



***CANADA FISCAL AGREEMENT -
HONOURING OUR CHILDREN, FAMILIES
AND NATION ACT***

***PEGUIS FIRST NATION
PEGUIS CHILD AND FAMILY SERVICES
CANADA***

JANUARY 31, 2023

CANADA FISCAL AGREEMENT

HONOURING OUR CHILDREN, FAMILIES AND NATION ACT

THIS AGREEMENT commences on the 31st day of January, 2023.

BETWEEN:

PEGUIS FIRST NATION

As represented by Chief and Council (“Peguis”)

And

PEGUIS CHILD AND FAMILY SERVICES

(the “Agency”)

And

HIS MAJESTY THE KING IN RIGHT OF CANADA

**As represented by the Department of Indigenous Services Canada
 (“Canada”)**

Each a “Party” and collectively “Parties” now agree,

WHEREAS:

- A. *An Act respecting First Nations, Inuit and Metis children, youth and families*, SC 2019, c 24 (the “Federal Act”), amongst other things, affirms that the inherent right of self-government of Indigenous peoples includes jurisdiction in relation to Child and Family Services;
- B. On January 12, 2021, Peguis notified Canada and Manitoba of its intent to exercise jurisdiction in relation to Child and Family Services for Peguis Children and Families as contemplated by section 20(2) of the Federal Act;
- C. On January 21, 2022 Peguis’ *Honouring Our Children, Families and Nation Act* (the “Peguis Act”) came into effect;
- D. Peguis has legislative authority with respect to the safety, security and well-being of its children and youth pursuant to the Peguis Act, and Peguis has appointed the Agency as the entity responsible for the administration of Child and Family Services under the Peguis Act;
- E. Peguis, the Agency, Canada and Manitoba entered into the Peguis First Nation Trilateral Coordination Agreement (the “Coordination Agreement”) dated January 31, 2023, pursuant to section 20(2) of the Federal Act;
- F. Section 13 of the Coordination Agreement provides that Peguis, the Agency and Canada will enter into funding agreements that will set out the specific fiscal arrangements for the implementation of the exercise of legislative authority in relation to Child and Family Services as contemplated by the Coordination Agreement as of the Effective Date of the Coordination Agreement;
- G. Peguis, the Agency, Canada and Manitoba have all agreed that Peguis and the Agency will enter into separate funding agreements with each of Canada and Manitoba; and
- H. This Agreement sets out the fiscal arrangements between Peguis, the Agency and Canada to implement section 13 of the Coordination Agreement.

1. DEFINITIONS

- 1.1. Words and expressions not defined in this Agreement but defined in the Coordination Agreement have the meanings ascribed to them in the Coordination Agreement.

- 1.2. For the purposes of this Canada Fiscal Agreement, the following words and phrases mean:
- a) **“Child and Family Services”** has the same meaning as in the Federal Act;
 - b) **“Dispute Resolution”** means the process for resolving disputes between the Parties related to this Canada Fiscal Agreement and further described in section 18;
 - c) **“Effective Date”** means the date of execution of this Canada Fiscal Agreement by all of the Parties;
 - d) **“Federal Act”** means *An Act respecting First Nations, Inuit and Metis children, youth and families*, SC 2019, c 24;
 - e) **“Federal Funding Methodology”** means a funding methodology set out in federal policy to be implemented after the Effective Date for fiscal arrangements contemplated by section 20(2)(c) of the Federal Act;
 - f) **“Federal Transfer Payment”** means, for any Fiscal Year, the aggregate amount payable by Canada to the Agency for the Federally Supported Services for that Fiscal Year calculated and paid in accordance with Schedules A and B respectively;
 - g) **“Federally Supported Services”** means the programs and services delivered by the Agency in respect of which Canada has agreed to provide funding as set out in this Agreement and listed in Schedule A;
 - h) **“Financial Institution”** has the same meaning as in section 2 of the *Bank Act*, SC 1991, c 46;
 - i) **“Financial Reports”** means the Agency’s annual audited financial statements;
 - j) **“Fiscal Agreement” or “Canada Fiscal Agreement”** means this Agreement;
 - k) **“Fiscal Year”** means the period of time from the 1st day of April of a given year to the 31st day of March of the following calendar year;
 - l) **“Generally Accepted Accounting Principles” or “GAAP”** means the accounting principles generally accepted in Canada from time to time, and, where the Chartered Professional Accountants of Canada including the Public

Sector Accounting Board or its successor publishes a statement of a principle or an accounting guideline, that statement or guidelines will be considered conclusively to be an accounting principle or guideline generally accepted in Canada;

- m) **“Indigenous Governing Body”** means “Indigenous governing body” as defined by the Federal Act;
- n) **“ISC”** means the federal department of Indigenous Services Canada;
- o) **“Member”** means “Member” as defined in the Peguis Act;
- p) **“Peguis Act”** means the Peguis First Nation *Honouring our Children, Families and Nation Act*, which came into effect on January 21, 2022;
- q) **“Successor Fiscal Agreement”** means any future agreement containing the terms and conditions by which Canada makes payment to the Agency for the delivery of Child and Family Services;
- r) **“Temporary Funding”** means the portion of the Federal Transfer Payment that Canada provides to cover the amount that Manitoba typically provides for Child and Family Services (up to a maximum of two years) while Manitoba confirms a funding mandate;
- s) **“Term”** means the period during which this Agreement will remain in effect in accordance with section 3; and
- t) **“Termination Date”** means March 31, 2025 subject to any changes made to the Term by the Parties under this Agreement.

