

Includes revenue and expenses relating to maintaining the health of the members of the First Nation.

*Education*

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the First Nation.

*Maintenance and Capital*

Includes revenue and expenditures related to ongoing community maintenance.

*Other*

Includes revenue and expenses related to the Ottawa Trust fund and equity in capital assets.

**14. Economic dependence**

Peters First Nation receives a significant portion of its operating revenue from Indigenous Services Canada ("ISC"), as a result of agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

**15. First Nations Financial Transparency Act**

The First Nation is required to publish its financial statements on a website and submit the financial statements to Indigenous Services Canada by July 29, 2022. As the audit report is dated after this date, the First Nation is in violation of this requirement. The possible effect of this violation has not yet been determined.

**Peters First Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2022*

	<i>Buildings</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Computer Equipment</i>	<i>2022</i>	<i>2021</i>
<b>Cost</b>						
Balance, beginning of year	385,961	172,226	952,512	36,227	1,546,926	1,537,724
Acquisition of tangible capital assets	218,307	98,401	-	-	316,708	9,202
Balance, end of year	604,268	270,627	952,512	36,227	1,863,634	1,546,926
<b>Accumulated amortization</b>						
Balance, beginning of year	264,994	73,385	495,738	34,211	868,328	824,295
Annual amortization	11,672	17,669	10,634	2,016	41,991	34,033
Balance, end of year	266,666	91,054	506,372	36,227	900,319	858,328
<b>Net book value of tangible capital assets</b>	<b>337,602</b>	<b>179,573</b>	<b>446,140</b>	<b>-</b>	<b>963,315</b>	<b>688,598</b>
Net book value of tangible capital assets (2021)	130,967	98,841	456,774	2,016	688,598	

**Peters First Nation**  
**Schedule 2 - Segmented Information**  
For the year ended March 31, 2022

	Administration	Social Assistance	Health	Education	Maintenance and Capital	Other	2022
<b>Revenue</b>							
Indigenous Services Canada	\$ 1,007,246	\$ 64,992	\$ -	\$ 112,056	\$ 303,961	\$ -	\$ 1,488,255
Other government	152,839	30,000	287,486	410,375	1,757,607	-	2,638,308
Economic activities and other	5,406,552	-	-	-	-	48,824	5,455,376
	6,566,637	94,992	287,486	522,431	2,061,568	48,824	9,681,939
<b>Expenses</b>							
Amortization	-	-	-	-	-	41,991	41,991
Operating expenses	1,069,306	-	-	30,658	374,384	-	1,474,348
Salaries, wages and benefits	430,991	339	-	-	107,044	-	538,374
Program and services delivery expenses	169,140	39,339	158,911	608,008	1,702,897	-	2,574,094
Member distributions	6,787,001	-	-	-	-	-	6,787,001
	7,456,438	39,678	158,911	538,664	2,184,126	41,991	10,415,808
Surplus (deficit) before transfers	(889,801)	55,314	130,575	(14,233)	(122,557)	6,833	(833,869)
Transfer between programs	(407,662)	-	(59,932)	-	150,887	316,708	-
Annual surplus (deficit)	\$ (1,297,463)	\$ 55,314	\$ 70,643	\$ (14,233)	\$ 28,330	\$ 323,541	\$ (833,869)

	Administration	Social Assistance	Health	Education	Maintenance and Capital	Other	2021
<b>Revenue</b>							
Indigenous Services Canada	\$ 595,556	\$ 73,868	\$ -	\$ 88,369	\$ 137,877	\$ -	\$ 895,670
Other government	122,168	-	431,774	332,937	-	-	886,878
Economic activities and other	846,930	-	-	100,000	-	581,066	1,527,996
	1,564,654	73,868	431,774	521,306	137,877	581,066	3,310,545
<b>Expenses</b>							
Amortization	-	-	-	-	-	34,033	34,033
Operating expenses	762,367	21,618	78,255	67,071	111,650	-	1,030,959
Salaries, wages and benefits	349,841	11,996	60,403	8,775	6,148	-	437,163
Program and services delivery expenses	83,169	67,431	145,049	396,870	16,568	-	698,086
Member distributions	9,326,236	-	-	-	-	-	9,326,236
	10,521,612	91,045	283,706	462,716	133,365	34,033	11,526,477
Surplus (deficit) before transfers	(8,956,958)	(17,177)	148,068	58,590	4,512	547,033	(8,215,932)
Transfer between programs	(31,842)	-	-	(6,804)	28,444	9,202	-
Annual surplus (deficit)	\$ (8,988,800)	\$ (17,177)	\$ 148,068	\$ 51,786	\$ 33,956	\$ 556,235	\$ (8,215,932)