

**Duncan's First Nation**

**Consolidated Financial Statements**

**March 31, 2022**

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**Duncan's First Nation**  
**Consolidated Financial Statements**  

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## **Duncan's First Nation**

### **Management's Responsibility for Financial Reporting**

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**March 31, 2022**

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The accompanying consolidated financial statements of Duncan's First Nation are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the 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 consolidated financial statements and the external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Duncan's First Nation and meet when required.

On behalf of Duncan's First Nation:

Original signed by  
Chief

October 6, 2022  
Date

Original signed by  
Finance Director

October 6, 2022  
Date

## Independent Auditors' Report

### To the Members of Duncan's First Nation

#### *Opinion*

We have audited the consolidated financial statements of Duncan's First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Duncan's First Nation as at March 31, 2022, and the results of its consolidated operations, its changes in its consolidated net asset, 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 Auditors' 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.

#### *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 unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

#### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## Independent Auditors' Report (continued)

- ♦ 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 auditors' 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 auditors' 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 consolidated entities or business activities, 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.

Edmonton, Canada  
October 7, 2022

*Crowe Mackay LLP*  
Chartered Professional Accountants

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**Duncan's First Nation****Consolidated Statement of Financial Position**

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<u>March 31</u>	<u>2022</u>	<u>2021</u>
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**Financial Assets**

Cash (Note 3)	\$ 4,369,265	\$ 4,631,926
Accounts receivable (Note 4)	7,367,204	695,250
Federal Trust Funds (Note 5)	300,322	146,737
Funds held in Trust (Note 6)	3,077,200	3,090,419
	<hr/> <b>15,113,991</b>	<hr/> <b>8,564,332</b>

**Liabilities**

Demand loans (Note 7)	<b>1,182,107</b>	1,397,035
Accounts payable and accrued liabilities (Note 8)	<b>1,087,008</b>	455,432
Deferred revenue (Note 9)	<b>9,286,547</b>	3,126,837
Long-term debt (Note 10)	<b>546,587</b>	660,281
	<hr/> <b>12,102,249</b>	<hr/> 5,639,585

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<b>Net financial assets</b>	<b>3,011,742</b>	<b>2,924,747</b>
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**Non-financial Assets**

Tangible capital assets (Note 11)	<b>15,069,820</b>	13,304,338
Inventory (Note 12)	<b>61,107</b>	67,077
Prepays	<b>54,947</b>	52,159
	<hr/> <b>15,185,874</b>	<hr/> 13,423,574

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<b>Accumulated Surplus (Note 13)</b>	<b>\$ 18,197,616</b>	<b>\$ 16,348,321</b>
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Contingent liabilities (Note 14)

**Approved on behalf of the Duncan's First Nation**

Original signed by \_\_\_\_\_, Chief

Original signed by \_\_\_\_\_, Councilor

## Duncan's First Nation

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
<b>Revenue</b>			
Western Cree Tribal Council (WCTC)	\$ 4,294,656	\$ 4,723,196	\$ 3,996,066
Indigenous Services Canada - Health	2,241,003	2,015,708	1,029,738
First Nation Development Funds	250,000	277,920	371,049
Government of Alberta	161,798	197,967	114,068
Resource revenue	-	207,273	26,564
CMHC subsidy	23,902	27,407	27,660
Other income	2,797,990	1,932,969	2,376,067
	<b>9,769,349</b>	<b>9,382,440</b>	<b>7,941,212</b>
<b>Expenses (Note 21)</b>			
Band Government	1,725,538	1,510,240	1,428,599
Economic Development	2,497,140	2,332,268	2,139,387
Education	621,865	317,771	295,832
Health	2,241,003	1,437,952	750,460
Housing	754,510	427,509	536,855
Public Works	449,553	637,035	449,691
Social Services	1,229,740	376,730	279,097
Other programs	250,000	76,233	79,630
Amortization	-	417,407	426,858
	<b>9,769,349</b>	<b>7,533,145</b>	<b>6,386,409</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>1,849,295</b>	<b>1,554,803</b>
<b>Accumulated surplus, beginning of year</b>	<b>16,348,321</b>	<b>16,348,321</b>	<b>14,793,518</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 16,348,321</b>	<b>\$ 18,197,616</b>	<b>\$ 16,348,321</b>

