

**GAMBLER FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**GAMBLER FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

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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.

The First Nation Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the First Nation Council approves the financial statements. The 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 generally accepted auditing standards.



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Binscarth, MB

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Gambler First Nation

### *Opinion*

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the consolidated results of its operations and consolidated 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 ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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.

(continues)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Winnipeg, MB  
October 18, 2023

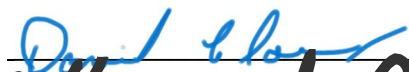

CHARTERED PROFESSIONAL ACCOUNTANTS

**GAMBLER FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
Cash	\$ 2,262,319	\$ 3,725,745
Accounts receivable (Note 4)	1,166,266	371,042
Ottawa trust funds (Note 5)	111,888	108,534
Long term investments (Note 6)	200	200
Investment in limited partnerships (Note 7)	790,281	697,506
Due from related parties (Note 8)	1,157,095	214,731
Restricted cash (Note 9)	325,002	340,750
	<b>5,813,051</b>	<b>5,458,508</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 10)	880,715	755,632
Deferred revenue (Note 11)	3,892,171	3,447,360
Long term debt (Note 12)	960,303	696,344
Land settlement fund (Note 13)	254,347	284,347
Land settlement advances (Note 14)	1,948,153	1,695,211
Construction advances (Note 16)	130,868	543,823
Due to related parties (Note 8)	-	31,138
	<b>8,066,557</b>	<b>7,453,855</b>
<b>NET FINANCIAL DEBT</b>	<b>(2,253,506)</b>	<b>(1,995,347)</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses (Note 15)	141,096	214,224
Prepaid land settlement costs (Note 14)	2,217,554	1,695,211
Construction in progress (Note 16)	2,150,087	1,350,923
Tangible capital assets (Note 17)	4,035,127	2,360,024
	<b>8,543,864</b>	<b>5,620,382</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 6,290,358</b>	<b>\$ 3,625,035</b>

CONTINGENT LIABILITY (Note 24)

**APPROVED BY THE CHIEF AND COUNCIL**

  
 Chief  
  
 Councillor

\_\_\_\_\_  
 Councillor

**GAMBLER FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2023**

	2023	2022
<b>REVENUES</b>		
Indigenous Services Canada	\$ 6,134,840	\$ 4,681,821
Canada Mortgage and Housing Corporation	114,081	77,510
First Peoples Development Inc.	34,323	32,994
Province of Manitoba	52,499	-
Administration fees (Note 21)	221,077	152,395
Interest	101,676	42,379
Land lease	21,840	14,910
Rent	149,984	142,962
Tobacco sales (net)	121,173	27,620
User fees	113,579	27,553
Income (loss) from investment in partnerships (Note 7)	92,775	(7,494)
Other (Note 22)	1,031,749	268,656
Deferred from previous year (Note 11)	3,447,360	3,161,371
Deferred to subsequent year (Note 11)	(3,892,171)	(3,447,360)
Decommissioned accounts receivable	-	(5,500)
	<b>7,744,785</b>	<b>5,169,817</b>
<b>EXPENSES (Schedule 1)</b>	<b>4,798,461</b>	<b>3,688,616</b>
<b>SURPLUS FROM OPERATIONS</b>	<b>2,946,324</b>	<b>1,481,201</b>
<b>OTHER EXPENSES</b>		
Amortization	<b>339,741</b>	<b>228,518</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 2,606,583</b>	<b>\$ 1,252,683</b>

**GAMBLER FIRST NATION**

**Consolidated Statement of Changes in Accumulated Surplus**

**Year Ended March 31, 2023**

	2023	2022
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 3,625,035</b>	<b>\$ 2,356,735</b>
ANNUAL SURPLUS	2,606,583	1,252,683
	6,231,618	3,609,418
Replacement reserve transactions <i>(Notes 18, 19)</i>	58,740	15,617
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 6,290,358</b>	<b>\$ 3,625,035</b>



