

**George Gordon First Nation
Consolidated Financial Statements
March 31, 2018**

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Consolidated Financial Statements
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George Gordon First Nation
Management's Responsibility for Financial Reporting
March 31, 2018

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) and the reporting requirements of the funding agreement with Indigenous Services Canada (ISC). Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditors' report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file
George Gordon First Nation

July 22, 2018
Date

Chalupiak & Associates
Chartered Professional Accountants
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditors' Report

To the Members of
George Gordon First Nation

We have audited the accompanying consolidated financial statements of George Gordon First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, accumulated surplus, change in net debt, cash flows and the related schedules 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 First Nation'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 First Nation'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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of George Gordon First Nation as at March 31, 2018, and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 22, 2018

Chalupiak & Associates
Chartered Professional Accountants

George Gordon First Nation
Consolidated Statement of Financial Position
March 31, 2018

	2018	2017
Financial Assets		
Restricted cash - capital projects (Note 3)	\$ 320,119	\$ -
Restricted cash - TLE revenue account (Note 3)	3,954,859	3,772,053
Restricted cash - CMHC (Note 3)	1,340,047	1,285,747
Trust funds held by federal government (Notes 3 and 4)	16,980	98,335
Accounts receivable (Notes 5 and 6)	400,420	751,342
Inventory (Note 7)	103,813	98,111
Investments in related business entities (Notes 8 and 9)	3,670,226	3,785,247
	<hr/> 9,806,464	<hr/> 9,790,835
Liabilities		
Bank indebtedness (Notes 3 and 10)	1,066,560	650,841
Short-term financing (Note 11)	50,875	288,564
Accounts payable (Note 12)	609,747	721,254
Deferred revenue - unexpended funds - ISC (Note 13)	311,176	230,145
Deferred revenue - unexpended funds - Health Canada (Note 14)	379,735	459,248
Deferred revenue (Note 15)	4,644,290	4,053,387
Due to related entities (Note 16)	109,147	308,379
Current portion of long-term debt (Note 17)	378,133	361,129
Current portion of CMHC housing mortgage (Note 18)	357,723	414,436
Long-term debt (Note 17)	1,664,571	2,032,226
CMHC mortgages (Note 18)	3,490,171	3,848,043
	<hr/> 13,062,128	<hr/> 13,367,652
Net debt	<hr/> (3,255,664)	<hr/> (3,576,817)
Non-financial Assets		
Capital assets (Note 19)	20,604,204	22,026,627
Prepaid expenses (Note 20)	73,396	38,497
	<hr/> 20,677,600	<hr/> 22,065,124
Accumulated Surplus (Note 21)	<hr/> \$ 17,421,936	<hr/> \$ 18,488,307

Approved on behalf of the George Gordon First Nation:

 Signature on file

 Signature on file

 The accompanying notes are an integral part of the financial statements

George Gordon First Nation
Consolidated Statement of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - grant contribution	\$ -	\$ 569,820	\$ 522,192
Indigenous Services Canada - fixed contribution	3,110,871	3,234,986	3,277,247
Indigenous Services Canada - set contribution	37,500	70,493	112,525
Indigenous Services Canada - flexible contribution	409,579	2,845,516	2,303,966
ISC - prior period revenue (recovery)	-	(3,000)	746
ISC - current year receivable (payable)	-	(5,279)	(5,288)
Health Canada	1,308,514	1,667,225	1,328,490
CMHC	-	449,408	972,397
First Nations Trust	20,000	1,136,357	1,120,046
TLE revenue	-	670,669	1,141,064
Touchwood Agency Tribal Council Inc.	145,000	374,900	319,512
Funds earned and held in trust by the federal government	-	2,107	103,537
Dakota Dunes CDC	-	377,271	418,296
Government of Saskatchewan	-	11,266	15,055
Retail sales	-	3,159,741	3,380,761
Sask Finance rebates retained	-	282,702	365,821
George Gordon Developments LP	-	-	120,000
Land lease	-	303,334	253,792
Rental income - CMHC houses	-	171,630	196,222
Other revenue	46,605	432,762	282,099
Equity pickup (losses) - related business entities	-	(115,021)	1,668,822
Administration - internal allocation	-	415,675	378,788
Unexpended funds transferred - prior year	-	689,682	721,997
Deferred revenue - prior year	69,813	4,053,387	3,752,044
Deferred revenue - current year	-	(4,644,290)	(4,053,387)
	5,147,882	16,151,341	18,696,744
Expenses			
Community Development (Schedule 1)	1,126,854	2,222,967	3,047,702
Economic Development (Schedule 2)	-	74,709	48,400
Education (Schedule 3)	1,007,689	2,409,688	2,449,001
Indian Government Support (Schedule 4)	-	1,392,704	1,401,622
Land Management (Schedule 5)	165,461	180,718	166,004
Social Development (Schedule 6)	213,643	2,104,611	1,766,679
Indian Registration (Schedule 7)	27,457	27,066	27,457
Health (Schedule 8)	1,308,514	1,491,925	1,544,891
CMHC (Schedule 9)	-	843,426	960,014
Other Band Programs (Schedule 10)	312,564	1,394,437	1,694,078
Treaty Land Entitlement (Schedule 11)	-	588,509	1,047,389
George Gordon Retail Operations (Schedule 12)	-	3,796,040	3,932,032
	4,162,182	16,526,800	18,085,269
Current surplus (deficit) before other items	985,700	(375,459)	611,473

The accompanying notes are an integral part of the financial statements

George Gordon First Nation
Consolidated Statement of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Other items			
Contribution from George Gordon TLE Trust	-	-	530,040
Unexpended funds transferred to deferred revenue	-	(690,911)	(689,393)
	-	(690,911)	(159,353)
Current surplus (deficit)	\$ 985,700	\$ (1,066,370)	\$ 452,120

The accompanying notes are an integral part of the financial statements

George Gordon First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2018

	2018	2017
Surplus at beginning of year	\$ 18,488,307	\$ 18,036,187
Current surplus (deficit)	<u>(1,066,370)</u>	<u>452,120</u>
Surplus at end of year	<u>\$ 17,421,937</u>	<u>\$ 18,488,307</u>

The accompanying notes are an integral part of the financial statements

George Gordon First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Current surplus (deficit)	\$ 985,700	\$ (1,066,370)	\$ 452,120
Acquisition of tangible capital assets	-	(7,965)	(127,092)
Amortization of tangible capital assets	-	1,430,387	1,537,925
Contribution from George Gordon TLE Trust	-	-	(530,040)
	-	1,422,422	880,793
Acquisition of prepaid asset	(73,396)	(73,396)	(38,497)
Use of prepaid asset	38,497	38,497	1,300
	(34,899)	(34,899)	(37,197)
Increase in net financial assets	950,801	321,153	1,295,716
Net debt at beginning of year	(3,576,817)	(3,576,817)	(4,872,533)
Net debt at end of year	\$ (2,626,016)	\$ (3,255,664)	\$ (3,576,817)