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**Duncan's First Nation****Consolidated Statement of Change in Net Financial Assets**

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For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
<b>Excess of revenue over expenses</b>	\$ -	\$ 1,849,295	\$ 1,554,803
Acquisition of capital assets	-	(2,216,836)	(1,833,694)
Amortization of capital assets	-	417,407	426,858
Disposal of capital assets	-	33,947	-
	-	(1,765,482)	(1,406,828)
<b>Use of inventory</b>	-	<b>5,970</b>	8,131
(Acquisition) use of prepaids	-	(2,788)	3,450
<b>Increase in net financial assets</b>	-	<b>86,995</b>	159,556
<b>Net financial assets, beginning of year</b>	<b>2,924,747</b>	<b>2,924,747</b>	2,765,191
<b>Net financial assets, end of year</b>	<b>\$ 2,924,747</b>	<b>\$ 3,011,742</b>	<b>\$ 2,924,747</b>

## Duncan's First Nation

### Consolidated Statement of Cash Flow

For the year ended March 31,	2022	2021
<b>Cash flows from Operating activities</b>		
Excess of revenue over expenses	\$ 1,849,295	\$ 1,554,803
Items not affecting cash		
Amortization	417,407	426,858
	<b>2,266,702</b>	<b>1,981,661</b>
Change in non-cash operating working capital		
Accounts receivable	(6,671,954)	807,192
Inventory	5,970	8,131
Prepays	(2,788)	3,450
Accounts payable and accrued liabilities	631,578	(114,786)
Deferred revenue	6,159,710	1,453,560
	<b>2,389,218</b>	<b>4,139,208</b>
<b>Capital activities</b>		
Purchase of capital assets	(2,216,836)	(1,833,694)
Disposal of tangible capital assets (net book value)	33,947	-
	<b>(2,182,889)</b>	<b>(1,833,694)</b>
<b>Financing activities</b>		
Repayment of long-term debt	(113,695)	(122,431)
Repayment of term loans due on demand	(214,929)	(322,393)
	<b>(328,624)</b>	<b>(444,824)</b>
<b>Investing activities</b>		
Withdrawals from trust funds	70,635	238,690
Net contributions to trust funds	(211,001)	(32,504)
	<b>(140,366)</b>	<b>206,186</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(262,661)</b>	<b>2,066,876</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,631,926</b>	<b>2,565,050</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,369,265</b>	<b>\$ 4,631,926</b>

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## **Duncan's First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2022**

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#### **1. 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 Chartered Professional Accountants of Canada.

##### **(a) Reporting entity principles of financial reporting**

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

Entities included in the consolidated March 31, 2022 financial statements include Duncan's Carmon Creek Community Trust.

##### **(b) 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.

Income from investments is recorded on the accrual basis.

##### **(c) Cash**

Cash and cash equivalents include cash held on deposit at financial institutions.

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## Duncan's First Nation

### Notes to Consolidated Financial Statements

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March 31, 2022

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#### 1. Basis of Presentation and Significant Accounting Policies (continued)

##### (d) 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 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 Duncan's First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years Straight line
Automotive equipment	10-20 years Straight line
Equipment	5-15 years Straight line
Land Improvements	25 years Straight line
Engineering Structures	45 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Duncan's 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 tangible capital assets from related parties are recorded at carrying value.

Certain assets, including recognized interest in reserve lands and natural resources, as well as 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.

##### (e) Inventory

Inventory is recorded at the lower of cost and net realizable value.

##### (f) Investments

Investments, other than investments in related entities are carried at cost.

##### (g) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

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## **Duncan's First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2022**

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#### **1. Basis of Presentation and Significant Accounting Policies (continued)**

##### **(h) Use of estimates and COVID-19 measurement uncertainty**

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the First Nation's operations, financial performance and financial position for the year ended March 31, 2022. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### **2. COVID-19 Pandemic**

The COVID-19 pandemic has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, social distancing, restrictions on business operations and isolation/quarantine periods have caused material disruptions to communities and businesses, resulting in an economic slowdown.

