



George Gordon First Nation
Consolidated Financial Statements
March 31, 2023



George Gordon First Nation Contents

For the year ended March 31, 2023

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Management's Responsibility



To the Members of George Gordon First Nation:

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

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

Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditor.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members of George Gordon First Nation; their report follows. The external auditor has full and free access to, and meets periodically and separately with, both Chief and Council and management to discuss their audit findings.

July 28, 2023

Signed by: Laura Peigan

Management

Independent Auditor's Report

To the Members of George Gordon First Nation:

Opinion

We have audited the consolidated financial statements of George Gordon First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows and related schedules 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 results of its consolidated operations, its consolidated changes in net financial assets and its 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 the 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 13 to the consolidated financial statements which describes that George Gordon First Nation initiated a claim against the Government of Canada for damages sustained by the First Nation. The First Nation has obtained a loan to fund the costs of negotiations and has taken insurance to cover the repayment of the loan if it is in excess of settlement proceeds.

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 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.

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.

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

Independent Auditor's Report (Continued from previous page)

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan

July 28, 2023

MNP LLP

Chartered Professional Accountants

MNP



George Gordon First Nation
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Current		
Cash	14,237,021	10,814,222
Restricted cash (Note 4)	7,747,940	8,073,460
Accounts receivable (Note 5)	1,821,313	1,283,825
Inventory	132,902	127,041
	23,939,176	20,298,548
Investment in Nation business entity (Note 6)	4,734,852	3,498,633
Funds held in Ottawa Trust Fund (Note 7)	495,786	443,173
	29,169,814	24,240,354
Liabilities		
Current		
Bank indebtedness (Note 8)	18,148	42,740
Accounts payable and accruals	3,107,148	1,527,520
Deferred revenue (Note 9)	12,882,657	13,946,489
Current portion of long-term debt (Note 10)	563,645	548,740
Current portion of term loans subject to refinancing (Note 10)	1,536,749	-
Current portion of capital lease obligations (Note 11)	18,400	17,598
	18,126,747	16,083,087
Long-term debt (Note 10)	2,776,668	3,193,884
Capital lease obligations (Note 11)	19,241	37,641
Asset retirement obligations (Note 12)	2,212,220	-
Total liabilities	23,134,876	19,314,612
Net financial assets	6,034,938	4,925,742
Contingent assets (Note 13)		
Contingent liabilities (Note 14)		
Non-financial assets		
Tangible capital assets (Note 15)	41,243,013	33,617,163
Prepaid expenses and deposits	-	65,000
Total non-financial assets	41,243,013	33,682,163
Accumulated surplus (Note 16)	47,277,951	38,607,905

Approved on behalf of the Council

Signed by: Chief Alexander (Byron) Bitternose

Chief

Signed by: Donna Anderson-Blind

Councillor



George Gordon First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	<i>2023 Budget (Note 21)</i>	<i>2023 Actual</i>	<i>2022 Actual</i>
Revenues				
Indigenous Services Canada (Note 19)				
Fixed funding		6,461,082	10,581,060	11,359,637
Flexible funding		1,219,379	10,513,289	13,111,780
Health - Block		1,500,853	1,602,648	1,705,191
Grant funding		497,634	612,090	615,725
Set funding		190,700	229,013	329,912
Deferred revenue - prior year		479,913	12,645,500	5,707,757
Deferred revenue - current year		-	(11,252,483)	(12,645,500)
Retail sales		10,349,561	24,931,117	20,184,502
Other revenue		-	3,200,214	2,572,850
First Nations Trust		565,429	1,884,297	1,146,688
Earnings from investment in Nation business entity (Note 6)		888,210	1,544,742	461,823
Touchwood Agency Tribal Council Inc.		-	1,413,440	457,175
Canada Mortgage and Housing Corporation		496,144	1,342,341	1,037,346
Rental income		-	1,152,642	394,112
TCFS - Prevention		75,000	911,867	1,089,443
Community Development Corporation		142,767	513,127	224,388
TLE Annual Income		12,000	356,021	87,800
Interest income		466,000	148,478	1,562,575
		-	85,868	9,500
Total revenues		12,995,111	37,484,154	29,228,202
Program expenses				
Treaty Land Entitlement	4	466,000	791,141	1,050,848
Band Government	5	780,005	2,323,285	2,728,291
Community Development	6	1,331,626	3,649,328	2,178,854
Education	7	4,963,339	6,908,945	5,443,833
Post Secondary	8	1,472,602	1,819,801	1,810,575
Health	9	1,887,074	3,165,421	2,789,915
Land Management	10	127,961	212,476	198,388
Social Development	11	257,021	2,983,765	2,096,575
Retail Operations	12	-	3,249,238	2,478,398
CMHC	13	-	887,297	825,816
Band Project Revenue	14	1,370,387	2,823,411	2,627,075
Total expenses		12,656,015	28,814,108	24,228,568
Annual surplus before other item		339,096	8,670,046	4,999,634
Other item				
Loss on disposal of tangible capital assets		-	-	(1,115)
Annual surplus		339,096	8,670,046	4,998,519
Accumulated surplus, beginning of year		38,607,905	38,607,905	33,609,386
Accumulated surplus, end of year		38,947,001	47,277,951	38,607,905

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



George Gordon First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023 Actual	2022 Actual
Annual surplus	339,096	8,670,046	4,998,519
Purchases of tangible capital assets	-	(6,877,825)	(3,784,767)
Assets under capital lease	-	-	(91,728)
Amortization of tangible capital assets	-	1,399,761	1,423,819
Recognition of asset retirement obligation	-	(2,147,786)	-
Loss on disposal of tangible capital assets	-	-	1,115
	-	(7,625,850)	(2,451,561)
Acquisition of prepaid expenses and deposits	-	-	(65,000)
Use of prepaid expenses and deposits	-	65,000	-
	-	65,000	(65,000)
Increase in net financial assets	339,096	1,109,196	2,481,958
Net financial assets, beginning of year	4,925,742	4,925,742	2,443,784
Net financial assets, end of year	5,264,838	6,034,938	4,925,742

