

**Penticton Indian Band
Consolidated Financial Statements
For the year ended March 31, 2023**

Penticton Indian Band
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For the year ended March 31, 2023

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Penticton Indian Band are the responsibility of management and have been approved by the Chief and another Band Councilor on behalf of the Band Council.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. 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 consolidated financial statements are presented fairly, in all material respects.

Penticton Indian Band maintains systems of internal accounting and administrative controls, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

Penticton Indian Band is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance and Audit Committee.

The Finance and Audit Committee reviews the Band's consolidated financial statements and recommends their approval to Council. The Committee 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 annual report, consolidated financial statements and external auditor's report. The Committee reports its findings to the Council for consideration when approving the consolidated financial statements for issuance to the members. The Committee also considers, for review by the Council, the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full and free access to the Band Council.

DocuSigned by:

 Greg Gabriel

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Chief

DocuSigned by:

 Vivian Legard

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Band Councilor



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BDO Canada LLP
 1631 Dickson Avenue, Suite 400
 Kelowna, BC V1Y 0B5 Canada

Independent Auditor's Report

To the Members of Penticton Indian Band

We have audited the consolidated financial statements of Penticton Indian Band and its controlled entities ("the Band"), which comprise the consolidated statement of financial position as at March 31, 2023, the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information.

Qualified Opinion

In our opinion, except for the effects on the comparative information of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2023, and the results of its operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective April 1, 2022, the Band was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of the legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retrospective application method, the asset retirement obligation is to be recorded using the assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2023 and 2022, tangible capitals and the asset retirement obligation as at March 31, 2023 and 2022 and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 years.

Other Matter - Supplementary Information

The Band has also prepared another set of consolidated financial statements for the year ended March 31, 2023 in accordance with Canadian public sector accounting standards. However, those consolidated financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of the Band to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council and was dated July 25, 2023.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band'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 Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

BDO Canada LLP

Chartered Professional Accountants

Penticton, British Columbia

July 25, 2023

Penticton Indian Band
Consolidated Statement of Financial Position

<u>March 31</u>	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents (Note 3)	\$ 8,038,366	\$ 11,008,192
Short-term investments (Note 3)	16,068,813	11,954,320
Funds held in trust (Note 4)	301,735	298,649
Accounts receivable (Note 5)	4,463,785	2,244,748
Loans receivable from band members (Note 6)	51,810	54,235
Debt reserve fund (Note 7)	669,918	625,271
Due from related parties (Note 20)	193,101	151,687
Investment in business enterprise (Note 8)	7,942,828	8,025,801
Investment in business partnerships (Note 9)	940,883	1,307,765
	<hr/>	<hr/>
	38,671,239	35,670,668
Liabilities		
Accounts payable and accrued liabilities (Note 10)	1,786,736	1,482,973
Deferred revenue (Note 11)	6,358,156	6,078,486
Long-term debt (Note 16)	15,782,785	18,212,069
	<hr/>	<hr/>
	23,927,677	25,773,528
Net financial assets	<hr/>	<hr/>
	14,743,562	9,897,140
Non-financial assets		
Prepaid expenses	985,132	723,059
Tangible capital assets (Note 15)	54,409,993	50,236,742
	<hr/>	<hr/>
	55,395,125	50,959,801
Accumulated surplus	<hr/>	<hr/>
	\$ 70,138,687	\$ 60,856,941

Approved on behalf of Council

DocuSigned by:

Greg Gabriel

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DocuSigned by:

Chief

Vivian Legard

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Band Councilor

Brian Conner

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Chief Financial Officer

Subhinder Chouhan

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Finance and Audit Committee Chair

Penticton Indian Band
Consolidated Statement of Operations

For the year ended March 31	(Note 21) Budget	2023	2022
Revenues			
Federal Government			
Indigenous Services Canada	\$ 10,017,578	\$ 17,044,129	12,900,236
Canada Mortgage & Housing Corporation	238,792	179,429	274,448
First Nations Health Authority	1,199,558	1,273,065	1,637,155
Provincial Government			
First Nations Education Steering Committee	760,360	963,205	1,707,027
Okanagan Training & Development Council	92,334	112,323	112,323
Province of British Columbia	3,592,075	3,861,083	2,313,330
Property taxes (Note 13)	2,023,641	1,903,569	1,695,080
BC First Nations Gaming	335,677	710,529	302,247
Other			
Housing charges and rental	1,731,793	404,678	394,330
Interest and investment income	86,421	658,976	154,474
Other contracts and miscellaneous	3,670,783	4,713,167	5,823,658
Royalties	240,000	206,705	386,410
Total revenues for the year	23,989,012	32,030,858	27,700,718
 Expenditures (Note 25)			
Capital infrastructure	-	2,521,581	1,716,433
Community health	2,432,073	1,479,291	1,370,328
Economic development	-	713,362	5,935,406
Education and employment	5,288,487	4,690,738	5,132,126
Housing	878,200	901,890	860,072
General government	2,843,751	3,110,966	3,503,464
Land, estates and memberships	756,675	386,555	361,209
Little Paws daycare	113,800	987,748	418,468
Natural resources	2,151,981	2,103,548	2,762,817
Okanagan Nation Family Intervention and Services	925,726	830,874	940,435
Own source revenue	-	14,563	140,236
Property taxation	901,560	265,551	305,103
Public works	2,070,958	2,405,314	1,626,687
Social development	2,851,593	2,387,255	2,235,235
Total expenditures for the year	21,214,804	22,799,236	27,308,019
Excess of revenue for the year	2,774,208	9,231,622	392,699
Net income (loss) from business enterprise (Note 8)		(82,973)	5,921,978
Net income from business partnerships (Note 9)		133,097	303,068
Annual surplus		9,281,746	6,617,745
Accumulated surplus, beginning of year		60,856,941	54,239,196
Accumulated surplus, end of year		\$ 70,138,687	\$ 60,856,941

The accompanying notes are an integral part of these consolidated financial statements.

