

**GAMBLER FIRST NATION  
Consolidated Financial Statements  
Year Ended March 31, 2017**

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**GAMBLER FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

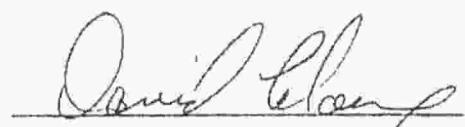
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The consolidated financial statements of Gambler First Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Gambler First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Chief and Council meets periodically with management and the organization's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, Chief and Council approves the financial statements. Chief and Council also approves the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Lazer Grant LLP, in accordance with Canadian public sector accounting standards.



Binscarth, MB

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Gambler First Nation

We have audited the accompanying consolidated financial statements of Gambler First Nation, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations and accumulated deficit, changes in net financial debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

Independent Auditor's Report to the Members of Gambler First Nation (continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Gambler First Nation as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.



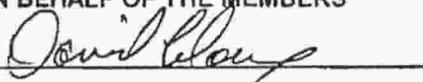
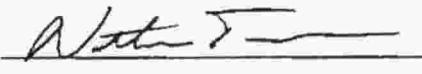
Winnipeg, MB  
July 11, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

**GAMBLER FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2017**

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>FINANCIAL ASSETS</b>                                    |                     |                     |
| Cash ( <i>Note 4</i> )                                     | \$ 35,596           | \$ 14,797           |
| Accounts receivable ( <i>Note 5</i> )                      | 359,447             | 363,608             |
| Ottawa trust funds ( <i>Note 6</i> )                       | 181                 | 178                 |
| Long term investments                                      | 200                 | -                   |
| Restricted cash ( <i>Note 10</i> )                         | 91,947              | 73,775              |
|  | <u>487,371</u>      | <u>452,358</u>      |
| <b>LIABILITIES</b>   |                     |                     |
| Accounts payable and accrued liabilities ( <i>Note 7</i> ) | 597,856             | 564,608             |
| Deferred revenue ( <i>Note 8</i> )                         | 187,529             | 7,500               |
| Short term debt  | -                   | 84,454              |
| Long term debt ( <i>Note 9</i> )                           | 751,795             | 803,387             |
| Reserves ( <i>Note 10</i> )                                | 230,000             | 250,065             |
| Due to settlement fund ( <i>Note 11</i> )                  | 134,642             | 134,642             |
|  | <u>1,901,822</u>    | <u>1,844,656</u>    |
| <b>NET FINANCIAL DEBT</b>                                  | <b>(1,414,451)</b>  | <b>(1,392,298)</b>  |
| <b>NON-FINANCIAL ASSETS</b>                                |                     |                     |
| Prepaid expenses   | 186,478             | 121,043             |
| Tangible capital assets ( <i>Note 12</i> )                 | 1,031,558           | 1,036,466           |
|  | <u>1,218,036</u>    | <u>1,157,509</u>    |
| <b>ACCUMULATED DEFICIT</b>                                 | <b>\$ (196,415)</b> | <b>\$ (234,789)</b> |
| CONTINGENT LIABILITY ( <i>Note 14</i> )                    |                     |                     |

ON BEHALF OF THE MEMBERS

 *David Cloway*  *Abbie T. T. T. T.* Councillor  
Councillor

**GAMBLER FIRST NATION**  
**Consolidated Statement of Operations and Accumulated Deficit**  
**Year Ended March 31, 2017**

|   | <b>2017</b>         | <b>2016</b>  |
|---|---------------------|--------------|
| <b>REVENUES</b>                                     |                     |              |
| Indigenous and Northern Affairs Canada              | \$ 2,165,607        | \$ 1,265,671 |
| Indigenous and Northern Affairs Canada - recoveries | (20,156)            | -            |
| First Nations and Inuit Health                      | 469,272             | 702,230      |
| First Nations and Inuit Health - recoveries         | -                   | (2,759)      |
| Canada Mortgage and Housing Corporation             | 120,874             | 56,234       |
| Human Resources Development Canada                  | 28,061              | 27,243       |
| Administration fee                                  | 29,727              | 28,348       |
| Land lease  | 10,960              | 11,555       |
| Rent  | 86,942              | 80,004       |
| Tobacco tax (net of payouts)                        | 5,862               | 8,013        |
| User fees   | 19,703              | 24,822       |
| Interest  | 532                 | 87           |
| Other   | 68,606              | 136,352      |
| Deferred from previous year                         | 7,500               | -            |
| Deferred to subsequent year                         | (187,529)           | (7,500)      |
| Decommissioned accounts receivable                  | (7,941)             | -            |
|   | <b>2,798,020</b>    | 2,330,300    |
| <b>EXPENSES (Schedule 1)</b>                        | <b>2,673,513</b>    | 2,294,191    |
| SURPLUS BEFORE AMORTIZATION                         | 124,507             | 36,109       |
| AMORTIZATION  | 86,133              | 76,698       |
| <b>ANNUAL SURPLUS (DEFICIT)</b>                     | <b>38,374</b>       | (40,589)     |
| ACCUMULATED DEFICIT - BEGINNING OF YEAR             | (234,789)           | (194,200)    |
| <b>ACCUMULATED DEFICIT - END OF YEAR</b>            | <b>\$ (196,415)</b> | \$ (234,789) |