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



George Gordon First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	8,670,046	4,998,519
Non-cash items		
Amortization of tangible capital assets	1,399,761	1,423,819
Accretion of asset retirement obligation	64,434	-
Loss on disposal of tangible capital assets	-	1,115
Earnings from investment in Nation business entity	(1,413,440)	(457,175)
	8,720,801	5,966,278
Changes in working capital accounts		
Accounts receivable	(537,488)	2,155,719
Prepaid expenses and deposits	65,000	(65,000)
Inventory	(5,861)	(13,675)
Accounts payable and accruals	1,579,628	(1,126,708)
Deferred revenue	(1,063,832)	5,735,520
	8,758,248	12,652,134
Financing activities		
Advances of long-term debt	1,633,888	464,131
Repayment of capital lease obligations	(17,598)	(36,489)
Repayment of long-term debt	(499,450)	(538,638)
	1,116,840	(110,996)
Capital activities		
Purchases of tangible capital assets	(6,877,825)	(3,784,767)
Investing activities		
Decrease (increase) in restricted cash	325,520	(2,521,048)
Decrease (increase) in funds held in trust	(52,613)	18,444
Withdrawals from Nation business entity	177,221	26,714
	450,128	(2,475,890)
Increase in cash resources	3,447,391	6,280,481
Cash resources, beginning of year	10,771,482	4,491,001
Cash resources, end of year	14,218,873	10,771,482
Cash resources are composed of:		
Cash	14,237,021	10,814,222
Bank indebtedness	(18,148)	(42,740)
	14,218,873	10,771,482

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



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

1. Operations

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

2. Change in accounting policies

Effective April 1, 2022, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

Asset retirement obligations

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated. As such, the First Nation recognized asset retirement obligations for those arising on or after April 1, 2022, as well as for those arising prior to April 1, 2022 but for which an obligation was not previously recognized.

The cumulative effect in the current year of adopting this new standard is to increase liabilities by \$2,212,220, increase the associated tangible capital assets by \$1,895,133 (cost - \$2,147,786; accumulated amortization - (\$252,653)) and increase expenses by \$317,087 (amortization - \$252,653; accretion - \$64,434).

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. Upon adopting PS 3450, the First Nation is also required to adopt PS 1201 *Financial Statement Presentation*. The new Sections are applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

3. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

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

- George Gordon First Nation;
- George Gordon First Nation CMHC Housing;
- Gordon Retail Centre;
- George Gordon First Nation Off-Reserve Advisory Board Inc.;
- GHawk Enterprises Ltd.;
- George Gordon First Nation - TLE Revenue Account; and
- George Gordon First Nation TLE Holdings Ltd.

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

George Gordon First Nation TLE Trust - Principal Trust Account has not been included in these consolidated financial statements as Chief and Council does not control the Trust.

Business enterprises that are separate legal entities, and are owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and contributions and decreased by post acquisition losses and distributions received. George Gordon Developments Limited Partnership is accounted for by the modified equity method.

Other economic interests

The George Gordon First Nation is a member of the Touchwood Agency Specific Claim. The Touchwood Agency Specific Claim is an organization whose purpose is to negotiate a specific claim with regards to the Department of Indigenous Services Canada's alleged mismanagement of funds of the Touchwood Agency during the period 1920 to 1924.

The George Gordon First Nation is a member of Touchwood Child and Family Services Inc. Touchwood Child and Family Services Inc. is an organization whose purpose is to provide Child and Family services to the member Nations.

The George Gordon First Nation is a member of the Touchwood Agency Tribal Council Inc. The Touchwood Agency Tribal Council Inc. is an organization whose purpose is to provide services to the member Nations.

The First Nation does not share in the significant risks and benefits of the operations of the above entities. As a result, the financial statements of the Touchwood Agency Specific Claim, Touchwood Child and Family Services Inc. and Touchwood Agency Tribal Council Inc. have not been reported in these consolidated financial statements.

The First Nation is a member of several other entities. The First Nation does not share in the significant risks and benefits associated with the operations of these entities. As a result these entities have not been reported in these consolidated financial statements.



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

Basis of presentation

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

Related entities financial statements

Separate financial statements are prepared for the following related entities:

- George Gordon First Nation CMHC Housing;
- Gordon Retail Centre;
- George Gordon Developments Limited Partnership;
- George Gordon First Nation - TLE Revenue Account;
- George Gordon TLE Holdings Ltd.; and
- George Gordon TLE Trust - Principal Trust Account

With the exception of George Gordon TLE Trust - Principal Trust Account these entities are controlled by the First Nation. The Members of George Gordon First Nation are the beneficiaries of George Gordon TLE Trust - Principal Trust Account. George Gordon Developments Limited Partnership, George Gordon First Nation - TLE Revenue Account, George Gordon TLE Holdings Ltd. and George Gordon TLE Trust - Principal Trust Account have December 31 year-ends.

Asset classification

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

Net financial assets

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

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions is included in restricted cash.

Restricted cash

Restricted cash consists of funds held for specific purposes in the CMHC replacement reserve bank account, the CMHC operating reserve bank account, the TLE Revenue Account bank account, TLE Revenue Account Guaranteed Investment Certificate, Treaty Benefits Claim bank account and bank accounts for capital projects.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. At initial recognition the First Nation may irrevocably elect to subsequently measure at fair value financial instruments that meet certain criteria. The First Nation has not made such an election during the year.

Portfolio investments in equity instruments that are quoted in an active market are measured at fair value. All other financial assets and liabilities are measured at amortized cost.