Penticton Indian Band
Consolidated Statement of Change in Net Financial Assets

<u>For the year ended March 31</u>	<u>(Note 21)</u> <u>Budget</u>	<u>2023</u>	<u>2022</u>
Annual surplus	\$ 408,719	\$ 9,281,746	\$ 6,617,745
Acquisition of tangible capital assets (Note 15)	(580,813)	(6,166,171)	(8,009,113)
Amortization of tangible capital assets (Note 15)	-	1,992,043	1,925,493
Disposal of tangible capital assets (Note 15)	-	877	119,262
	<u>(580,813)</u>	<u>(4,173,251)</u>	<u>(5,964,358)</u>
Acquisition of prepaid expenses	-	(262,073)	(166,283)
Net change in net financial assets	(172,094)	4,846,422	487,104
Net financial assets, beginning of year		9,897,140	9,410,036
Net financial assets, end of year		\$ 14,743,562	\$ 9,897,140

Penticton Indian Band
Consolidated Statement of Cash Flows

<u>For the year ended March 31</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Cash received from customers, funders and other revenue sources during the year	\$ 29,415,545	\$ 32,437,278
Cash paid to suppliers and employees	(20,111,405)	(22,207,932)
Interest paid	(741,651)	(524,014)
Interest received	<u>763,498</u>	<u>135,652</u>
	<u>9,325,987</u>	<u>9,840,984</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(6,166,171)	(2,277,204)
Disposal of tangible capital assets	<u>877</u>	<u>119,263</u>
	<u>(6,165,294)</u>	<u>(2,157,941)</u>
Cash flows from financing activities		
Issuance of long-term debt	-	14,855
Repayment of long-term debt	(2,429,284)	(757,911)
Decrease in debt reserve fund	(44,647)	-
Decrease in trust funds	<u>(3,086)</u>	<u>(596)</u>
	<u>(2,477,017)</u>	<u>(743,652)</u>
Cash flows from investing activities		
Decrease in member loans receivable	2,425	9,269
Increase in related party balance	(41,414)	(97,355)
Distribution from business enterprise	<u>499,980</u>	<u>799,980</u>
	<u>460,991</u>	<u>711,894</u>
Increase in cash for the year	1,144,667	7,651,285
Cash and cash equivalents, beginning of year	<u>22,962,512</u>	<u>15,311,227</u>
Cash and cash equivalents, end of year	<u>\$ 24,107,179</u>	<u>\$ 22,962,512</u>
Represented by:		
Unrestricted (Note 3)	\$ 15,347,010	\$ 14,113,861
Restricted (Note 3)	<u>8,760,169</u>	<u>8,848,651</u>
	<u>\$ 24,107,179</u>	<u>\$ 22,962,512</u>

Penticton Indian Band

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies

Nature of Business	Penticton Indian Band provides services and support to its band members. Penticton Indian Band is an Indian Band and, as such, is exempt from income tax under section 87 of the Indian Act.
Basis of Accounting	These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.
Reporting Entity	The Penticton Indian Band reporting entity includes the Penticton Indian Band government and all related entities that are controlled by the First Nation.
Principles of Consolidation	<p>The consolidated financial statements consolidate the assets, liabilities and financial activities for the following organizations which use accounting principles that lend themselves to consolidation with the Penticton Indian Band:</p> <ul style="list-style-type: none"> • Penticton Indian Band (PIB) • Penticton Indian Band Utilities Limited Partnership (PIBULP) • Okanagan Nation Family Intervention and Services Society (ONTEH) <p>All inter-organization accounts and transactions have been eliminated on consolidation.</p> <p>The band accounts for investments in government business enterprises (GBE's) and business partnerships (BP's) using the modified equity basis of accounting. It includes the cost of the Band's investment in the entities, plus the undistributed proportionate share of earnings. Under this method, interorganizational balances are not eliminated.</p> <p>The following entities have been accounted for on the modified equity basis:</p> <ul style="list-style-type: none"> • K'ul Management Group Ltd. (KMGLTD) • Skaha Hills Limited Partnership (SHLP) • SnPink'Tn Developments Limited Partnership (SDLP)
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.

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less. Cash and cash equivalents on the Consolidated Statement of Cash Flows is represented by cash and short term investments as disclosed on the Consolidated Statement of Financial Position.
Short-term Investments	Short-term investments include guaranteed investment certificates maturing at various times during the next fiscal year. These investments are recorded at cost.
Revenue Recognition	<p>Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.</p> <p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes are recognized net of an allowance for anticipated uncollectible amounts.</p> <p>Taxation arrears and interest revenue are recognized at the time of issuing overdue property tax notices to the rate payers for the fiscal year based on the time overdue.</p> <p>Rental revenue is recognized when the services are provided to tenants, and collection is reasonably assured. When rental payments are received in advance of contracted services, the Band records this as deferred revenue.</p> <p>Interest income on loans receivable and on funds held in trust are recorded as revenue when received by the Band.</p> <p>Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>All other revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, the amounts can be reasonably estimated and collection is reasonably assured.</p>

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies (continued)

Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Assessing the valuation of accounts receivable and calculating the amortization of the tangible capital assets are the primary estimates evaluated by management on an ongoing basis.
Tangible Capital Assets	<p>Tangible capital assets are valued at acquisition cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs.</p> <p>Amortization is charged on a straight line basis against tangible capital assets based on the estimated useful life of the asset as follows.</p>

Asset Class	Rate
Automotive equipment	5 - 15 years
Buildings	20 - 50 years
Equipment	5 - 10 years
Infrastructure	15 - 60 years
Land improvements	15 - 20 years

Included in the infrastructure asset class are water, sewer, drainage, roads and electrical assets.