2. INTERPRETATION

2.1 In this Agreement:

- (a) unless it is otherwise clear from the context, “including” means “including, but not limited to”, and “includes” means “includes, but is not limited to”;
- (b) the word “will” denotes an obligation that, unless this Agreement provides to the contrary, must be carried out as soon as practicable after the Effective Date or the event that gives rise to the obligation;

- (c) the word “or” is used in its inclusive sense, meaning A or B, or both A and B; and the word “and” is used in its joint sense, meaning A and B, but not either alone;
- (d) headings and subheadings are for convenience only, do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement;
- (e) all references in this Agreement to matters that may be “agreed to” by Parties will be evidenced by written agreement executed by the Parties;
- (f) a reference to a statute includes every amendment to it, every regulation made under it and any law enacted in substitution for it or in replacement of it;
- (g) a reference to an agreement that is included as a schedule to this Agreement includes every amendment to it and every agreement made in substitution for it or in replacement of it;
- (h) unless it is otherwise clear from the context, a reference to a schedule means a schedule to this Agreement;
- (i) unless it is otherwise clear from the context, the use of the singular includes the plural, and the use of the plural includes the singular;
- (j) all accounting terms have the meanings assigned to them under GAAP; and
- (k) Unless it is otherwise clear from the context, reference to federal policy, or process means the policy, or process as of the Effective Date and any replacement policy, or process.

3. TERM

3.1 The term of this Agreement shall be the Effective Date until March 31, 2025.

3.2 At least six months prior to the Termination Date, the Parties will meet to consider extending the Term or alternatively commencing negotiations of a subsequent Successor Fiscal Agreement as follows:

- a) Any Party may seek an extension of the Term for a period up to 5 years or other such period by notice to the other Parties. Following receipt of the

notice, the Parties have 60 days to agree on an extension. If agreement on the extension is reached, the Term will be extended and this Agreement will be amended accordingly; and

b) If the Parties do not agree on an extension of the Term by the end of the 60 day period referred to in section 3.2(a), the Parties will negotiate, in good faith, and attempt to reach agreement on a Successor Fiscal Agreement to take effect on the day after the Termination Date.

3.3 If the Parties do not agree to extend the Term or replace this Agreement with a Successor Fiscal Agreement, this Agreement will expire and, for greater certainty, section 8.1 will cease to apply.

3.4 This Agreement is without prejudice to the positions that the Parties may take with respect to any other Successor Fiscal Agreement.

4. CANADA'S RESPONSIBILITIES

4.1 Subject with the terms and conditions of this Agreement, Canada shall provide a Federal Transfer Payment for Federally Supported Services as set out in Schedule B.

4.2 Notwithstanding any other provision of this Agreement, the amount of the Federal Transfer Payment in any Fiscal Year under this Agreement is subject to the appropriation of funds by the Parliament of Canada in respect of that Fiscal Year.

4.3 Canada shall provide the Federal Transfer Payment directly to the Agency via electronic funds transfer to the Agency's Financial Institution as per the terms of this Agreement in accordance with Schedule B.

4.4 Canada shall provide the Federal Transfer Payment to the Agency for the Term and as outlined in Schedule B.

5. PEGUIS' RESPONSIBILITIES

5.1 Peguis shall mandate and delegate to the Agency all of its obligations under this Agreement to provide, in whole or in part, services or activities for which the Federal Transfer Payment is being provided pursuant to this Agreement for the operationalization of the Peguis Act.

- 5.2 Peguis shall ensure so long as the Agency is its delegate for all of its obligations set out in section 5.1, that it will continue to allow and direct Canada, if and when required or requested to do so, to provide the Federal Transfer Payment directly to the Agency pursuant to section 4.3 without protest or objection.

6. AGENCY'S RESPONSIBILITIES

- 6.1 The Agency shall provide Child and Family Services using the Federal Transfer Payment received under this Agreement and in accordance with the Coordination Agreement as well as the service delivery requirements under the Peguis Act.
- 6.2 The Agency is responsible for any expenditure related to the delivery of Federally Supported Services in excess of the Federal Transfer Payment under this Agreement.
- 6.3 The Agency shall maintain accounts and records including financial and non-financial records for each program, service and activity for the Federal Transfer Payments being provided pursuant to this Agreement and shall retain these records and accounts for a period of seven (7) years from the end of the latest Fiscal Year to which the accounts and records relate.
- 6.4 The Agency shall maintain financial records in accordance with GAAP and shall provide annual audited financial statements to ISC as the Agency's only reporting requirement, financial and otherwise, under this Agreement.
- 6.5 Provided the Agency provides notice to ISC, before the applicable due date, of circumstances beyond the Agency's control that prevent the Agency from meeting the deadline for the receipt of the annual audited financial statements to be submitted to ISC under section 6.4, ISC may extend the deadline at its discretion, not acting unreasonably.
- 6.6 The obligations of the Agency as set out in Schedule A, are contingent on the Agency receiving the Federal Transfer Payment in accordance with Schedule B.