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

All financial assets are tested annually for impairment. Management considers recent collection experience for receivables, such as delinquency in payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

Inventory

Inventory for resale includes fuel, tobacco, confectionary and other and is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price of goods, minus the cost of their sale or disposal.

Funds held in Ottawa Trust Funds

These funds are held in trust on behalf of the First Nation by the Government of Canada. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land; 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.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Land purchased is recorded at the purchase price. The First Nation's original reserve land is not recognized in the consolidated financial statements.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives. Projects under construction are not amortized until they are put into use. Land is not amortized.

	Rate
Water and sewer	25 years
Housing	15 to 25 years
Buildings	25 years
Roads	40 years
Equipment	3 to 10 years
Land improvement	20 years
Vehicles	5 years



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

Long-lived assets

Long-lived assets consist of tangible capital assets which are measured and amortized as described in the applicable accounting policies.

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received for which eligible expenditures have yet to be incurred or which is under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt.

Government Transfers

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

Other revenues

Rental revenue is recognized over the rental term. Other revenues earned from services provided by the First Nation are recognized when the services have been provided. Retail sales are recognized when the sale is made and the customer takes possession of the merchandise.

TLE Annual Income

TLE Annual Income is recognized as it becomes receivable by the First Nation under the terms of the Trust Agreement. The TLE Annual Income is calculated based on interest, dividends and the taxable portion of capital gains realized less the aggregate of allowable capital tax losses realized and Authorized Expenses.



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

Liability for contaminated site

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

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 is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There are no known liabilities at March 31, 2023.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenues are estimated based on management's understanding of the terms and conditions of government transfers and programs with restricted funding.

A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

Segments

The First Nation conducts its business through 13 reportable segments (Note 20). 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 attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Restricted cash

	2023	2022
Capital projects	3,887,871	4,771,078
TLE Revenue Account	1,846,601	1,350,218
CMHC operating reserve	830,005	772,413
CMHC replacement reserve	626,697	622,825
TLE Revenue Account - Guaranteed Investment Certificate	545,701	542,985
Treaty Benefits Claim	11,065	13,941
	7,747,940	8,073,460

5. Accounts receivable

	2023	2022
CMHC subsidy	790,806	31,714
Other	465,460	454,791
Dakota Dunes Community Development Corporation	190,321	111,749
Touchwood Agency Tribal Council Inc.	146,000	443,080
Goods and Services Tax receivable	107,070	56,787
Indigenous Services Canada	104,185	52,700
Advances	17,471	17,550
First Nations Trust	-	115,454
	1,821,313	1,283,825



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

6. Investment in Nation business entity

The First Nation has an investment in the following entity:

	<i>Opening</i>	<i>Repayment</i>	<i>Share of earnings</i>	<i>Distributions</i>	<i>2023 Total investment</i>
George Gordon Developments Limited Partnership (includes general partner)	3,423,853	-	1,413,440	(114,264)	4,723,029
Due from George Gordon Developments Limited Partnership	74,780	(62,957)	-	-	11,823
	3,498,633	(62,957)	1,413,440	(114,264)	4,734,852

Summary financial information for the First Nation business entity, accounted for using the modified equity method, for its December 31, 2022 year-end is as follows:

<i>George Gordon Developments Limited Partnership As at December 31, 2022</i>	
Assets	
Current	2,152,503
Long-term	2,875,464
Total assets	5,027,967
Liabilities	
Current	304,938
Total liabilities	304,938
Partners capital	4,723,029
Total revenue	3,021,238
Total expenses	1,607,798
Earnings	1,413,440

Principal repayments on long-term debt of the First Nation's business entity in each of the next five years, are estimated as follows:

	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>Thereafter</i>	<i>Total</i>
GGDLP	69,649	-	-	-	-	-	69,649



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Funds held in Ottawa Trust Fund

Funds held in trust are held on behalf of the First Nation by the Government of Canada and consist of a capital and revenue trust fund. Monies are transferred from these funds to the First Nation on the authorization of the First Nation's Chief and Council, with the consent of the Minister of Indigenous Services Canada.

	2023	2022
Capital Trust		
Balance, beginning and end of year	16,330	16,330
Revenue Trust		
Balance, beginning of year	426,843	445,287
Interest	14,391	8,274
Land leases	38,222	273,282
	479,456	726,843
Less: Transfers to Nation	-	300,000
	479,456	426,843
	495,786	443,173

There were no disbursements from funds held in Ottawa Trust during the year.

8. Bank indebtedness

The First Nation has lines of credit available with Raymore Credit Union with authorized limits of:

- General \$500,000 with interest at 6.70% (2022 - 3.5%);
- Post secondary \$100,000 with interest at 7.95% (2022 - 4.75%);
- Social assistance \$25,000 with interest at 7.95% (2022 - 4.75%); and
- Gordon Retail Centre \$100,000 with interest at 7.95% (2022 - 4.75%).

Interest rates charged on the above lines of credit are adjusted by the Credit Union based on changes to the prime interest rate.

As at March 31, 2023, the First Nation has drawn \$nil (2022 - \$nil) from these lines of credit.

The First Nation has a line of credit with Royal Bank of Canada with an authorized limit of \$200,000 (2022 - \$200,000) with interest at prime plus 1.50%. All lines of credit are secured by a Band Council Resolution and assignment of revenues. As at March 31, 2023, the First Nation has drawn \$18,148 (2022 - \$29,509) from this line of credit. The remainder of bank indebtedness includes outstanding cheques and deposits that had not cleared the bank.