**GAMBLER FIRST NATION**

**Consolidated Statement of Changes in Net Financial Debt**

**Year Ended March 31, 2023**

	2023	2022
<b>ANNUAL SURPLUS</b>	<b>\$ 2,606,583</b>	<b>\$ 1,252,683</b>
Amortization of tangible capital assets	339,741	228,518
Purchase of tangible capital assets	(2,069,143)	(474,789)
Proceeds on disposal of tangible capital assets	37,403	43,000
Loss on disposal of tangible capital assets	16,896	1,650
Decrease in prepaid expenses	73,128	141,225
Increase in prepaid land settlement costs	(522,343)	(422,217)
Increase in construction in progress	(799,164)	(752,771)
Replacement reserve transactions	58,740	15,617
	(2,864,742)	(1,219,767)
<b>DECREASE (INCREASE) IN NET FINANCIAL DEBT</b>	<b>(258,159)</b>	<b>32,916</b>
<b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>	<b>(1,995,347)</b>	<b>(2,028,263)</b>
<b>NET FINANCIAL DEBT - END OF YEAR</b>	<b>\$ (2,253,506)</b>	<b>\$ (1,995,347)</b>

**GAMBLER FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 2,606,583	\$ 1,252,683
Items not affecting cash:		
Amortization	339,741	228,518
Loss on disposal of tangible capital assets	16,896	1,650
Income (loss) from investment in partnerships	(92,775)	7,494
Replacement reserve transactions	58,740	15,617
	<b>2,929,185</b>	1,505,962
Changes in non-cash working capital	<b>(674,546)</b>	500,384
Cash flow from operating activities	<b>2,254,639</b>	2,006,346
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	<b>(2,069,143)</b>	(474,789)
Proceeds on disposal of tangible capital assets	37,403	43,000
Purchase of investments	-	(705,000)
Advances to related parties	<b>(942,363)</b>	(16,855)
Increase in Ottawa trust funds	<b>(3,354)</b>	(2,048)
Decrease (increase) in restricted cash	15,748	(18,597)
Increase in construction in progress	<b>(799,164)</b>	(752,771)
Cash flow used by investing activities	<b>(3,760,873)</b>	(1,927,060)
<b>FINANCING ACTIVITIES</b>		
Advances from (repayment of) related parties	<b>(31,138)</b>	31,138
Decrease in construction advances	<b>(412,955)</b>	-
Decrease in land settlement fund	<b>(30,000)</b>	(8,405)
Increase in land settlement advances	252,942	422,217
Proceeds from long term financing	412,955	-
Repayment of long term debt	<b>(148,996)</b>	(93,528)
Cash flow from financing activities	<b>42,808</b>	351,422
<b>INCREASE (DECREASE) IN CASH</b>	<b>(1,463,426)</b>	430,708
Cash - beginning of year	<b>3,725,745</b>	3,295,037
<b>CASH - END OF YEAR</b>	<b>\$ 2,262,319</b>	\$ 3,725,745

**1. NATURE OF ENTITY**

Gambler First Nation is located in the province of Manitoba and operates as the governing entity in providing services to its community members.

Gambler First Nation reporting entity includes all entities which are either owned or controlled by the First Nation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards and include the assets, liabilities, revenues and expenses of the following departments and entities:

- Gambler Administration and Governance
- Gambler Community Assets
- Gambler Education
- Gambler Health
- Gambler Housing
- Gambler Social Assistance

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

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.

Long term investments

Investment in the Gambler Management Limited Partnership and Gambler Development Limited Partnership is recorded on a modified equity basis. Under this basis, the equity method of accounting is modified only to the extent that the partnership's accounting principles are not adjusted to conform with those of the First Nation. Gambler First Nation's investment in these entities is recorded at acquisition cost and is increased or decreased for the proportionate share of earnings or losses and distributions.

Investments in Gambler Management Ltd. and Gambler Development Ltd. are recorded at cost.

Construction in Progress

Construction in progress is stated at cost which includes material and direct labour. The projects include a cultural centre and various housing projects. No amortization expense is recorded on construction in progress until such time as the relevant assets are completed and put into use.

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**GAMBLER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

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

Buildings	5 and 10 years	straight-line method
Band houses	20 years	straight-line method
CMHC 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 First Nation 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 Canada Mortgage and Housing Corporation (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.

