

**Peters First Nation
Financial Statements**

For the year ended March 31, 2023

Peters First Nation

Contents

For the year ended March 31, 2023

	Page
Management's Responsibility	
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations and Accumulated Surplus.....	2
Statement of Changes in Net Financial Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5
Schedules	
Schedule 1 - Schedule of Tangible Capital Assets.....	14
Schedule 2 - Segmented Information.....	15

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 fulfills 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 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.

November 8, 2023

Signed by Norma Webb

Chief

To the Members of Peters First Nation:

Report on the Audit of the Financial Statements

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, 2023, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2023, 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 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 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 and those charged with Governance are 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

November 8, 2023

MNP LLP

Chartered Professional Accountants

Peters First Nation
Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Cash	8,000,671	3,576,232
Accounts receivable	1,125,809	1,746,249
Portfolio investments (Note 4)	3,851,108	8,179,282
Advances to related parties (Note 5)	3,109,871	3,108,285
Investments in Nation business enterprises (Note 6)	16,308,404	3,970,673
Funds held in trust (Note 7)	949,487	956,004
Total of assets	33,345,350	21,536,725
Liabilities		
Accounts payable and accruals	1,331,535	6,767,808
Deferred revenue (Note 8)	358,772	923,850
Total of financial liabilities	1,690,307	7,691,658
Net financial assets	31,655,043	13,845,067
Contingencies (Note 9)		
Non-financial assets		
Tangible capital assets (Schedule 1)	984,793	963,315
Prepaid expenses	47,726	42,370
Total non-financial assets	1,032,519	1,005,685
Accumulated surplus (Note 10)	32,687,562	14,850,752

Approved on behalf of the Chief and Council

Signed by Norma Webb

Chief

Signed by Victoria Peters

Councillor

Peters First Nation
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Other revenue	6,052,849	6,363,582	1,769,177
Indigenous Services Canada	652,304	1,564,521	1,488,255
First Nation Health Authority	272,893	288,027	287,486
First Nations Education Steering Committee	97,227	97,233	42,649
Earnings from investment in Nation business entities	13,000,000	13,266,773	3,894,760
Province of British Columbia	2,668,530	3,540,159	1,880,793
Investment income	397,457	399,548	169,995
Ottawa trust distributions	15,000	73,527	48,824
	23,156,260	25,593,370	9,581,939
Expenses			
Administration (Note 11)	7,596,199	3,017,574	7,456,438
Social Assistance	65,369	63,306	39,678
Health	198,004	201,422	156,911
Education	295,137	337,212	536,664
Maintenance and Capital	2,983,121	4,089,940	2,184,126
Other	-	47,106	41,991
	11,137,830	7,756,560	10,415,808
Annual surplus (deficit)	12,018,430	17,836,810	(833,869)
Accumulated surplus, beginning of year	14,850,752	14,850,752	15,684,621
Accumulated surplus, end of year (Note 10)	26,869,182	32,687,562	14,850,752

Peters First Nation
Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget	2023	2022
Annual surplus (deficit)	12,018,430	17,836,810	(833,869)
Purchases of tangible capital assets	-	(68,584)	(316,708)
Amortization of tangible capital assets	-	47,106	41,991
Acquisition of prepaid expenses	-	(47,726)	(42,370)
Use of prepaid expenses	-	42,370	21,178
Increase (decrease) in net financial assets	12,018,430	17,809,976	(1,129,778)
Net financial assets, beginning of year	13,845,067	13,845,067	14,974,845
Net financial assets, end of year	25,863,497	31,655,043	13,845,067

Peters First Nation
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	17,836,810	(833,869)
Non-cash items		
Amortization	47,106	41,991
Income from investments in Nation business enterprises	(13,266,773)	(3,894,760)
	4,617,143	(4,686,638)
Changes in working capital accounts		
Accounts receivable	620,440	(1,388,625)
Prepaid expenses	(5,356)	(21,192)
Accounts payable and accruals	(5,436,272)	6,192,292
Deferred revenue	(565,078)	848,850
Funds held in trust	6,517	(86,936)
	(762,606)	857,751
Capital activities		
Purchases of tangible capital assets	(68,584)	(316,708)
Investing activities		
Proceeds on disposal of portfolio investments	4,328,174	207,943
Advances to related parties	(1,586)	(36,214)
Advances from Nation business enterprises	929,041	710,124
	5,255,629	881,853
Increase in cash resources	4,424,439	1,422,896
Cash resources, beginning of year	3,576,232	2,153,336
Cash resources, end of year	8,000,671	3,576,232

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

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 Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

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.