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Deferred revenue

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

	<i>Balance, beginning of year</i>	<i>Funding and transfers received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
TLE Annual Income	1,300,989	544,935	215,750	1,630,174
ISC - Health Asset Investment	3,403,619	1,071,428	2,782,469	1,692,578
ISC - Prevention	-	1,159,042	43	1,158,999
ISC - Water Treatment Plant	1,048,719	-	74,347	974,372
ISC - Basic Needs	672,550	2,582,070	2,332,901	921,719
ISC - Residential Schools	-	575,190	52,290	522,900
ISC - Capacity Building	414,846	550,000	455,630	509,216
ISC - Health Block Funding	773,383	1,281,150	1,611,356	443,177
ISC - Social Development Service Delivery	315,555	319,022	201,517	433,060
ISC - Roads and Bridges	604,666	853,728	1,033,051	425,343
ISC - Immediate Needs 22-23	-	411,987	-	411,987
ISC - Prevention FN Representative	-	365,919	-	365,919
ISC - Solar Project	-	337,500	-	337,500
ISC - Waste Water	588,957	426,247	688,125	327,079
ISC - Employment and Training	202,357	222,369	108,703	316,023
ISC - Special Needs	310,233	243,287	246,158	307,362
ISC - Education Support	266,921	247,718	259,048	255,591
ISC - FN School	424,015	2,598,917	2,769,321	253,611
ISC - Immediate Needs Yr 2	-	467,051	248,732	218,319
ISC - Post Secondary	242,943	1,746,125	1,817,622	171,446
ISC - School Renovation	520,542	-	357,018	163,524
ISC - BBC Planning Design Construction	-	424,966	264,771	160,195
ISC - First Nations Land Management	206,052	-	51,040	155,012
ISC - Solid Waste Transfer Station	-	150,000	-	150,000
ISC - COVID LEDSP	152,502	-	10,721	141,781
ISC - Land Management	64,949	187,848	121,251	131,546
ISC - Home and Community Care	-	67,073	-	67,073
ISC - Adult Education	-	60,836	-	60,836
ISC - In Home Care	56,511	94,347	94,486	56,372
ISC - Institutional Care	19,212	33,813	-	53,025
ISC - Immediate Needs Plan Development	-	25,000	-	25,000
ISC - Reserve Lands	-	25,000	1,496	23,504
ISC - Skills Link	112,167	79,482	177,574	14,075
ISC - Medical Transportation	77,389	-	73,050	4,339
ISC - CDM COVID	793,763	-	793,763	-
ISC - Immediate Needs	490,251	-	490,251	-
ISC - Tuition	423,958	-	423,958	-
ISC - COVID Emergency Response	342,424	-	342,424	-
ISC - Water Works	75,728	-	75,728	-
ISC - Solid Waste	19,235	-	19,235	-
ISC - Summer Student	19,169	-	19,169	-
ISC - Medical Transportation Vans	2,884	-	2,884	-
	13,946,489	17,152,050	18,215,882	12,882,657



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on-reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation (CMHC) to assist with payment of principal and interest on the following loans:

Phase	Monthly Payment Including Interest	Interest Rate	Renewal Date	2023	2022
V	1,235	0.70%	1-Jun-24	18,446	33,088
VI	2,086	0.69%	1-Mar-25	49,707	74,306
VII	2,011	3.91%	1-May-27	92,717	113,633
VIII	1,405	2.48%	1-Aug-23	79,215	93,920
IX	1,040	1.86%	1-Apr-24	70,784	81,834
X	1,613	1.06%	1-Sept-25	47,719	66,455
XI	7,556	3.24%	1-Dec-27	398,845	486,426
XII	8,349	2.48%	1-Aug-23	416,956	506,433
XIV	2,258	1.87%	1-May-24	157,712	181,621
XV	1,699	2.70%	1-Nov-23	258,196	271,453
XVI	4,468	0.96%	1-Mar-26	387,884	437,527
				1,978,181	2,346,696
First Nations Bank interim demand construction loan (roads project), with interest only payments at prime plus 1.50%, to be refinanced or repaid subsequent to year-end.				1,000,000	-
RBC Treaty Benefits Claim term loan with interest only payments at Royal Bank prime plus 0.25%, due earlier of receipt of funds related to the claim or May 2026, secured by an insurance policy with AmTrust Europe Limited (Note 13).				561,270	464,131
Canada Mortgage and Housing Corporation - Phase 17 advances.				536,749	-
Raymore Credit Union - retail centre loan. Mortgage, monthly blended payments of \$8,585, interest at 7.95% (2022 - 4.75%). Secured by related tangible capital asset with a net book value of \$1,046,835 (2022 - \$1,110,366), and general security agreement, maturing June 2028.				461,172	532,576
Raymore Credit Union - consolidation loan. Term loan, quarterly blended payments of \$20,000, interest at 7.45% (2022 - 4.25%). Secured by BCR and general security agreement, maturing June 2027.				299,690	359,221
Raymore Credit Union - retail centre loan - Canada Emergency Business Account ("CEBA") loan payable, bearing interest at 0%, with no scheduled repayment during the initial term which expires December 2023.				40,000	40,000
				4,877,062	3,742,624
Less: current portion of long-term debt				563,645	548,740
Less: term loans subject to refinancing				1,536,749	-
				2,776,668	3,193,884



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

The Treaty Benefits Claim term loan of \$561,270 (see Note 13) has not been included in the 5 year principal repayments below. Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to renewal is renewed with similar rates and terms, are estimated as follows:

2024	563,645
2025	516,545
2026	491,535
2027	496,866
2028	373,920

11. Capital lease obligations

	2023	2022
Brandt Tractor financing lease, repayable in annual instalments of \$20,118 including interest at 4.56%, maturing June 2024, secured by equipment with a net book value of \$109,710 (2022 - \$125,383)	37,641	55,239
Less: current portion	<u>18,400</u>	17,598
	19,241	37,641

Minimum lease payments related to the obligation under capital lease are as follows:

2024	20,118
2025	<u>20,118</u>
	40,236
Less: imputed interest	<u>2,595</u>
Balance of obligation	37,641