3. FINANCIAL INSTRUMENTS

The First Nation 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 First Nation's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The First Nation 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.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, related party advances, deferred revenue, long term debt, reserves, land settlement advances, construction advances, and accounts payable and accrued liabilities.

**4. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
Indigenous Services Canada	\$ -	\$ 28,500
Canada Mortgage and Housing Corporation	<b>54,324</b>	83,605
Prairies Economic Development Canada	<b>750,000</b>	-
Province of Manitoba	<b>84,370</b>	44,832
First Peoples Development Inc.	<b>11,747</b>	7,160
Band members	<b>145,865</b>	149,367
Rent	<b>99,123</b>	97,301
Trade and other	<b>83,384</b>	47,969
Subtotal	<b>1,228,813</b>	458,734
Allowance for doubtful accounts	<b>(62,547)</b>	(87,692)
	<b>\$ 1,166,266</b>	<b>\$ 371,042</b>

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

**5. 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>2023</b>	<b>2022</b>
Capital account	\$ <b>76,646</b>	\$ 76,646
Revenue account	<b>35,242</b>	31,888
	<b>\$ 111,888</b>	<b>\$ 108,534</b>

**6. LONG TERM INVESTMENTS**

	<b>2023</b>	<b>2022</b>
Gambler Development Ltd. - common shares	\$ <b>100</b>	\$ 100
Gambler Management Ltd. - common shares	<b>100</b>	100
	<b>\$ 200</b>	<b>\$ 200</b>

Notes to Consolidated Financial Statements

Year Ended March 31, 2023

7. INVESTMENT IN LIMITED PARTNERSHIPS

	Equity %	Balance 2022	Income (loss)	Balance 2023
Gambler Management Limited Partnership	99.99	\$ 697,506	\$ (754)	\$ 696,752
Gambler Development Limited Partnership	99.99	-	93,529	93,529
	199.98	\$ 697,506	\$ 92,775	\$ 790,281

8. RELATED PARTIES

The following is a summary of the First Nation's related party transactions:

	2023	2022
<u>Related party transactions</u>		
Gambler Brandon Ventures Limited Partnership (related First Nation entity)		
Management fees	\$ -	\$ 34,660

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

Due from / to related parties

	2023	2022
Due from related First Nation entities and departments		
Gambler Management Limited Partnership	\$ 2,284	\$ -
Gambler Development Limited Partnership	4,732	-
Gambler Resources Limited Partnership	184,281	184,281
Gambler Gaming Ventures Limited Partnership	25	25
Gambler Construction Limited Partnership	13,922	6,865
Gambler Brandon Ventures Limited Partnership	855,803	23,560
Gambler Gas & Convenience Store Limited Partnership	96,048	-
	\$ 1,157,095	\$ 214,731

Advances to related parties are unsecured and have no specified interest or repayment terms.

	2023	2022
Due to related First Nation entities and departments		
Gambler Gas & Convenience Store Limited Partnership	\$ -	\$ 31,138

Advances from related parties are unsecured and have no specified interest or repayment terms.

**GAMBLER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**9. RESTRICTED CASH**

	<b>2023</b>	<b>2022</b>
Fusion Credit Union (CMHC)	\$ 16,360	\$ 34,192
Fusion Credit Union (school bus)	182,888	153,981
Fusion Credit Union (land settlement)	125,754	152,577
	<b>\$ 325,002</b>	<b>\$ 340,750</b>

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2023</b>	<b>2022</b>
Trade payables	\$ 578,552	\$ 156,648
Accrued liabilities	288,470	582,076
Canada Revenue Agency	13,693	16,908
	<b>\$ 880,715</b>	<b>\$ 755,632</b>

**11. DEFERRED REVENUE**

The First Nation receives funding from various sources to be used to operate community programs for the fiscal year. Many programs run each year and, due to timing of the receipt of funding as well as the expenses incurred, not all funding may be expensed by the end of the current year. As at March 31, 2023, the amount of revenue deferred to complete the programs in the following year amounted to \$3,892,171 (2022 - \$3,447,360).