7. CARRY OVER, ALLOCATION AND OVERPAYMENT OF FEDERAL TRANSFER PAYMENT

- 7.1. The Agency may allocate and expend each Federal Transfer Payment as the Agency, in its discretion, determines.

- 7.2. The Agency is entitled to retain any unexpended balance from a Transfer Payment under this Agreement.
- 7.3. Any unexpended Federal Transfer Payment balance in any Fiscal Year by the Agency shall carry forward to the following Fiscal Year at no penalty to the Agency and the Agency shall have no obligation to reimburse Canada of any unexpended funding.
- 7.4. The Agency has discretion to adjust allocations for the Federally Supported Services set out in Schedule A.
- 7.5. The Agency will refund Canada any overpayments made by Canada under this Agreement in a Fiscal Year as a result of an error.
- 7.6 Refunds under section 7.5 become debts owing and payable within 30 days of written notice provided by Canada setting out the amount of the refund and the nature of the error.
- 7.7 Canada may offset against any Federal Transfer Payment payable under this Agreement any amounts owing by the Agency to Canada pursuant to the terms of this Agreement, including any amounts owing by the Agency to Canada under section 7.6.
- 7.8. Canada may offset any amount of Federal Transfer Payment by any amount of debt owed by the Agency to Canada against any amount payable by Canada from the First Nation Child and Family Services Program or based upon the funding provided to Peguis and the Agency during the 2022/23 Fiscal Year under existing federal Child and Family Services payments.

8. RELEASES BY PEGUIS AND THE AGENCY

- 8.1 Peguis and the Agency release and discharge Canada from any obligation:
 - a) to provide and subject to this Agreement, fund, Federally Supported Services in relation to:
 - i. protection services for Members;
 - ii. prevention services including any early intervention, primary, secondary and tertiary services for Members;

- b) for the funding of any incremental governance and administrative costs of Peguis and the Agency in relation to the provision of Federally Supported Services set out in Schedule A;
 - c) for the funding and ongoing operation of the Agency for delivery of Federally Supported Services; and
 - d) for any expenditures by Peguis or the Agency related to Federally Supported Services in a Fiscal Year in excess of the Federal Transfer Payment made in that Fiscal Year.
- 8.2 The discharge and release set out in section 8.1 survives the termination of this Agreement but only apply to those obligations arising during the Term of this Agreement.
- 8.3 The manner in which Peguis exercises the jurisdiction and authorities set out in the Peguis Act, the Federal Act and the Coordination Agreement and carries out the responsibilities it has under this Agreement does not create or imply any financial obligations for Canada.

9. MANITOBA'S FUNDING

- 9.1 Manitoba has met its funding commitment for the 2022/2023 Fiscal Year as set out in section 14.2 of the Coordination Agreement.
- 9.2 Manitoba is seeking to confirm a mandate to fund its contribution to the delivery of Child and Family Services by the Agency for the 2023/24 and 2024/25 Fiscal Years, which is subject to Manitoba's treasury board approval.
- 9.3 Canada will, subject to notification from the Agency pursuant to clause 9.4, and in accordance with Schedule B, provide Temporary Funding to the Agency for up to a maximum of two years beginning in the 2023/2024 Fiscal Year, at an amount in respect of Manitoba's funding contribution to the Agency's delivery of Child and Family Services.
- 9.4 In the event the Agency receives notification from Manitoba that Manitoba has secured treasury board approval of a mandate to commit to funding beyond the 2022/2023 Fiscal Year, the Agency will notify Canada and Canada will not be obligated to provide, or continue to provide, the Temporary Funding for the 2023/2024 and 2024/2025 Fiscal Years in accordance with Schedule B.

- 9.5 Both Canada and the Agency will collaborate to make best efforts to ensure that there is no interruption in funding as a result of the Temporary Funding process, with the acknowledgement that Temporary Funding is only available for up to twenty-four (24) months.
- 9.6 Peguis and the Agency hereby acknowledge and agree that any funding Canada provides pursuant to section 9.3 is not a recognition by the Parties that Canada is responsible for the funding obligations of Manitoba to the delivery of Child and Family Services by Peguis and the Agency, nor does it relieve Manitoba from its future funding obligations to the delivery of Child and Family Services by Peguis and the Agency beyond the Temporary Funding.