In response, the First Nation received from Indigenous Services Canada and other sources, \$1,923,166 (2021: \$1,247,322) in additional funding to assist with the implementation of public health measures, income assistance initiatives and costs related to reopening.

The First Nation also implemented remote work arrangements for those able to do so, and implemented stringent health and safety procedures and other precautionary measures, guided by public health authorities, to mitigate the spread of COVID-19 and the impact of the pandemic on the First Nation's operations and programs.

The effects of the COVID-19 pandemic remains uncertain and as such it is not possible to estimate the length and severity of the pandemic and the impact on the financial results and condition on the First Nation and its operations in future periods.

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 3. Cash

	2022	2021
Externally restricted		
Province of Alberta - First Nations Development Fund	\$ 344,733	\$ 291,646
CMHC Replacement Reserve	<u>77,649</u>	<u>122,689</u>
	<u>422,382</u>	<u>414,335</u>
Unrestricted		
General accounts	<u>3,946,883</u>	<u>4,217,591</u>
	<u><b>\$ 4,369,265</b></u>	<u><b>\$ 4,631,926</b></u>

#### 4. Accounts receivable

	2022	2021
Accounts receivable - Other	\$ 988,314	\$ 880,112
Accounts receivable - Western Cree Tribal Council	<u>7,075,881</u>	<u>485,300</u>
Accounts receivable - Other government funding	<u>51,227</u>	<u>35,802</u>
Allowance for doubtful accounts	<u>(748,218)</u>	<u>(705,964)</u>
	<u><b>\$ 7,367,204</b></u>	<u><b>\$ 695,250</b></u>

#### 5. Federal Trust Funds

The Ottawa Trust Funds include funds held by the Government of Canada for the use and benefit of the Duncan's First Nation. These funds are accounted for as received and the release of such funds is subject to Ministerial approval.

	March 31, 2021	Income	Withdrawals	March 31, 2022
Capital funds held in trust	\$ 12,145	\$ -	\$ -	\$ 12,145
Revenue funds held in trust	<u>134,592</u>	<u>207,273</u>	<u>(53,688)</u>	<u>288,177</u>
	<u><b>\$ 146,737</b></u>	<u><b>\$ 207,273</b></u>	<u><b>\$ (53,688)</b></u>	<u><b>\$ 300,322</b></u>

The trust fund accounts held in Ottawa arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by Sections 64 and 69 of the Indian Act.

These funds are treated by Canada as held in trust in the Consolidated Revenue fund of the Government of Canada. The funds attract interest pursuant to Section 61(2) of the Indian Act.

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 6. Funds held in Trust

	March 31, 2021	Additions, 2022	Withdrawals, 2022	March 31, 2022
Carmon Creek Community Trust	\$ 3,090,419	\$ 16,970	\$ (30,189)	\$ 3,077,200

The Carmon Creek Community Trust represents funds invested in Flexible Guaranteed Investment Certificates (GICs), earning interest at 0.55% (2021 - 0.55%).

#### 7. Demand loans

	2022	2021
Bank of Montreal term loan due on demand, bearing interest at prime plus 1.50%, payable in quarterly instalments of \$53,732 plus interest due March 2030 secured by a general security agreement.	\$ 1,182,107	\$ 1,397,035

#### 8. Accounts payable and accrued liabilities

	2022	2021
Trade payables	\$ 1,066,346	\$ 443,257
Government remittances	20,662	12,171
	\$ 1,087,008	\$ 455,428

#### 9. Deferred Revenue

Deferred revenue represents funds received that will be recognized as revenue in the next fiscal year, when the related expenses are incurred, or when the terms of the funding have been fulfilled.

