

**Duncan's First Nation**

**Consolidated Financial Statements**

**March 31, 2023**

---

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

---

**March 31, 2023** **Page**

---

**Management's Responsibility for Financial Reporting** 3

**Independent Auditors' Report** 4 - 5

**Financial Statements**

Consolidated Statement of Financial Position	6
Consolidated Statement of Remeasurement Gains and Losses	7
Consolidated Statement of Operations and Accumulated Surplus	8
Consolidated Statement of Change in Net Financial Assets	9
Consolidated Statement of Cash Flow	10
Notes to Consolidated Financial Statements	11 - 35

---

## **Duncan's First Nation**

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

---

**March 31, 2023**

---

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:

<u>Original signed by</u> Chief	<u>March 14, 2024</u> Date
<u>Original signed by</u> Finance Director	<u>March 14, 2024</u> Date

## Independent Auditors' Report

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

#### *Qualified 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, 2023, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 remeasurement gains and losses, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Qualified Opinion*

As discussed in Note 3 to the consolidated financial statements, asset retirement obligations have not been estimated and recorded on the consolidated statement of financial position both as at April 1, 2022, the transition date when these standards first applied and as at the year-end March 31, 2023. Management believes that the cost of any future material obligation will be offset by a funding agency. The Nation's tangible capital assets represent a significant amount of the assets of the consolidated financial statements as at March 31, 2023 and we were unable to obtain sufficient information regarding the effect of the asset retirement obligations on the consolidated financial statements. Therefore we were unable to determine whether any adjustments might be necessary to expenses, excess of revenue over expenses and cash flows from operating activities for the year ended March 31, 2023, and net financial assets, non-financial assets and accumulated surplus as at April 1, 2022 and March 31, 2023.

Duncan First Nation's long-term investments represent a significant amount of the assets of the consolidated financial statements as at March 31, 2023. As discussed in Note 7, the financial records of the long-term investments were unaudited. Consequently, we were unable to obtain sufficient appropriate audit evidence for the carrying amount of the long-term investments, equity and net income for the year. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 qualified 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.

## Independent Auditors' Report (continued)

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:

- ◆ 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  
March 14, 2024

*Crowe Mackay LLP*  
Chartered Professional Accountants

## Duncan's First Nation

### Consolidated Statement of Financial Position

March 31	2023	2022 (Restated Note 18)
<b>Financial Assets</b>		
Cash (Note 4)	\$ 6,765,944	\$ 4,479,205
Accounts receivable (Note 5)	6,329,844	7,367,204
Portfolio investments (Note 6)	2,491,001	2,457,662
Long-term investments (Note 7)	3,408,488	907,447
Federal trust funds (Note 8)	400,276	300,322
Other trust funds (Note 9)	3,146,094	3,077,200
	<b>22,541,647</b>	<b>18,589,040</b>
<b>Liabilities</b>		
Demand loans (Note 10)	967,178	1,182,107
Accounts payable and accrued liabilities (Note 11)	3,492,348	3,529,679
Deferred revenue (Note 12)	11,088,253	9,286,547
Long-term debt (Note 13)	486,059	546,587
	<b>16,033,838</b>	<b>14,544,920</b>
<b>Net financial assets</b>	<b>6,507,809</b>	<b>4,044,120</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 16)	20,141,741	15,069,819
Inventory (Note 25)	67,077	61,107
Prepays	22,395	54,947
	<b>20,231,213</b>	<b>15,185,873</b>
<b>Accumulated Surplus (Note 14)</b>	<b>\$ 26,739,022</b>	<b>\$ 19,229,993</b>

#### Accumulated Surplus consists of

Accumulated operating surplus	26,561,640	19,229,993
Accumulated remeasurement gains, end of year	177,382	-
<b>Accumulated Surplus</b>	<b>26,739,022</b>	<b>19,229,993</b>

Contingent liabilities (Note 15)

Approved on behalf of the Duncan's First Nation

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

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

---

**Duncan's First Nation****Consolidated Statement of Remeasurement Gains and Losses**

---

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Accumulated remeasurement gains, beginning of year</b>	\$ -	\$ -
<b>Unrealized gains attributable to:</b>		
Change in accounting policy (Note 1)	343,648	-
Portfolio investments	(162,714)	-
<b>Amounts reclassified to the statement of operations</b>		
Loss (gain) on sale of portfolio investments	(3,552)	-
<b>Net remeasurement gains</b>	<b>177,382</b>	-
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ 177,382</b>	<b>\$ -</b>