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Band's ability to provide goods and 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 at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Penticton Indian Band Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies (continued)

Financial Instruments Mutual funds are mandatorily measured at fair value. Cash, guaranteed investment certificates, accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the consolidated statement of financial position.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Segmented Information Penticton Indian Band is a First Nation organization that provides a wide range of services to its members including social, education, health, housing, public works and economic activities. For management reporting purposes, the Band's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives with special regulations, restrictions or limitations. Services are provided by programs and their activities are reported in these funds. Certain programs have been separately disclosed in the segmented information, along with the services they provide, and are detailed in the Schedule of Segmented Operations.

Own Source Revenue

The Own Source Revenue funds are the reserve from the General Government Services program to fund other programs in the future.

General Government Services

The General Government Services program provides administration support to other band operated programs and services.

Property Taxation

The Property Taxation program collects and reports the taxes owed for on-reserve housing owned by non-First Nations individuals and business.

Social Development

The Social Development program provides financial benefits and services to individuals and families, resident on reserve, who are in need.

Penticton Indian Band Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies (continued)

Segmented Information (continued)

Education and Employment

The Education program provides services to eligible First Nations students enrolled in elementary/secondary education programs and eligible post-secondary education programs, as well providing services to eligible First Nations seeking employment.

Community Health

The Band provides health programs and services under an agreement with First Nations Health Authority, and the Province of British Columbia.

Little Paws Daycare

The Little Paws Daycare program provides on-reserve daycare services and is a provincially subsidized daycare site.

Housing

The Housing program provides on-reserve housing to eligible members under the CMHC housing programs for First Nations.

Capital Infrastructure

The Capital Infrastructure program is responsible for infrastructure development and improvement within the community. It involves planning, funding, and executing projects aimed at enhancing essential services and facilities for band members.

Public Works and Utilities

The Public Works program is responsible for the construction and maintenance of public spaces within the community and includes the Penticton Indian Band Utilities Limited Partnership (PIBULP).

Natural Resources

The Natural Resources program is responsible for the management and stewardship of the natural resources within the band's traditional territory. This program is aimed at ensuring the sustainable use of resources, protecting the environment, and promoting economic opportunities for the community.

Land, Estates and Memberships

The Land, Estates and Memberships program negotiates and implements land claim and self-government agreements on behalf of the Band.

Economic Development

The Economic Development program provides planning and capacity development initiatives under agreements with the Province of British Columbia.

Okanagan Nation Family Intervention and Services Society (ONTEH)

The ONTEH program is a Band-run organization that operates a transition house.

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

2. Economic Dependence

Penticton Indian Band received approximately 53% (2022 - 47%) of its revenues pursuant to funding arrangements from Indigenous Services Canada (ISC).

3. Cash and Short-term Investments

	2023	2022
Consist of:		
Cash	<u>\$ 8,038,366</u>	<u>\$ 11,008,192</u>
Short-term investments		
Guaranteed Investment Certificates	7,314,174	3,108,684
Mutual funds	<u>8,754,639</u>	<u>8,845,636</u>
	<u>16,068,813</u>	<u>11,954,320</u>
	<u><u>\$ 24,107,179</u></u>	<u><u>\$ 22,962,512</u></u>
Externally Restricted		
Ottawa trust funds	\$ 5,529	\$ 3,015
Social housing replacement reserve (Note 19)	508,642	497,408
Social housing operating reserve (Note 19)	<u>958,275</u>	<u>938,001</u>
	<u>1,472,446</u>	<u>1,438,424</u>
Internally Restricted		
Band capital trust OSR funds	2,374,194	3,490,579
Band revenue trust OSR funds	3,382,419	2,518,877
Capital fund	1,238,467	1,114,434
Contingency fund	<u>292,643</u>	<u>286,337</u>
	<u>7,287,723</u>	<u>7,410,227</u>
	<u><u>8,760,169</u></u>	<u><u>8,848,651</u></u>
Unrestricted	<u>15,347,010</u>	<u>14,113,861</u>
	<u><u>\$ 24,107,179</u></u>	<u><u>\$ 22,962,512</u></u>

Penticton Indian Band Notes to the Consolidated Financial Statements

March 31, 2023

3. Cash and Short-term Investments (continued)

Guaranteed Investment Certificates consist of one-year cashable GIC's at rates varying from 2.25% - 5.35% per annum, maturing between April 2023 and December 2023.

In 2004, the Band removed their funds from the Ottawa trust funds and have set up a separate trust fund account administered by the Band Council. The amount remaining in this fund represents the interest earned in the fiscal year that transfers to the Band on April 1 of each year.

The Band holds Revenue and Capital Trusts which are funds retained from Band Own Source Revenues (OSR) for investment.

OSR funds received from recurring sources such as government business profits, rents, and local casino agreement are allocated to the Revenue Trust investment account. These funds may be authorized by Council, to provide services or benefits to members which would not otherwise be provided by government transfers.

OSR funds received from items such as long-term land leases, specific claims and resource extraction royalties are allocated to the Capital Trust investment account, and may be used, once authorized by Council, for capital and infrastructure projects.

The capital fund is designed to be used as designated by Chief and Council from time to time for extraordinary capital expenditures which benefit or service rate payers. The capital fund is currently underfunded by \$97,827.

The contingency fund is designed to hold any surplus monies remaining in the taxation fund at the end of the fiscal year as specified in the Expenditure By-law Annual Budget Schedule, and may be applied towards the operation and administration costs for the next fiscal year. The contingency fund is currently fully funded.

The Band's mutual funds are all considered to be Level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in fair valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there were no transfers of securities between different levels.

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

4. Funds Held in Trust

As at March 31, funds were held for Penticton Indian Band as follows:

	2023	2022
Cedar Law Corporation, Barristers and Solicitors	\$ 301,735	\$ 298,649

Peace Hills Trust (Minors Trust) holds \$77,433 (2022 - \$77,433) on deposit in a Minors Trust fund for minor band members. The Minors Trust amount is not included in these consolidated financial statements.