**12. LONG TERM DEBT**

	<b>2023</b>	<b>2022</b>
Canada Mortgage and Housing Corporation Phase 1 loan bearing interest at 1.69% per annum, repayable in monthly blended payments of \$1,531. The loan matures on August 1, 2024 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.	\$ 25,701	\$ 43,479
Canada Mortgage and Housing Corporation Phase 2 loan bearing interest at 0.74% per annum, repayable in monthly blended payments of \$336. The loan matures on July 1, 2030 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.	28,774	32,579
Canada Mortgage and Housing Corporation Phase 3 loan bearing interest at 1.88% per annum, repayable in monthly blended payments of \$1,797. The loan matures on February 1, 2032 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.	176,942	195,008

*(continues)*

## Notes to Consolidated Financial Statements

Year Ended March 31, 2023

## 12. LONG TERM DEBT (continued)

	2023	2022
Canada Mortgage and Housing Corporation Phase 4 loan bearing interest at 3.81% per annum, repayable in monthly blended payments of \$1,435. The loan matures on March 1, 2033 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.	143,201	155,736
Canada Mortgage and Housing Corporation Phase 5 loan bearing interest at 0.68% per annum, repayable in monthly blended payments of \$369. The loan matures on April 1, 2035 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.	51,373	55,439
Canada Mortgage and Housing Corporation Phase 6 loan bearing interest at 3.98% per annum, repayable in monthly blended payments of \$2,168. The loan matures on November 1, 2047 and is secured by a Ministerial Loan Guarantee for CMHC On-Reserve Non-Profit Housing Program Project.	409,628	-
Municipality of Russell-Binscarth loan bearing interest at 4.14% per annum, repayable in monthly blended payments of \$48,283. The loan matures on May 19, 2026 and is secured by a water supply and sale agreement.	124,684	214,103
	<b>\$ 960,303</b>	<b>\$ 696,344</b>

Principal repayment terms are approximately:

2024	\$ 108,482
2025	100,692
2026	92,304
2027	52,515
2028	53,640
Thereafter	552,670
	<b>\$ 960,303</b>

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.



**13. LAND SETTLEMENT FUND**

A land claim administrative settlement account was established in 2008. The original amount was \$4,600,000. Claims were paid to band members (\$10,000 each) who were 18 or over at the time. Children under 18 can apply when they attain the age of 18 years. Any funds remaining after all payments were made to band members is to be used for economic development. There is one child remaining who will turn 18 in subsequent years.

In December 2011, \$100,000 was transferred from the land claim settlement account to the general account for use in general operations and was to be repaid to the settlement bank account. No subsequent repayment has been made.

In addition, the First Nation guaranteed loans taken out by band members and held by the Fusion Credit Union. In 2015, the amount of the loans totaled \$42,050. Payments totaling that amount were withdrawn from the land claim settlement account. The loans were to be recovered from the band members and repaid to the land claim settlement account. The amount of the loans outstanding from band members in 2023 was \$31,770 (2022 - \$31,770).

	<b>2023</b>	<b>2022</b>
Deferred economic development costs	\$ 244,347	\$ 244,347
Liability for land settlement payments	10,000	40,000
	<b>\$ 254,347</b>	<b>\$ 284,347</b>

**14. LAND SETTLEMENT ADVANCES**

The First Nation received three loans totalling \$252,942 (2022 - \$422,217) from Crown-Indigenous Relations and Northern Affairs Canada - Negotiation Support Directorate as funding support with respect to the negotiation of 1892 Surrender of IR 63, 1898 Surrender of IR 63 and IR 63 Quantity and Quality claims. These loans are non-interest bearing and due on the earlier of March 31, 2024 and March 31, 2026 or a date on which the claims are settled.

During the year, the First Nation incurred costs totalling \$522,343 (2022 - \$422,217) respecting these claims. These costs will be recognized as expense when the claims are settled.