## Duncan's First Nation

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2023 Budget	2023 Actual	2022 Actual (Restated Note 18)
<b>Revenue</b>			
Western Cree Tribal Council	\$ 1,746,639	\$ 7,999,098	\$ 4,723,196
Indigenous Service Canada - Health	689,864	1,397,927	2,015,708
First Nation Development Funds	-	348,724	277,920
Government of Alberta	110,000	201,915	197,967
Resource revenue	-	99,954	207,273
CMHC subsidy	24,426	27,407	27,407
Other income	2,507,545	2,641,349	1,786,581
Equity pick-up on long-term investments	-	2,621,215	842,296
Income from portfolio investments	-	152,516	223,147
	<b>5,078,474</b>	<b>15,490,105</b>	10,301,495
<b>Expenses (Note 19)</b>			
Band Government	628,693	973,523	1,323,000
Economic Development	2,266,115	3,206,749	2,443,285
Education	369,391	349,654	317,771
Health	689,864	1,381,163	1,414,285
Housing	350,299	353,016	427,509
Public Works	177,053	457,166	525,386
Social Services	537,059	615,615	376,730
Other	75,000	155,558	76,233
Amortization	-	532,557	417,407
Duncan's First Nation Trust	-	137,010	74,961
	<b>5,093,474</b>	<b>8,162,011</b>	7,396,567
<b>Excess of revenue over expenses</b>	<b>(15,000)</b>	<b>7,328,095</b>	2,904,924
<b>Accumulated surplus, beginning of year</b>			
As previously stated	-	19,229,993	16,348,327
Prior period adjustment	-	-	(23,258)
As restated	-	19,229,993	16,325,069
<b>Effects of remeasurement gains (losses) for the year</b>	<b>-</b>	<b>180,934</b>	<b>-</b>
<b>Accumulated surplus, end of year</b>	<b>\$ (15,000)</b>	<b>\$ 26,739,022</b>	<b>\$ 19,229,993</b>

## Duncan's First Nation

### Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2023 Budget	2023 Actual	2022 Actual (Restated Note 18)
<b><u>Excess of revenue over expenses</u></b>	<b>\$ (15,000)</b>	<b>\$ 7,328,095</b>	<b>\$ 2,904,924</b>
Acquisition of tangible capital assets	-	(5,604,479)	(2,216,834)
Amortization of tangible capital assets	-	532,557	417,407
<u>Disposal of capital assets</u>	-	-	33,947
	-	(5,071,922)	(1,765,480)
Acquisition of inventory	(5,970)	(5,970)	-
<u>Use of inventory</u>	-	-	5,970
	(5,970)	(5,970)	5,970
Acquisition of prepaids	-	-	(2,788)
<u>Use of prepaids</u>	32,552	32,552	-
	32,552	32,552	(2,788)
Effects of remeasurement gains (losses) for the year	-	180,934	-
<b>Increase in net financial assets</b>	<b>11,582</b>	<b>2,463,689</b>	<b>1,142,626</b>
<b>Net financial assets, beginning of year</b>	<b>4,044,120</b>	<b>4,044,120</b>	<b>2,901,494</b>
<b>Net financial assets, end of year</b>	<b>\$ 4,055,702</b>	<b>\$ 6,507,809</b>	<b>\$ 4,044,120</b>

## Duncan's First Nation

### Consolidated Statement of Cash Flow

For the year ended March 31, 2023	2023	2022 (Restated Note 18)
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 7,328,095	\$ 2,904,924
Items not affecting cash		
Amortization	532,557	417,407
Effects of remeasurement gains (losses) for the year	180,934	-
	<b>8,041,586</b>	3,322,331
Change in non-cash operating working capital		
Accounts receivable	1,037,360	(6,671,954)
Inventory	(5,970)	5,970
Prepays	32,552	(2,788)
Accounts payable and accrued liabilities	(37,331)	416,716
Deferred revenue	1,801,706	6,159,710
	<b>10,869,903</b>	3,229,985
<b>Capital activities</b>		
Purchase of capital assets	(5,604,479)	(2,216,834)
Disposal of tangible capital assets (net book value)	-	33,947
	<b>(5,604,479)</b>	(2,182,887)
<b>Financing activities</b>		
Repayment of long-term debt	(60,528)	(113,695)
Repayment of term loans due on demand	(214,929)	(214,929)
	<b>(275,457)</b>	(328,624)
<b>Investing activities</b>		
Long-term investments	(2,501,041)	(907,447)
Withdrawals from trust funds	5,720	70,635
Net contributions to trust funds	(174,568)	(211,001)
Portfolio investments	(33,339)	147,061
	<b>(2,703,228)</b>	(900,752)
<b>Increase in cash and cash equivalents</b>	<b>2,286,739</b>	(182,278)
<b>Cash and cash equivalents, beginning of year</b>	<b>4,479,205</b>	4,661,483
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,765,944</b>	\$ 4,479,205

---

## Duncan's First Nation

### Notes to Consolidated Financial Statements

---

March 31, 2023

---

#### 1. Change in Accounting Policy from Changes to Accounting Standards

The First Nation adopted the following new accounting policies due to changes in the Public Sector Accounting Standards of the CPA Canada Handbook. The new standards are effective for years beginning on or after April 1, 2022 (the transition date):

##### **Financial Statement Presentation**

On April 1, 2022, the First Nation adopted Section PS 1201 "Financial Statement Presentation", which replaced the existing PS 1200 standard. The new standard introduces a Consolidated Statement of Remeasurement Gains and Losses, which includes unrealized gains and losses on financial instruments that are measured at fair value and unrealized foreign exchange gains and losses on items in the amortized cost category. In addition, accumulated surplus on the Consolidated Statement of Financial Position is presented as the total of the accumulated operating surplus and the accumulated remeasurement gains and losses.