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

12. Asset retirement obligations

The First Nation owns housing which contains asbestos, and is required to comply with legal requirements regarding remediation which is estimated to be in 10 years. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of housing. The asset retirement cost is amortized on a straight-line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability include:

- Estimate of 10 years until remediation
- Inflation rate of 3% (risk free rate estimated to approximate inflation rate)

	2023	2022
Liabilities incurred	1,579,667	-
Accretion	47,390	-
Balance, end of year	1,627,057	-

The First Nation owns community buildings which contains asbestos, and is required to comply with legal requirements regarding remediation which is estimated to be in 6 years. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of housing. The asset retirement cost is amortized on a straight-line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability include:

- Estimate of 6 years until remediation
- Inflation rate of 3% (risk free rate estimated to approximate inflation rate)

	2023	2022
Liabilities incurred	568,119	-
Accretion	17,044	-
Balance, end of year	585,163	-

13. Contingent assets

Treaty Benefits Claim

George Gordon First Nation has initiated a treaty benefits claim against the Government of Canada. The First Nation has obtained a loan to finance certain costs of negotiating the settlement. Insurance has been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time the claim is resolved.

As of March 31, 2023, expenses which primarily relate to legal fees and insurance totaling \$561,270 have been incurred since the claim was initiated and available financing of the same amount has been drawn (Note 10). The First Nation anticipates these costs will be paid from settlement proceeds. When the claim is finalized or the insurance proceeds are paid the amounts will be recognized in revenue.



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

13. Contingent assets (Continued from previous page)

Residential Schools - band reparations class action settlement

On March 9, 2023, the Federal Court of Canada approved a settlement between Canada and 325 First Nation communities for the collective harm suffered by Indigenous communities as a result of Indian Residential Schools. The First Nation has been included in the class action settlement. The First Nation expects to receive an initial one-time payment of \$200,000 for the purposes of developing a plan to carry out one or more of the objectives set out in the settlement. Further funds may be available upon submission of additional documentation. There may also be an annual entitlement payment for a share of annual investment income on funds related to the settlement.

14. Contingent liabilities

Touchwood Agency Specific Claim

The Government of Canada provided Touchwood Agency Specific Claim with an interest-free loan of approximately \$2,250,000. The loan was used for research, development and negotiation of its claim related to the alleged mismanagement of the Touchwood Agency funds from 1920 to 1924. The loan is interest free and repayable on the earlier of March 31, 2010 or the date on which the claim is settled. There are provisions in the loan agreement with Indigenous Services Canada to have the repayment period extended. The five Nations who are members of the Touchwood Agency Specific Claim may be directly or indirectly responsible for the repayment of this loan. The amount of the liability, if any, is not determinable at this time. If any liability results from the loan, it will be recorded in the period the liability is determinable. As at March 31, 2023 the Government of Canada has not requested repayment. If the claim is not settled, it is uncertain if the loan will have to be paid back to the Government of Canada.

Touchwood Agency Band Misadministration Claim Trust

In a previous year, the First Nation along with four other First Nations engaged legal counsel to jointly advance their claims related to the alleged mismanagement of the Touchwood Agency funds by Indian Affairs Canada from 1920 to 1924. Financing and an insurance policy to cover legal fees were obtained by Touchwood Agency Band Misadministration Claim Trust at the direction of the five First Nations. Financing has been authorized to a maximum of \$4,855,760 to cover expenses relating to the advancement of the claim. At March 31, 2023 there was a contingent fee agreement in place which ranged from 4% to 12% of the settlement depending on how the claim is settled. The financing and contingent fees are expected to be paid from settlement proceeds. Should there be any amounts in excess of settlement proceeds these would be expected to be covered by the insurance policy. The five Nations who are members of the Trust have guaranteed the financing obtained by the Trust and are responsible for the repayment of any amounts not covered by settlement proceeds or insurance. The Trust is not controlled or jointly controlled by the First Nation and as a result is not included in the consolidated financial statements.

Funding

These consolidated financial statements are subject to review by the First Nation's funding agencies. It is possible that adjustments could be made based on the results of their reviews. Any forfeited funding will be recorded in the year the amounts are determined.

Legal fees

The First Nation has obtained legal counsel to represent them in various claims against the Government of Canada. Fees relating to these claims have not been invoiced. It is expected that any fees relating to these claims will be invoiced when the claim is resolved and will be paid from settlement proceeds.

Legal claims

The First Nation has been named as defendant in lawsuits seeking to recover damages allegedly sustained. The lawsuits remain at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of the lawsuits or to estimate the losses, if any, which may result. The First Nation plans to defend the lawsuits.



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

15. Tangible capital assets

	<i>Water & Sewer</i>	<i>Housing</i>	<i>Buildings</i>	<i>Roads</i>	<i>Equipment</i>	<i>Land Improvement</i>	<i>Vehicles</i>	<i>Purchased Land</i>	<i>Projects Under Construction</i>	2023	2022
Cost											
Balance, beginning of year	4,865,689	24,155,864	13,138,633	2,582,876	2,617,505	175,000	1,176,315	19,676,483	3,391,052	71,779,417	68,040,803
Acquisition of tangible capital assets	73,567	1,579,667	568,119	2,369,000	460,501	-	54,730	-	3,920,027	9,025,611	3,941,495
Disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	(202,881)
Balance, end of year	4,939,256	25,735,531	13,706,752	4,951,876	3,078,006	175,000	1,231,045	19,676,483	7,311,079	80,805,028	71,779,417
Accumulated amortization											
Balance, beginning of year	1,648,440	21,093,587	10,270,111	2,582,876	1,772,688	109,000	685,552	-	-	38,162,254	36,875,201
Annual amortization	127,054	606,931	255,410	-	223,327	7,000	180,039	-	-	1,399,761	1,423,819
Disposal of accumulated amortization	-	-	-	-	-	-	-	-	-	-	(136,766)
Balance, end of year	1,775,494	21,700,518	10,525,521	2,582,876	1,996,015	116,000	865,591	-	-	39,562,015	38,162,254
2023 Net book value	3,163,762	4,035,013	3,181,231	2,369,000	1,081,991	59,000	365,454	19,676,483	7,311,079	41,243,013	
2022 Net book value	3,217,249	3,062,277	2,868,522	-	844,817	66,000	490,763	19,676,483	3,391,052		33,617,163

Tangible capital assets includes equipment under capital lease with a gross cost of \$156,728 (2022 - \$156,728) and accumulated amortization of \$47,018 (2022 - \$31,346).