**GAMBLER FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Debt**  
**Year Ended March 31, 2017**

|   | <b>2017</b>           | <b>2016</b>           |
|---|-----------------------|-----------------------|
| <b>ANNUAL SURPLUS (DEFICIT)</b>               | \$ 38,374             | \$ (40,589)           |
| Amortization of tangible capital assets       | 86,133                | 76,698                |
| Purchase of tangible capital assets           | (81,225)              | (85,000)              |
| Increase in prepaid expenses                  | (65,435)              | (18,389)              |
|   | <b>(60,527)</b>       | <b>(26,691)</b>       |
| <b>DECREASE IN NET FINANCIAL ASSETS</b>       | <b>(22,153)</b>       | <b>(67,280)</b>       |
| <b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b> | <b>(1,392,298)</b>    | <b>(1,325,018)</b>    |
| <b>NET FINANCIAL DEBT - END OF YEAR</b>       | <b>\$ (1,414,451)</b> | <b>\$ (1,392,298)</b> |

**GAMBLER FIRST NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2017**

|   | <b>2017</b>      | <b>2016</b>      |
|---|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                   |                  |                  |
| Annual surplus (deficit)                      | \$ 38,374        | \$ (40,589)      |
| Items not affecting cash:                     |                  |                  |
| Amortization                                  | 86,133           | 76,698           |
| CMHC reserve                                  | (20,064)         | 8,171            |
| School bus reserve                            | -                | 30,000           |
|   | <b>104,443</b>   | <b>74,280</b>    |
| Changes in non-cash working capital:          |                  |                  |
| Accounts receivable                           | 4,161            | (135,435)        |
| Accounts payable and accrued liabilities      | 33,247           | 238,589          |
| Deferred revenue                              | 180,029          | 7,500            |
| Prepaid expenses                              | (65,435)         | (18,388)         |
| Restricted cash                               | (18,172)         | (26,424)         |
|   | <b>133,830</b>   | <b>65,842</b>    |
| Cash flow from operating activities           | <b>238,273</b>   | <b>140,122</b>   |
| <b>INVESTING ACTIVITIES</b>                   |                  |                  |
| Purchase of tangible capital assets           | (81,225)         | (85,000)         |
| Increase in Ottawa trust funds                | (3)              | (4)              |
| Purchase of long term investments             | (200)            | -                |
| Cash flow used by investing activities        | <b>(81,428)</b>  | <b>(85,004)</b>  |
| <b>FINANCING ACTIVITIES</b>                   |                  |                  |
| Decrease in due to settlement fund            | -                | (2,826)          |
| Proceeds from short term financing            | -                | 84,454           |
| Repayment of short term financing             | (84,454)         | -                |
| Repayment of long term debt                   | (51,592)         | (50,467)         |
| Cash flow from (used by) financing activities | <b>(136,046)</b> | <b>31,161</b>    |
| <b>INCREASE IN CASH</b>                       | <b>20,799</b>    | <b>86,279</b>    |
| Cash (deficiency) - beginning of year         | <b>14,797</b>    | <b>(71,482)</b>  |
| <b>CASH - END OF YEAR</b>                     | <b>\$ 35,596</b> | <b>\$ 14,797</b> |

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**1. DESCRIPTION OF ORGANIZATION**

Gambler First Nation is a non-profit Indian Band as defined by The Indian Act (Canada) located in the province of Manitoba. The objective of the First Nation is to operate as the governing entity in providing services in all areas of the community.

These financial statements include the Gambler First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation with the exception of transactions relating to a land claim settlement received in the 2009 fiscal year.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of presentation**

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards.