10. INTEGRATION OF FEDERAL FUNDING METHODOLOGY BY AMENDMENT

- 10.1 Peguis and the Agency or Canada may initiate discussions on the potential application of any Federal Funding Methodology to Peguis and the Agency through an amendment to this Agreement as follows:
- a) Within 60 days after the implementation of a Federal Funding Methodology, Canada shall inform Peguis and the Agency of the availability of the Federal Funding Methodology by notice under this Agreement or by a public announcement or other communication directed at Indigenous groups that have fiscal arrangements contemplated by section 20(2)(c) of the Federal Act; and
 - b) at any time following the notice or announcement referred to in section 10.1a), Peguis and the Agency may provide Canada with notice seeking information on how the Federal Funding Methodology could apply to Peguis and the Agency.
- 10.2 Within 60 days after receipt of a notice referred to in section 10.1b), Canada will provide Peguis and the Agency with a detailed proposal for the application of the Federal Funding Methodology to Peguis and the Agency proposal. The proposal will include information needed to assess the potential effects of the application of any Federal Funding Methodology to Peguis and the Agency, and may include:
- a) amendments to this Agreement needed to implement the Federal Funding Methodology including amendments to Schedules;

- b) a request for additional information or updates to the available information as needed to fully develop the proposal, if applicable;
 - c) the proposed manner and timeline for implementing the Federal Funding Methodology;
 - d) the approximate impact on funding amounts Peguis and the Agency would receive under the Federal Funding Methodology as well as changes to other elements of the Federal Transfer Payment under this Agreement;
 - e) any additional program and service delivery responsibilities for Peguis and the Agency associated with the Federal Funding Methodology; and
 - f) any consequential changes to reporting requirements or other arrangements.
- 10.3 For greater certainty, the Parties may commence negotiations of an amendment to this Agreement and other arrangements to implement the Federal Funding Methodology in accordance with the proposal referred to in section 10.2, any time after Peguis and the Agency receive the proposal referred to in section 10.2.

11. EXCEPTIONAL CIRCUMSTANCES

- 11.1 In any situation where exceptional circumstances arise, which create immediate and urgent financial pressures that may significantly impair the ability of the Agency to meet its obligations under this Agreement relating to Federally Supported Services, Peguis and the Agency may send a notice to Canada describing the exceptional circumstances and the obligations under this Agreement relating to Federally Supported Services that the Agency may not be able to meet.
- 11.2 Within 60 days of receipt of the notice referred to in section 11.1 above Canada will meet with Peguis and the Agency to discuss potential measures for addressing the financial and other impacts to the Agency of the exceptional circumstances.
- 11.3 Factors to be considered in the discussion contemplated in section 11.2 will include:
- a) the impact on the ability of the Agency to meet its financial obligations relating to Federally Supported Services;

- b) potential funding sources or other assistance available to the Agency to meet its financial obligations; and
 - c) other approaches for addressing the exceptional circumstances and potential impact on Federally Supported Services.
- 11.4 For greater certainty, section 11.1 is intended to address circumstances which:
- a) were not reasonably foreseeable at the time this Agreement was last entered into or amended;
 - b) are beyond the control of Peguis and the Agency: and
 - c) could have a significant impact on Peguis' and the Agency's ability to fulfill their responsibilities under this Agreement.

12. CORRECTIONS TO FEDERAL TRANSFER PAYMENT

- 12.1. Within 60 days of receiving a payment pursuant to the Federal Transfer Payment schedule set out in Schedule B, the Agency will advise Canada in writing of any errors in the Federal Transfer Payment.
- 12.2. Despite section 12.1, if either the Agency or Canada, at any time during the Term, discovers an error, they will advise the other party of the error in writing as soon as possible.
- 12.3. Where notice of an error is given under sections 12.1 or 12.2, Canada and the Agency will:
- a) meet as soon as practicable to discuss the error; and
 - b) use best efforts to determine what corrections, if any, should be made, within 120 days of receipt of the notice.
- 12.4. Failing agreement, either Party may refer the matter to the dispute resolution provisions set out in section 18.

13. NEW PROGRAMS OR SERVICES OR OTHER FUNDING PROGRAMS

- 13.1 Where Canada makes new programs or services available to First Nations, Indigenous people, First Nations Bands, or Indigenous groups with respect to child and family services, Canada will engage with Peguis and the Agency to discuss potential amendments to this Agreement as appropriate, taking into account the distinction between the regime for Child and Family Services for Indigenous Governing Bodies contemplated by the Federal Act and the federal programs for other nations, communities, and groups.
- 13.2 Any funding provided by Canada through this Agreement and any fiscal agreement derived from the Coordination Agreement will not limit, prevent, prohibit nor disallow Peguis and the Agency from accessing any other federal program or federally sponsored programs available from Canada, in accordance with general eligibility criteria established from time to time, to the extent that Peguis, the Agency or a Peguis corporation has not assumed responsibility for the programs, or part thereof under this Agreement.

14. INFORMATION EXCHANGE

- 14.1 Subject to section 14.12 the Parties will share, in a timely manner, information reasonably required from time to time for purposes of implementing, monitoring, amending, renewing or replacing this Agreement at no cost to each other which may include reports prepared by Peguis, or the Agency, in relation to Federally Supported Services. This information is required in order to calculate the Federal Transfer Payment pursuant to Schedule B.
- 14.2 The Parties will collect, share and disclose information under this Agreement and pursuant to sections 10 and 11 of the Coordination Agreement in a manner that ensures the confidentiality of that information.