The accompanying notes are an integral part of the financial statements

George Gordon First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash flows from Operating activities		
Current surplus (deficit)	\$ (1,066,370)	\$ 452,120
Items not affecting cash		
Amortization	1,430,386	1,537,925
Loss (earnings) from investment in First Nation business entities	115,021	(1,788,822)
Contribution from George Gordon TLE Trust	-	(530,040)
	<u>479,037</u>	<u>(328,817)</u>
Change in non-cash operating working capital		
Accounts receivable	350,922	21,463
Prepaid expenses	(34,899)	(37,197)
Inventory	(5,702)	(17,746)
Accounts payable	(111,507)	20,304
Deferred revenue - unexpended funds - ISC	81,031	230,145
Deferred revenue - unexpended funds - Health Canada	(79,513)	459,248
Deferred revenue	590,903	(232,571)
	<u>1,270,272</u>	<u>114,829</u>
Capital activities		
Purchase of capital assets	(7,964)	(127,095)
Financing activities		
Due from related entities	(199,232)	246,994
Decrease (increase) in trust funds held by federal government	81,356	(5,570)
Repayment of long-term debt	(350,652)	(400,869)
Repayment of CMHC mortgages	(414,585)	(397,703)
Short-term financing	(237,689)	288,564
	<u>(1,120,802)</u>	<u>(268,584)</u>
Investing activities		
Decrease (increase) in Restricted cash - TLE revenue account	(177,134)	339,390
Increase of Restricted cash - CMHC	(54,300)	(62,247)
Withdrawals from (contributions to) First Nation Business entities	-	120,000
Guaranteed investment certificates - TLE revenue account	(5,672)	(515,620)
	<u>(237,106)</u>	<u>(118,477)</u>
Decrease in cash and cash equivalents	(95,600)	(399,327)
Cash and cash equivalents, beginning of year	(650,841)	(251,514)
Cash and cash equivalents, end of year	\$ (746,441)	\$ (650,841)
Represented by		
Cash	\$ (1,066,560)	\$ (650,841)
Restricted cash - capital projects	320,119	-
	<u>\$ (746,441)</u>	<u>\$ (650,841)</u>

The accompanying notes are an integral part of the financial statements

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

1. Operations

The George Gordon First Nation ("the "First Nation") is located in Treaty 4 Territory in the Province of Saskatchewan, and provides various services to its Members. The George Gordon First Nation financial reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity

The George Gordon First Nation reporting entity includes the George Gordon First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only George Gordon First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of George Gordon First Nation.

Organizations consolidated in George Gordon First Nation's financial statements include:

George Gordon First Nation CMHC Housing
George Gordon TLE Holdings
George Gordon First Nation - TLE Revenue Account
Gordon Retail Centre

Organizations accounted for on a modified equity basis include:

George Gordon Developments Limited Partnership
George Gordon Security Inc.
George Gordon Developments Ltd.
George Gordon First Nation Off-Reserve Advisory Board Inc.

(c) Asset classification

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

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

2. Basis of presentation and significant accounting policies (continued)

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by its financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(f) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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, 2018.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

2. Basis of presentation and significant accounting policies (continued)

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and George Gordon First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Automotive equipment	5 years Straight line
Equipment	3-10 years Straight line
CMHC - houses	15-25 years Straight line
Store assets	4% - 20% Declining balance
Land improvements	25 years Straight line
Roads	40 years Straight line
Water Treatment Plant	25 years Straight line
Band Housing	25 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to George Gordon First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(h) Trust funds

Funds earned and held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

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

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

2. Basis of presentation and significant accounting policies (continued)

(i) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(j) Segments

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(k) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees - internal allocation."

(l) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or the service is performed.

(m) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(n) Comparative figures

Comparative figures have been reclassified, where applicable, to conform to current presentation.

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, George Gordon First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund. Cash and cash equivalents is comprised of the following:

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2018	2017
Unrestricted cash (Bank indebtedness)		
CMHC operations	\$ (2,701)	\$ 9,684
General operations	(995,879)	(736,483)
Social development	(40,435)	(15,150)
Retail operations	(29,175)	91,108
Lawyer - funds in trust	1,630	-
	<hr/> (1,066,560)	<hr/> (650,841)
Restricted cash - capital projects		
School project	21,324	-
Health Centre addition/renovation project	298,795	-
	<hr/> 320,119	<hr/> -
Restricted cash - CMHC		
CMHC Operating Reserve	532,294	479,104
CMHC Replacement Reserve	807,753	806,643
	<hr/> 1,340,047	<hr/> 1,285,747
Restricted cash - TLE revenue account		
TLE revenue account	3,433,567	3,256,433
GIC - interest 1.1%, reinvested annually, matures August 2018	521,292	515,620
	<hr/> 3,954,859	<hr/> 3,772,053
Restricted cash - funds held in trust by the federal government		
Capital funds	16,330	16,330
Revenue funds	650	82,005
	<hr/> 16,980	<hr/> 98,335
	<hr/> \$ 4,565,445	<hr/> \$ 4,505,294

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

4. Trust funds held by federal government

	2018 Revenue	2018 Capital	2018 Total	2017 Total
Surplus, beginning of year	\$ 82,004	\$ 16,330	\$ 98,334	\$ 92,766
Withdrawals	(83,461)	-	(83,461)	(97,968)
Lease revenue	-	-	-	100,379
Interest earnings	2,107	-	2,107	3,158
Surplus, end of year	\$ 650	\$ 16,330	\$ 16,980	\$ 98,335

5. Accounts receivable

	2018	2017
Due from members		
Advances	\$ 17,501	\$ 1,662
Advances - Social Development	237,487	225,121
Total Due from members	254,988	226,783
Due from others		
Dakota Dunes Community Development Corporation	23,350	42,872
Touchwood Agency Tribal Council Inc.	91,741	45,283
Other	8,097	35,836
GST	108,731	77,344
George Gordon Store - receivables	62,085	144,399
TLE - receivables	43,312	46,773
Total Due from others	337,316	392,507
Due from government and other government organizations		
Indigenous Services Canada	-	9,885
CMHC subsidy	35,456	35,289
CMHC retrofit	-	289,927
CMHC RRAP	-	13,280
	35,456	348,381
Allowance for doubtful accounts	627,760 (227,340)	967,671 (216,329)
Total accounts receivable	\$ 400,420	\$ 751,342