**Measurement uncertainty**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**Financial instruments policy**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

*(continues)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

|  |                            |                      |
|--|----------------------------|----------------------|
| Buildings  | 5 years                    | straight-line method |
| Band houses  | 20 years                   | straight-line method |
| Canada Mortgage and<br>Housing Corporation<br>houses | annual principal reduction |                      |
| Equipment and vehicles                               | 10 years                   | straight-line method |
| Roads  | 45 years                   | straight-line method |
| Water and sewer                                      | 40 years                   | straight-line method |

The organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

One-half the normal rate of amortization is recorded in the year of acquisition.

Capital assets acquired under CMHC sponsored housing projects are amortized at a rate equivalent to the annual principal reduction in related long term debt, as required for CMHC reporting purposes.

Revenue recognition

Revenue from government agencies is recognized as it becomes receivable under the terms of applicable funding agreements.

Canada Mortgage and Housing Corporation subsidy revenue is recognized at the start of each month based on the Section 95 agreements for each housing phase.

Rent revenue is recognized when the tenants' rent is invoiced at the start of each month based on the details of each signed lease agreement.

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

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### 3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2017.

#### *(a) Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from funders and members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of members which minimizes concentration of credit risk.

#### *(b) Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, long-term debt, and accounts payable and accrued liabilities.

#### *(c) 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. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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### 4. CASH

The organization has a line of credit with Vanguard Credit Union in the amount of \$200,000 which is repayable on demand, bears interest at the Vanguard Credit Union prime rate plus 1% and is secured by funds held in a land claim's settlement account. As at March 31, 2017, this line of credit remained unused (2016 - \$171,886).

**GAMBLER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

**5. ACCOUNTS RECEIVABLE**

|   | <b>2017</b>    | <b>2016</b>    |
|---|----------------|----------------|
| Indigenous and Northern Affairs Canada        | \$ 90,000      | \$ -           |
| Indigenous and Northern Affairs Canada - PAYE | 86,088         | 10,804         |
| Canada Mortgage and Housing Corporation       | -              | 372            |
| First Nation & Inuit Health                   | -              | 85,000         |
| Province of Manitoba                          | 6,440          | 15,267         |
| Band members                                  | 173,976        | 180,583        |
| Rent  | 40,777         | 35,902         |
| Trade and other                               | 5,007          | 78,521         |
| <br>Subtotal                                  | <br>402,288    | <br>406,449    |
| Allowance for Doubtful Accounts               | (42,841)       | (42,841)       |
| <br>  | <br>\$ 359,447 | <br>\$ 363,608 |

The allowance for doubtful accounts relates to loans and advances made to band members. As these advances are recovered from band members, the recoveries will be recognized in the financial statements.

**6. OTTAWA TRUST FUNDS**

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

As at the end of the year, the funds held in trust consisted of the following balances:

|                 | <b>2017</b> | <b>2016</b> |
|-----------------|-------------|-------------|
| Capital account | \$ 1        | \$ 1        |
| Revenue account | 180         | 177         |
| <br>            | <br>\$ 181  | <br>\$ 178  |

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                                | <b>2017</b>    | <b>2016</b>    |
|--------------------------------|----------------|----------------|
| First Nations and Inuit Health | \$ 921         | \$ 2,759       |
| Trade payables                 | 512,099        | 433,821        |
| Accrued liabilities            | 76,220         | 126,620        |
| Canada Revenue Agency          | 8,616          | 1,408          |
| <br>                           | <br>\$ 597,856 | <br>\$ 564,608 |

**GAMBLER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

**8. DEFERRED REVENUE**

|  | <b>2017</b>       | <b>2016</b>     |
|--|-------------------|-----------------|
| Indigenous and Northern Affairs Canada                                 |                   |                 |
| - CDF Housing Management program                                       | \$ 66,667         | \$ -            |
| Indigenous and Northern Affairs Canada                                 |                   |                 |
| - CDF Government Tools program   | 40,000            | -               |
| Indigenous and Northern Affairs Canada                                 |                   |                 |
| - Innovation program   | 80,000            | -               |
| First Nation Financial Management Board for policy work and legal fees | 862               | 7,500           |
|  | <b>\$ 187,529</b> | <b>\$ 7,500</b> |