Included in current year housing additions and buildings additions is \$1,579,667 and \$568,119 respectively for asset retirement obligations (Note 2).

Included in current year housing accumulated amortization and buildings accumulated amortization is \$157,967 and \$94,686 respectively for asset retirement obligations (Note 2).



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

16. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Operating fund	5,135,573	2,731,527
Litigation financing fund	(561,270)	(464,131)
Capital asset fund	34,677,360	30,283,431
Commercial fund	4,734,852	3,498,633
CMHC operating reserve	832,594	920,167
CMHC replacement reserve	1,938,082	1,170,191
Trust funds	495,786	443,173
Moveable asset reserve	24,974	24,914
	47,277,951	38,607,905

At March 31, 2023 the CMHC reserves are underfunded by \$554,974 (2022 - \$702,733). The possible effect of this violation of the CMHC funding agreements has not yet been determined.

17. Funds / Reserves

The George Gordon First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration;
- Litigation Financing Fund reports on the activities of the First Nation's litigation for which the First Nation is seeking damages;
- Capital Asset Fund reports on the capital assets and projects of the First Nation, with any related funding, capital financing proceeds and costs incurred transferred from the operating fund;
- Commercial Fund reports on commercial business operations owned by the First Nation;
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program;
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses;
- Trust Funds report on trust moneys owned by the First Nation and held by the Government of Canada; and
- Moveable asset reserve is required by First Nations and Inuit Health Branch to report on funding received for expenses related to assets over \$1,000 that are not permanently attached to the health building.

18. Scope of operations

George Gordon First Nation receives a significant portion of its revenues from the Government of Canada as a result of Treaties entered into with the Crown in Right of Canada. Indigenous Services Canada administers these Treaties on behalf of the Government of Canada under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.



George Gordon First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

19. Indigenous Services Canada (ISC) Reconciliation

ISC funding per confirmation	23,537,646
Add:	
Funding adjustment - December 2022 Tuition not on confirmation	454
Deferred revenue, beginning of year	
	12,645,500
Deduct:	
Deferred revenue, end of year	(11,252,483)
	24,931,117

20. Segments

The First Nation has 13 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Ottawa Trust Funds - reports revenues allocated to the funds and transfers to other segments.

Investment in Nation Business Entity - reports on earnings and losses of the Nation's business entity.

Treaty Land Entitlement - reports on funds received from the George Gordon TLE Trust - Principal Trust Account.

Band Government - reports on administration and governance activities.

Community Development - reports activities for the maintenance of the community and its infrastructure.

Education - reports the operations of education programs.

Post Secondary - reports on funding spent to provide post secondary opportunities to Members of the First Nation.

Health - reports on the First Nation's health programs.

Land Management - reports activities for the development of the First Nation's land.

Social Development - activities include delivering social programs.

Retail Operations - reports operations of Gordon Retail Centre.

CMHC - reports housing operations funded by Canada Mortgage and Housing Corporation; and

Band Project Revenue - reports other band programs not funded by ISC.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 3.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

21. Budget information

	Approved Budget	Adjustments	Budget per consolidated financial statements
Statement of Operations			
Revenues	12,995,111	---	12,995,111
Expenses	12,736,015	(80,000)	12,656,015
Surplus	259,096	80,000	339,096

The disclosed budget information has been approved by the Chief and Council of George Gordon First Nation in March 2022. The approved budget included \$80,000 of principal repayments of long-term debt in expenses. The approved budget does not include budget amounts for amortization or tangible capital asset purchases. These items have been adjusted to conform to presentation under Canadian public sector accounting standards.

The approved budget does not include budgeted amounts for CMHC Housing and Gordon Retail Centre. CMHC Housing operates as a separate program and any amounts the First Nation expects to contribute are included in the budgets of other programs. The First Nation does not expect to contribute or receive distributions from the Gordon Retail Centre so no budget was prepared.



George Gordon First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

22. Financial Instruments

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

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The carrying amount of accounts receivable represents the maximum exposure to credit risk.

Accounts receivable from two entities represents 54% of total receivables at March 31, 2023 (2022 - one entity representing 35%). As at March 31, 2023, \$1,480,876 (2022 - \$849,712) of accounts receivable was aged less than 30 days and \$340,437 (2022 - \$434,113) was aged over 90 days.

Risk management

The First Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts receivable. The First Nation believes there is limited credit risk as the majority of accounts receivable is due from the Government of Canada and funders for which there are signed agreements.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The First Nation is exposed to interest rate risk primarily through its long-term debt and a guaranteed investment certificate. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through obtaining debt with a combination of fixed and variable rates, entering into agreements with Canada Mortgage and Housing Corporation (CMHC) to provide subsidy for the payment of principal and interest on the related loans from CMHC, and obtaining marketable securities with varying maturity dates.