15. REMEDIES ON DEFAULT

- 15.1. A Party will be in default of this Agreement in the event:
- a) that Party breaches any provision of this Agreement or fails to fulfill any of its obligations set out in this Agreement; or

- b) that Party gives or makes a representation, statement or report, required under this Agreement, that it knows or reasonably ought to know is false in a material way.
- 15.2 If there is an alleged default of this Agreement by a Party, the Party alleging the default will notify the other Parties of the alleged default and the circumstances giving rise to the alleged default as soon as is practicable.
- 15.3 A Party in alleged default that received a notice of default under section 15.2 will, within 30 days of receipt of the notice, notify the other Parties of one of the following:
- a) that it has remedied the default, including a description of the remedial action taken or being taken; or
 - b) that it disagrees that a default has occurred, in which case the issue shall be referred to the dispute resolution provisions set out in section 18, or
 - c) seek an extension and provide reasons for that request.
- 15.4 A Party that gives notice of a default under section 15.2 may at any time waive the default by notice to the other Parties.

16. CAPITAL AND INFRASTRUCTURE

- 16.1 Peguis and Canada acknowledge that the Agency shall have legal and beneficial interest in any capital facility or asset constructed or acquired with funding provided by Canada. Such legal and beneficial interest shall be confirmed through a leasing arrangement pursuant to the *Indian Act*, RSC 1985 c I-5 for any capital facility or asset constructed on reserve.
- 16.2 Peguis and Canada acknowledge that the Agency shall enjoy peaceful enjoyment, possession and control over any capital facility or asset acquired with funding from Canada and shall have, subject to the terms of the leasehold interest on reserve, responsibility for any matters arising from the construction, possession, control, operation or maintenance of the facility or asset.
- 16.3 If the Agency constructs a building on reserve using a Federal Transfer Payment, Peguis and the Agency shall comply with and ensure that the building meets all federal or provincial laws, as applicable, as well as any federal guideline, code, standard, directive, protocol and plan, pertaining to the following: occupational

health and safety, fire protection, air quality, hazardous substances, water and wastewater systems.

- 16.4 Any capital facility or asset acquired by the Agency off-reserve with funding from Canada shall be the sole responsibility of the Agency and neither Canada nor Peguis shall have any ownership or control over such off-reserve capital facility or asset.

17. LIABILITIES AND INDEMNITIES

- 17.1 Peguis and the Agency will indemnify Canada for all damages, losses and expenses arising directly or indirectly from any claims by third parties relating to the administration or enforcement of any provision of the Peguis Act.
- 17.2 Peguis and the Agency shall save harmless and indemnify Canada from and against all claims, liabilities and demands arising directly or indirectly from any act, omission, or negligence of Peguis or the Agency, any breach of this Agreement by Peguis or the Agency and performance or non-performance (in whole or in part) of Peguis' and the Agency's obligations under this Agreement.
- 17.3 Canada shall save harmless and indemnify Peguis and the Agency and their respective employees from and against all claims, liabilities and demands arising directly or indirectly from any act, omission, or negligence of Canada, any breach of this Agreement by Canada and performance or non-performance (in whole or in part) of Canada's obligations under this Agreement.

18. DISPUTE RESOLUTION

- 18.1 In the event that a dispute arises or is related to this Agreement, the Parties agree to attempt to resolve the dispute through negotiation or through another alternate dispute resolution process to which the Parties agree and set out in writing.
- 18.2 Any exchanges between the Parties in any negotiation or other dispute resolution process under this section will not be admissible in any legal proceedings unless required by law. However, evidence that is independently admissible or discoverable will not be rendered inadmissible or non-discoverable by virtue of its use during that process.

- 18.3 Disputes arising as a result of any of the following matters will not be dealt with under the dispute resolution process herein:
- a) Budget decisions of Peguis and the Agency that are consistent with the terms and obligations of this Agreement;
 - b) The amount of funding provided by Canada under this Agreement;
 - c) Matters of policy established by Peguis and the Agency being consistent with the Peguis Act and the Federal Act; and
 - d) Issues of concern related to the implementation of the Peguis Act may be dealt with through the Agency's complaints process as set out in the Peguis Act.

19. GENERAL

Schedules

19.1 The following Schedules are attached and form part of this Agreement:

- a) Schedule A – Federally Supported Services
- b) Schedule B - Calculation and Payment Schedule for Federal Transfer Payment for Federally Supported Services

Entire Agreement

- 19.2 This Agreement does not form part of the Coordination Agreement.
- 19.3 This Agreement, including its schedules, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, verbal statements, correspondence and other documents with respect to the subject matter of this Agreement.
- 19.4 This Agreement is binding upon the Parties and their respective administrators, successors and permitted assigns.

Effect on Relationship of Parties

- 19.5 Nothing in this Agreement creates or is intended to create an agency, association, employer-employee, or joint venture relationship between the Parties and both Peguis and the Agency shall not represent otherwise.

Waiver

- 19.6 No provision of this Agreement and no event of default by any Party of any provision of this Agreement will be deemed to have been waived unless it is in writing and signed by the other Parties.
- 19.7 The waiver by a Party of default by another Party of any provision of this Agreement will not be deemed to be a waiver of any subsequent default by the other Party or of the same or any other provisions of this Agreement.

