

**Pine Creek First Nation  
Consolidated Financial Statements**

*March 31, 2023*

**Pine Creek First Nation**  
**Consolidated Contents**  
*For the year ended March 31, 2023*

---

	Page
<b>Management's Responsibility</b>	
<b>Independent Auditors' Report</b>	
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus .....	3
Consolidated Statement of Change in Net Debt.....	4
Consolidated Statement of Cash Flows.....	5
<b>Notes to the Consolidated Financial Statements.....</b>	<b>6</b>
<b>Schedules</b>	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	22
Schedule 2 - Schedule of Consolidated Expenses by Object.....	24
Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses.....	25
Schedule 4 - Consolidated Schedule of Revenue and Expenses - Employment and Training.....	26
Schedule 5 - Consolidated Schedule of Revenue and Expenses - Governance and Administration.....	27
Schedule 6 - Consolidated Schedule of Revenue and Expenses - Health Authority.....	29
Schedule 7 - Consolidated Schedule of Revenue and Expenses - Housing Authority (CMHC).....	30

## **Management's Responsibility**

---

To the Chief and Council and Members of Pine Creek First Nation:

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

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

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

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

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

June 27, 2024



Director of  
Operations

Director of Finance

---

## Independent Auditors' Report

---

To the Chief and Council and Members of Pine Creek First Nation:

### **Opinion**

We have audited the financial statements of Pine Creek First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and accumulated operating surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

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

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

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

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the 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 financial statements.

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

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

Portage la Prairie, Manitoba

June 27, 2024

**MNP LLP**

Chartered Professional Accountants

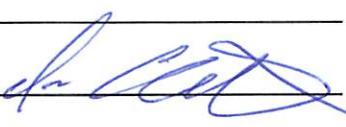
**Pine Creek First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2023*

	<b>2023</b>	2022
<b>Financial assets</b>		
<b>Current</b>		
Cash	3,659,550	4,821,690
Accounts receivable (Note 4)	1,969,532	882,662
Portfolio investments (Note 5)	250,045	-
Investments (Note 6)	-	1,000,000
Restricted cash (Note 7)	317,525	17,269
	<b>6,196,652</b>	6,721,621
<b>Investment in Nation business entities (Note 8)</b>	<b>3,210,085</b>	3,218,119
<b>Funds held in trust (Note 9)</b>	<b>377,878</b>	369,581
<b>Funds on deposit (Note 10)</b>	<b>446,534</b>	314,286
<b>Total financial assets</b>	<b>10,231,149</b>	10,623,607

**Pine Creek First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2023*

	2023	2022
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 12)	1,779,203	643,503
Deferred revenue (Note 13)	6,180,449	7,225,519
Current portion of long-term debt (Note 14)	314,100	453,100
Current portion of term loans subject to refinancing (Note 14)	1,299,526	-
	9,573,278	8,322,122
Term loans due on demand (Note 14)	796,995	-
<b>Subtotal of current liabilities and term loans</b>	<b>10,370,273</b>	8,322,122
Long-term debt (Note 14)	5,935,756	7,546,408
<b>Total financial liabilities</b>	<b>16,306,029</b>	15,868,530
<b>Net debt</b>	<b>(6,074,880)</b>	(5,244,923)
<b>Contingencies (Note 15)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	21,498,425	22,049,979
Prepays (Note 16)	73,638	21,010
Construction in progress (Note 17)	11,877,710	6,627,133
<b>Total non-financial assets</b>	<b>33,449,773</b>	28,698,122
<b>Accumulated surplus (Note 24)</b>	<b>27,374,893</b>	23,453,199

Approved on behalf of Chief and Council

 <hr style="border: 0.5px solid black; margin: 5px 0;"/> <b>Chief</b> <hr style="border: 0.5px solid black; margin: 5px 0;"/> <b>Councillor</b> <hr style="border: 0.5px solid black; margin: 5px 0;"/> <b>Councillor</b>	 <hr style="border: 0.5px solid black; margin: 5px 0;"/> <b>Councillor</b> <hr style="border: 0.5px solid black; margin: 5px 0;"/> <b>Councillor</b> <hr style="border: 0.5px solid black; margin: 5px 0;"/> <b>Councillor</b>
--	--

**Pine Creek First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2023*

	<i>Schedules</i>	<i>2023 Budget</i>	<i>2023</i>	<i>2022</i>
<b>Revenue</b>				
Indigenous Services Canada (Note 18)	14,304,682	20,759,805	17,033,514	
First Peoples Development Inc. (Note 18)	998,773	633,620	946,412	
Canada Mortgage and Housing Corporation (Note 18)	200,226	375,374	581,205	
Earnings from investment in Nation business entities	-	1,167,951	134,413	
Province of Manitoba	58,000	847,182	212,030	
Administration fees	372,015	665,214	591,332	
Other income	121,047	595,839	444,745	
Assembly of Manitoba Chiefs - early learning and child care	639,844	553,885	276,447	
Rental income	292,160	385,383	500,290	
User fees	-	52,779	42,045	
Minimum band contribution	-	40,853	151,233	
Interest income	-	12,373	2,066	
Daycare fees	-	7,185	4,448	
Donations	-	6,850	67,884	
Deferred revenue - prior year	800,000	7,225,520	4,948,042	
Deferred revenue - current year	-	(6,180,449)	(7,225,520)	
		<b>17,786,747</b>	<b>27,149,364</b>	<b>18,710,586</b>
<b>Program expenses</b>				
Employment and Training	4	685,988	696,499	709,199
Governance and Administration	5	8,520,547	15,408,540	11,594,352
Health Authority	6	3,206,680	4,838,122	3,734,796
Housing Authority - CMHC	7	240,249	1,923,203	1,458,673
<b>Total expenditures (Schedule 2)</b>		<b>12,653,464</b>	<b>22,866,364</b>	<b>17,497,020</b>
<b>Surplus before other items</b>		<b>5,133,283</b>	<b>4,283,000</b>	<b>1,213,566</b>
<b>Other items</b>				
Capital purchases		(508,377)	-	-
Construction in progress		(2,439,844)	-	-
Contribution to Abinoojiak Nigaan Children First Service		-	(242,984)	-
Involuntary disposal of tangible capital asset		-	(118,322)	-
		<b>(2,948,221)</b>	<b>(361,306)</b>	<b>-</b>
<b>Surplus before transfers</b>		<b>2,185,062</b>	<b>3,921,694</b>	<b>1,213,566</b>
<b>Transfers</b>		<b>-</b>	<b>-</b>	<b>(36,000)</b>
<b>Surplus</b>		<b>2,185,062</b>	<b>3,921,694</b>	<b>1,177,566</b>
<b>Accumulated surplus, beginning of year</b>		<b>-</b>	<b>23,453,199</b>	<b>22,275,633</b>
<b>Accumulated surplus, end of year</b>		<b>2,185,062</b>	<b>27,374,893</b>	<b>23,453,199</b>