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:

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

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

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

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
- 1247835 B.C. Ltd

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 operating 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.

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.

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

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

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.

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, 2023.

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. Management has determined that no liability exists as at March 31, 2023.

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.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

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

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation 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. The First Nation has made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of 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 operating annual surplus (deficit). 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. 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. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

3. Change in accounting policy

Financial instruments

Effective April 1, 2022, the First Nation adopted the recommendations relating to the following accounting policies, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3450 Financial Instruments
- PS 3280 Asset Retirement Obligations

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. The adoption of PS 3450 and PS 3280 did not have a material impact on the financial statements.

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

4. Portfolio investments

	2023	2022
Measured at cost:		
1100568 B.C. Ltd.	40,000	40,000
RBC Dominion Portfolio Investments	3,810,998	8,139,172
BC First Nations Gaming Revenue Sharing LP - Partnership Unit	100	100
BC First Nations Gaming Sharing General Partner Ltd. - Common Share	10	10
	3,851,108	8,179,282

5. Advances to related parties

	2023	2022
1247835 Real Estate Limited Partnership	3,082,395	3,080,809
PFN 3 Feathers Recycling Limited Partnership	27,476	27,476
	3,109,871	3,108,285

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, which is the limited partner in both limited partnerships. The advances bear no interest and have no fixed terms of repayment.

6. Investments in Nation business enterprises

The First Nation has investments in the following business enterprises:

	Investment cost	Loans / advances	Cumulative share of earnings (loss)	2023 Total investment
First Nation Business Entities - Modified Equity				
PFN 3 Feathers Development Limited Partnership - 99%	100	(988,544)	17,307,179	16,318,735
PFN 3 Feathers Development Corporation - 100%	1	-	(12,663)	(12,662)
1247835 B.C. Ltd. - 100%	1	-	2,330	2,331
	102	(988,544)	17,296,846	16,308,404

	Investment cost	Loans / advances	Cumulative share of earnings (loss)	2022 Total investment
First Nation Business Entities - Modified Equity				
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)
	101	(59,501)	4,030,073	3,970,673

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

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</i> <i>Development</i> <i>Limited</i> <i>Partnership</i> <i>As at December</i> <i>31, 2022</i>	<i>PFN 3 Feathers</i> <i>Development</i> <i>Corporation</i> <i>As at December</i> <i>31, 2022</i>	<i>1247835 B.C.</i> <i>Ltd.</i> <i>As at December</i> <i>31, 2022</i>
Assets			
Cash	11,364,861	1	1
Accounts receivable	5,385,088	-	-
Prepaid expenses and deposits	87,805	-	-
Notes receivable	214,284	-	-
Advances to related parties	2,591	-	-
Investment in partnerships	2,415,144	(12,663)	22
Equipment	2,219	-	-
Total assets	19,471,992	(12,662)	23
Liabilities			
Accounts payable and accruals	696,698	-	700
Advances from related parties	2,174,686	-	1,654
Total liabilities	2,871,384	-	2,354
Equity (deficiency)	16,600,608	(12,662)	(2,331)
Total revenue	14,025,376	1,327	8
Total expenses	758,059	2,875	937
Net income (loss)	13,267,317	(1,548)	(929)

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

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.

	2023	2022
Capital Trust		
Balance, beginning of year	169,807	135,587
Band capital transfer	48,020	34,220
<hr/>		
Balance, end of year	217,827	169,807
Revenue Trust		
Balance, beginning of year	615,591	600,987
Interest	25,128	14,232
BC Special Distribution	379	372
<hr/>		
Balance, end of year	641,098	615,591
Funds held in Legal Trust		
Balance, beginning of year	170,606	132,494
Net deposits	-	38,112
Withdrawals	(80,044)	-
<hr/>		
Balance, end of year	90,562	170,606
<hr/>		
	949,487	956,004

8. 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 Nations' Emergency Services Society	-	40,000	-	40,000
Province of British Columbia	30,000	30,000	30,000	30,000
Indigenous Services Canada - Q3HP-001	784,672	-	495,900	288,772
Indigenous Services Canada - Q3UP-001	109,178	-	109,178	-
<hr/>				
	923,850	70,000	635,078	358,772

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

9. 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 outcome uncertain. As such, no liability has been recorded as at March 31, 2023. 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 lawsuits are unknown.

10. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2023	2022
Operating surplus	14,535,440	9,131,366
Equity in Nation business entities	16,308,404	3,970,673
Equity in Ottawa Trust Funds	858,925	785,398
Equity in tangible capital assets	984,793	963,315
	<hr/> 32,687,562	<hr/> 14,850,752

11. Administration expenditures

Included in Administration expenditures are member distributions totalling \$965,000 (2022 - \$5,787,001).

12. Budget information

The disclosed budget information has been approved by the Chief and Council of Peters First Nation at the meeting held on March 24, 2023. The budget information is unaudited and is projected based on operating expenses to be incurred during the year on a program by program basis.

Peters First Nation
Notes to the Financial Statements
For the year ended March 31, 2023

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 28, 2023. 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.

16. 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 interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate risk with respect to the guaranteed income certificates (GIC) held in the RBC Dominion Portfolio Investments.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Peters First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Buildings</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Computer Equipment</i>	2023	2022
Cost						
Balance, beginning of year	604,268	270,627	952,512	36,227	1,863,634	1,546,926
Acquisition of tangible capital assets	40,000	28,584	-	-	68,584	316,708
Balance, end of year	644,268	299,211	952,512	36,227	1,932,218	1,863,634
Accumulated amortization						
Balance, beginning of year	266,666	91,054	506,372	36,227	900,319	858,328
Annual amortization	16,892	18,921	11,293	-	47,106	41,991
Balance, end of year	283,558	109,975	517,665	36,227	947,425	900,319
Net book value of tangible capital assets	360,710	189,236	434,847	-	984,793	963,315
Net book value of tangible capital assets (2022)	337,602	179,573	446,140	-	963,315	

Peters First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2023

	Administration	Social Assistance	Health	Education	Maintenance and Capital	Other	2023
Revenue							
Indigenous Services Canada	\$ 580,687	\$ 145,060	\$ -	\$ 107,330	\$ 731,444	\$ -	\$ 1,564,521
Other government	345,132	-	388,827	252,403	3,218,729	-	4,205,091
Economic activities and other	19,750,231	-	-	-	-	73,527	19,823,758
	20,676,050	145,060	388,827	359,733	3,950,173	73,527	25,593,370
Expenses							
Amortization	-	-	-	-	-	47,106	47,106
Operating expenses	940,513	4,623	299	15,853	134,856	-	1,096,144
Salaries, wages and benefits	484,634	-	6,912	-	-	-	491,546
Program and services delivery expenses	627,426	58,683	194,211	321,359	3,955,085	-	5,156,764
Member distributions	965,000	-	-	-	-	-	965,000
	3,017,574	63,306	201,422	337,212	4,089,940	47,106	7,756,560
Surplus (deficit) before transfers	17,658,475	81,755	187,405	22,521	(139,767)	26,420	17,836,810
Transfer between programs	(46,084)	-	-	-	(22,500)	68,584	-
Annual surplus (deficit)	\$ 17,612,391	\$ 81,755	\$ 187,405	\$ 22,521	\$ (162,267)	\$ 95,005	\$ 17,836,810

	Administration	Social Assistance	Health	Education	Maintenance and Capital	Other	2022
Revenue							
Indigenous Services Canada	\$ 997,655	\$ 64,992	\$ -	\$ 112,056	\$ 313,552	\$ -	\$ 1,488,255
Other government	152,839	-	317,486	410,375	1,757,607	-	2,638,308
Economic activities and other	5,406,552	-	-	-	-	48,824	5,455,376
	6,557,046	64,992	317,486	522,431	2,071,160	48,824	9,581,939
Expenses							
Amortization	-	-	-	-	-	41,991	41,991
Operating expenses	1,069,305	6,236	(6,236)	30,658	374,386	-	1,474,349
Salaries, wages and benefits	430,991	339	-	-	107,044	-	538,374
Program and services delivery expenses	169,140	33,103	163,147	506,006	1,702,697	-	2,574,093
Member distributions	5,787,001	-	-	-	-	-	5,787,001
	7,456,438	39,678	156,911	536,664	2,184,126	41,991	10,415,808
Surplus (deficit) before transfers	(899,391)	25,314	160,575	(14,233)	(112,966)	6,833	(833,869)
Transfer between programs	(407,662)	-	(59,932)	-	150,887	316,708	-
Annual surplus (deficit)	\$ (1,307,054)	\$ 25,314	\$ 100,643	\$ (14,233)	\$ 37,920	\$ 323,541	\$ (833,869)