23. Comparative figures

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



George Gordon First Nation
Schedule 1 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2023

	2023	2022
Tuition	5,288,180	3,616,161
Salaries and benefits	3,420,379	3,097,351
Social assistance	2,569,641	1,822,619
Retail centre cost of sales	2,515,248	1,807,060
Repairs and maintenance	1,947,445	1,008,351
Student expenses	1,694,386	1,693,246
Contracted services	1,385,223	1,415,426
Amortization	1,399,761	1,423,819
Community events	999,360	1,208,652
Supplies	834,634	513,557
Travel	766,493	698,869
Security contract	698,690	760,727
Training and workshops	638,395	464,814
Governance	516,827	424,000
Office	437,592	334,360
Professional fees	421,299	403,156
Assistance	408,342	349,810
Community development corporation program expenses	402,039	92,485
Insurance	339,744	279,803
Utilities	332,509	306,159
Program expense	309,762	101,328
Food security	290,578	480,189
COVID supplies	286,295	389,515
Rent paid on behalf of on-reserve members - CMHC	213,898	186,978
Interest on long-term debt	152,939	97,670
Vehicle	135,008	75,855
Telephone	114,634	91,068
Accretion	64,434	-
Legal fees - treaty benefit claim	46,364	166,987
Property tax	45,588	107,369
Administration	42,644	143,955
Contribution to George Gordon First Nation - TLE Principal Trust Account	30,000	160,000
Bank charges and interest	29,618	39,285
Insurance - treaty benefit claim	23,113	281,894
Elders fees	13,046	3,650
Contribution to GGDLP	-	182,400
	28,814,108	24,228,568



**George Gordon First Nation
Ottawa Trust Funds**

Schedule 2 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Rental income	38,222	273,282
Interest income	14,391	8,274
Surplus before transfers	52,613	281,556
Transfers between programs	-	(300,000)
Surplus (deficit)	52,613	(18,444)



**George Gordon First Nation
Investment in Nation Business Entity**

Schedule 3 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenue		
Earnings from investment in Nation business entity	1,413,440	457,175
Surplus	1,413,440	457,175



**George Gordon First Nation
Treaty Land Entitlement**

Schedule 4 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
TLE Annual Income	148,478	1,562,575
Rental income	548,481	483,377
	696,959	2,045,952
Expenses		
Repairs and maintenance	297,692	123,070
Travel	194,567	228,805
Salaries and benefits	85,903	84,090
Office	47,768	79,151
Administration	46,600	151,935
Property tax	45,588	107,369
Professional fees	41,978	115,576
Contribution to George Gordon TLE Trust - Principal Trust Account	30,000	160,000
Bank charges and interest	1,045	852
	791,141	1,050,848
Surplus (deficit) before transfers	(94,182)	995,104
Transfers between programs	163,704	(628,453)
Surplus	69,522	366,651



**George Gordon First Nation
Band Government**

Schedule 5 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	1,857,960	3,129,621
Other revenue	326,506	261,062
Touchwood Agency Tribal Council Inc.	-	36,900
	2,184,466	3,427,583
Expenses		
Security contract	698,690	760,727
Governance	516,827	424,000
Salaries and benefits	497,391	544,926
Contracted services	272,732	280,053
Travel	223,200	137,690
Professional fees	218,466	162,424
Office	214,652	84,096
Food security	206,603	389,128
Training and workshops	204,507	163,911
Telephone	45,126	41,204
COVID supplies	26,719	170,510
Insurance	21,829	40,900
Utilities	11,460	19,088
Supplies	8,379	800
Bank charges and interest	6,271	10,877
Community events	4,132	12,302
Elders fees	1,400	300
Repairs and maintenance	157	454
Contribution to GGDLP	-	182,400
Administration	(855,256)	(697,499)
	2,323,285	2,728,291
Surplus (deficit) before transfers	(138,819)	699,292
Transfers between programs	34,559	-
Surplus (deficit)	(104,260)	699,292



**George Gordon First Nation
Community Development**

Schedule 6 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	5,396,993	3,405,189
Other revenue	784,640	85,996
Rental income	-	8,700
	6,181,633	3,499,885
Expenses		
Repairs and maintenance	1,184,723	504,081
Amortization	761,410	501,719
Supplies	427,117	162,587
Salaries and benefits	424,373	419,672
Contracted services	203,849	160,264
Utilities	193,095	155,189
Administration	170,875	75,065
Accretion	64,434	-
Vehicle	86,815	32,529
Insurance	35,835	135,449
Interest on long-term debt	31,076	-
Travel	24,863	11,624
Training and workshops	15,224	304
Professional fees	11,491	1,000
Office	6,222	5,185
Telephone	5,758	7,578
Bank charges and interest	2,168	6,608
	3,649,328	2,178,854
Surplus before other item	2,532,305	1,321,031
Other item		
Gain on disposal of tangible capital assets	-	36,650
Surplus before transfers	2,532,305	1,357,681
Transfers between programs	(189,338)	378,678
Surplus	2,342,967	1,736,359



George Gordon First Nation

Education

Schedule 7 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	6,864,851	5,051,198
Other revenue	6,324	778
	6,871,175	5,051,976
Expenses		
Tuition	5,288,180	3,616,161
Contracted services	382,939	377,140
Salaries and benefits	370,005	472,472
Administration	332,450	188,725
Community events	196,830	150,093
Utilities	72,911	85,050
Repairs and maintenance	72,626	111,906
Training and workshops	40,117	13,020
Amortization	37,770	326,611
Supplies	28,250	52,049
Office	22,971	16,997
Vehicle	21,320	7,064
Travel	21,193	5,471
Professional fees	6,591	4,103
COVID supplies	4,967	5,622
Insurance	3,013	5,000
Elders fees	2,900	400
Program expense	1,820	2,670
Telephone	1,792	2,134
Bank charges and interest	300	1,145
	6,908,945	5,443,833
Deficit before transfers	(37,770)	(391,857)
Transfers between programs	-	99,775
Deficit	(37,770)	(292,082)