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

**Pine Creek First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i>	<b>2023</b>	2022
<b>Annual surplus</b>	<b>2,185,062</b>	<b>3,921,694</b>	1,177,566
Purchases of tangible capital assets	-	(3,419,958)	(2,031,606)
Amortization of tangible capital assets	-	2,590,119	2,549,909
Involuntary loss on disposal of tangible capital asset	-	1,381,394	-
Net book value of transferred tangible capital assets	-	-	2,835,955
Use of prepaid expenses	-	11,010	188,158
Acquisition of prepaid expenses	-	(63,639)	(21,010)
Acquisition of construction in progress	-	(6,839,955)	(2,349,277)
Construction in progress capitalized	-	1,589,378	689,043
	-	(4,751,651)	1,861,172
<b>Decrease (increase) in net debt</b>	<b>2,185,062</b>	<b>(829,957)</b>	3,038,738
<b>Net debt, beginning of year</b>	<b>(8,283,661)</b>	<b>(5,244,923)</b>	(8,283,661)
<b>Net debt, end of year</b>	<b>(6,098,599)</b>	<b>(6,074,880)</b>	(5,244,923)

**Pine Creek First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	3,921,694	1,177,566
Non-cash items		
Amortization	2,590,119	2,549,909
Involuntary loss on disposal of tangible capital asset	1,381,394	-
Earnings from investment in Nation business entities	(1,167,951)	(134,413)
	6,725,256	3,593,062
Changes in working capital accounts		
Accounts receivable	(1,086,870)	(627,024)
Prepaid expenses	(52,629)	167,159
Funds held in trust	(8,297)	(621)
Funds on deposit	(132,248)	-
Portfolio investments	(250,045)	-
Investments	1,000,000	(1,000,000)
Restricted cash	(300,256)	(43)
Accounts payable and accruals	1,135,700	(74,491)
Deferred revenue	(1,045,070)	2,277,477
	5,985,541	4,335,519
<b>Financing activities</b>		
Advances of long-term debt	796,995	792,441
Repayment of long-term debt	(450,126)	(295,678)
	346,869	496,763
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,830,580)	(2,031,606)
Acquisition of construction in progress	(6,839,955)	(1,660,235)
	(8,670,535)	(3,691,841)
<b>Investing activities</b>		
Advances (to) from Nation business entities	1,175,985	(438,701)
<b>Increase (decrease) in cash resources</b>	<b>(1,162,140)</b>	<b>701,740</b>
<b>Cash resources, beginning of year</b>	<b>4,821,690</b>	<b>4,119,950</b>
<b>Cash resources, end of year</b>	<b>3,659,550</b>	<b>4,821,690</b>

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

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**1. Operations**

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

**2. Change in accounting policies**

Effective April 1, 2022, the First Nation adopted the recommendations relating to Asset Retirement Obligations and Financial Instruments, as set out in the Canadian public sector accounting standards.

***Financial instruments***

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

***Asset retirement obligations***

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

**3. Significant accounting policies**

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

***Reporting entities consolidated***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation's reporting entity. Trusts administered on behalf of third parties by Pine Creek First Nation are excluded from the First Nation's reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Pine Creek First Nation Employment and Training
- Pine Creek First Nation Governance and Administration
- Pine Creek First Nation Health Authority
- Pine Creek First Nation Housing Authority (CMHC)

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

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

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Pine Creek First Nation business entities and government business partnerships, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in this entity is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

The entity accounted for by the modified equity basis includes:

- Pine Creek First Nation Economic Development Corporation

**Basis of presentation**

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

**Cash resources**

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

**Investments**

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Investments measured at fair value include equity and interest bearing investments quoted in the active market and investments measured at cost include private equity investments. Changes in fair value are recorded immediately in the deficiency of revenues over expenses.

**Tangible capital assets**

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

**Amortization**

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

	<b>Method</b>	<b>Rate</b>
Automotive	straight-line	20 %
Buildings	straight-line	4 %
Computers	straight-line	25-30 %
Equipment	straight-line	20 %
Facilities	straight-line	4 %
Housing	straight-line	4 %
Roads	straight-line	2.5 %
Water and sewer	straight-line	2.5 %

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

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

***Funds held in Trust***

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

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

Other funds held in trust consist of:

- First Nations Finance Authority payments to its debt reserve fund are monies held in Trust by the First Nations Finance Authority for security on the First Nation's outstanding loans;
- Funds held in Trust by Law Firm consist of monies held for future legal fees to settle debt in joint venture.

***Long-lived assets***

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in operations for the year.

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, construction in progress, and prepaid expenses.

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2023.

No liability has been recorded as of March 31, 2023 as funding from government agencies will offset any costs associated with the closure of contaminated sites.

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

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

***Financial instruments***

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

***Net debt***

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

***Revenue recognition***

***Government Transfers***

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

***Externally restricted revenue***

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

***Rental and other revenue***

Rental revenue is recognized over the rental term. Other revenues are earned from other services provided by the Nation and are recognized at their fair value when the service has been provided. Retail sales are recognized when the sale is made and the customer takes possession of the merchandise.