5. Accounts Receivable

	2023	2022
First Nation Education and Steering Committee	\$ 114,713	\$ 114,713
Indigenous Services Canada	-	129,286
Trade	3,945,117	1,934,016
Property taxes	851,274	760,247
Rent receivable	554,629	557,889
Canada Mortgage and Housing Corporation	14,829	14,829
Skaha Hills Limited Partnership	10,119	10,119
Allowance for doubtful accounts	(1,026,896)	(1,276,351)
	\$ 4,463,785	\$ 2,244,748

6. Loans Receivable from Band Members

	2023	2022
Members' loans receivable	\$ 51,810	\$ 54,235

Loans receivable from Band Members are non-interest bearing, unsecured, and due on demand.

7. Debt Reserve Fund

The Penticton Indian Band has the option to issue its long-term debt through the First Nation Finance Authority ("FNFA"). As a condition of borrowing, 5% of the gross debenture proceeds are withheld by the FNFA as a debt reserve fund. The debt reserve fund is invested by the FNFA and interest earned and expenses incurred are reported annually to the Band. If at any time the FNFA does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments will be made from the debt reserve fund. Details of cash deposits held in the debt reserve fund are as follows:

	2023	2022
Debt Reserve Fund - Cash Deposits	\$ 669,918	\$ 625,271

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

8. Investment in Business Enterprise

	2023	2022
K'ul Management Group Ltd. (KMGLTD)	<u>\$ 7,942,828</u>	<u>\$ 8,025,801</u>

Penticton Indian Band holds 100% interest in KMGLTD who in turn holds controlling investments in the following entities:

Limited Partnerships	Corporations
• Westhills Aggregates LP	• Westhills Aggregates GP Inc.
• Coyote Cruises LP	• Coyote Cruises GP Inc.
• Snpinktn Forestry LP	• Snpinktn Forestry GP Inc.
• K'ul Construction LP	• K'ul Construction Inc.
• Skaha Hills Residential Development LP	• K'ul Developments Inc.
• K'ul Management Group LP	

The following summary discloses the condensed consolidated financial information of the KMGLTD:

	2023	2022
Assets		
Current	\$ 3,550,302	\$ 3,858,286
Non-current	<u>8,753,557</u>	<u>8,717,544</u>
	<u>\$ 12,303,859</u>	<u>\$ 12,575,830</u>
Liabilities		
Current	\$ 2,712,728	\$ 2,195,685
Non-current	<u>1,647,299</u>	<u>2,354,344</u>
	<u>4,360,027</u>	<u>4,550,029</u>
Equity	<u>7,942,828</u>	<u>8,025,801</u>
	<u>\$ 12,302,855</u>	<u>\$ 12,575,830</u>
Revenue	\$ 8,535,572	\$ 19,520,888
Expenditures	<u>(8,618,545)</u>	<u>(13,598,910)</u>
Net income (loss) for the year	\$ (82,973)	\$ 5,921,978

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

9. Investment in Business Partnerships

	2023	2022
Skaha Hills Limited Partnership (SHLP)	\$ 879,470	\$ 1,307,764
Sn'Pink'Tn Developments Limited Partnership (SDLP)	61,413	1
	<hr/>	<hr/>
	\$ 940,883	\$ 1,307,765

Penticton Indian Band holds 20% interest in SHLP and as such, the investment in SHLP is 20% of the equity in SHLP. Penticton Indian Band also holds 25% interest in SDLP and as such, the investment in SDLP is 25% of the equity in SDLP.

The following summary discloses the condensed financial information of the SHLP and SDLP:

	SHLP	SDLP	2023	2022
Assets				
Current	\$ 3,376,618	\$ 11,103,066	\$ 14,479,684	\$ 13,341,891
Non-current	1,654,627	1,001	1,655,628	219,345
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,031,245	\$ 11,104,067	\$ 16,135,312	\$ 13,561,236
Liabilities				
Current	\$ 633,580	\$ 1,408,909	\$ 2,042,489	\$ 1,133,132
Non-current	-	9,449,481	9,449,481	5,903,105
	<hr/>	<hr/>	<hr/>	<hr/>
	633,580	10,858,390	11,491,970	7,036,237
Equity	<hr/>	<hr/>	<hr/>	<hr/>
	4,397,665	245,677	4,643,342	6,524,999
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,031,245	\$ 11,104,067	\$ 16,135,312	\$ 13,561,236
Revenue	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 3,431,768	\$ 1,105,526	\$ 4,537,294	\$ 6,055,733
Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(3,073,308)	(845,643)	(3,918,951)	(4,554,578)
Total income	<hr/>	<hr/>	<hr/>	<hr/>
	358,460	259,883	618,343	1,501,155
Allocation	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 71,685	\$ 61,412	\$ 133,097	\$ 303,068

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

10. Accounts Payable and Accrued Liabilities

	2023	2022
Trade payables	\$ 1,269,513	\$ 619,663
Accrued liabilities	185,582	180,100
Accrued salaries and employee benefits payable	331,641	683,210
	<u>\$ 1,786,736</u>	<u>\$ 1,482,973</u>

11. Deferred Revenue

Deferred revenue consists of contributions other than government transfers and transfers from the federal, provincial and local governments that include repayment stipulations that are for specific projects or programs for which the expenditures have not yet been incurred.