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

6. Accounts receivable - ISC

	2018	2017
<u>Basic Needs</u>	\$ -	<u>\$ 9,885</u>

7. Inventory

	2018	2017
<u>George Gordon Retail Centre</u>	<u>\$ 103,813</u>	<u>\$ 98,111</u>

8. Investments in government business entities

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2018	2017
George Gordon Developments LP	\$ 3,669,687	\$ 3,799,885
George Gordon Security Inc.	- (14,638)	(14,638)
<u>George Gordon Developments Ltd.</u>	<u>539</u>	<u>-</u>
	<u>\$ 3,670,226</u>	<u>\$ 3,785,247</u>

	Investment, start of year	Contributions	Withdrawals	Share of earnings (loss)	Investment, end of year
George Gordon Developments LP	\$ 3,799,885	\$ -	\$ -	\$ (130,198)	\$ 3,669,687
George Gordon Security Inc.	(14,638)	14,638	-	-	-
<u>George Gordon Developments Ltd.</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>539</u>	<u>539</u>
	<u>\$ 3,785,247</u>	<u>\$ 14,638</u>	<u>\$ -</u>	<u>\$ (129,659)</u>	<u>\$ 3,670,226</u>

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

9. Investments in government business entities

	George Gordon Developments LP	George Gordon Developments Ltd.	George Gordon Reserve Advisory Board Inc.	Mar 31, 2018	2018 Total	2017 Total
	Dec 31, 2017	Dec 31, 2017				
Cash	\$ 2,073,461	\$ -	\$ -	\$ 2,073,461	\$ 197,322	
Other current assets	1,225,719	-	652,938	1,878,657	5,708,262	
Tangible capital assets	662,834	-	-	662,834	710,787	
Investments	188,326	2,039	-	190,365	-	
Other assets	-	-	-	-	110,426	
Total assets	\$ 4,150,340	\$ 2,039	\$ 652,938	\$ 4,805,317	\$ 6,726,797	

Current liabilities	\$ 180,111	\$ 1,500	\$ 652,938	\$ 834,549	\$ 2,582,123
Long-term debt	300,542	-	-	300,542	588,008
Total liabilities	480,653	1,500	652,938	1,135,091	3,170,131
Equity	3,669,687	539	-	3,670,226	3,556,666
Total liabilities and equity	\$ 4,150,340	\$ 2,039	\$ 652,938	\$ 4,805,317	\$ 6,726,797

	George Gordon Developments LP	George Gordon Developments Ltd.	George Gordon Reserve Advisory Board Inc.	Mar 31, 2018	2018 Total	2017 Total
	Dec 31, 2017	Dec 31, 2017				
Revenue	\$ 4,342,628	\$ (130)	\$ 26,992	\$ 4,369,490	\$ 13,318,151	
Expenses	4,472,826	1,500	26,992	4,501,318	11,529,331	
Net income	\$ (130,198)	\$ (1,630)	\$ -	\$ (131,828)	\$ 1,788,820	

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

10. Bank indebtedness

The First Nation has approved overdraft limits with Raymore Credit Union as follows:

General operations - authorized limit of \$500,000 (2017 - \$500,000) - interest 4.50%

Post secondary - authorized limit of \$100,000 (2017 - \$100,000) - interest 5.75%

Social assistance - authorized limit of \$25,000 (2017 - \$25,000) - interest 5.75%

Unauthorized limits bear interest at 24.00%, secured by a general security agreement.

The First Nation has a line of credit with Royal Bank of Canada:

General operations - authorized limit of \$200,000 (2017 - \$200,000) - interest prime plus 1.50%

As at March 31, 2018 the First Nation had drawn \$730,842 (2017 - \$185,498) from the lines of credit, with the remaining bank indebtedness consisting of outstanding cheques and overdraft balances.

11. Short-term financing

The First Nation has an approved line of credit of \$1,000,000. Interest is calculated at 4.5% and is due monthly.

	2018	2017
Raymore Credit Union	<u>\$ 50,875</u>	<u>\$ 288,564</u>

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

12. Accounts payable

	2018	2017
Due to members		
Accrued payroll	\$ 7,499	\$ 108,235
Accrued vacation pay	24,025	22,978
	<hr/> 31,524	<hr/> 131,213
Due to others		
CMHC operations - payables	55,494	58,097
George Gordon Store - payables	226,132	305,973
TLE revenue account - payables	14,000	20,849
General operations	113,920	189,949
	<hr/> 409,546	<hr/> 574,868
Due to government and other government organizations		
Indigenous Services Canada	5,279	15,173
Canada Revenue Agency - George Gordon Retail	163,398	-
	<hr/> 168,677	<hr/> 15,173
	<hr/> <hr/> \$ 609,747	<hr/> <hr/> \$ 721,254

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

13. Deferred revenue - unexpended funds - ISC

Indigenous Services Canada (ISC) funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds - ISC" on the financial statements.

	2018	2017
Comprehensive education support	\$ -	\$ 17,492
Mature students	-	9,493
Summer students	-	2,916
Skills Link	-	1,066
Basic needs	9,288	-
Skills Link - Chief's office	-	28,382
Post Secondary	221,060	82,096
FNLM Development	41,504	44,129
RLEMP	31,453	44,571
Land management	7,871	-
	<hr/> \$ 311,176	<hr/> \$ 230,145

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

14. Deferred revenue - unexpended funds - Health Canada

Health Canada funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to Health Canada, deferred to the following year, or transferred to another Health Canada program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds - Health Canada" on the financial statements.

	2018	2017
Accreditation	\$ 37,774	\$ 36,318
Pre-natal nutrition	50,226	43,166
Home & Community Care	175,979	-
FASD	5,291	5,816
Community health	-	12,681
Public health nurse	29,556	195,466
COHI	19,918	8,338
CDC immunization	19,178	19,506
Diabetes	41,813	84,026
Mental health	-	21,446
NNADAP	-	20,095
Youth solvent abuse	-	1,839
Medical transportation	-	10,551
	<hr/> <u>\$ 379,735</u>	<hr/> <u>\$ 459,248</u>

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

15. Deferred revenue

Deferred revenue consists of unspent revenues that are externally restricted. Revenue from the TLE Revenue Account is restricted by the terms contained within the George Gordon TLE Trust Agreement. Revenue from funding agencies is restricted by the terms of the related funding agreement. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

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

	March 31, 2017	Funding received, 2018	Revenue recognized, 2018	March 31, 2018
Federal government				
ISC				
Immediate needs - capacity	\$ 54,041	\$ -	\$ (54,041)	\$ -
Immediate needs - innovation	17,500	-	(17,500)	-
School renovation project	69,813	90,043	(48,532)	111,324
Renovations and Additions	-	250,000	-	250,000
Other				
Health Canada Asset Investment	-	306,466	(7,671)	298,795
CMHC - retrofit	114,056	-	(114,056)	-
	255,410	646,509	(241,800)	660,119
Other				
TLE Revenue Account	3,797,977	670,669	(484,475)	3,984,171
	\$ 4,053,387	\$ 1,317,178	\$ (726,275)	\$ 4,644,290

16. Due to (from) related entities

Amounts due to related parties are non interest bearing, unsecured and have no set terms of repayment.