	March 31, 2021	Funding received	Revenue recognized	March 31, 2022
First Nation Development Fund	\$ 150,000	\$ 354,013	\$ (277,920)	\$ 226,093
Western Cree Tribal Council	1,817,774	10,540,512	(4,723,196)	7,635,090
Government of Canada	-	98,000	(2,794)	95,206
Government of Alberta	51,798	183,296	(197,967)	37,127
Indigenous Services Canada - Health	1,046,898	2,257,670	(2,015,708)	1,288,860
Other	60,367	-	(56,196)	4,171
	\$ 3,126,837	\$ 13,433,491	\$ (7,273,781)	\$ 9,286,547

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**Duncan's First Nation****Notes to Consolidated Financial Statements**

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**March 31, 2022**

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**10. Long-term debt**

	<b>2022</b>	2021
Peace Hills Trust loan payable bearing interest at 3.95%, payable in monthly instalments of \$4,333, due May 2022, with Ministerial guarantee pledged as collateral.	\$ 8,787	\$ 59,528
Peace Hills Trust loan repaid during the year.	-	9,047
Peace Hills Trust loan payable bearing interest at 2.99%, payable in monthly instalments of \$2,004, due February 2027, with Ministerial guarantee pledged as collateral.	258,338	276,679
Canada Housing and Mortgage loan payable bearing interest at 0.74%, payable in monthly instalments of \$1,708, due February 2026, with Ministerial guarantee pledged as collateral.	176,823	195,938
Canada Housing and Mortgage loan payable bearing interest at 2.50%, payable in monthly instalments of \$1,517 due June 2023, with Ministerial guarantee pledged as collateral.	102,639	118,075
<u>Ford Credit repaid during the year.</u>	<u>-</u>	<u>1,014</u>
	<b>\$ 546,587</b>	<b>\$ 660,281</b>

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

2023	\$ 60,408
2024	52,666
2025	53,737
2026	54,835
<u>2027 and thereafter</u>	<u>324,941</u>
	<b>\$ 546,587</b>

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## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 11. Tangible Capital Assets

	Cost				Accumulated amortization				2022 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	on disposals	Balance, end of year	
Buildings	\$ 13,896,522	\$ 50,110	\$ -	\$ 13,946,632	\$ 4,083,984	\$ 278,432	\$ -	\$ 4,362,416	\$ 9,584,216
Automotive equipment	1,146,289	232,637	(48,495)	1,330,431	569,742	84,530	(14,548)	639,724	690,707
Equipment	657,612	65,410	-	723,022	562,899	15,076	-	577,975	145,047
Land improvements	33,380	-	-	33,380	23,666	1,335	-	25,001	8,379
Engineering structures	1,229,563	1,344,368	-	2,573,931	94,580	38,034	-	132,614	2,441,317
Asset under construction	1,675,843	524,311	-	2,200,154	-	-	-	-	2,200,154
	\$ 18,639,209	\$ 2,216,836	\$ (48,495)	\$ 20,807,550	\$ 5,334,871	\$ 417,408	\$ (14,548)	\$ 5,737,730	\$ 15,069,820

	Cost				Accumulated amortization				2021 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	on disposals	Balance, end of year	
Buildings	\$ 13,849,942	\$ 131,580	\$ (85,000)	\$ 13,896,522	\$ 3,891,519	\$ 277,465	\$ (85,000)	\$ 4,083,984	\$ 9,812,538
Automotive equipment	1,196,539	59,750	(110,000)	1,146,289	602,557	77,185	(110,000)	569,742	576,547
Equipment	597,613	59,999	-	657,612	513,483	49,416	-	562,899	94,713
Land improvements	33,380	-	-	33,380	22,331	1,335	-	23,666	9,714
Engineering structures	916,193	313,370	-	1,229,563	73,122	21,458	-	94,580	1,134,983
Asset under construction	406,855	1,268,988	-	1,675,843	-	-	-	-	1,675,843
	\$ 17,000,522	\$ 1,833,687	\$ (195,000)	\$ 18,639,209	\$ 5,103,012	\$ 426,859	\$ (195,000)	\$ 5,334,871	\$ 13,304,338

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## Duncan's First Nation

### Notes to Consolidated Financial Statements

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March 31, 2022

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#### 12. Inventory

	2022	2021
Confectionary	\$ 25,634	\$ 31,604
Tobacco	<u>35,473</u>	<u>35,473</u>
	<hr/> <b>\$ 61,107</b>	<hr/> <b>\$ 67,077</b>

During the year, \$544,163 (2021: \$693,238) was expensed to cost of goods sold.