	Balance, beginning of year	Contributions	Revenue Recognized	Balance, end of year
FNESC	\$ 67,948	\$ 77,729	\$ (67,948)	\$ 77,729
FNHA	1,120,072	1,067,182	(1,204,003)	983,251
ISC	4,764,396	5,055,691	(5,262,630)	4,557,457
Province of BC	79,713	702,925	(79,713)	702,925
Other	46,357	36,794	(46,357)	36,794
2023 Totals	\$ 6,078,486	\$ 6,940,321	\$ (6,660,651)	\$ 6,358,156
2022 Totals	\$ 2,802,566	\$ 5,417,763	\$ (2,141,843)	\$ 6,078,486

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

12. Property Tax Collected for Other Governments

The Band collects taxation revenue on behalf of other entities for government services as follows:

	2023	2022
BC Assessment Authority	\$ 23,190	\$ 24,238
Regional District Okanagan-Similkameen	40,432	102,566
Hospital	110,737	120,618
Sewer	30,986	30,986
Library	28,875	31,350
Fire protection	<u>316,087</u>	<u>310,354</u>
	<hr/> \$ 550,307	<hr/> \$ 620,112

13. Property Taxes

	2023	2022
Gross property taxation revenue	\$ 2,962,322	\$ 2,791,687
Less: Home owner grants	(508,446)	(476,495)
Less: Collections on behalf of other governments (Note 12)	<u>(550,307)</u>	<u>(620,112)</u>
Net property taxation revenue	<hr/> \$ 1,903,569	<hr/> \$ 1,695,080

14. Comparative Figures

Certain comparative information has been reclassified to conform to the current year's presentation.

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

15. Tangible Capital Assets

	2023									
	Automotive Equipment	Buildings	Equipment	Land & Land Improvements	Roads	Water, Sewer, & Drainage	Electrical	Work in Progress	Social Housing	Total
Cost, beginning of year	\$ 1,606,458	\$ 19,134,254	\$ 2,754,997	\$ 2,948,152	\$ 14,506,365	\$ 20,407,160	\$ 285,917	\$ 6,982,819	\$ 6,219,270	\$ 74,845,392
Additions	428,883	-	199,828	-	-	130,580	-	5,406,880	-	6,166,171
Disposals	-	-	(3,818)	-	-	-	-	-	-	(3,818)
Transfers	-	-	-	-	-	127,358	-	(127,358)	-	-
Cost, end of year	2,035,341	19,134,254	2,951,007	2,948,152	14,506,365	20,665,098	285,917	12,262,341	6,219,270	81,007,745
Accumulated amortization, beginning of year	1,052,719	8,843,904	2,018,232	1,132,997	4,634,293	4,679,014	56,679	-	2,190,812	24,608,650
Amortization	206,810	553,439	205,415	22,736	353,017	437,961	7,148	-	205,517	1,992,043
Disposals	-	-	(2,941)	-	-	-	-	-	-	(2,941)
Accumulated amortization, end of year	1,259,529	9,397,343	2,220,706	1,155,733	4,987,310	5,116,975	63,827	-	2,396,329	26,597,752
Net carrying amount, end of year	\$ 775,812	\$ 9,736,911	\$ 730,301	\$ 1,792,419	\$ 9,519,055	\$ 15,548,123	\$ 222,090	\$ 12,262,341	\$ 3,822,941	\$ 54,409,993

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

15. Tangible Capital Assets (continued)

	2022									
	Automotive Equipment	Buildings	Equipment	Land & Land Improvements	Roads	Water, Sewer, & Drainage	Electrical	Work in Progress	Social Housing	Total
Cost, beginning of year	\$ 1,275,908	\$ 19,605,083	\$ 2,313,647	\$ 2,248,290	\$ 14,487,814	\$ 20,156,501	\$ 285,917	\$ 832,021	\$ 6,234,601	\$ 67,439,782
Additions	354,550	53,497	481,196	699,862	18,551	250,659	-	6,150,798	-	8,009,113
Disposals	(24,000)	(524,326)	(55,177)	-	-	-	-	-	-	(603,503)
Transfers	-	-	15,331	-	-	-	-	-	(15,331)	-
Cost, end of year	1,606,458	19,134,254	2,754,997	2,948,152	14,506,365	20,407,160	285,917	6,982,819	6,219,270	74,845,392
Accumulated amortization, beginning of year	949,722	8,698,785	1,800,161	1,156,854	4,281,276	4,245,773	49,531	-	1,985,295	23,167,397
Amortization	126,997	554,699	218,071	26,803	353,017	433,241	7,148	-	205,517	1,925,493
Disposals	(24,000)	(409,580)	-	(50,660)	-	-	-	-	-	(484,240)
Accumulated amortization, end of year	1,052,719	8,843,904	2,018,232	1,132,997	4,634,293	4,679,014	56,679	-	2,190,812	24,608,650
Net carrying amount, end of year	\$ 553,739	\$ 10,290,350	\$ 736,765	\$ 1,815,155	\$ 9,872,072	\$ 15,728,146	\$ 229,238	\$ 6,982,819	\$ 4,028,458	\$ 50,236,742

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

16. Long-term Debt

	2023	2022
Capital		
Loans repaid during the year	\$ -	\$ 1,235,802
Term loan - repayable at \$12,357 monthly, including interest at 3.65% per annum, maturing June 2028, secured by debt reserve fund.	2,300,475	2,361,168
Demand loan - repayable at \$22,755 monthly, including interest at prime plus 0.50% per annum, maturing February 2047, secured by Band Council Resolution.	3,991,265	4,725,316
Term loan - repayable at \$39,113 monthly, including interest at 3.79% per annum, maturing June 2024, secured by debt reserve fund.	6,884,211	7,087,747
Social Housing		
Mortgage - repayable at \$1,409 monthly, including interest at 1.82% per annum, maturing June 2026.	53,194	68,986
Mortgage - repayable at \$2,390 monthly, including interest at 1.04% per annum, maturing October 2025.	72,748	100,569
Mortgage - repayable at \$1,214 monthly, including interest at 1.31% per annum, maturing December 2031.	120,623	133,387
Mortgage - repayable at \$2,504 monthly, including interest at 1.30% per annum, maturing May 2028.	151,049	178,033
Mortgage - repayable at \$2,246 monthly, including interest at 0.94% per annum, maturing September 2035.	316,916	341,094
Balance carried forward	\$ 13,890,481	\$ 16,232,102

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

16. Long-term Debt (continued)

Balance brought forward	<u>\$ 13,890,481</u>	<u>\$ 16,232,102</u>
Social Housing (continued)		
Mortgage - repayable at \$8,099 monthly, including interest at 2.68% per annum, maturing October 2038.	1,238,118	1,301,379
Mortgage - repayable at \$3,219 monthly, including interest at 2.14% per annum, maturing March 2024.	654,186	678,588
<u>\$ 15,782,785</u>		<u>\$ 18,212,069</u>

All Social Housing mortgages are secured by a ministerial guarantee from ISC, and facilitated by All Nations Trust Company.