	2018	2017
George Gordon Developments Limited Partnership	\$ 64,265	\$ 294,380
George Gordon TLE Revenue Account	110,649	75,947
George Gordon TLE Holdings	(65,767)	(61,948)
	\$ 109,147	\$ 308,379

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

17. Long-term debt

	2018	2017
Royal Bank of Canada - CMHC reserves. Term loan, quarterly blended payments of \$33,900, interest at 3.79%. Secured by BCR and general security agreement, due August 2019.	\$ 193,745	\$ 318,694
Raymore Credit Union - retail operations. Mortgage, monthly blended payments of \$8,585, interest at 5.50%. Secured by related capital asset, BCR and general security agreement, due May 2018.	798,806	847,408
Raymore Credit Union - consolidation loan. Term loan, quarterly blended payments of \$59,116, interest at 5.00%. Secured by BCR and general security agreement, due June 2018	1,050,153	<u>1,227,253</u>
<u>Current portion</u>	<u>2,042,704</u>	<u>2,393,355</u>
	378,133	361,129
	<u><u>\$ 1,664,571</u></u>	<u><u>\$ 2,032,226</u></u>

Principal portion of long-term debt due within the next five years:

2019	\$ 378,133
2020	324,656
2021	274,652
2022	289,014
2023 and thereafter	<u>776,249</u>
	<u><u>\$ 2,042,704</u></u>

	2018	2017
Interest expense for the year on long-term debt	<u><u>\$ 131,673</u></u>	<u><u>\$ 125,996</u></u>

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

18. CMHC mortgages

	Phase number	Renewal date	Interest rate	Blended monthly payment	2018	2017
Scotiabank	4	5/01/18	4.75%	\$ 6,270	\$ 12,461	\$ 85,347
CMHC	5	10/01/19	2.01%	1,268	89,303	102,584
CMHC	6	6/01/20	1.39%	2,121	169,708	192,636
CMHC	7	6/01/22	1.30%	1,896	196,527	216,496
CMHC	8	5/01/18	1.62%	1,350	149,494	163,158
CMHC	9	4/01/19	1.92%	1,042	124,006	134,039
CMHC	10	10/01/20	1.04%	1,614	139,679	157,496
CMHC	11	1/01/23	2.04%	8,155	864,871	946,175
CMHC	12	5/01/18	1.62%	8,028	875,427	956,911
CMHC	14	5/01/19	1.98%	2,270	272,769	294,392
CMHC	15	9/01/18	2.35%	1,652	321,427	333,578
CMHC	16	9/01/20	0.94%	4,468	632,222	679,667
					3,847,894	4,262,479
<u>Less: Current portion</u>					357,723	414,436
					<u>\$ 3,490,171</u>	<u>\$ 3,848,043</u>

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

19. Tangible capital assets

	Cost	Additions	Disposals	Accumulated amortization	2018 Net book value
Land	\$ 9,074,658	\$ -	\$ -	\$ -	\$ 9,074,658
Buildings	10,547,881	-	-	8,214,966	2,332,915
Automotive equipment	330,850	-	-	313,812	17,038
Equipment	1,757,350	7,964	-	1,004,644	760,670
CMHC - houses	12,363,703	-	-	7,569,324	4,794,379
Store assets	1,829,889	-	-	422,257	1,407,632
Land improvements	175,000	-	-	81,000	94,000
Roads	2,582,876	-	-	2,496,295	86,581
Water Treatment Plant	3,176,345	-	-	1,128,559	2,047,787
Band Housing	<u>11,848,964</u>	<u>-</u>	<u>-</u>	<u>11,860,419</u>	<u>(11,455)</u>
	<hr/> <u>\$ 53,687,516</u>	<hr/> <u>\$ 7,964</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 33,091,276</u>	<hr/> <u>\$ 20,604,205</u>
	Cost	Additions	Disposals	Accumulated amortization	2017 Net book value
Land	\$ 8,544,618	\$ 530,040	\$ -	\$ -	\$ 9,074,658
Buildings	10,547,881	-	-	7,851,982	2,695,898
Automotive equipment	330,850	-	-	267,120	63,730
Equipment	1,617,035	140,315	-	859,798	897,552
CMHC - houses	12,363,703	-	-	6,985,380	5,378,323
Store assets	1,843,112	-	13,223	338,807	1,491,082
Land improvements	175,000	-	-	74,000	101,000
Roads	2,582,876	-	-	2,453,004	129,872
Water Treatment Plant	3,176,345	-	-	1,001,504	2,174,841
Band Housing	<u>11,848,964</u>	<u>-</u>	<u>-</u>	<u>11,829,294</u>	<u>19,670</u>
	<hr/> <u>\$ 53,030,384</u>	<hr/> <u>\$ 670,355</u>	<hr/> <u>\$ 13,223</u>	<hr/> <u>\$ 31,660,889</u>	<hr/> <u>\$ 22,026,626</u>

20. Prepaid expenses

	2018	2017
Social assistance	\$ 73,396	\$ 38,497

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

21. Accumulated surplus

	2018	2017
Restricted		
Capital assets	\$ 15,763,760	\$ 16,598,046
Investments in related business entities (Note 8)	3,670,226	3,785,247
Trust funds held by federal government (Note 4)	16,980	98,335
CMHC reserves (Note 27)	2,091,113	1,921,085
Moveable asset reserve (Note 26)	25,358	25,651
	<hr/>	<hr/>
	21,567,437	22,428,364
Unrestricted		
Operating surplus (deficit)	<hr/> (4,145,501)	<hr/> (3,940,057)
	<hr/> <hr/> \$ 17,421,936	<hr/> <hr/> \$ 18,488,307

Equity in capital assets is the net book value less any long term debt acquired to finance the assets.