As at March 31, 2023, the First Nation has received advances totalling \$1,948,153 (2022 - \$1,695,211) and has incurred expenses totalling \$2,217,554 (2022 - \$1,695,211)

**15. PREPAID EXPENSES**

	<b>2023</b>	<b>2022</b>
Russell-Binscarth water line	\$ 124,684	\$ 214,103
Other	16,412	121
	<b>\$ 141,096</b>	<b>\$ 214,224</b>

In 2018, the First Nation entered in to an agreement with the Municipality of Russell to cost-share the construction of a water line to the community. The First Nation's portion of the project amounted to \$405,000 and is being financed by a loan with the municipality over a period of 10 years. The project is being expensed over the life of the loan. During the year the First Nation made an additional, one-time payment towards balance of the loan.

Notes to Consolidated Financial Statements

Year Ended March 31, 2023

16. CONSTRUCTION IN PROGRESS

The following projects were under construction as at March 31, 2022:

	2023	2022
CMHC Phase 6 housing	\$ -	\$ 434,013
CMHC Phase 7 housing	623,995	547,149
CMHC Phase 8 housing	78,709	225
CMHC Phase 9 housing	19,532	-
Cultural Centre	1,076,080	242,949
Two bedroom duplex	351,771	126,587
	<b>\$ 2,150,087</b>	<b>\$ 1,350,923</b>

The First Nation has received advances of \$130,868 (2022 - \$543,823) from Canada Mortgage and Housing Corporation (CMHC) to assist with the construction of the CMHC housing.

17. TANGIBLE CAPITAL ASSETS

Cost	2022 Balance	Additions	Disposals	2023 Balance
Band houses	\$ 1,284,722	\$ -	\$ -	\$ 1,284,722
Buildings	1,206,222	64,195	-	1,270,417
CMHC houses	1,224,713	442,695	-	1,667,408
Equipment and vehicles	2,056,539	1,562,252	72,398	3,546,393
Roads	114,135	-	-	114,135
Water and sewer	222,793	-	-	222,793
	<b>\$ 6,109,124</b>	<b>\$ 2,069,142</b>	<b>\$ 72,398</b>	<b>\$ 8,105,868</b>

Accumulated Amortization	2022 Balance	Amortization	Accumulated Amortization on Disposals	2023 Balance
Band houses	\$ 1,284,722	\$ -	\$ -	\$ 1,284,722
Buildings	897,840	43,691	-	941,531
CMHC houses	742,472	59,577	-	802,049
Equipment and vehicles	726,047	232,188	18,100	940,135
Roads	46,615	-	-	46,615
Water and sewer	51,404	4,285	-	55,689
	<b>\$ 3,749,100</b>	<b>\$ 339,741</b>	<b>\$ 18,100</b>	<b>\$ 4,070,741</b>

Net book value	2023	2022
Buildings	\$ 328,886	\$ 308,382
CMHC houses	865,359	482,241
Equipment and vehicles	2,606,258	1,330,492
Roads	67,520	67,520
Water and sewer	167,104	171,389
	<b>\$ 4,035,127</b>	<b>\$ 2,360,024</b>

## 18. HOUSING REPLACEMENT RESERVE

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 \$15,726 (2022 - \$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.

During the year the First Nation received a special, one-time contribution to the replacement reserve in the amount of \$46,000 (2022 - \$Nil) for use of the repair and maintenance and capital items identified in the special agreement.

As at March 31, 2023, the Replacement Reserve Fund bank account had a balance of \$16,360 (2022 - \$34,192) and was underfunded by \$50,706 (2022 - \$5,845).

Surplus revenue from Post 1996 projects is to be retained by the organization within an operating reserve fund and interest earned must accrue to and be maintained in the operating reserve fund. Funds may be withdrawn to cover current operating deficits.

As at March 31, 2023, the Operating Reserve bank account had a balance of \$Nil (2022 - \$Nil) and was underfunded by \$6,711 (2022 - \$Nil).

Replacement reserve expenses have been made in accordance with Schedule "D" of the operating agreement with CMHC.

	Operating reserve	Replacement reserve	2023	2022
Balance, beginning of year	\$ -	\$ 40,038	\$ 40,038	\$ 49,420
Special contribution	-	46,000	46,000	-
Annual allocation	-	15,726	15,726	14,890
Annual surplus	6,711	-	6,711	-
Interest income	-	517	517	159
Expenses (acquisitions and replacements)	-	(35,214)	(35,214)	(24,431)
	\$ 6,711	\$ 67,067	\$ 73,778	\$ 40,038

## 19. BUS REPLACEMENT RESERVE

A reserve for the purchase of a new school bus has been established. During the year, \$25,000 was allocated to the reserve (2022 - \$25,000). As at March 31, 2023, the School Bus Reserve bank account had a balance of \$182,888 (2022 - \$153,981) and was underfunded by \$73,147 (2022 - \$77,054).