**9. LONG TERM DEBT**

|   | <b>2017</b>       | <b>2016</b>       |
|---|-------------------|-------------------|
| Canada Mortgage and Housing Corporation Phase I mortgage bearing interest at 1.82% per annum, repayable in monthly blended payments of \$1,536. The loan matures on August 1, 2024 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.     | \$ 127,819        | \$ 143,782        |
| Canada Mortgage and Housing Corporation Phase II mortgage bearing interest at 1.08% per annum, repayable in monthly blended payments of \$342. The loan matures on July 1, 2030 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.        | 50,928            | 54,462            |
| Canada Mortgage and Housing Corporation Phase III mortgage bearing interest at 1.44% per annum, repayable in monthly blended payments of \$1,759. The loan matures on February 1, 2032 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project. | 283,265           | 299,931           |
| Canada Mortgage and Housing Corporation Phase IV mortgage bearing interest at 1.62% per annum, repayable in monthly blended payments of \$1,271. The loan matures on March 1, 2033 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.     | 214,865           | 226,548           |
| Canada Mortgage and Housing Corporation Phase V mortgage bearing interest at 1.05% per annum, repayable in monthly blended payments of \$379. The loan matures on April 1, 2035 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.        | 74,918            | 78,664            |
|   | <b>\$ 751,795</b> | <b>\$ 803,387</b> |

(continues)

**GAMBLER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**9. LONG TERM DEBT (continued)**

Principal repayment terms are approximately:

|            |                         |
|------------|-------------------------|
| 2018       | \$ 52,590               |
| 2019       | 53,408                  |
| 2020       | 54,240                  |
| 2021       | 55,085                  |
| 2022       | 55,944                  |
| Thereafter | <hr/> 480,528           |
|            | <hr/> <u>\$ 751,795</u> |

Canada Mortgage and Housing Corporation (CMHC) mortgages have maturity dates of 25 years and call for renewal every 5 years. Since CMHC will in all likelihood renew each mortgage at the renewal date, the repayment schedule reflects repayment over the entire period of the mortgage.

**10. RESERVES**

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited with an amount of \$14,890 (2016 - \$14,890) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.

As at March 31, 2017, the Replacement Reserve Fund bank account had a balance of \$41,530 (2016 - \$53,679) and was underfunded by \$55,656 (2016 - \$63,572).

A reserve for the purchase of a new school bus has been established. As at March 31, 2017, the School Bus Reserve bank account had a balance of \$50,417 (2016 - \$20,096) and was underfunded by \$82,397 (2016 - \$112,718).

|                                    | 2017                    | 2016                    |
|------------------------------------|-------------------------|-------------------------|
| Vanguard Credit Union (CMHC)       | \$ 41,530               | \$ 53,679               |
| Vanguard Credit Union (school bus) | <u>50,417</u>           | <u>20,096</u>           |
|                                    | <hr/> <u>\$ 91,947</u>  | <hr/> <u>\$ 73,775</u>  |
| Replacement reserve (CMHC)         | \$ 97,186               | \$ 117,251              |
| Replacement reserve (school bus)   | <u>132,814</u>          | <u>132,814</u>          |
|                                    | <hr/> <u>\$ 230,000</u> | <hr/> <u>\$ 250,065</u> |

**GAMBLER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**11. DUE TO SETTLEMENT FUND**

In December 2011, \$100,000 was transferred from the land claim settlement account to the general account. These funds are to be used for economic development and land claim payments to band members. If no payments are made for the specified purpose, the money is to be repaid to the settlement account. At March 31, 2016 no payments have been made and the entire \$100,000 liability remains outstanding.

In addition, the band guaranteed loans taken out by band members and held by the Vanguard Credit Union. In 2015 the amount of the loans totaled \$42,050. Payments, in that amount, were withdrawn from the land claim settlement account. The loans are to be recovered from the band members and repaid to the land claim settlement account. The amount of the loans recovered from band members in 2017 was \$Nil (2016 - \$2,826). At March 31, 2017, the amount of the liability due to the settlement account on behalf of the loan outstanding is \$134,642 (2016 - \$134,642).