#### 13. Accumulated surplus

	2022	2021
Unrestricted surplus	\$ 1,367,110	\$ 1,739,719
Equity in Tangible Capital Assets	<u>13,341,126</u>	<u>11,247,022</u>
Equity in Trust Funds	<u>3,377,522</u>	<u>3,237,156</u>
Replacement reserve fund	<u>111,858</u>	<u>124,424</u>
	<hr/> <b>\$ 18,197,616</b>	<hr/> <b>\$ 16,348,321</b>

#### 14. Contingent Liabilities

Government contributions related to the projects of the First Nation are subject to conditions regarding the expenditure of funds. The First Nation's accounting records are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

#### 15. Employment Retirement Plan

The First Nation has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute 5.5% of their gross pay with the First Nation making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for the March 31, 2022 year-end were \$7,814 (2021: \$11,164).

Elders Pension contribution amounts for the March 31, 2022 year-end were \$180,500 (2021: \$175,500).

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## **Duncan's First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2022**

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#### **16. CMHC Replacement Reserve**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation is required to provide a replacement reserve. This reserve is to ensure replacement of buildings financed by Canada Mortgage and Housing Corporation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are to be credited to interest first and then to the principal.

At March 31, 2022, the replacement reserve is underfunded by \$34,210 (2021: \$1,735).

#### **17. Financial Instruments**

The First Nation's financial instruments consist of cash, accounts receivable, trust funds, accounts payable and accrued liabilities, demand loans, and long-term debt. Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

It is management's opinion that the First Nation is not exposed to significant currency risk from its financial instruments. The First Nation is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation also has liquidity risk in respect to its accounts payable and accrued liabilities, demand loans, and long-term debt. Liquidity risk arises from the possibility that the First Nation may experience financial difficulty and be unable to fulfil its obligations. The large amount of annual funding received from the Government of Canada minimizes credit and liquidity risk. The First Nation is subject to interest rate risk arising primarily from fluctuations in rates on its variable rate demand loans.

COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The First Nation cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the First Nation's operations and financial condition.

#### **18. Budget Information**

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by the Chief and Council and are unaudited.

#### **19. Economic Dependence**

Duncan's First Nation receives a significant portion of its revenue pursuant to a funding agreement with Western Cree Tribal Council and Indigenous Services Canada.

#### **20. Comparative Amounts**

Certain of the comparative amounts have been reclassified to conform with the current years presentation.

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## Duncan's First Nation

### Notes to Consolidated Financial Statements

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March 31, 2022

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#### 21. Expenses by object

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Administration fees	\$ 138,347	\$ 211,539	\$ 164,784
Allowances	152,000	112,444	99,255
Amortization	-	417,407	426,858
Bad debts	-	42,254	91,925
Bank charges and interest	11,362	11,119	12,656
Capital asset purchases	1,046,241	-	-
Contracted services	400,523	531,761	235,954
Cost of sales - store	744,957	544,163	693,238
Cultural events	419,907	457,729	92,209
Equipment rental and leases	-	3,399	4,340
Funerals	24,000	16,702	23,132
Insurance	259,650	287,204	253,047
Interest on long-term debt	242,000	76,365	83,332
Land Lease	75,000	55,086	49,782
Member support	193,455	436,743	52,428
Office expenses	116,273	139,634	118,326
Patient travel	100,754	20,829	16,326
Professional fees	495,388	820,315	677,139
Program expenses	36,340	36,112	23,476
Repairs and maintenance	229,229	160,591	127,939
Social Assistance	305,652	200,909	146,099
Supplies	704,882	240,582	197,096
Travel	72,395	50,518	31,851
Tuition	85,000	59,524	55,083
Utilities	243,353	183,508	170,504
Vehicle	52,500	94,743	63,642
Wages and benefits	2,646,349	1,845,591	1,994,780
Wages and benefits - Chief and Council	260,000	282,897	262,063
Workshops, training, and professional development	713,792	193,477	219,145
	\$ 9,769,349	\$ 7,533,145	\$ 6,386,409