Conflict of Interest Provisions Regarding Federal Officials

- 19.8 No member of the House of Commons or the Senate of Canada will be admitted to share in any part of this Agreement or to any benefit arising from it.
- 19.9 No individual for whom the post-employment provisions of the *Conflict of Interest Act*, SC 2006 c 9 s 2, the *Conflict of Interest and Post-Employment Code for Public Office Holders*, or the *Values and Ethics Code for the Public Service* apply will derive any direct benefit from this Agreement unless that individual is in compliance with the appropriate post-employment provisions.
- 19.10 The Parties acknowledge the obligation of those who are bound by the *Lobbying Act*, RSC 1985 c 44 (4th Supp) to comply with that legislation.

Notice

- 19.11 Where any notice, request or other communication is required to be given or made by a Party to the other Parties under this Agreement, it must be in writing addressed to the Party for whom it is intended at the applicable address in this section and may be given by a Party by their duly authorized representatives.
- 19.12 The notice referred herein will be effective by using any one of the following methods, and deemed to have been given as at the date specified for each method:
- a) By personal delivery, on the date upon which the notice was delivered; or
 - b) By registered mail or courier, on the date upon which receipt of the notice is acknowledged by the other Parties; or
 - c) By facsimile or electronic mail, on the date upon which the notice is transmitted and receipt of such transmission by the other Parties can be confirmed.

19.13 A Party may change its respective address or other information stipulated in section 19.14 by giving written notice of such change to the other Parties in accordance with this section.

19.14 Notices will be sent to:

Peguis First Nation

Chief Glenn Hudson
PO Box 10, Peguis, Manitoba R0C 3J0
PegBand.Chief@peguisfirstnation.ca

Peguis Child and Family Services

Executive Director, Clemene Hornbrook
PO Box 610, Peguis, MB R0C 3J0
clemene.hornbrook@peguisccfs.org

Indigenous Services Canada

Assistant Deputy Minister, Child and Family Services Reform
Sector
10 Wellington Street, Gatineau, QC
Mail Stop 960
Building: Les Terrasses de la Chaudière
sac.sefreforme-cfsreform.isc@canada.ca

No Assignment

19.15 This Agreement may not be assigned, transferred, alienated or encumbered by any Party of their rights or obligations hereunder without the express written consent of the other Parties, except as otherwise specifically set out in this Agreement.

Enurement

19.16 This Agreement shall enure to the benefit upon the Parties hereto and their respective successors and permitted assigns.

No Prejudice

19.17 This Agreement shall be without prejudice to any rights or interests of the respective Parties not addressed in the Agreement and any position that any of the Parties may take in legal or administrative proceedings.

Corporation in Good Standing

19.18 The Agency warrants that it is a corporation in good standing under the applicable laws of Canada or Manitoba and that it will remain in good standing during the term of this Agreement.

Publicity about Funding

19.19 Any Party may propose that a joint public announcement or the development of joint communication materials that recognize Canada's funding for the operationalization of the Peguis Act through this Agreement. Communication materials may include public events, media releases, interviews, speeches, publications, signage, websites, advertising and promotional materials.

19.20 The Party making the proposal will provide time for the other Parties to respond in writing before the communication release or event. The Parties receiving the proposal will respond as soon as reasonably possible to facilitate attendance and to allow for the timely production and distribution of the communication material.

Amendments

19.21 A written amending agreement signed by all Parties is required to amend this Agreement.

19.22 Due to the Agency's ongoing capital needs as at the Effective Date, the Parties have agreed to consider certain future capital expenditures.

19.23 At any time following the Effective Date, Peguis and the Agency may request, in writing, that the Parties discuss the Agency's capital needs.

19.24 Within 60 days of receipt of the written request referred to in section 19.23, the Parties will make best efforts to conclude an amendment to this Agreement, with respect to the Agency's capital needs.

Effect of Agreement

19.25 This Agreement is not a treaty or land claims agreement, and does not create, recognize or affirm aboriginal or treaty rights within the meaning of sections 25 and 35 of the *Constitution Act, 1982*.

Further Assurances

19.26 The Parties will execute any other documents and do any other things that may be necessary to carry out the intent of this Agreement.

Severability

19.27 If any part of this Agreement is declared invalid by a court of law for any reason, the invalidity of that part will not affect the validity of the remainder which will continue in full force and effect.

19.28 As soon as possible after the declaration of invalidity of a part of this Agreement, the Parties shall agree to meet and discuss the effect of this invalidity on the remainder of this Agreement.

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Independent Legal Advice

19.29 Each of the Parties acknowledges that they have had the opportunity to obtain their own independent legal advice with respect to the terms of this Agreement prior to its execution.

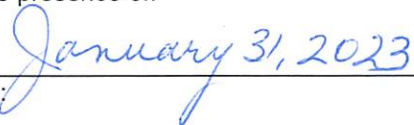
This Agreement has been executed by Peguis, the Agency and Canada by their duly authorized representatives.

**SIGNED ON BEHALF OF PEGUIS
FIRST NATION**, as represented by
Chief Glenn Hudson

By: 

Title: 

In the presence of: 

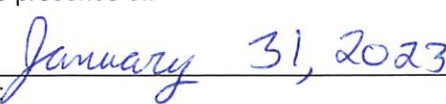
Date: 

**SIGNED ON BEHALF OF HIS
MAJESTY THE KING IN RIGHT OF
CANADA**, as represented by the
Minister of Indigenous Services

By: 

Title: _____

In the presence of: 

Date: 

**SIGNED ON BEHALF OF PEGUIS
CHILD AND FAMILY SERVICES**, as
represented by Louise McCorrister

By: 
Board Chairperson

I have authority to bind the Agency.