22. Indigenous Services Canada (ISC) reconciliation

	2018	2017
ISC revenue per agreement	\$ 7,373,753	\$ 6,224,022
George Gordon First Nation Off-reserve Advisory Board Inc.	(652,938)	-
Prior period revenue (recovery)		
Band employee benefits	-	(8,092)
National child benefit reinvestment	-	746
P & ID	(3,000)	-
Current year receivable (payable)		
Basic Needs	-	9,885
Band employee benefits	(5,114)	(1,425)
Special needs	-	(13,748)
Institutional care	(165)	-
	<hr/>	<hr/>
	\$ 6,712,536	\$ 6,211,388

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

23. Government Transfers

	2018		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada	\$ 5,829,237	\$ 883,299	\$ 6,712,536
Health Canada	1,360,759	306,466	1,667,225
Canada Mortgage and Housing Corporation	489,024	(39,616)	449,408
Total	7,679,020	1,150,149	8,829,169
Provincial government transfers			
	11,266	-	11,266
Total	\$ 7,690,286	\$ 1,150,149	\$ 8,840,435
	2017		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada	\$ 5,513,079	\$ 698,309	\$ 6,211,388
Health Canada	1,304,931	23,559	1,328,490
Canada Mortgage and Housing Corporation	480,262	492,135	972,397
Total	7,298,272	1,214,003	8,512,275
Provincial government transfers			
	15,055	-	15,055
Total	\$ 7,313,327	\$ 1,214,003	\$ 8,527,330

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

24. Contingent liabilities

George Gordon First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, George Gordon First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on George Gordon First Nation's financial statements.

a) Touchwood Agency Specific Claim

The Government of Canada provided Touchwood Agency Specific Claim with an interest-free loan of approximately \$2,251,000 repayable on the earlier of March 31, 2010 or the date on which the claim is settled. The loan was advanced subject to conditions contained in a Native Claims Loan Agreement. The five Nations who are members of the Touchwood Agency Specific Claim may be responsible for the repayment of this loan. The amount of the liability, if any, is not determinable at this time. If any liability results, it will be recorded in the period the liability is determinable. As of March 31, 2018 the Government of Canada has not requested repayment.

25. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

George Gordon First Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

Pension plan

George Gordon First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3.0% to 7.0% of their basic salary; George Gordon First Nation contributes a matching portion which is directed to the member's contribution account. George Gordon First Nation does not have any other obligations with regards to the pension plan as at March 31, 2018.

26. Health Canada - Moveable Asset Reserve

Health Canada funding agreements require the First Nation to report on funding received and related expenditures for all assets over \$1,000 that are not permanently attached to the health facility building.

	2018	2017
Balance, beginning of year	\$ 25,651	\$ 25,908
Expenses	(293)	(257)
<u>Balance, end of year</u>	<u>\$ 25,358</u>	<u>\$ 25,651</u>

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

27. CMHC reserves and restricted cash

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2018 the CMHC reserves required an amount of \$2,091,113 (2017- \$1,921,085) to be set aside; the reserves were underfunded by \$751,066 (2017 - \$720,846).

28. Related party transactions

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

29. Fair value

The fair value of the financial assets (except the investments), and current liabilities approximates their carrying value due to their short term nature. It is not practical to determine fair value for the investments with sufficient reliability because of the limited market for them. The fair value of the First Nation's long-term debt approximates cost due to either the short-term nature (either to term or to renewal) or has interest floating at market rates.

30. Interest rate risk

The First Nation is not exposed to significant interest rate risk on its monetary assets and current liabilities, due to their short term maturity. The First Nation is exposed to interest rate price risk on its long term debt that has a fixed interest rate.

31. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and derived from the estimates approved by the George Gordon First Nation.

32. Economic dependence

The First Nation receives a substantial amount of its funding from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC 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.

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

33. Expenses by object

	2018 Budget	2018 Actual	2017 Actual
Administration - internal allocation	\$ 218,715	\$ 417,863	\$ 385,549
Administration - program	-	-	45,000
Advertising, promotions, sponsorships	2,500	13,548	10,367
Amortization	-	1,346,936	1,447,587
Assistance - social development	-	1,619,489	1,531,497
Assistance to band members	250	132,438	159,275
Bad debts	-	11,653	-
Bank charges and interest	-	33,563	33,950
CDC - Administration and governance	-	54,067	79,071
CDC - Health initiatives	-	-	64,315
CDC - Wellness programs	-	-	11,037
CDC - Sports and recreation	-	120,090	94,224
CDC - Public works	-	33,331	51,912
CDC - Housing	-	-	42,499
CDC - Elder support	-	2,500	5,000
CDC - Headstart and daycare	-	20,931	3,050
CDC - Arena	-	30,718	22,495
Consultants and contractors	933,744	721,332	1,129,725
Contribution to George Gordon Developments LP	-	19,960	-
Contribution to TLE principle trust account	-	-	283,500
Cultural programs	93,679	184,772	93,113
Elder services	12,500	3,926	8,558
Equipment purchases	12,200	20,385	40,600
Fibre optic internet	-	-	58,444
First Nations Trust expenses	-	169,018	184,733
Flow thru	-	600	-
Governance	-	49,183	121,604
Honorariums	5,000	445,585	506,775
Insurance	20,660	89,779	108,738
Janitorial Supplies	13,000	20,165	12,733
Long term debt - interest on mortgages	-	65,257	71,161
Long term debt - interest paid	-	82,174	79,963
Office equipment rental/lease	-	25,273	16,735
Other equipment expenses	2,100	3,519	8,942
Other expenses	-	3,456	-
Pow wow	-	163,826	156,532
Prior period expenses	-	-	35,744
Prior period salary adjustments	-	-	(56,949)
Professional fees	6,200	226,642	296,237
Program expenses	415,212	708,011	575,669
Property taxes	-	65,103	83,268
Rent - office	14,507	-	510
Repairs and maintenance	86,604	404,461	736,070
Retail operations - operating expenses	-	940,153	787,537
Road repairs and maintenance	-	127,250	47,878

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

33. Expenses by object, continued

	2018 Budget	2018 Actual	2017 Actual
Student expenses - books	-	57,180	58,418
Student expenses - living allowance	-	624,700	558,540
Student expenses - other	-	17,253	9,153
Student expenses - travel	-	31,700	27,240
Student expenses - tuition	-	371,247	335,193
Program supplies	153,995	504,973	786,698
Telephone	20,720	80,001	80,634
Training	21,500	48,850	24,813
Travel, meetings, per diems	158,200	598,319	531,578
Unexpended funds - prior years	-	289	188,083
Utilities	115,315	220,479	215,648
Vehicle operating expenses	78,206	71,643	82,913
Wages and benefits	1,518,095	2,479,083	2,577,887
Workers compensation expense	-	-	50,408
Workshop and meetings	259,280	196,203	179,235
Transfer assets to balance sheet	-	(7,964)	(140,315)
	<hr/>	<hr/>	<hr/>
	\$ 4,162,182	\$ 13,670,913	\$ 14,940,774

The expenses do not include cost of goods sold of \$2,855,887 (2017 - \$3,144,495) from the retail operations.