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

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

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies review of consolidated financial statements. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

***Asset retirement obligation***

A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized. No asset retirement obligations were identified as at March 31, 2023.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

***Segments***

The First Nation conducts its business through four reportable segments as identified below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These segments are differentiated by the major activities or services they provide. The Nation's segments are as follows:

- **Employment and Training** - activities include the operations of employment and training programs to assist community members overcome potential employment barriers and the operations of the daycare.
- **Governance and Administration** - activities include administration and governance activities relating to defining expectations, decision making and assessing performance, the operations and funding of education programs, social programs and planning and delivery of capital investment activities.
- **Health Authority** - activities include planning and delivery of the Nation's Health funding and projects.
- **Housing Authority** - activities include management, maintenance and reporting on band owned housing projects and management, maintenance and reporting on CMHC housing projects.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 3 under reporting entity.

***Employee future benefits***

The Nation's employee future benefit programs consist of defined contribution pension plans. The Nation's contributions to the defined contribution plans are expensed as incurred.

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**4. Accounts receivable**

	<b>2023</b>	2022
Indigenous Services Canada	771,114	100,616
Province of Manitoba	265,849	125,849
First Peoples Development Inc.	224,967	4,123
CMHC subsidy assistance receivable	56,033	293,040
Trade receivables	860,243	499,259
	<b>2,178,206</b>	1,022,887
Less: Allowance for doubtful accounts	<b>208,674</b>	140,225
	<b>1,969,532</b>	882,662

Accounts receivable from Indigenous Services Canada pertains to the following programs:

Accreditation Services	\$ 5,850
Community Buildings	\$ 636,420
Community Facilities	\$ 1,759
Fire Protection Equipment	\$ 15,532
Firesmart	\$ 99,767
Health Planning Management	\$ 7,837
Recovery - Red Cross - Field	\$ 849
Targeted Lands	\$ 3,100
	<b>\$ 771,114</b>

**5. Portfolio investments**

	<i>Number of shares</i>	<b>2023</b>	2022
Measured at cost: Scimar Ltd.	76,924	<b>250,045</b>	-

**6. Investments**

Investments included a Guaranteed Investment Certificates amounting to \$nil (2022 - \$1,000,000), interest at nil (2022 - 0.75%), investment matured during the year.

**7. Restricted cash**

Restricted cash is comprised of \$317,525 (2022 - \$17,269) for the purpose of funding CMHC replacement reserves.

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**8. Investment in Nation business entities**

The First Nation holds the following investment in a government business enterprise:

	<b>2023</b>	<b>2022</b>
<b>Pine Creek First Nation Economic Development Corporation</b>		
Balance, beginning of year	3,218,119	-
Advances to (repayment from) Nation business entities	(1,175,985)	3,083,706
Add: share of Net Income	1,167,951	134,413
	<b>3,210,085</b>	3,218,119

The condensed financial information for the investment in Nation business enterprise for the year ending March 31, 2023 is as follows:

	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Earnings</b>
<b>2023</b>	1,945,140	440,758	1,504,382	8,471,217	7,303,266	1,167,951
<b>2022</b>	4,690,522	1,456,024	3,234,498	5,751,723	(5,617,310)	134,413

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**9. Funds held in trust**

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

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets;
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust;
- First Nations Finance Authority payments to its debt reserve fund are monies held in Trust by the First Nations Finance Authority for security on the First Nation's outstanding loans;
- Funds held in Trust by Law Firm consist of monies held for future buy-out of franchise agreement and repayment of promissory note and for future legal fees to settle debt in joint venture.

	<b>2023</b>	<b>2022</b>
<b>Capital Trust</b>		
Balance, end of year	<b>24</b>	<b>24</b>
<b>Revenue Trust</b>		
Balance, beginning of year	15,768	15,147
Interest	911	621
Balance, end of year	<b>16,679</b>	15,768
<b>First Nations Finance Authority Debt Reserve Fund</b>		
Balance, beginning of year	133,789	131,766
Interest	7,386	2,023
Balance, end of year	<b>141,175</b>	133,789
<b>Funds held in trust by Law Firm</b>		
Balance, beginning of year	220,000	685,000
Less: Transfers to Nation business entities	-	465,000
Balance, end of year	<b>220,000</b>	220,000
	<b>377,878</b>	369,581

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**10. Funds on deposit**

The balance of funds on deposit at year end includes \$132,248 paid to CMHC for insurance proceeds on a Phase 18 rebuild and \$314,286 (\$314,286 - 2022) for payments that were made to Kehler Industrial for the repairs of the water treatment plant that are yet to commence.

**11. Line of credit**

At March 31, 2023, the First Nation had a Royal Bank of Canada line of credit subject to interest at prime plus 2.00% amounting to \$nil (2022 - \$nil) to a maximum of \$50,000 (2022 - \$50,000), and is secured by a General Security Agreement constituting a first ranking security interest in all Nation property.

**12. Accounts payable and accruals**

	<b>2023</b>	<b>2022</b>
Indigenous Services Canada	397,285	343,556
Trade payables	1,381,918	290,365
Payroll liabilities	-	9,583
	<b>1,779,203</b>	643,504

Accounts payable to Indigenous Services Canada pertains to the following programs:

Band Support Funding	\$ 250,230
Recovery	\$ 66,901
Medical Transportation	\$ 53,729
Skills Link	<u>\$ 6,425</u>
	<u>\$ 397,285</u>

**13. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance March 31, 2022	Funding received	Funding recognized	Balance March 31, 2023
<b>Indigenous Services Canada</b>				
FN Representative Service	-	290,924	(190,017)	<b>100,907</b>
IRS - Missing Children	63,094	190,000	(253,094)	-
Safe Restart - Band Office	6,324	-	(6,324)	-
SCO - CFS	4,413	550,000	(554,413)	-
Administration Post-Secondary	5,267	33,911	(39,178)	-
Post-Secondary Student Support	949,489	1,494,730	(2,295,455)	<b>148,764</b>
Prov/Private Administration	111,683	200,137	(280,548)	<b>31,272</b>
Prov/Private Student Support	190,541	254,056	(35,490)	<b>409,107</b>
Bands and Private Housing	109,000	-	(109,000)	-
Capital - Fire Protection	9,136	54,123	(63,259)	-
Capacity/Innovation	90,058	-	(18,437)	<b>71,621</b>
Capital - Water System - WTP Repairs	176,757	-	(176,757)	-
Community Buildings	24,172	224,780	(192,191)	<b>56,761</b>
Community Buildings - Repair & Equipment	-	803,330	(167,100)	<b>636,230</b>