**George Gordon First Nation
Post Secondary**

Schedule 8 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	1,817,622	1,810,575
Other revenue	2,179	895
	1,819,801	1,811,470
 Expenses		
Student expenses	1,694,186	1,692,496
Salaries and benefits	56,877	41,909
Program expense	31,500	38,400
Office	31,396	20,692
Travel	4,242	12,478
Training and workshops	1,600	4,600
	1,819,801	1,810,575
 Surplus	-	895



George Gordon First Nation

Health

Schedule 9 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	5,825,418	4,258,809
Interest income	71,477	1,226
Other revenue	71,149	53,254
Touchwood Agency Tribal Council Inc.	-	80,000
	5,968,044	4,393,289
Expenses		
Salaries and benefits	878,493	703,602
Contracted services	474,381	443,476
Supplies	309,514	230,578
Training and workshops	287,609	198,736
COVID supplies	254,559	213,383
Program expense	242,868	36,892
Travel	198,721	175,121
Community events	133,577	305,712
Administration	116,895	202,452
Food security	83,975	91,061
Amortization	51,422	52,795
Telephone	34,182	23,136
Insurance	30,001	30,358
Vehicle	22,587	25,368
Utilities	21,693	11,738
Elders fees	8,746	2,850
Repairs and maintenance	7,386	106
Office	5,783	21,785
Bank charges and interest	1,719	6,441
Assistance	1,310	13,060
Professional fees	-	1,265
	3,165,421	2,789,915
Surplus before transfers	2,802,623	1,603,374
Transfers between programs	77,950	150,000
Surplus	2,880,573	1,753,374



**George Gordon First Nation
Land Management**

Schedule 10 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	184,508	432,535
Other revenue	25,002	12,000
	209,510	444,535
 Expenses		
Salaries and benefits	50,219	44,531
Professional fees	47,704	9,157
Amortization	27,968	12,295
Repairs and maintenance	25,014	19,251
Travel	21,573	11,819
Administration	14,700	40,260
Supplies	7,712	11,450
Contracted services	7,384	38,167
Training and workshops	6,634	-
Office	1,616	458
Telephone	675	1,286
Insurance	576	3,325
Utilities	374	733
Vehicle	327	5,556
Elders fees	-	100
	212,476	198,388
Surplus (deficit) before transfers	(2,966)	246,147
Transfers between programs	-	(181,824)
Surplus (deficit)	(2,966)	64,323



**George Gordon First Nation
Social Development**

Schedule 11 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	2,983,765	2,096,575
Other revenue	-	27,070
	2,983,765	2,123,645
 Expenses		
Social assistance	2,569,641	1,822,619
Salaries and benefits	186,579	137,148
Administration	70,281	33,119
Office	45,301	10,591
Program expense	32,126	8,366
Professional fees	24,045	20,325
Training and workshops	19,173	47,526
Telephone	18,108	4,616
Travel	9,440	4,804
Supplies	5,207	-
Contracted services	3,600	3,600
Utilities	264	746
Bank charges and interest	-	3,115
	2,983,765	2,096,575
 Surplus	-	27,070



George Gordon First Nation
Retail Operations

Schedule 12 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Retail sales	3,200,214	2,572,850
Other revenue	32,678	21,244
	3,232,892	2,594,094
 Expenses		
Retail Centre cost of sales	2,515,248	1,807,060
Salaries and benefits	385,589	324,380
Amortization	80,827	90,035
Repairs and maintenance	76,578	22,822
Professional fees	55,241	72,608
Office	48,722	83,075
Interest on long-term debt	31,622	27,274
Utilities	26,218	27,103
Bank charges and interest	16,382	8,191
Travel	5,382	9,228
Administration	3,901	50
Telephone	3,528	6,572
	3,249,238	2,478,398
Surplus (deficit) before transfers	(16,346)	115,696
Transfers between programs	-	181,824
Surplus (deficit)	(16,346)	297,520



George Gordon First Nation

CMHC

Schedule 13 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
Canada Mortgage and Housing Corporation	1,152,642	394,112
Rental income	325,164	324,084
Other revenue	10,351	-
	1,488,157	718,196
Expenses		
Amortization	440,364	440,364
Repairs and maintenance	261,602	204,690
Insurance	69,417	55,640
Administration	62,198	59,348
Interest on long-term debt	40,853	49,276
Professional fees	12,863	16,498
	887,297	825,816
Surplus (deficit) before other item	600,860	(107,620)
Other item		
Loss on disposal of tangible capital assets	-	(37,765)
Surplus (deficit)	600,860	(145,385)



**George Gordon First Nation
Band Project Revenue**

Schedule 14 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2023

	2023	2022
Revenues		
First Nations Trust	1,544,742	461,823
Touchwood Agency Tribal Council Inc.	1,342,341	920,446
Other revenue	625,468	684,389
TCFS - Prevention	513,127	224,388
Community Development Corporation	356,021	87,800
	4,381,699	2,378,846
Expenses		
Community events	664,821	740,545
Salaries and benefits	484,950	324,621
Assistance	407,032	336,750
Community development corporation program expenses	402,039	92,485
Rent paid on behalf of on reserve members - CMHC	213,898	186,978
Insurance	179,073	9,131
Administration	80,000	90,500
Training and workshops	63,531	36,717
Travel	63,312	101,829
Interest on long-term debt	49,388	21,120
Supplies	48,455	56,093
Legal fees - treaty benefit claim	46,364	166,987
Contracted services	40,338	112,726
Insurance - treaty benefit claim	23,113	281,894
Repairs and maintenance	21,667	21,971
Office	13,161	12,330
Utilities	6,494	6,512
Telephone	5,465	4,542
Vehicle	3,959	5,338
Professional fees	2,920	200
Bank charges and interest	1,733	2,056
Program expense	1,448	15,000
Student expenses	200	750
COVID supplies	50	-
	2,823,411	2,627,075
Surplus (deficit) before transfers	1,558,288	(248,229)
Transfers between programs	(86,875)	300,000
Surplus	1,471,413	51,771