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

34. Segmented information

As previously discussed in note 2 (j) the First Nation conducts its business through reportable segments as follows:

1) Indigenous Services Canada (ISC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

George Gordon First Nation
Notes to Consolidated Financial Statements
March 31, 2018

34. Segmented information, continued

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Schedule #1
George Gordon First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 690,298	\$ 695,400	\$ 690,298
Indigenous Services Canada - flexible contribution	340,000	883,309	698,309
CMHC - RRAP	-	-	83,555
CMHC - Retrofit	-	-	408,581
CMHC - Youth Initiatives (HIIFNIY)	-	45,572	34,564
CMHC - HASI	-	19,700	-
CMHC - prior period revenue (recovery)	-	(39,616)	-
George Gordon TLE	-	-	28,874
Other revenue	16,605	21,336	18,465
Administration - internal allocation	-	54,331	68,602
Unexpended funds transferred - prior year	-	-	34,181
Deferred revenue - prior year	69,813	255,410	112,290
Deferred revenue - current year	-	(361,324)	(255,410)
	1,116,716	1,574,118	1,922,309
Expenses			
Administration - internal allocation	51,694	56,542	108,845
Amortization	-	422,545	501,149
Bank charges and interest	-	151	-
Consultants and contractors	438,720	78,774	391,505
Equipment purchases	-	411	-
Fibre optic internet	-	-	58,444
Insurance	14,660	41,046	30,286
Janitorial Supplies	13,000	20,165	12,670
Office equipment rental/lease	-	-	162
Other equipment expenses	-	1,200	6,921
Professional fees	4,500	5,578	18,869
Repairs and maintenance	68,104	237,821	405,435
Road repairs and maintenance	-	127,250	47,878
Program supplies	51,145	262,478	496,743
Telephone	1,550	14,486	12,701
Training	2,500	17,500	-
Travel, meetings, per diems	7,600	25,436	50,357
Utilities	95,800	181,253	180,150
Vehicle operating expenses	35,006	41,236	65,622
Wages and benefits	342,575	633,778	681,725
Workers compensation expense	-	-	17,736
Workshop and meetings	-	55,319	24,147
Transfer assets to balance sheet	-	-	(63,644)
	1,126,854	2,222,969	3,047,701
Current deficit before transfers	(10,138)	(648,851)	(1,125,392)

The accompanying notes are an integral part of the financial statements

Schedule #1, continued
George Gordon First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Transfers			
Transfer - Treaty Land Entitlement	-	10,800	189,244
Current deficit			
	\$ (10,138)	\$ (638,051)	\$ (936,148)

The accompanying notes are an integral part of the financial statements

Schedule #2
George Gordon First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - flexible contribution	\$ -	\$ 19,960	\$ -
Touchwood Agency Tribal Council Inc.	- -	120,000	120,000
George Gordon Developments LP	- -	- -	120,000
Equity pickup (losses) - related business entities	- -	(115,021)	1,668,822
	- -	24,939	1,908,822
Expenses			
Consultants and contractors	- -	48,651	30,227
Contribution to George Gordon Developments LP	- -	19,960	- -
Honorariums	- -	- -	565
Insurance	- -	- -	10,584
Program expenses	- -	- -	7,024
Workshop and meetings	- -	6,098	- -
	- -	74,709	48,400
Current surplus (deficit) before transfers	- -	(49,770)	1,860,422
Transfers			
Current surplus (deficit)	\$ - -	\$ (49,770)	\$ 1,860,422

The accompanying notes are an integral part of the financial statements

Schedule #3
George Gordon First Nation
Education
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 2,120,091	\$ 2,192,672	\$ 2,231,806
ISC - prior period revenue (recovery)	-	-	746
Unexpended funds transferred - prior year	-	141,445	61,036
Other revenue	-	5,758	-
	2,120,091	2,339,875	2,293,588
Expenses			
Administration - internal allocation	31,660	89,406	48,831
Amortization	-	290,873	289,280
Bank charges and interest	-	-	870
Consultants and contractors	321,506	302,923	363,905
Cultural programs	70,809	22,734	37,933
Elder services	5,000	2,626	1,443
Equipment purchases	4,000	-	271
Flow thru	-	600	-
Honorariums	-	2,200	5,000
Other expenses	-	3,456	-
Professional fees	-	-	2,480
Program expenses	290,645	188,547	331,066
Rent - office	-	-	510
Student expenses - books	-	57,180	58,418
Student expenses - living allowance	-	624,700	558,540
Student expenses - other	-	16,243	9,153
Student expenses - travel	-	31,700	27,240
Student expenses - tuition	-	371,247	335,193
Program supplies	13,500	6,337	20,193
Telephone	2,000	600	3,848
Training	1,500	822	4,225
Travel, meetings, per diems	21,100	25,766	29,351
Utilities	-	757	252
Vehicle operating expenses	7,000	13,642	4,423
Wages and benefits	230,369	320,758	280,112
Workers compensation expense	-	-	933
Workshop and meetings	8,600	36,570	35,531
	1,007,689	2,409,687	2,449,001
Current deficit before other items	1,112,402	(69,812)	(155,413)
Other items			
Unexpended funds transferred to deferred revenue	-	(221,060)	(141,445)
Current deficit	\$ 1,112,402	\$ (290,872)	\$ (296,858)

The accompanying notes are an integral part of the financial statements

Schedule #4
George Gordon First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - grant contribution	\$ -	\$ 569,820	\$ 522,192
Indigenous Services Canada - fixed contribution	- -	24,787	54,661
Indigenous Services Canada - set contribution	- -	32,170	58,595
ISC - prior period revenue (recovery)	- -	(3,000)	-
ISC - current year receivable (payable)	- -	(5,114)	(1,425)
	- -	618,663	634,023
Expenses			
Advertising, promotions, sponsorships	- -	1,321	50
Bad debts	- -	11,653	-
Bank charges and interest	- -	26,613	31,895
Consultants and contractors	- -	50,324	81,349
Equipment purchases	- -	201	32,858
Honorariums	- -	341,360	387,589
Insurance	- -	4,967	8,348
Long term debt - interest paid	- -	10,326	5,504
Office equipment rental/lease	- -	23,030	11,721
Prior period expenses	- -	-	35,744
Prior period salary adjustments	- -	-	(56,949)
Professional fees	- -	152,688	194,064
Program supplies	- -	20,340	32,438
Telephone	- -	40,472	39,164
Training	- -	-	5,030
Travel, meetings, per diems	- -	263,883	157,974
Utilities	- -	16,471	10,734
Vehicle operating expenses	- -	-	227
Wages and benefits	- -	396,728	416,460
Workers compensation expense	- -	-	6,534
Workshop and meetings	- -	32,327	25,248
Transfer assets to balance sheet	- -	-	(24,360)
	- -	1,392,704	1,401,622
Current deficit before transfers	- -	(774,041)	(767,599)
Transfers			
Transfer - Other Band Programs	- -	549,550	671,364
Transfer - Treaty Land Entitlement (TLE)	- -	188,500	-
Current deficit	\$ -	\$ (35,991)	\$ (96,235)