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
For the year ended March 31, 2023

---

**13. Deferred revenue (Continued from previous page)**

Construction of New Home	908,417	1,580,000	(2,488,417)	-
EDUC - Train + Build Capacity	-	11,000	(5,127)	<b>5,873</b>
EMAP	2,810	70,600	(63,931)	<b>9,479</b>
FireSmart	46,086	-	(21,100)	<b>24,986</b>
Infrastructure Construction Transfer Station	15,281	120,086	(114,689)	<b>20,678</b>
LEDSP Targeted - Lands	-	79,900	(32,140)	<b>47,760</b>
Lot Servicing	2,381	-	(2,381)	-
CED Non Block/Core Allocation	13,935	77,741	(83,241)	<b>8,435</b>
Planning	72,500	-	(72,500)	-
Renovations - Housing Renovations	296,818	-	(296,818)	-
Covid-19 Indigenous Community Support	180	-	(180)	-
Response - Wild Fire Preparation	46,500	-	(30,267)	<b>16,233</b>
Roads and Bridges	35,702	511,206	(509,244)	<b>37,664</b>
Solid Waste	-	200,012	(125,614)	<b>74,398</b>
Wastewater Systems	-	226,955	(197,754)	<b>29,201</b>
Waste Diversion Management	100,547	-	(29,270)	<b>71,277</b>
Water Systems	41,129	603,241	(552,746)	<b>91,624</b>
Basic Needs	-	2,468,020	(2,383,076)	<b>84,944</b>
Basic Needs - Additional Covid Support	200,000	-	(200,000)	-
Case Management Capacity	40,647	-	(40,647)	-
Case Management Capacity	18,709	86,000	(93,883)	<b>10,826</b>
Client Support	179,449	179,823	(359,272)	-
FNCFS Capital	-	1,028,837	-	<b>1,028,837</b>
IA Skills Link	126,062	101,011	(130,096)	<b>96,977</b>
In-Home Care	23,205	109,333	(132,538)	-
Prev/Least Disruptive Measures	-	1,897,994	(1,489,583)	<b>408,411</b>
Prevention Projects	4,057	-	(4,057)	-
Service Delivery	-	254,010	(150,734)	<b>103,276</b>
Service Delivery COVID-19 Top Up	51,849	-	(51,849)	-
Service Delivery COVID-19	68,403	-	-	<b>68,403</b>
Service Delivery - Infrastructure	71,185	33,632	(85,504)	<b>19,313</b>
Skills Link	-	101,011	(67,529)	<b>33,482</b>
Special Needs	-	70,370	(58,211)	<b>12,159</b>
Supportive Care - Elder's Lodge	301,973	-	-	<b>301,973</b>
Aboriginal Diabetes Initiative	200	35,398	(35,598)	-
Accreditation	70,807	30,850	(9,273)	<b>92,384</b>
Canadian Prenatal Nutrition Program	7,354	32,224	(27,003)	<b>12,575</b>
Capital Investments	-	16,900	-	<b>16,900</b>
Common Disease Emergence	595,132	24,357	(619,489)	-
Community Health Representative	30,712	57,119	(87,831)	-
Health Planning and Management	2,007	99,851	(83,566)	<b>18,292</b>
Home and Community Care	111,559	718,589	(631,396)	<b>198,752</b>
JP-Allied Health	70,354	81,000	(151,354)	-
JP-Cultural ACT & SUPP	7,400	332,958	(340,358)	-
JP-Education	21,160	583,361	(604,521)	-
JP-Jordan's Principle	30,290	-	(30,290)	-
JP-Major Capital	-	35,000	(30,967)	<b>4,033</b>
JP-Mental Wellness Other	-	193,925	(190,278)	<b>3,647</b>
JP-Respite Care	164,408	103,595	(259,226)	<b>8,777</b>
JP-Service Coordination	51,407	-	(46,989)	<b>4,418</b>
JP-Social Services	81,000	570,097	(651,097)	-
Maternal Child Health	42,058	152,244	(194,302)	-
Medical Transport	20,218	509,541	(529,759)	-
Medical Transport - Other	23,417	-	(23,417)	-
Mental Wellness	95,943	449,354	(545,297)	-
Nurse Support	4,564	43,458	(48,022)	-

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**13. Deferred revenue (Continued from previous page)**

Renovations - \$400K	78,020	-	(78,020)	-
Capital Development Strategy \$50k	-	50,000	(47,779)	2,221
Capacity Development \$20k	-	20,000	(3,210)	16,790
Renovation	-	320,000	(287,756)	32,244
Home Community Care Development	270,000	-	(2,218)	267,782
Capital Renovation - \$480k	-	776,818	(353,628)	423,190
Skills Link	-	72,345	(68,364)	3,981
	<b>6,185,769</b>	<b>19,215,757</b>	<b>(20,234,669)</b>	<b>5,166,857</b>
<b>Other</b>				
Canadian Heritage	69,000	-	(52,919)	16,081
Early Learning and Child Care	462,058	553,885	(1,015,943)	-
Minegoziibe Resource Management	-	470,000	(253,299)	216,701
Safety Officer Program	14,760	140,750	(100,673)	54,837
Planning Design and Construction - New Housing	7,634	-	(7,634)	-
Post 1996 Insurance Proceeds	-	132,248	-	132,248
First Peoples' Development Inc. - Child Care	316,349	201,582	(167,529)	350,402
First Peoples' Development Inc. - Consolidated Revenue	57,199	281,161	(306,495)	31,865
Funds				
First Peoples' Development Inc. - Employment Insurance	112,750	162,259	(79,487)	195,522
First Peoples' Development Inc. - Labour Market Initiative	-	37,798	(21,862)	15,936
	<b>1,039,750</b>	<b>1,979,683</b>	<b>(2,005,841)</b>	<b>1,013,592</b>
	<b>7,225,519</b>	<b>21,195,440</b>	<b>(22,240,510)</b>	<b>6,180,449</b>