Principal repayments on long-term debt for the next five years are estimated as follows:

2024	\$ 4,990,151
2025	8,125,595
2026	381,268
2027	165,321
2028	<u>2,120,450</u>
<u>\$ 15,782,785</u>	

17. Federal Assistance Payments

The Social Housing Fund receives federal assistance through CMHC to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received for the year ended March 31, 2023 was \$179,429 (2022 - \$235,005), and this amount is included in CMHC revenue on the Consolidated Statement of Operations.

Penticton Indian Band Notes to the Consolidated Financial Statements

March 31, 2023

18. Financial Instruments

The Band is exposed to risks of varying degrees of significance from its use of financial instruments which could affect its ability to achieve its strategic objectives. The Chief and Council ensures that the Band has identified its major risks and ensures that management monitors and mitigates these risks.

Market and interest rate risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Band's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on investments. The investment balance comprises of a GIC's and funds held in trust. The GIC and funds held in trust are deemed to be low risk and are not subject to significant changes in market prices or interest rates.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the Band is not exposed to significant interest rate risk arising from its financial instruments.

There have not been any changes from the prior year in the Band's exposure to market or interest rate risks or the policies, procedures and methods it uses to manage and measure these risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Band is exposed to credit risk from its operating activities, which are primarily accounts receivables, and its investing activities, which includes deposits with financial institutions. Accounts receivables includes grant receivables from the Federal and Provincial Government, trade receivables, and local area receivables.

The credit risk on accounts receivables is mitigated by the agreement approval and monitoring processes. A majority of the accounts receivable balances are compliant with signed funding agreements and signed general agreements for recovery work. The Band undergoes continuous monitoring of amounts that are not collectible or realizable and accounts for a specific bad debt provision when management considers that the expected recovery is less than the amount receivable. The Band considers all accounts receivable that are past due to be impaired, with the exception of funding from federal or provincial agreements. See Note 5 for further detail.

The Band has deposited cash and investments held with reputable financial institutions. Management believes the risk of loss is unlikely, however the balances to exceed insured amounts. See Note 3 for further detail.

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

18. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Band will not be able to meet its financial obligations as they become due.

The Band manages this risk by monitoring cash activities and expected outflows through budgeting and forecasting cash flows from operations and anticipated investing and capital activities. It is management's opinion that the Band is not exposed to significant liquidity risk arising from its financial instruments.

There have not been any changes from the prior year in the Band's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

Financial Instrument Classification

The carrying value of each class of the Band's financial instruments is provided in the following table.

	Fair Value	Cost	2023
Cash and cash equivalents	\$ -	\$ 8,038,366	\$ 8,038,366
Accounts and member loans receivable	-	4,515,595	4,515,595
Guaranteed Investment Certificates	-	7,314,174	7,314,174
Mutual Funds	8,754,639	-	8,754,639
Accounts payable and accrued liabilities	-	1,786,736	1,786,736
Long-term debt	-	15,782,785	15,782,785
	Fair Value	Cost	2022
Cash and cash equivalents	\$ -	\$ 11,008,192	\$ 11,008,192
Accounts and member loans receivable	-	2,298,983	2,298,983
Guaranteed Investment Certificates	-	3,108,684	3,108,684
Mutual Funds	8,845,636	-	8,845,636
Accounts payable and accrued liabilities	-	1,482,973	1,482,973
Long-term debt	-	18,212,069	18,212,069

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

19. Housing Reserves

	2023	2022
Replacement reserve	\$ 457,746	\$ 531,895
Operating reserve	<u>928,834</u>	<u>910,123</u>
	<u>\$ 1,386,580</u>	<u>\$ 1,442,018</u>

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$47,368 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.

	2023	2022
Replacement reserve	\$ 457,746	\$ 531,895
Restricted cash (Note 3)	<u>508,642</u>	<u>497,408</u>
Under (over) funded	<u>\$ (50,896)</u>	<u>\$ 34,487</u>

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Operating Reserve account is to be credited with any surplus amount in phase 9 to 15, based on the minimum rent calculation.

	2023	2022
Operating reserve	\$ 928,834	\$ 910,123
Restricted cash (Note 3)	<u>958,275</u>	<u>938,001</u>
Over funded	<u>\$ (29,441)</u>	<u>\$ (27,878)</u>

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

20. Related Party Transactions and Balances

At the year end, the related party balance of \$193,101 (2022 - \$151,687) is due from K'ul Management Group Ltd.

During the year, transactions with K'ul Management Group Ltd. which the Band owns and controls, that are not disclosed separately in these consolidated financial statements are as follows:

- (a) Royalties revenue received of \$206,705 (2022 - \$386,410);
- (b) Fees paid for services of \$1,146,589 (2022 - \$517,823);
- (c) Assumption of debt of \$Nil (2022 - \$4,710,461);
- (d) Forgiveness of debt of \$Nil (2022 - \$1,050,423);
- (e) Gain on transfer of work in progress assets for settlement of debt of \$Nil (2022 - \$245,896).

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

In 2022, assumption of debt, forgiveness of debt and gain on transfer of work in progress assets are all recorded as loss on assumption of debt in the amount of \$5,514,989 in the total expenses for the Band for the year (Note 25 and Note 26).