SCHEDULE A

The following are the Federally Supported Services of the Agency relating to the implementation of the Peguis Act in respect of which Canada will provide the funding calculated in accordance with Schedule B:

- a) Core services (protection, prevention, operations, First Nations Representative/Community Navigator Services);
- b) Governance;
- c) Dispute resolution for child and family services and the exercise of legislative authority as set out in the Coordination Agreement;
- d) Insurance costs;
- e) Post Majority Support Services;
- f) Administration;
- g) Information Technology (IT) and Information Management (IM);
- h) Operations and maintenance ("O&M"; O&M is for costs related to capital facilities/assets or physical space);
- i) Initial start-up, and;
- j) Capital and Capital Revitalization for existing Capital assets.

SCHEDULE B

CALCULATION AND PAYMENT SCHEDULE FOR FEDERAL TRANSFER PAYMENT FOR FEDERALLY SUPPORTED SERVICES

Definitions:

- a) **“FDDIPI”** means the Canada Final Domestic Demand Implicit Price Index, series V62307283, published regularly by Statistics Canada in Table 380 0066: Price Indexes, Gross Domestic Product, or its replacement series as specified by Statistics Canada;
- b) **“Volume Adjusters”** means the methodology for calculating adjustments to the Federal Transfer Payments based on changes in population set out in Schedule “B”;

all other capitalized terms have the same meaning as set out in the Canada Fiscal Agreement to which this Schedule “B” is an attachment.

FUNDING AMOUNTS AND ADJUSTMENT FACTORS

B1. Table 1 sets out:

- a) the base funding amounts (column 2); and
- b) the adjustments that will be made to the funding for subsequent Fiscal Years to calculate the Federal Transfer Payment for the subsequent Fiscal Year while this Agreement is in effect (column 3).

Table 1: Base and One-time Funding Amounts and Adjustment Factors

Column 1	Column 2	Column 3
Funding Category	Initial Fiscal Year Base Funding Amount (2022/2023)	Subsequent Fiscal Year Adjustors

Core services (protection, prevention, operations, First Nations Representative/Communi ty Navigator Services)	\$44,600,126	Price and Volume
Governance	\$2,612,816	Price
Dispute Resolution	\$1,250,000	Price
Liability Insurance Costs	\$110,000	Price and Volume
Post-Majority Support Services	\$2,934,484	Price and Volume
Administration	\$5,691,345	Price and Volume
Information Technology (IT) and Information Management (IM)	\$2,968,255	Price and Volume
Total base funding amount	\$60,167,026	See applicable adjustor
Initial start-up	\$3,079,092	n/a (one-time funding)
One-time Variance	\$16,697,925	n/a (one-time funding)
Total one-time	\$19,777,017	n/a (one-time funding)

- B2. Table 2 sets out the Capital and Operations and Maintenance amounts for each Fiscal Year (column 2, 3 and 4).
- B3. For greater certainty, the funding amounts set out in Table 2 will not be subject to the adjustment factors detailed in B7 to B10, and will be paid in accordance with the amounts set out in Table 2.

Table 2: Capital and Operation and Maintenance Funding Amounts

Column 1	Column 2	Column 3	Column 4
Funding Category	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025
Capital	\$15,100,000	Subject to future amendment pursuant to section 19.21 to 19.24 of this Agreement.	Subject of future amendment pursuant to section 19.21 to 19.24 of this Agreement.
Operations and maintenance	\$274,700	\$490,000	\$730,000
Total per Fiscal Year	\$15,374,700	\$490,000	\$730,000

CALCULATION OF FEDERAL TRANSFER PAYMENTS

Federal Transfer Payment

- B4. The Federal Transfer Payment for the initial Fiscal Year commencing April 1, 2022, will be the sum of the total base funding amount in Table 1 and the One-time Variance, Capital, and Operations and Maintenance amount set out in Column 2 of Table 2.
- B5. The Federal Transfer Payment for the initial Fiscal Year commencing April 1, 2022, will be reduced by \$20,034,555, the amount paid by Canada in respect of core services to Peguis and the Agency in that Fiscal Year.

Calculation of Federal Transfer Payments for Subsequent Fiscal Years

- B6. Calculation of the Federal Transfer Payments for subsequent Fiscal Years will be the sum of the total base funding in Table 1, with the respective annual adjustment factors applied (Column 3 of Table 1), and the Capital, Capital Revitalization for existing Capital assets and Operations and Maintenance amount specified for that Fiscal Year in Table 2, and if applicable, the amount calculated using Columns 2 and 3 of Table 3.

Adjustors

- B7. "Price Adjustor", which is subject to change each Fiscal Year will be calculated as follows:

$$\text{Price Adjustor} = \frac{\text{FDDIPI}_{fy-1}}{\text{FDDIPI}_{fy-2}}$$

where

FDDIPI_{fy-1} = FDDIPI for the third quarter of the calendar year one year before the Fiscal Year for which the Federal Transfer Payment is being calculated; and

FDDIPI_{fy-2} = FDDIPI for the third quarter of the calendar year two years before the Fiscal Year for which the Federal Transfer Payment is being calculated.