**14. Long-term debt**

	2023	2022
First Nation Finance Authority loan for capital investments, payable in monthly instalments of \$10,589 including interest at 1.90%, due June 2030, secured by the Nation's future tobacco tax rebates.	2,464,143	2,543,485
RBC loan repayable in monthly instalments of \$17,160 plus interest at prime plus 0.88%, due October 2023, secured by a General Security Agreement constituting a first ranking security interest in all Nation property.	1,299,526	1,385,326
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$4,253, including interest at 0.98%. Mortgage matures April 1, 2040 and is secured by Band Council Resolution redirecting all ISC funding (Phase 7 - Post 1996).	802,519	845,472
BMO loan repayable in monthly instalments of \$5,192 plus interest at prime plus 0.50%, due March 2028. Loan authorized for a maximum of \$1,516,125.	796,995	-
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$5,062, including interest at 3.70%. Mortgage matures November 1, 2037 and is secured by Band Council Resolution redirecting all ISC funding (Phase 3 - Post 1996).	688,029	726,831
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$2,453, including interest at 1.91%. Mortgage matures June 1, 2044 and is secured by Band Council Resolution redirecting all ISC funding (Phase 6 - Post 1996).	514,218	533,672

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**14. Long-term debt** *(Continued from previous page)*

Canada Mortgage and Housing Corporation mortgage not fully disbursed. (Phase 9 - Post 1996).	<b>493,156</b>	493,156
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$1,627, including interest at 1.22%. Mortgage matures May 1, 2046 and is secured by Band Council Resolution redirecting all ISC funding (Phase 8 - Post 1996).	<b>393,991</b>	404,456
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$3,338, including interest at 2.22%. Mortgage matures January 1, 2034 and is secured by Band Council Resolution redirecting all ISC funding (Phase 5 - Post 1996).	<b>385,550</b>	416,711
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$1,336, including interest payable at 0.96%. Mortgage matures September 1, 2040 and is secured by Band Council Resolution redirecting all ISC funding (Phase 4 - Post 1996)	<b>258,167</b>	271,652
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$2,969, including interest at 1.73%. Mortgage matures October 1, 2028 and is secured by Band Council Resolution redirecting all ISC funding (Phase 2 - Post 1996).	<b>189,513</b>	221,572
Canada Mortgage and Housing Corporation mortgage repayable in monthly instalments of \$3,831, including interest at 1.69%. Mortgage matures July 1, 2024 and is secured by Band Council Resolution redirecting all ISC funding (Phase 1 - Post 1996).	<b>60,570</b>	105,115
<b>Loan repaid during the year.</b>	<b>-</b>	52,060
	<b>8,346,377</b>	7,999,508
<b>Less: term loans due on demand</b>	<b>796,995</b>	-
<b>Less: term loans subject to refinancing</b>	<b>1,299,526</b>	-
<b>Less: current portion</b>	<b>314,100</b>	453,100
	<b>5,935,756</b>	7,546,408

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

	Principal
2024	314,100
2025	288,100
2026	277,100
2027	280,100
2028	284,100
	<hr/>
	1,443,500

Interest on long-term debt amounted to \$61,067 (2022 - \$51,155).

**15. Contingent liabilities**

The Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2023 might be recovered.

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**16. Prepaid expenses**

	<b>2023</b>	2022
Prepaid general expenses	16,035	21,010
Deposit on automotive	57,603	-
	<b>73,638</b>	21,010

**17. Construction in progress**

	<b>2023</b>	2022
Waste Transfer Station	3,018,801	2,037,955
ISC 7 Homes	2,395,983	827,024
Daycare/Headstart Centre	1,899,688	451,761
CMHC - Section 95 Housing Project - Phase 19	1,197,991	-
Community Hall	1,370,970	1,350,393
CMHC - Section 95 Housing Project - Phase 18	969,617	370,622
Nursing Station	548,000	-
Bluesky Wellness Centre	323,000	-
McKay's Store	123,660	-
Jordan's Principal - Wellness Centre	30,000	-
Family Resource Centre	-	1,280,956
ISC Housing Response Program	-	308,422
	<b>11,877,710</b>	6,627,133

Construction continued on Waste Transfer Station with a completion date of November 2023,

Construction continued on ISC 7 Homes with a projected completion date of February 2024.

Construction continued on Daycare / Headstart Centre with a completion date of July 2023.

Construction continued on the CMHC Section 95 - Phase 19 housing project with an expected completion date of February 2024.

Construction continued on Community Hall with a completion date of December 2023.

Construction continued on the CMHC Section 95 - Phase 18 housing project with an expected completion date of January 2024.

Construction began during the year on a Nursing Station with a completion date of September 2023.

Construction began during the year on the Bluesky Wellness Centre with a completion date of May 2024.

Construction began during the year on McKay's Store with a completion date of October 2023

Construction began during the year on the JP-Wellness Centre with an unknown completion date at the report date..

Construction on the Family Resource Centre was completed in the year.

Construction of housing related to the ISC Housing Response Program was completed in the year.

**18. Government transfers**

During the year, the First Nation recognized the following government transfers as per revenue confirmations:

	<b>2023</b>	2022
Indigenous Services Canada - operational program funding (Note 21)	20,759,805	17,033,517
First Peoples Development Inc. - operational program funding	633,620	946,412
Canada Mortgage and Housing Corporation - operational program funding	375,374	581,205
Province of Manitoba	847,182	212,030
	<b>22,615,981</b>	18,773,164

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**19. Economic dependence**

Pine Creek First Nation receives substantially all of its revenue from Indigenous Services Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**20. Budget information**

The disclosed budget information has been approved by the Chief and Council of Pine Creek First Nation on April 12, 2022.

**21. Indigenous Services Canada funding**

	2023	2022
Indigenous Services Canada confirmation balance	<b>20,759,805</b>	17,033,514
Indigenous Services Canada per consolidated financial statements	<b>20,759,805</b>	17,033,514

**22. Financial Instruments**

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Credit Risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

***Risk management***

The First Nation manages its credit risk by performing regular credit assessments of its customers, provides allowances for potentially uncollectible accounts receivable.