The accompanying notes are an integral part of the financial statements

Schedule #5
George Gordon First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 127,961	\$ 149,997	\$ 127,961
Indigenous Services Canada - set contribution	37,500	19,678	35,450
Other revenue	-	-	2,000
Unexpended funds transferred - prior year	-	88,989	88,700
	165,461	258,664	254,111
Expenses			
Administration - internal allocation	12,796	19,194	15,390
Advertising, promotions, sponsorships	1,500	-	1,890
Amortization	-	2,882	2,882
Consultants and contractors	77,000	38,858	68,491
Elder services	500	200	-
Equipment purchases	2,500	1,770	2,382
Other equipment expenses	300	1,012	199
Program expenses	-	13,407	-
Program supplies	2,000	15,531	38,828
Repairs and maintenance	1,000	526	2,610
Telephone	1,500	2,192	1,121
Training	2,000	6,062	1,290
Travel, meetings, per diems	6,000	16,914	14,419
Utilities	3,515	554	526
Vehicle operating expenses	1,500	1,606	68
Wages and benefits	45,850	49,001	28,627
Workers compensation expense	-	-	933
Workshop and meetings	7,500	11,009	760
Transfer assets to balance sheet	-	-	(14,411)
	165,461	180,718	166,005
Current surplus before other items	-	77,946	88,106
Other items			
Unexpended funds transferred to deferred revenue	-	(80,828)	(88,700)
Contribution from George Gordon TLE Trust	-	-	530,040
	-	(80,828)	441,340
Current surplus (deficit)	\$ -	\$ (2,882)	\$ 529,446

The accompanying notes are an integral part of the financial statements

Schedule #6
George Gordon First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 145,064	\$ 145,064	\$ 145,064
Indigenous Services Canada - set contribution	- -	18,645	18,480
Indigenous Services Canada - flexible contribution	69,579	1,942,247	1,605,657
ISC - current year receivable (payable)	- -	(165)	(3,863)
Unexpended funds transferred - prior year	- -	- -	4,166
	214,643	2,105,791	1,769,504
Expenses			
Administration - internal allocation	6,958	48,512	21,464
Assistance - basic needs	- -	1,472,331	1,438,764
Assistance - long term care	- -	18,480	18,480
Assistance - prior period	- -	- -	(31,036)
Assistance - special needs	- -	128,678	105,289
Bank charges and interest	- -	5,565	- -
Consultants and contractors	- -	6,266	3,500
Cultural programs	- -	53,114	- -
Equipment purchases	1,000	15,710	648
Insurance	2,000	- -	- -
Office equipment rental/lease	- -	226	2,926
Professional fees	1,700	- -	2,500
Program expenses	500	163,501	- -
Rent - office	14,507	- -	- -
Repairs and maintenance	5,500	- -	5,400
Program supplies	4,200	8,270	4,151
Telephone	5,820	3,248	3,579
Training	1,500	2,400	1,353
Travel, meetings, per diems	17,050	12,227	13,099
Utilities	- -	300	6,180
Wages and benefits	152,408	165,082	165,569
Workshop and meetings	500	702	4,814
	213,643	2,104,612	1,766,680
Current surplus before other items	1,000	1,179	2,824
Other items			
Unexpended funds transferred to deferred revenue	- -	(9,288)	- -
Current surplus (deficit)	\$ 1,000	\$ (8,109)	\$ 2,824

The accompanying notes are an integral part of the financial statements

Schedule #7
George Gordon First Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed contribution	\$ 27,457	\$ 27,066	\$ 27,457
Expenses			
Administration - internal allocation	-	2,707	2,746
Equipment purchases	2,000	740	1,685
Program supplies	1,550	298	1,544
Telephone	450	172	588
Travel, meetings, per diems	3,000	1,435	3,042
Wages and benefits	20,307	21,146	17,747
Workshop and meetings	150	568	105
	<hr/> 27,457	<hr/> 27,066	<hr/> 27,457
Current surplus	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -

The accompanying notes are an integral part of the financial statements

Schedule #8
George Gordon First Nation
Health
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Health Canada - block contribution	\$ 874,685	\$ 934,243	\$ 893,414
Health Canada - flexible contribution	-	306,466	23,559
Health Canada - set contribution	433,829	426,516	416,021
Health Canada - prior period revenue (recovery)	-	-	(4,504)
Touchwood Agency Tribal Council Inc.	-	500	-
Other revenue	-	4,754	1,715
Unexpended funds transferred - prior year	-	459,248	533,914
Deferred revenue - current year	-	(298,795)	-
	1,308,514	1,832,932	1,864,119
Expenses			
Administration - internal allocation	115,607	122,472	118,323
Advertising, promotions, sponsorships	1,000	12,227	8,428
Amortization	-	46,692	46,692
Assistance to band members	250	1,061	185
Bank charges and interest	-	477	256
Consultants and contractors	96,518	153,284	156,548
Cultural programs	22,870	57,994	23,276
Elder services	7,000	1,100	5,726
Equipment purchases	-	-	121
Honorariums	5,000	250	3,167
Insurance	1,500	1,197	15,425
Janitorial Supplies	-	-	63
Office equipment rental/lease	-	2,017	1,926
Professional fees	-	6,770	5,000
Program expenses	64,067	153,213	96,478
Repairs and maintenance	7,000	4,089	46,664
Program supplies	57,600	112,945	75,115
Telephone	6,400	13,044	13,141
Training	14,000	21,682	12,816
Travel, meetings, per diems	89,950	114,645	131,842
Utilities	5,000	15,065	11,981
Vehicle operating expenses	30,000	10,785	8,000
Wages and benefits	542,222	599,123	658,542
Workers compensation expense	-	-	17,736
Workshop and meetings	242,530	49,755	87,440
Transfer assets to balance sheet	-	(7,964)	-
	1,308,514	1,491,923	1,544,891
Current surplus before other items	-	341,009	319,228