21. Budget

The Band Council Budget Resolution adopted by Council was not prepared on a basis consistent with that used to report actual results (public sector accounting standards). The budget was prepared on a modified accrual basis while public sector accounting standards require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Consolidated Statements of Operations and Change in Net Financial Assets represent the Budget adopted by Council with adjustments as follows:

	<u>2023</u>
Budget Bylaw deficit for the year	\$ -
Add:	
Capital expenditures	580,813
Budgeted internal transfers	2,008,937
Budgeted transfers from accumulated surplus	<u>184,458</u>
Budget surplus per Consolidated Statement of Operations	<u>\$ 2,774,208</u>

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

22. Loan Guarantees

Penticton Indian Band's portion of debt guaranteed, and the amounts drawn upon those debt facilities for related entities are as follows:

	Guaranteed	2023	2022
Westhills Aggregates LP (i)	\$ 1,475,000	\$ 560,184	\$ 438,640
Skaha Hills LP (ii)	\$ 1,750,000	\$ -	\$ -
Snpinktn Forestry LP (iii)	\$ 1,050,000	\$ -	\$ -

- (i) In addition to the corporate guarantees, the facilities are secured by a general security agreement with first ranking over all personal property of Westhills Aggregates Limited Partnership. There are no financial covenants.
- (ii) Skaha Hills Limited Partnership has available a credit facility for an amount up to \$8,750,000. In addition to Penticton Indian Band's corporate guarantee, the facility is also secured by a mortgage, an assignment of rents on the property under development, general security agreements by Penticton Indian Band and Brenlar Investments Ltd, and postponement of claim from each Penticton Indian Band, Brenlar Investments Ltd. and Greyback Development Ltd.
- (iii) In addition to the corporate guarantees, the facilities are secured by a general security agreement with first ranking over all personal property of Snpinktn Forestry Limited Partnership. There are no financial covenants.
- (iv) ISC has provided ministerial loan guarantees to various financial institutions for certain loans to the Band and individual band members. The Band is contingently liable for these loans and has provided repayment agreements to ISC in the event of default.

23. Contingencies

Various lawsuits have been filed against the Band for incidents which arose in the ordinary course of business. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

24. Pension Plan

The Band and certain of its employees contribute to the Penticton Indian Band Pension Plan (the "Plan"). The Plan is a defined contribution plan. Capri Insurance administers the Plan through Great West Life, including the payment of pension benefits on behalf of the employer and employees in accordance with the federal legislation.

During the year, the Band paid \$481,356 (2022 - \$351,087) to the Plan on behalf of its employees.

Penticton Indian Band
Notes to the Consolidated Financial Statements

March 31, 2023

25. Expenditures by Object

	2023	2022
Advertising and promotion	\$ 30,895	\$ 2,869
Amortization	1,992,043	1,925,453
Bad debts (recovery)	(199,095)	478,632
Bank charges	60,823	54,643
Contract services	2,383,128	1,795,657
Community outreach	169,450	255,949
Direct social assistance	1,303,444	1,319,489
Honoraria	385,464	434,210
Insurance	366,485	300,970
Interest on long-term debt	741,651	524,014
Lease payments	100,365	106,735
Loss on assumption of debt (Note 20)	-	5,514,989
Materials, supplies and services	1,632,599	1,127,627
Office	73,703	228,158
Professional fees	1,010,765	1,012,142
Rental of facilities and equipment	16,852	8,839
Repairs and maintenance	616,246	394,886
Salaries and benefits	9,813,494	9,027,717
Student allowances and tuition	1,143,881	1,738,763
Telephone	128,230	136,498
Travel and meetings	267,926	208,304
Utilities	199,227	200,636
Vehicle	182,151	133,082
Workshops, seminars and training	379,509	377,757
Total expenditures for the year	\$ 22,799,236	\$ 27,308,019

Penticton Indian Band
Notes to the Consolidated Financial Statements

26. Schedule of Segmented Operations

For the year ended March 31

2023

	Own Source Revenue	General Government Services	Property Taxation	Social Development	Education and Employment	Community Health	Little Paws Daycare	Housing	Capital Infrastructure	Public Works and Utilities	Natural Resources	Lands, Estates and Memberships	Economic Development	ONTEH	Total
Revenue															
ISC	\$ -	\$ 2,630,870	\$ -	\$ 2,851,876	\$ 3,613,057	\$ -	\$ 147,000	\$ 318,234	\$ 5,543,326	\$ 759,078	\$ -	\$ 211,103	\$ -	\$ 969,585	\$ 17,044,129
CMHC	-	-	-	-	-	-	-	179,429	-	-	-	-	-	-	179,429
FNESC	-	-	-	-	963,205	-	-	-	-	-	-	-	-	-	963,205
FNHA	-	-	-	-	-	1,261,665	-	-	-	11,400	-	-	-	-	1,273,065
Taxation	-	-	1,903,569	-	-	-	-	-	-	-	-	-	-	-	1,903,569
Province of BC	1,486,867	5,969	-	129,342	416,220	114,669	626,438	-	108,821	35,934	936,823	-	-	-	3,861,083
BC First Nations Gaming	-	710,529	-	-	-	-	-	-	-	-	-	-	-	-	710,529
Other contracts	840,059	401,200	97,741	2,792	333,178	563,952	73,280	390,342	536,000	768,139	1,771,808	21,873	128,801	166,684	6,095,849
	\$ 2,326,926	\$ 3,748,568	\$ 2,001,310	\$ 2,984,010	\$ 5,325,660	\$ 1,940,286	\$ 846,718	\$ 888,005	\$ 6,188,147	\$ 1,574,551	\$ 2,708,631	\$ 232,976	\$ 128,801	\$ 1,136,269	\$ 32,030,858
Expenditure															
Administrative	\$ 14,563	\$ 134,052	\$ 74,814	\$ 3,345	\$ 11,507	\$ 7,027	\$ 5,059	\$ 274,225	\$ 86,763	\$ 209,506	\$ 274,334	\$ 160,162	\$ 710,492	\$ 45,672	\$ 2,011,521
Amortization	-	-	8,830	-	-	-	39,547	205,517	1,711,147	-	-	-	-	27,002	1,992,043
Direct assistance	-	-	-	1,303,444	-	-	-	-	-	-	-	-	-	-	1,303,444
Lease payments	-	22,526	3,750	1,465	22,620	10,159	11,033	1,465	-	4,819	9,238	7,812	-	2,272	97,159
Materials, supplies & utilities	-	673,517	18,028	143,149	310,946	241,111	100,113	6,883	27,071	209,120	215,637	29,749	20	227,869	2,203,213
Operations & maintenance	-	299,907	5,876	151,140	241,534	83,431	69,418	261,042	682,850	845,583	245,702	76,369	2,850	53,732	3,019,434
Student costs	-	75	-	-	1,146,185	505	-	-	-	6,549	14,399	233	-	-	1,167,946
Transportation costs	-	85,662	(816)	124,864	96,225	212,432	48,453	8,376	281	69,029	170,684	250	-	27,508	842,948
Wages and benefits	-	1,895,227	155,069	659,848	2,861,721	924,626	714,125	144,382	13,469	1,060,708	1,173,554	111,980	-	446,819	10,161,528
	\$ 14,563	\$ 3,110,966	\$ 265,551	\$ 2,387,255	\$ 4,690,738	\$ 1,479,291	\$ 987,748	\$ 901,890	\$ 2,521,581	\$ 2,405,314	\$ 2,103,548	\$ 386,555	\$ 713,362	\$ 830,874	\$ 22,799,236
Excess (deficiency) of revenue for the year															
	\$ 2,312,363	\$ 637,602	\$ 1,735,759	\$ 596,755	\$ 634,922	\$ 460,995	\$ (141,030)	\$ (13,885)	\$ 3,666,566	\$ (830,763)	\$ 605,083	\$ (153,579)	\$ (584,561)	\$ 305,395	\$ 9,231,622