***Liquidity Risk***

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors; lease office equipment from various creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of long-term debt are disclosed in Note 14.

The First Nation manages the liquidity risk resulting from accounts payable; long-term debt; by diversifying its sources of funding.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities.

The First Nation is exposed to interest rate price risk on its long-term debt as they are at fixed and variable rates. The First Nation's rates and maturity dates are detailed in Note 14. Fixed rate long-term debt totals \$6,249,856 (2022 - \$6,614,182) and variable long-term debt totals \$2,096,521 (2022 - \$1,385,326).

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**23. Comparative figures**

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

**Pine Creek First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

---

**24. Accumulated surplus**

Accumulated surplus consists of the following:

	<i>Operating</i> <i>Fund</i>	<i>Enterprise</i> <i>Fund</i>	<i>Replacement</i> <i>reserve</i>	<i>Trust</i> <i>Funds</i>	<b>2023</b> <b><i>Total</i></b>	<b>2022</b> <b><i>Total</i></b>
	<b>CMHC</b>					
Beginning of year	20,051,923	3,234,490	17,229	149,557	<b>23,453,199</b>	22,275,633
Current year surplus (deficit)	2,445,150	1,167,951	300,296	8,297	<b>3,921,694</b>	1,177,566
	<b>22,497,073</b>	<b>4,402,441</b>	<b>317,525</b>	<b>157,854</b>	<b>27,374,893</b>	23,453,199

Accumulated surplus by segment consists of the following:

Pine Creek First Nation Governance and Administration	17,041,879	-	-	157,854	<b>17,199,733</b>	14,274,336
Pine Creek First Nation Employment and Training	(44,294)	-	-	-	<b>(44,294)</b>	(36,278)
Pine Creek First Nation Health	1,859,727	-	-	-	<b>1,859,727</b>	1,604,056
Pine Creek First Nation Housing Authority (CMHC)	3,639,761	-	317,525	-	<b>3,957,286</b>	4,376,595
Business Government Enterprise	-	4,402,441	-	-	<b>4,402,441</b>	3,234,490
	<b>22,497,073</b>	<b>4,402,441</b>	<b>317,525</b>	<b>157,854</b>	<b>27,374,893</b>	23,453,199

**Pine Creek First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2023*

	<i>Automotive</i>	<i>Buildings</i>	<i>Computers</i>	<i>Equipment</i>	<i>Facilities</i>	<i>Housing</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	1,916,902	1,372,419	96,801	383,142	33,283,274	18,153,768	55,206,306
Acquisition of tangible capital assets	314,145	2,775,038	5,418	8,332	-	-	3,102,933
Disposal of tangible capital assets	-	(1,381,394)	-	-	-	-	(1,381,394)
Balance, end of year	2,231,047	2,766,063	102,219	391,474	33,283,274	18,153,768	56,927,845
<b>Accumulated amortization</b>							
Balance, beginning of year	1,489,340	277,633	42,590	40,611	22,833,751	11,500,103	36,184,028
Annual amortization	242,700	1,429,636	28,250	3,739	-	706,300	2,410,625
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	1,732,040	1,707,269	70,840	44,350	22,833,751	12,206,403	38,594,653
<b>Net book value of tangible capital assets</b>	<b>499,007</b>	<b>1,058,794</b>	<b>31,379</b>	<b>347,124</b>	<b>10,449,523</b>	<b>5,947,365</b>	<b>18,333,192</b>
	2022						
Net book value of tangible capital assets	427,562	1,094,786	54,211	342,529	10,449,523	6,653,665	19,022,276

**Pine Creek First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2023*

	<i>Subtotal</i>	<i>Land</i>	<i>Roads</i>	<i>Water and Sewer</i>	<i>2023</i>	<i>2022</i>
<b>Cost</b>						
Balance, beginning of year	55,206,306	398,366	1,953,440	4,935,809	62,493,921	64,145,178
Acquisition of tangible capital assets	3,102,933	-	317,025	-	3,419,958	2,031,606
Disposal of tangible capital assets	(1,381,394)	-	-	-	(1,381,394)	(3,682,863)
Balance, end of year	56,927,845	398,366	2,270,465	4,935,809	64,532,485	62,493,921
<b>Accumulated amortization</b>						
Balance, beginning of year	36,184,028	-	1,497,124	2,762,788	40,443,940	38,740,938
Annual amortization	2,410,625	-	56,100	123,395	2,590,120	2,549,909
Accumulated amortization on disposals	-	-	-	-	-	(846,905)
Balance, end of year	38,594,653	-	1,553,224	2,886,183	43,034,060	40,443,942
<b>Net book value of tangible capital assets</b>	<b>18,333,192</b>	<b>398,366</b>	<b>717,241</b>	<b>2,049,626</b>	<b>21,498,425</b>	<b>22,049,979</b>
Net book value of tangible capital assets	19,022,276	398,366	456,316	2,173,021	22,049,979	2022