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 22. Segmented information

	Band Government			Economic Development			Education		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
<b>Revenues</b>									
Western Cree Tribal Council	\$ 1,380,738	\$ 923,995	\$ 1,079,954	\$ 360,815	\$ 1,352,045	\$ 336,961	\$ 592,305	\$ 336,116	\$ 297,446
Government of Alberta	-	3,876	9,043	51,798	51,798	-	-	-	-
Transfers (to) from other programs	300,000	376,786	201,027	(400,000)	(718,520)	(391,196)	-	-	-
Other revenue	44,800	267,187	208,071	2,468,527	1,630,492	2,185,158	29,560	17,669	65,331
<b>Total revenue</b>	<b>1,725,538</b>	<b>1,571,844</b>	<b>1,498,095</b>	<b>2,481,140</b>	<b>2,315,815</b>	<b>2,130,923</b>	<b>621,865</b>	<b>353,785</b>	<b>362,777</b>
<b>Expenses</b>									
Wages and benefits	603,767	492,915	487,345	625,163	436,219	674,809	183,342	83,249	84,479
Supplies	96,000	58,654	71,463	3,000	11,482	13,115	12,114	13,600	13,445
Professional fees	82,783	190,967	228,246	357,000	528,495	336,840	-	-	-
Repairs and maintenance	50,000	56,728	21,367	27,500	12,200	25,521	-	-	-
Utilities	125,000	76,075	84,213	14,000	13,443	12,877	4,400	2,000	3,550
Insurance	110,000	160,441	105,334	-	-	-	6,000	6,207	5,350
Contracted services	-	-	-	40,000	51,743	25,454	-	-	12,134
Other expenses	657,988	474,460	430,631	1,430,477	1,278,686	1,050,771	416,009	212,715	176,874
<b>Total expenses</b>	<b>1,725,538</b>	<b>1,510,240</b>	<b>1,428,599</b>	<b>2,497,140</b>	<b>2,332,268</b>	<b>2,139,387</b>	<b>621,865</b>	<b>317,771</b>	<b>295,832</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 61,604</b>	<b>\$ 69,496</b>	<b>\$ (16,000)</b>	<b>\$ (16,453)</b>	<b>\$ (8,464)</b>	<b>-</b>	<b>\$ 36,014</b>	<b>\$ 66,945</b>

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 22. Segmented information, continued

	2022 Budget	Health 2022 Actual	2021 Actual	2022 Budget	Housing 2022 Actual	2021 Actual	2022 Budget	Public Works 2022 Actual	2021 Actual
<b>Revenues</b>									
Western Cree Tribal Council	\$ -	\$ -	\$ 2,087	\$ 375,505	\$ 116,281	\$ 1,383,118	\$ 355,553	\$ 1,650,322	\$ 626,060
Indigenous Services Canada - Health	2,241,003	2,015,708	1,029,738	-	-	-	-	-	-
Government of Alberta	-	-	-	-	-	-	110,000	110,000	110,000
Transfers (to) from other programs	-	-	-	100,000	227,779	186,292	-	113,955	-
CMHC subsidy	-	-	-	23,902	27,407	27,660	-	-	-
Other revenue	-	26,503	-	255,103	49,279	90,635	-	46,232	1,359
<b>Total revenue</b>	<b>2,241,003</b>	<b>2,042,211</b>	<b>1,031,825</b>	<b>754,510</b>	<b>420,746</b>	<b>1,687,705</b>	<b>465,553</b>	<b>1,920,509</b>	<b>737,419</b>
<b>Expenses</b>									
Wages and benefits	655,638	331,893	274,868	71,826	108,446	79,867	223,000	265,999	317,985
Supplies	302,807	134,176	75,192	-	-	-	-	19,747	18,469
Professional fees	3,600	40,726	6,300	43,905	40,155	91,185	-	2,955	1,475
Repairs and maintenance	50,000	33,600	4,259	101,729	49,434	73,193	-	8,629	3,600
Utilities	21,700	13,351	13,107	30,450	18,723	9,341	35,403	51,780	40,370
Insurance	15,650	11,286	10,640	118,000	97,607	117,666	10,000	11,663	14,057
Contracted services	227,523	167,221	35,165	125,500	85,773	139,989	7,500	227,024	23,213
Other expenses	964,085	705,699	330,929	263,100	27,371	25,614	173,650	49,238	30,522
<b>Total expenses</b>	<b>2,241,003</b>	<b>1,437,952</b>	<b>750,460</b>	<b>754,510</b>	<b>427,509</b>	<b>536,855</b>	<b>449,553</b>	<b>637,035</b>	<b>449,691</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 604,259</b>	<b>\$ 281,365</b>	<b>\$ -</b>	<b>\$ (6,763)</b>	<b>\$ 1,150,850</b>	<b>\$ 16,000</b>	<b>\$ 1,283,474</b>	<b>\$ 287,728</b>