- B8. If the FDDIPI data is published too late to be used for the purpose of calculating the Federal Transfer Payment for a Fiscal Year, the Price Adjustor from the previous Fiscal Year, or an estimate otherwise agreed to by the parties, will be used until the FDDIPI data is published.
- B9. Once the required FDDIPI data has been published, Canada will make any necessary corrections in the next scheduled Federal Transfer Payment the Agency.

- B10. Volume Adjustor, which is subject to change each year, will be calculated as follows:

$$\text{Volume Adjustor} = \frac{\text{POPLN}_{fy-1}}{\text{POPLN}_{fy-2}}$$

where

POPLN_{fy-1} = The population of Peguis First Nation on October 31st of the calendar year one year before the Fiscal Year for which the Federal Transfer Payment is being calculated; and

POPLNfy-2= The population of Peguis First Nation on October 31st of the calendar year two years before the Fiscal Year for which the Federal Transfer Payment is being calculated.

TEMPORARY FUNDING FEDERAL TRANSFER PAYMENT CALCULATION

Table 3: Temporary Funding Schedule

COLUMN 1	COLUMN 2	COLUMN 3
Fiscal Year	Temporary Funding	Temporary Funding Adjustors
2022-2023	N/A	N/A
2023-2024	\$35,762,209	Price and Volume
2024-2025	\$35,762,209	Price and Volume

B11. Pursuant to section 9.1 to 9.6 of this Agreement, if Manitoba does not provide a financial contribution to the Agency after the 2022-2023 Fiscal Year, Canada will provide Temporary Funding up to the amount set out in Table 3.

B12. Should Manitoba provide the Agency with financial contributions in respect of Child and Family Services pursuant to section 9.1 to 9.6 of this Agreement, the Temporary Funding will be re-calculated as follows;

- a) for the 2023-2024 and 2024-2025 Fiscal Years, the Temporary Funding amount set out in Table 3, Column 2, will be reduced by an amount equivalent to Manitoba's funding contribution in respect of Child and Family Services for that Fiscal Year; and
- b) if Manitoba provides a funding contribution during the term of the Temporary Funding, the Federal Transfer Payment for the following Fiscal Year will be reduced by an amount equivalent to Manitoba's funding contribution.

B13. Calculation of the Temporary Funding for the 2024-2025 Fiscal Year will be adjusted using the 2023-2024 Temporary Funding Amount in Table 3, with the respective annual adjustment factors applied (Column 3 of Table 3).

B14. For greater certainty, irrespective of any Term extension to this Agreement, Temporary Funding will only be available for a maximum of two full Fiscal

Years.

- B15. For greater certainty, the Temporary Funding amount will be provided as a component of the Federal Transfer Payment and will be subject to the same terms and conditions set out in this Agreement.

TRANSFER PAYMENT SCHEDULE AND PAYMENT DIRECTION

- B16. For each Fiscal Year other than the year commencing April 1, 2022, Canada will make payments to the Agency on account of the Federal Transfer Payment, on April 1 of the Fiscal Year, or as soon as practicable following April 1 of each Fiscal Year.

- B17. For the Fiscal Year commencing April 1, 2022, the Federal Transfer Payment as adjusted under B5 will be paid as soon as practicable following the execution of this Agreement.

- B18. The Agency may direct that all or part of any Federal Transfer Payment payable under this Agreement be paid to the Agency in accordance with B16.

- B19. Payment directions:

- a) Peguis Child and Family Services
- b) will be made in writing;
- c) will be provided at least 60 days prior to the scheduled payment date listed in B16;
- d) will be revocable; and
- e) may be provided for any one or more Fiscal Years during the Term.

- B20. Receipt of any payment from Canada in accordance with a payment direction will constitute receipt by the Agency under this Agreement.

- B21. The Parties agree that delays in installments shall not constitute a breach of this Agreement provided that the total amount, as adjusted pursuant to B5, is paid prior to conclusion of the current Fiscal Year.

ANNUAL FISCAL PLAN

B22. Canada shall prepare and provide to the Agency, at least 90 days prior to the commencement of a Fiscal Year, an annual fiscal plan advising the Agency of the Federal Transfer Payment for that upcoming Fiscal Year.

a) The annual fiscal plan shall set out the data and calculations used to compute the Federal Transfer Payment and shall identify the installment schedule and amounts for the upcoming Fiscal Year in accordance with this Agreement.

b) The form of the annual fiscal plan shall be as agreed by the Parties.

B23. If the Agency advises Canada of an error, the Parties shall meet, as soon as practicable thereafter and no later than 30 days prior to the new Fiscal Year, to discuss the issue and to determine what corrections, if any, should be made to the Federal Transfer Payment.

B24. Failing agreement under B23:

a) If the issue is not resolved prior to the start of the new Fiscal Year, Canada shall pay installments to the Agency in accordance with the original annual fiscal plan prepared by Canada and any adjustment to the Federal Transfer Payment resulting from the later resolution of the issue shall be implemented as agreed by the Parties.

b) The issue may be referred by either Party to dispute resolution pursuant to section 18 of this Agreement.



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