The accompanying notes are an integral part of the financial statements

Schedule #8, continued
George Gordon First Nation
Health
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Other items			
Unexpended funds transferred to deferred revenue	-	(379,735)	(459,248)
Current deficit	\$	\$	\$
	(38,726)	(140,020)	

The accompanying notes are an integral part of the financial statements

Schedule #9
George Gordon First Nation
CMHC
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
CMHC	\$ -	\$ 423,752	\$ 445,698
Rental income - CMHC houses	- -	171,630	196,222
Interest revenue	- -	1,984	9,904
	<hr/>	<hr/>	<hr/>
	- -	597,366	651,824
Expenses			
Administration - internal allocation	- -	67,030	69,949
Amortization	- -	583,944	607,584
Insurance	- -	35,964	35,502
Long term debt - interest paid	- -	65,257	71,161
Professional fees	- -	17,575	20,353
Repairs and maintenance	- -	73,656	155,465
	<hr/>	<hr/>	<hr/>
	- -	843,426	960,014
Current deficit	<hr/>	<hr/>	<hr/>
Current deficit	\$ -	\$ (246,060)	\$ (308,190)

The accompanying notes are an integral part of the financial statements

Schedule #10
George Gordon First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
First Nations Trust	\$ 20,000	\$ 1,136,357	\$ 1,120,046
Touchwood Agency Tribal Council Inc.	145,000	254,400	199,512
Funds earned and held in trust by the federal government	-	2,107	103,537
Dakota Dunes CDC	-	377,271	418,296
Government of Saskatchewan	-	11,266	15,055
Other revenue	30,000	273,125	183,071
Other revenue - Pow wow	-	96,572	-
Administration - internal allocation	-	361,344	310,186
	195,000	2,512,442	2,349,703
Expenses			
Administration - internal allocation	-	12,000	-
Assistance to band members	-	131,377	159,090
Bank charges and interest	-	-	307
CDC - Administration and governance	-	54,067	79,071
CDC - Arena	-	30,718	22,495
CDC - Elder support	-	2,500	5,000
CDC - Headstart and daycare	-	20,931	3,050
CDC - Health initiatives	-	-	64,315
CDC - Housing	-	-	42,499
CDC - Public works	-	33,331	51,912
CDC - Sports and recreation	-	120,090	94,224
CDC - Wellness programs	-	-	11,037
Consultants and contractors	-	33,994	29,482
Cultural programs	-	50,930	31,903
Elder services	-	-	1,389
Equipment purchases	2,700	1,552	2,635
First Nations Trust expenses	-	169,018	184,733
Insurance	2,500	1,605	3,594
Long term debt - payments (principle & interest)	-	373,896	369,371
Long term debt - principle repayment	-	(302,049)	(294,913)
Other equipment expenses	1,800	1,307	1,822
Pow wow	-	163,826	156,532
Professional fees	-	-	3,304
Program expenses	60,000	189,343	141,102
Repairs and maintenance	5,000	9,635	5,955
Student expenses - other	-	1,010	-
Program supplies	24,000	29,890	50,021
Telephone	3,000	5,787	6,491
Training	-	384	99
Travel, meetings, per diems	13,500	24,230	31,113
Unexpended funds - prior years	-	289	188,083
Utilities	11,000	6,079	5,825
Vehicle operating expenses	4,700	4,374	4,574

The accompanying notes are an integral part of the financial statements

Schedule #10, continued
George Gordon First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Wages and benefits	184,364	220,466	268,136
Workers compensation expense	-	-	6,534
Workshop and meetings	-	3,856	1,191
Transfer assets to balance sheet	-	-	(37,900)
	312,564	1,394,436	1,694,076
Current surplus before transfers	(117,564)	1,118,006	655,627
Transfers			
Transfer - Indian Government Support	-	(549,550)	(671,364)
Current surplus (deficit)	\$ (117,564)	\$ 568,456	\$ (15,737)

The accompanying notes are an integral part of the financial statements

Schedule #11
George Gordon First Nation
Treaty Land Entitlement
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
TLE revenue	\$ -	\$ 670,669	\$ 1,141,064
Land lease	- -	303,334	253,792
Deferred revenue - prior year	- -	3,797,977	3,639,754
Deferred revenue - current year	- -	(3,984,171)	(3,797,977)
	- -	787,809	1,236,633
Expenses			
Administration - program	- -	- -	45,000
Bank charges and interest	- -	757	622
Consulting	- -	8,258	4,717
Contribution to TLE principle trust account	- -	- -	283,500
Governance	- -	49,183	121,604
Honorariums - committees	- -	101,775	110,454
Insurance	- -	5,000	5,000
Professional fees	- -	44,031	49,668
Property taxes	- -	65,103	83,268
Repairs and maintenance	- -	78,734	114,542
Program supplies	- -	48,886	67,663
Travel	- -	113,782	100,380
Wages and benefits	- -	73,000	60,971
	- -	588,509	1,047,389
Current surplus before transfers	- -	199,300	189,244
Transfers			
Transfer - Community Development	- -	(10,800)	(189,244)
Transfer - Indian Government Support	- -	(188,500)	- -
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #12
George Gordon First Nation
George Gordon Retail Operations
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Retail sales	\$ -	\$ 3,159,741	\$ 3,380,761
Sask Finance rebates retained	- -	282,702	365,821
Other revenue	- -	29,232	38,068
		- 3,471,675	3,784,650
Cost of goods sold	- -	2,855,887	3,144,495
Gross profit	- -	615,788	640,155
Expenses			
Advertising, promotion and sponsorship	- -	19,822	42,394
Amortization	- -	83,450	90,338
Bad debts	- -	964	65,305
Bank charges and interest	- -	7,179	3,765
Cash shortages	- -	47,269	1,439
Equipment rental	- -	5,313	4,696
Insurance	- -	12,623	-
Long term debt - payments principle & interest	- -	98,101	98,461
Long term debt - principle repayment	- -	(48,602)	(52,428)
Other items	- -	177,555	-
Professional fees	- -	45,247	10,740
Repairs and maintenance	- -	20,865	33,743
Supplies	- -	12,003	13,788
Telephone	- -	4,579	6,100
Training	- -	4,056	12,299
Travel, meetings, per diems	- -	25,659	40,658
Utilities	- -	27,582	23,090
Wages and benefits	- -	396,488	393,149
	- -	940,153	787,537
Current deficit before transfers	- -	(324,365)	(147,382)
Transfers			
Current deficit	\$ -	\$ (324,365)	\$ (147,382)

The accompanying notes are an integral part of the financial statements