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 22. Segmented information, continued

	Social Services				Other		Amortization		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
<b>Revenues</b>									
Western Cree Tribal Council	\$ 1,229,740	\$ 344,437	\$ 270,440	-	\$ -	\$ -	-	\$ -	\$ -
First Nation Development Funds	-	-	-	250,000	\$ 277,920	\$ 371,049	-	-	-
Government of Alberta	-	32,293	(4,976)	-	-	-	-	-	-
Transfers (to) from other programs	-	-	3,877	-	-	-	-	-	-
Other revenue	-	-	9,756	-	102,880	(157,678)	-	-	-
<b>Total revenue</b>	<b>1,229,740</b>	<b>376,730</b>	<b>279,097</b>	<b>250,000</b>	<b>380,800</b>	<b>213,371</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>									
Wages and benefits	283,613	126,871	75,427	-	-	-	-	-	-
Supplies	290,961	2,924	5,412	-	-	-	-	-	-
Professional fees	3,100	1,775	-	5,000	27,057	35,536	-	-	-
Utilities	12,400	8,137	7,045	-	-	-	-	-	-
Social Assistance	305,652	200,909	146,099	-	-	-	-	-	-
Other expenses	334,014	36,114	45,114	245,000	49,176	44,094	-	417,407	426,858
<b>Total expenses</b>	<b>1,229,740</b>	<b>376,730</b>	<b>279,097</b>	<b>250,000</b>	<b>76,233</b>	<b>79,630</b>	<b>-</b>	<b>417,407</b>	<b>426,858</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 304,567</b>	<b>\$ 133,741</b>	<b>\$ -</b>	<b>\$ (417,407)</b>	<b>\$ (426,858)</b>

# Duncan's First Nation

## Notes to Consolidated Financial Statements

March 31, 2022

### 22. Segmented information, continued

		Consolidated totals		
	2022 Budget	2022 Actual	2021 Actual	
Revenues				
Western Cree Tribal Council	\$ 4,294,656	\$ 4,723,196	\$ 3,996,066	
Indigenous Services Canada - Health	2,241,003	2,015,708	1,029,738	
First Nation Development Funds	250,000	277,920	371,049	
Government of Alberta	161,798	197,967	114,067	
CMHC subsidy	23,902	27,407	27,660	
Other revenue	2,797,990	2,140,242	2,402,632	
Total revenue	9,769,349	9,382,440	7,941,212	
Expenses				
Wages and benefits	2,646,349	1,845,592	1,994,780	
Supplies	704,882	240,583	197,096	
Professional fees	495,388	832,130	699,582	
Repairs and maintenance	229,229	160,591	127,940	
Utilities	243,353	183,509	170,503	
Insurance	259,650	287,204	253,047	
Social Assistance	305,652	200,909	146,099	
Contracted services	400,523	531,761	235,955	
Other expenses	4,484,323	3,250,866	2,561,407	
Total expenses	9,769,349	7,533,145	6,386,409	
Annual surplus (deficit)	\$ -	\$ 1,849,295	\$ 1,554,803	