	2023	2022
Balance, beginning of year	\$ 231,034	\$ 206,034
Annual allocation	25,000	25,000
	\$ 256,034	\$ 231,034

## 20. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUES

	2023	2022
Indigenous Services Canada per financial statements	\$ 6,134,840	\$ 4,681,821
2021 High cost special education funding	-	(9,500)
2022 High cost special education funding	-	(9,500)
	<b>6,134,840</b>	<b>4,662,821</b>
Indigenous Services Canada per confirmation	\$ 6,134,840	\$ 4,662,821

## 21. ADMINISTRATION FEES

The First Nation charges administration fees to the various programs. For information and presentation purposes, these fees have not been eliminated in the financial statements. The total administration fee revenue and related expense not eliminated during the year is \$221,077 (2022 - \$152,395).

## 22. OTHER REVENUE

	2023	2022
Prairies Economic Development Canada	\$ 750,000	\$ -
Agriculture and Agri-Food Canada	143,327	-
Southeast Resource Development Council Corp	55,300	27,650
Southern Chiefs' Organization	20,000	75,006
Manitoba First Nations Casino Trust	15,614	-
First Nation Land Management Resources Centre Inc.	10,000	-
West Region Tribal Council	2,000	2,000
West Region Child and Family Services	1,750	13,944
PM Associates	-	120,000
West Region Treaty 2 & 4 Health Services	-	1,000
Trade and other	33,758	29,056
	<b>\$ 1,031,749</b>	<b>\$ 268,656</b>

## 23. PENSION PLAN

The First Nation has an employee registered defined-contribution pension plan. The First Nation matches the employees' contributions. During the year, expenses totalling \$22,736 (2022 - \$19,571) were made to the pension plan.

**24. CONTINGENT LIABILITY**

The First Nation 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 statements for these loans.

The First Nation has guaranteed a loan with First Nations Bank in the amount of \$1,800,000. The loan is on behalf of Brandon Ventures Limited Partnership for the acquisition of land in Brandon, Manitoba. As at March 31, 2023, the balance of the loan is \$1,786,882 (2022 - \$1,800,000).

The First Nation has guaranteed a loan with First Nations Bank in the amount of \$3,300,000. The loan is on behalf of Gambler Gas & Convenience Store Limited Partnership. As at March 31, 2023, the balance of the loan is \$2,573,206 (2022 - \$Nil).

The First Nation has guaranteed a loan with First Nations Bank in the amount of \$850,000. The loan is on behalf of Gambler Gas & Convenience Store Limited Partnership. As at March 31, 2023, the balance of the loan is \$842,581 (2022 - \$Nil).

The First Nation has guaranteed a loan with the Fusion Credit Union in the amount of \$500,000 and a line of credit up to the amount of \$250,000. Both are on behalf of Gambler Gas & Convenience Store Limited Partnership. As at March 31, 2023, the balance of the loan is \$402,924 (2022 - \$485,652). The line of credit was not being used.

The consolidated financial statements are subject to review by the First Nation's funding agents. It is possible adjustments could be made based on their review, resulting in repayment or recovery of funding.

**25. ECONOMIC DEPENDENCE**

The First Nation receives substantially all of its revenues from government sources.