**Pine Creek First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	2022
<b>Consolidated expenses by object</b>			
Administration	561,792	<b>665,214</b>	612,995
Amortization	-	<b>2,590,119</b>	2,549,909
Bank charges and interest	6,547	<b>151,737</b>	65,769
Basic needs	811,235	<b>1,769,062</b>	1,540,211
Community donations	-	<b>8,640</b>	-
Construction expense	-	<b>96,169</b>	-
Consulting	-	<b>5,006</b>	-
Contracted services	1,099,645	<b>1,560,658</b>	973,520
Equipment purchases	6,300	<b>50,335</b>	20,000
Equipment rental	2,500	<b>81,604</b>	53,112
Funeral	-	<b>23,317</b>	30,322
Honouraria(um)	352,624	<b>701,658</b>	125,505
Insurance	286,133	<b>338,720</b>	249,065
Interest on long-term debt	-	<b>61,067</b>	51,155
Materials	-	<b>353,692</b>	5,907
Minimum band contribution	-	<b>40,853</b>	151,283
Miscellaneous	-	<b>39,136</b>	100
Office	362,566	<b>345,065</b>	73,200
Office rent	12,000	-	12,000
Professional development	-	<b>378,999</b>	137,010
Professional fees	297,580	<b>843,571</b>	880,561
Program expenses	3,720,213	<b>1,568,835</b>	969,377
Property tax	-	<b>13,717</b>	-
Rent	-	<b>16,452</b>	52,871
Repairs and maintenance	570,469	<b>263,176</b>	513,745
Residential Rehabilitation Assistance Program	-	<b>1,750</b>	-
Salaries and benefits	5,354,886	<b>4,787,404</b>	4,275,582
Shelter allowance	136,200	<b>131,009</b>	157,939
Special needs	70,370	<b>57,941</b>	98,593
Student allowances	-	<b>884,285</b>	677,638
Student expenses	138,600	<b>158,144</b>	11,976
Supplies	182,408	<b>1,179,436</b>	1,202,934
Telephone	125,588	<b>97,653</b>	91,612
Training	-	<b>70,079</b>	62,165
Travel	980,103	<b>1,706,144</b>	698,090
Tuition	1,250,505	<b>1,261,484</b>	579,952
User fees	-	<b>23,915</b>	22,202
Utilities	557,023	<b>540,318</b>	550,720
	<b>16,885,287</b>	<b>22,866,364</b>	17,497,020

**Pine Creek First Nation**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<i>Schedule #</i>	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit)</i>
Employment and Training	4	72,345	616,141	688,486	696,499	-	(8,013)	(11,381)
Governance and Administration	5	15,773,024	3,440,567	19,213,591	15,408,540	288,182	4,093,233	655,902
Health Authority	6	4,044,436	1,634,465	5,678,901	4,838,122	(585,000)	255,779	572,543
Housing Authority - CMHC	7	870,000	337,079	1,207,079	1,923,203	296,818	(419,306)	(39,497)
		20,759,805	6,028,252	26,788,057	22,866,364	-	3,921,693	1,177,567

**Pine Creek First Nation**  
**Employment and Training**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*  
*(Unaudited)*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	-	<b>72,345</b>	13,822
First Peoples Development Inc.	685,988	<b>633,620</b>	946,412
Other income	-	<b>48,396</b>	3,911
Province of Manitoba	-	<b>38,348</b>	-
Daycare fees	-	<b>7,185</b>	4,448
Deferred revenue - prior year	-	<b>486,298</b>	191,713
Deferred revenue - current year	-	<b>(597,706)</b>	(486,298)
	<b>685,988</b>	<b>688,486</b>	674,008
<b>Expenses</b>			
Amortization	-	<b>638</b>	638
Bank charges and interest	420	<b>4,036</b>	1,948
Equipment rental	-	<b>210</b>	252
Honouraria(um)	-	<b>200</b>	-
Office	151,050	<b>4,849</b>	6,039
Office rent	12,000	-	12,000
Professional development	-	<b>5,217</b>	-
Professional fees	3,500	<b>3,500</b>	12,119
Program expenses	361,477	<b>257,436</b>	336,772
Repairs and maintenance	-	<b>3,042</b>	4,068
Salaries and benefits	153,041	<b>351,578</b>	304,329
Supplies	-	<b>19,774</b>	5,053
Telephone	4,500	<b>5,278</b>	7,895
Training	-	<b>300</b>	-
Travel	-	<b>34,765</b>	14,118
Utilities	-	<b>5,676</b>	3,968
	<b>685,988</b>	<b>696,499</b>	709,199
<b>Deficit before transfers</b>	-	<b>(8,013)</b>	(35,191)
<b>Transfers</b>			
Transfers between other Nation entity	-	-	23,810
<b>Deficit</b>	<b>-</b>	<b>(8,013)</b>	(11,381)

**Pine Creek First Nation**  
**Governance and Administration**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*  
*(Unaudited)*

	<b>2023</b> <i>Budget</i>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	7,871,543	<b>15,773,024</b>	12,790,701
Earnings from investment in Nation business entities	-	<b>1,167,951</b>	134,413
Province of Manitoba	58,000	<b>594,928</b>	212,030
Assembly of Manitoba Chiefs - early learning and child care	639,844	<b>553,885</b>	276,447
Administration fees	176,552	<b>379,522</b>	192,466
Other income	-	<b>356,570</b>	407,537
Rental income	44,400	<b>66,363</b>	175,860
User fees	-	<b>52,779</b>	41,695
Interest income	-	<b>10,304</b>	2,023
Donations	-	<b>6,850</b>	15,695
Deferred revenue - prior year	-	<b>4,961,213</b>	3,022,410
Deferred revenue - current year	-	<b>(4,348,492)</b>	(4,961,213)
	<b>8,790,339</b>	<b>19,574,897</b>	12,310,064