Penticton Indian Band
Notes to the Consolidated Financial Statements

26. Schedule of Segmented Operations (continued)

For the year ended March 31

2022

	Own Source Revenue	General Government Services	Property Taxation	Social Development	Education	Community Health	Little Paws Daycare	Housing	Capital Infrastructure	Public Works and Utilities	Natural Resources	Lands, Estates and Memberships	Economic Development	ONTEH	Total
Revenue															
ISC	\$ -	\$ 2,139,678	\$ -	\$ 3,318,597	\$ 3,840,843	\$ -	\$ -	\$ 149,489	\$ 1,285,690	\$ 765,761	\$ -	\$ 297,437	\$ -	\$ 1,102,741	\$ 12,900,236
CMHC	-	-	-	-	-	-	-	274,448	-	-	-	-	-	-	274,448
FNESC	-	-	-	-	1,707,027	-	-	-	-	-	-	-	-	-	1,707,027
FNHA	-	10,000	-	-	-	1,428,806	-	-	198,349	-	-	-	-	-	1,637,155
Taxation	-	-	1,695,079	-	-	-	-	-	-	-	-	-	-	-	1,695,079
Province of BC	499,389	(7,835)	-	119,050	371,776	141,557	47,223	-	107,929	29,959	1,004,282	-	-	-	2,313,330
BC First Nations Gaming	-	302,247	-	-	-	-	-	-	-	-	-	-	-	-	302,247
Other contracts	671,721	464,683	78,630	9,273	368,569	664,561	113,814	350,887	688,100	918,084	2,306,940	22,825	52,573	160,536	6,871,196
	\$ 1,171,110	\$ 2,908,773	\$ 1,773,709	\$ 3,446,920	\$ 6,288,215	\$ 2,234,924	\$ 161,037	\$ 774,824	\$ 2,280,068	\$ 1,713,804	\$ 3,311,222	\$ 320,262	\$ 52,573	\$ 1,263,277	\$ 27,700,718
Expenditure															
Administrative	\$ 113,857	\$ 724,022	\$ 143,188	\$ 8,062	\$ 16,997	\$ 47,035	\$ 6,475	\$ 217,356	\$ -	\$ 189,732	\$ 374,278	\$ 69,084	\$ 420,417	\$ 42,767	\$ 2,373,270
Amortization	-	-	-	8,830	-	-	22,513	205,517	1,643,063	-	-	-	-	45,530	1,925,453
Direct assistance	-	-	-	-	1,319,489	-	-	-	-	-	-	-	-	-	1,319,489
Lease payments	-	12,524	2,781	2,358	21,035	8,657	3,319	1,265	42,266	960	2,228	6,847	-	3,168	107,408
Materials, supplies & utilities	25,000	620,127	17,157	121,268	317,566	147,017	47,573	123,410	-	141,673	79,113	4,497	-	304,465	1,948,866
Operations & maintenance	1,379	186,960	-	66,192	259,320	94,153	12,916	147,898	31,104	716,337	529,043	133,964	-	19,443	2,198,709
Student costs	-	-	-	-	1,738,763	-	-	-	-	-	-	-	-	-	1,738,763
Transportation costs	-	154,579	-	105,011	55,292	135,416	5,234	1,664	-	49,340	188,226	7,642	-	16,740	719,144
Wages and benefits	-	1,805,252	133,147	612,855	2,723,153	938,050	320,438	162,962	-	528,645	1,589,929	139,175	-	508,322	9,461,928
Loss on assumption of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	5,514,989	5,514,989
	\$ 140,236	\$ 3,503,464	\$ 305,103	\$ 2,235,235	\$ 5,132,126	\$ 1,370,328	\$ 418,468	\$ 860,072	\$ 1,716,433	\$ 1,626,687	\$ 2,762,817	\$ 361,209	\$ 5,935,406	\$ 940,435	\$ 27,308,019
Excess (deficiency) of revenue for the year															
	\$ 1,030,874	\$ (594,691)	\$ 1,468,606	\$ 1,211,685	\$ 1,156,089	\$ 864,596	\$ (257,431)	\$ (85,248)	\$ 563,635	\$ 87,117	\$ 548,405	\$ (40,947)	\$ (5,882,833)	\$ 322,842	\$ 392,699