**26. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**GAMBLER FIRST NATION**  
**Consolidated Expenses (Schedule 1)**  
**Year Ended March 31, 2023**

	2023	2022
Administration fees (Note 21)	\$ 241,824	\$ 173,781
Allowances	44,322	21,603
Bad debts (recovery)	(25,144)	-
Basic needs	150,615	128,905
Books and supplies	11,809	7,259
Bus reserve allocation	25,000	25,000
Casual and contract labour	49,742	42,294
Economic development	118,116	-
Fuel	34,071	24,260
Funerals	-	6,873
Honorariums	14,737	525
Insurance	158,970	99,544
Interest and bank charges	1,267	7,875
Interest on long term debt	29,131	18,842
Legal settlement	15,000	-
Loss on disposal of tangible capital assets	16,896	1,650
Management fees (Note 8)	-	34,660
Office	128,590	105,204
Operating reserve allocation	6,711	-
Post-secondary	55,563	24,820
Professional fees	741,402	705,121
Rent	104,485	105,849
Repairs and maintenance	776,052	476,673
Replacement reserve allocation	61,726	14,890
Security	24,352	7,473
Special needs	3,785	3,099
Telephone	24,487	21,665
Training and development	100,982	18,827
Travel	60,827	41,125
Tuition	297,307	227,792
User fees	5,463	5,506
Utilities	84,562	80,254
Wages and employee benefits (Note 23)	958,167	977,695
Workshops and materials	477,644	279,552
	<b>\$ 4,798,461</b>	<b>\$ 3,688,616</b>

**GAMBLER FIRST NATION**  
**Consolidated Segment Disclosure (Schedule 2)**  
**Year Ended March 31, 2023**

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:

	Admin & Governance		Community Assets		Education		Health		Housing		Social Services		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenues</b>														
Federal Government	\$ 1,161,662	\$ 1,389,860	\$ 680,836	\$ 376,727	\$ 616,210	\$ 595,400	\$ 1,941,491	\$ 1,977,845	\$ 1,511,081	\$ 77,510	\$ 371,964	\$ 369,483	\$ 6,283,244	\$ 4,786,825
Provincial Government	7,826	-	-	-	1,957	-	38,368	-	-	-	4,348	-	52,499	-
Economic Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue and transfers	1,437,443	384,385	1,980	(847)	(53,068)	-	395,497	195,073	72,002	90,370	-	-	1,853,853	668,981
Deferred revenue	247,929	299,185	(36,433)	-	(18,729)	(121,215)	287,159	(701,357)	(956,634)	334,665	31,897	(97,268)	(444,811)	(285,989)
<b>Total Revenue</b>	<b>2,854,860</b>	<b>2,073,430</b>	<b>646,383</b>	<b>375,880</b>	<b>546,370</b>	<b>474,185</b>	<b>2,662,515</b>	<b>1,471,561</b>	<b>626,449</b>	<b>502,545</b>	<b>408,209</b>	<b>272,215</b>	<b>7,744,785</b>	<b>5,169,817</b>
<b>Expenses</b>														
Amortization	280,164	172,841	-	-	-	-	-	-	59,577	55,677	-	-	339,741	228,518
Debt servicing	5,612	7,760	8,864	10,431	-	-	38	29	15,884	8,498	-	-	30,398	26,717
Professional fees	639,176	596,883	14,029	16,926	-	-	76,207	79,962	5,750	5,500	6,240	5,850	741,402	705,121
Wages and benefits	172,024	266,149	24,981	16,345	42,003	41,888	664,609	617,701	-	-	54,550	35,613	958,167	977,695
Other expenses	673,133	400,478	236,283	116,954	483,588	326,304	1,018,990	594,281	324,085	310,315	332,420	230,752	3,068,494	1,979,083
<b>Total Expenses</b>	<b>1,770,109</b>	<b>1,444,111</b>	<b>284,157</b>	<b>160,656</b>	<b>525,591</b>	<b>368,192</b>	<b>1,759,844</b>	<b>1,291,973</b>	<b>405,296</b>	<b>379,990</b>	<b>393,210</b>	<b>272,215</b>	<b>5,138,202</b>	<b>3,917,134</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 1,084,751</b>	<b>\$ 629,319</b>	<b>\$ 362,226</b>	<b>\$ 215,224</b>	<b>\$ 20,779</b>	<b>\$ 105,993</b>	<b>\$ 902,671</b>	<b>\$ 179,588</b>	<b>\$ 221,153</b>	<b>\$ 122,555</b>	<b>\$ 14,999</b>	<b>\$ -</b>	<b>\$ 2,606,583</b>	<b>\$ 1,252,683</b>