**12. TANGIBLE CAPITAL ASSETS**

| Cost                     | 2016<br>Balance | Additions    | Disposals                                   | 2017<br>Balance |
|--------------------------|-----------------|--------------|---|-----------------|
| Buildings                | \$ 769,313      | \$ -         | \$ -  | \$ 769,313      |
| Band houses              | 1,284,722       | -            | -   | 1,284,722       |
| CMHC houses              | 1,224,713       | -            | -   | 1,224,713       |
| Equipment and vehicles   | 563,463         | 81,225       | -   | 644,688         |
| Roads                    | 114,135         | -            | -   | 114,135         |
| Water and sewer          | 51,407          | -            | -   | 51,407          |
|                          | \$ 4,007,753    | \$ 81,225    | \$ -  | \$ 4,088,978    |
| Accumulated Amortization | 2016<br>Balance |              | Accumulated<br>Amortization<br>on Disposals | 2017<br>Balance |
| Buildings                | \$ 740,742      | \$ 14,652    | \$ -  | \$ 755,394      |
| Band houses              | 1,284,722       | -            | -   | 1,284,722       |
| CMHC houses              | 421,326         | 51,591       | -   | 472,917         |
| Equipment and vehicles   | 455,907         | 16,069       | -   | 471,976         |
| Roads                    | 33,934          | 2,536        | -   | 36,470          |
| Water and sewer          | 34,656          | 1,285        | -   | 35,941          |
|                          | \$ 2,971,287    | \$ 86,133    | \$ -  | \$ 3,057,420    |
| Net book value           |                 |              | 2017  | 2016            |
| Buildings                |                 | \$ 13,919    | \$ 28,571                                   |                 |
| CMHC houses              |                 | 751,796      | 803,387                                     |                 |
| Equipment and vehicles   |                 | 172,712      | 107,556                                     |                 |
| Roads                    |                 | 77,665       | 80,201                                      |                 |
| Water and sewer          |                 | 15,466       | 16,751                                      |                 |
|                          |                 | \$ 1,031,558 | \$ 1,036,466                                |                 |

**GAMBLER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2017**

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**13. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUES**

|                                  | <b>2017</b>  | <b>2016</b>  |
|----------------------------------|--------------|--------------|
| Revenue per financial statements | \$ 2,165,607 | \$ 1,265,671 |
| Tuition agreements 2014-15       | -            | (10,015)     |
| Revenue per confirmation         | \$ 2,165,607 | 1,255,656    |
|                                  | \$ 2,165,607 | \$ 1,255,656 |

**14. CONTINGENT LIABILITY**

Canada Mortgage and Housing Corporation Mortgages

The organization is contingently liable for mortgages from Canada Mortgage and Housing Corporation under the Residential Rehabilitation Assistance Program (RRAP). Since each mortgage is forgiven (usually over a 4 or 5 year period) no liability has been recorded in the these statements for these loans.

Canadian Human Rights Complaint

A previous employee named the organization as a defendant pursuant to a Statement of Claim filed in the Canadian Human Rights Tribunal. A hearing on the matter was heard in July 2014 and the employee was awarded damages in the amount of \$50,328.

The following are factors that, in management's opinion, may mitigate the settlement amount:

The organization appealed the decision to the Federal Court of Canada, and

In July 2015 the organization filed an unrelated claim against the employee pursuant to a Statement of Claim filed in the Court of Queens Bench of Manitoba.

As at March 31, 2017, a provision of \$30,000 (2016 - \$35,000) has been accrued related to the claim.

**15. ECONOMIC DEPENDENCE**

The organization receives substantially all of its revenues from government sources.

**GAMBLER FIRST NATION**  
**Consolidated Expenses (Schedule 1)**

**Year Ended March 31, 2017**

|                                | <b>2017</b>               | <b>2016</b>               |
|--------------------------------|---------------------------|---------------------------|
| Administration fee             | \$ 84,499                 | \$ 48,784                 |
| Allowances                     | 37,665                    | 46,390                    |
| Bad debts                      | 8,372                     | 13,924                    |
| Basic needs                    | 133,024                   | 108,766                   |
| Books and supplies             | 9,255                     | 15,718                    |
| Bus reserve allocation         | -                         | 30,000                    |
| Casual and contract labour     | 17,968                    | 29,335                    |
| Fuel                           | 23,636                    | 19,408                    |
| Insurance                      | 44,288                    | 41,521                    |
| Interest and bank charges      | 35,789                    | 37,475                    |
| Interest on long term debt     | 12,131                    | 13,558                    |
| Legal settlement               | -                         | 35,000                    |
| Office                         | 46,734                    | 33,276                    |
| Post-secondary                 | 11,282                    | 9,706                     |
| Professional fees              | 402,999                   | 390,910                   |
| Rent                           | 58,263                    | 36,950                    |
| Repairs and maintenance        | 828,190                   | 501,266                   |
| Replacement reserve allocation | 14,890                    | 14,890                    |
| Retrofit Initiative            | 53,387                    | -                         |
| Special needs                  | 5,521                     | 4,906                     |
| Telephone                      | 27,892                    | 17,238                    |
| Training and development       | 6,003                     | 942                       |
| Travel                         | 60,867                    | 69,437                    |
| Tuition                        | 246,248                   | 276,212                   |
| User fees                      | 3,712                     | 3,658                     |
| Utilities                      | 66,480                    | 76,325                    |
| Wages and employee benefits    | 375,394                   | 382,345                   |
| Workshops and materials        | 59,024                    | 36,251                    |
|                                | <hr/> <b>\$ 2,673,513</b> | <hr/> <b>\$ 2,294,191</b> |