*Continued on next page*

**Pine Creek First Nation**  
**Governance and Administration**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*  
*(Unaudited)*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<i>(Continued from previous page)</i>	<b>8,790,339</b>	<b>19,574,897</b>	12,310,064
<b>Expenses</b>			
Administration	176,552	<b>379,522</b>	200,285
Amortization	-	<b>1,720,795</b>	1,713,482
Bank charges and interest	3,000	<b>141,171</b>	59,188
Basic needs	811,235	<b>1,769,062</b>	1,540,211
Community donations	-	<b>4,944</b>	-
Construction expense	-	<b>96,169</b>	-
Contracted services	1,099,645	<b>1,202,965</b>	896,633
Equipment purchases	-	<b>50,335</b>	20,000
Equipment rental	2,500	<b>81,394</b>	52,860
Funeral	-	<b>23,317</b>	30,322
Honouraria(um)	299,824	<b>602,601</b>	112,365
Insurance	165,063	<b>224,189</b>	158,979
Minimum band contribution	-	<b>40,853</b>	151,283
Miscellaneous	-	<b>31,956</b>	-
Office	40,927	<b>264,192</b>	27,783
Professional development	-	<b>372,683</b>	134,949
Professional fees	229,080	<b>832,670</b>	817,601
Program expenses	1,603,921	<b>172,079</b>	3,346
Property tax	-	<b>13,717</b>	-
Rent	-	<b>15,452</b>	52,671
Repairs and maintenance	443,211	<b>149,744</b>	99,303
Salaries and benefits	1,255,803	<b>2,475,302</b>	2,224,200
Shelter allowance	136,200	<b>131,009</b>	157,939
Special needs	70,370	<b>57,941</b>	98,593
Student allowances	-	<b>884,285</b>	677,638
Student expenses	138,600	<b>158,144</b>	11,976
Supplies	83,408	<b>878,268</b>	928,768
Telephone	31,208	<b>53,145</b>	47,653
Travel	218,472	<b>805,581</b>	254,898
Tuition	1,250,505	<b>1,261,484</b>	579,952
User fees	-	<b>23,915</b>	22,202
Utilities	461,023	<b>489,656</b>	519,272
	<b>8,520,547</b>	<b>15,408,540</b>	11,594,352
<b>Surplus before other items</b>	<b>269,792</b>	<b>4,166,357</b>	715,712
<b>Other items</b>			
Capital purchases	(270,000)	-	-
Construction in progress	(2,039,844)	-	-
Contribution to Abinoojiak Nigaan Children First Service	-	<b>(242,984)</b>	-
Involuntary disposal of tangible capital asset	-	<b>(118,322)</b>	-
	<b>(2,309,844)</b>	<b>(361,306)</b>	-
<b>Surplus before transfers</b>	<b>(2,040,052)</b>	<b>3,805,051</b>	715,712
<b>Transfers</b>			
Transfers between other Nation entity	-	<b>288,182</b>	(59,810)
<b>Surplus</b>	<b>(2,040,052)</b>	<b>4,093,233</b>	655,902

**Pine Creek First Nation  
Health Authority**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023  
(Unaudited)*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	3,181,570	<b>4,044,436</b>	4,093,991
Administration fees	195,463	<b>285,692</b>	381,551
Province of Manitoba	-	<b>213,906</b>	-
Other income	68,024	<b>58,625</b>	33,297
Rental income	-	<b>2,000</b>	-
Interest income	-	<b>1,814</b>	-
Deferred revenue - prior year	400,000	<b>1,699,988</b>	1,498,488
Deferred revenue - current year	-	<b>(627,560)</b>	(1,699,988)
	<b>3,845,057</b>	<b>5,678,901</b>	4,307,339
<b>Expenses</b>			
Administration	194,390	<b>285,692</b>	394,258
Amortization	-	<b>162,386</b>	141,826
Bank charges and interest	-	<b>5,022</b>	3,841
Community donations	-	<b>3,697</b>	-
Contracted services	-	<b>7,063</b>	23,900
Equipment purchases	6,300	-	-
Honouraria(um)	26,400	<b>95,357</b>	13,141
Insurance	29,204	<b>18,302</b>	13,369
Miscellaneous	-	<b>7,180</b>	100
Office	9,170	<b>67,411</b>	36,163
Professional development	-	<b>1,100</b>	2,061
Professional fees	30,000	<b>850</b>	38,292
Program expenses	471,470	<b>1,139,321</b>	629,259
Rent	-	<b>1,000</b>	200
Repairs and maintenance	37,904	<b>56,712</b>	76,455
Residential Rehabilitation Assistance Program	-	<b>1,750</b>	-
Salaries and benefits	1,880,686	<b>1,767,907</b>	1,568,925
Supplies	49,500	<b>253,884</b>	268,563
Telephone	43,440	<b>39,230</b>	36,064
Training	-	<b>66,554</b>	62,165
Travel	380,216	<b>835,754</b>	423,544
Utilities	48,000	<b>21,950</b>	2,670
	<b>3,206,680</b>	<b>4,838,122</b>	3,734,796
<b>Surplus before transfers</b>	<b>638,377</b>	<b>840,779</b>	572,543
<b>Transfers</b>			
Transfers between other Nation entity	-	<b>(585,000)</b>	-
<b>Surplus</b>	<b>638,377</b>	<b>255,779</b>	572,543

**Pine Creek First Nation**  
**Housing Authority - CMHC**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*  
*(Unaudited)*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	70,000	<b>870,000</b>	135,000
Canada Mortgage and Housing Corporation	200,226	<b>375,374</b>	581,205
Rental income	247,760	<b>317,021</b>	324,430
Other income	-	<b>132,247</b>	-
Minimum band contribution	-	<b>40,853</b>	151,233
Interest income	-	<b>255</b>	43
Donations	-	-	52,189
Administration fees	-	-	17,315
User fees	-	-	350
Deferred revenue - prior year	-	<b>78,020</b>	235,431
Deferred revenue - current year	-	<b>(606,691)</b>	(78,020)
	<b>517,986</b>	<b>1,207,079</b>	1,419,176
<b>Expenses</b>			
Administration	-	-	18,452
Amortization	-	<b>706,300</b>	693,963
Bank charges and interest	2,707	<b>1,507</b>	792
Consulting	-	<b>5,006</b>	-
Contracted services	-	<b>350,630</b>	52,986
Honouraria(um)	-	<b>3,500</b>	-
Insurance	62,662	<b>96,229</b>	76,717
Interest on long-term debt	-	<b>61,067</b>	51,155
Materials	-	<b>353,692</b>	5,907
Office	1,200	<b>8,613</b>	3,214
Professional fees	5,000	<b>6,551</b>	12,549
Repairs and maintenance	66,450	<b>53,679</b>	333,919
Salaries and benefits	101,030	<b>192,617</b>	178,128
Supplies	-	<b>27,510</b>	550
Training	-	<b>3,224</b>	-
Travel	1,200	<b>30,045</b>	5,529
Utilities	-	<b>23,033</b>	24,812
	<b>240,249</b>	<b>1,923,203</b>	1,458,673
<b>Deficit before transfers</b>	<b>277,737</b>	<b>(716,124)</b>	(39,497)
<b>Transfers</b>			
Transfers between other Nation entity	-	<b>296,818</b>	-
<b>Deficit</b>	<b>277,737</b>	<b>(419,306)</b>	(39,497)