GAMBLER FIRST NATION  
 Consolidated Segment Disclosure (Schedule 2)  
 Year Ended March 31, 2017

Segmented information presents the revenues generated and expenses incurred by major revenue type and main object of expense for the organization's distinguishable programs or activities.

The segment results for the period are as follows:

|  | Education  |             | Health     |            | Housing & Infrastructure |             | Band Government |             | Social Services |            | Business Enterprises |      | Consolidated |              |
|--|------------|-------------|------------|------------|--------------------------|-------------|-----------------|-------------|-----------------|------------|----------------------|------|--------------|--------------|
|  | 2017       | 2016        | 2017       | 2016       | 2017                     | 2016        | 2017            | 2016        | 2017            | 2016       | 2017                 | 2016 | 2017         | 2016         |
| Revenues   |            |             |            |            |                          |             |                 |             |                 |            |                      |      |              |              |
| Federal Government                                   | \$ 487,814 | \$ 495,804  | \$ 469,272 | \$ 699,471 | \$ 545,297               | \$ 230,349  | \$ 1,006,409    | \$ 381,444  | \$ 254,866      | \$ 241,551 | \$ -                 | \$ - | \$ 2,763,658 | \$ 2,048,619 |
| Provincial Government                                | -          | -           | -          | -          | -                        | -           | -               | -           | -               | -          | -                    | -    | -            | -            |
| Economic Activities                                  | -          | -           | -          | -          | -                        | -           | -               | -           | -               | -          | -                    | -    | -            | -            |
| Net income from investments in government businesses | -          | -           | -          | -          | -                        | -           | -               | -           | -               | -          | -                    | -    | -            | -            |
| Deferred and other revenue                           | 7,407      | 2,016       | 33,406     | 34,448     | 61,006                   | 72,363      | (73,725)        | 164,139     | 6,268           | 8,714      | -                    | -    | 34,362       | 281,681      |
| Total Revenue  | 495,221    | 497,820     | 502,678    | 733,919    | 606,303                  | 309,786     | 932,684         | 545,583     | 261,134         | 250,265    | -                    | -    | 2,798,020    | 2,330,300    |
| Expenses   |            |             |            |            |                          |             |                 |             |                 |            |                      |      |              |              |
| Wages and benefits                                   | 60,360     | 56,952      | 150,379    | 156,206    | 31,948                   | 24,078      | 97,163          | 105,766     | 35,544          | 39,343     | -                    | -    | 375,394      | 382,345      |
| Amortization   | -          | -           | -          | -          | 51,591                   | 50,467      | 34,542          | 26,231      | -               | -          | -                    | -    | 86,133       | 76,698       |
| Debt servicing                                       | -          | -           | 1,239      | 527        | 12,593                   | 13,871      | 33,923          | 36,588      | 166             | 47         | -                    | -    | 47,920       | 51,033       |
| Other expenses                                       | 326,682    | 454,363     | 281,344    | 509,299    | 562,514                  | 248,062     | 861,998         | 466,410     | 217,661         | 182,679    | -                    | -    | 2,250,199    | 1,860,813    |
| Total Expenses                                       | 387,042    | 511,315     | 432,962    | 666,032    | 658,646                  | 343,552     | 1,027,626       | 634,994     | 253,371         | 222,069    | -                    | -    | 2,759,646    | 2,370,889    |
| Annual Surplus (Deficit)                             | \$ 108,179 | \$ (13,495) | \$ 69,716  | \$ 67,887  | \$ (52,342)              | \$ (33,766) | \$ (94,942)     | \$ (89,411) | \$ 7,763        | \$ 28,196  | \$ -                 | \$ - | \$ 38,374    | \$ (40,589)  |