The First Nation has applied the change prospectively on the transition date in accordance with the transition provisions.

The adoption of the new requirements resulted in an introduction of the Consolidated Statement of Remeasurement Gains and Losses and disclosure of the accumulated remeasurement gains and losses on the Consolidated Statement of Financial Position.

##### **Financial Instruments**

On April 1, 2022, the First Nation adopted Section PS 3450 "Financial Instruments". The new standard provides guidance on the recognition, measurement, presentation and disclosure of financial instruments. Financial instruments are subsequently measured either (i) fair value or (ii) cost or amortized cost. For financial instruments measured at fair value, unrealized gains and losses are reported on the Consolidated Statement of Remeasurement Gains and Losses and realized gains and losses are reclassified from the Consolidated Statement of Remeasurement Gains and Losses to the Consolidated Statement of Operations. The First Nation must also disclose both qualitative and quantitative information on its exposure to financial instrument risk.

The First Nation has applied the new standard prospectively on the transition date in accordance with the following transitional provisions:

- Recognition, derecognition and measurement policies followed in the consolidated financial statements for periods prior to the transition date are not reversed. Therefore, the consolidated financial statements of prior periods, including comparative information, have not been restated.
- At the transition date:
  - The First Nation recognized all financial assets and financial liabilities on its Consolidated Statement of Financial Position and classified items at (i) fair value or (ii) cost or amortized cost.
  - The First Nation elected to measure at fair value instruments for which it defines and implements a risk management or investment strategy to manage and evaluate the performance on a fair value basis. Those instruments are fixed income securities managed and evaluated alongside equity instruments under one portfolio.
  - The First Nation measured derivatives and portfolio investments in equity instruments that are quoted in an active market at fair value. The difference between a financial instrument's fair value and its previous carrying amount is recognized as an adjustment to the accumulated remeasurement gains and losses at the transition date.
- No adjustment to an item's carrying value was made to retroactively expense transaction costs applicable to items in the fair value category.
- Any unamortized discount, premium, or transaction costs associated with a financial asset or financial liability measured at amortized cost is included in the item's opening carrying value.

---

## **Duncan's First Nation**

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

---

---

**March 31, 2023**

---

The adoption of the new requirements resulted in an increase to the Consolidated Statement of Remeasurement Gains and Losses and portfolio investments as at April 1, 2022 of \$343,648 and additional disclosures as described in Note 23 of the consolidated financial statements.

#### **Portfolio Investments**

On April 1, 2022, the First Nation adopted Section PS 3041 "Portfolio Investments", which replaced the existing PS 3040 standard. The new standard removes the distinction between temporary and portfolio investments and removes the exclusion of pooled investment funds from its scope. Under the new standard, portfolio investments are measured in accordance with PS 3450 Financial Instruments.

The Nation has applied the change prospectively on the transition date, in accordance with the applicable transitional provisions as described under PS 3450 Financial Instruments.

The adoption of the new requirements resulted in the changes as described in the change in accounting policy PS 3450 Financial Instruments.

#### **Asset Retirement Obligations**

On April 1, 2022, the First Nation adopted Section PS 3280 "Asset Retirement Obligations", which replaced the existing PS 3270 "Solid Waste Landfill Closure and Post-Closure Liability" standard. The new standard applies to asset retirement obligations associated with tangible capital assets controlled by the entity that are in productive use or no longer in productive use. It establishes requirements for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets.

Asset retirement obligations have not been estimated and recorded in the consolidated financial statements. Therefore, the impact of the adoption of these new requirements to the First Nation's consolidated financial statements is unknown.

## **2. Basis of Presentation and Significant Accounting Policies**

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

---

## Duncan's First Nation

### Notes to Consolidated Financial Statements

---

**March 31, 2023**

---

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

##### **(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.

Government business enterprises, that are owned or controlled by the First Nation and that are not dependent on the First Nation for their continuing operations are included in the financial statements using the modified equity method, in accordance with the Public Sector Accounting Standards.

The modified equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform with those of the First Nation. Thus, the First Nation's investment in these enterprises is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses. Enterprises accounted for by the modified equity method include:

1. Duncan First Nation Development Corporation
2. Duncan's Carmon Creek Community Trust

Entities included in the consolidated March 31, 2023 financial statements include:

1. Duncan First Nation Agricultural Benefits Trust (December 31, 2022)

##### **(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.

---

## Duncan's First Nation

### Notes to Consolidated Financial Statements

---

March 31, 2023

---

#### 2. 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.

---

**March 31, 2023**

---

**2. Basis of Presentation and Significant Accounting Policies (continued)****(f) Financial instruments****Measurement**

The First Nation measures all its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, marketable securities in equity instruments that are quoted in an active market and marketable securities that the First Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, Federal trust funds, and other trust funds.

Financial liabilities measured at amortized cost include demand loans, accounts payable and accrued liabilities, and long-term debt.

Financial assets measured at fair value include portfolio investments in equity instruments. The Nation has also elected to measure at fair value instruments for which it defines and implements a risk management or investment strategy to manage and evaluate the performance on a fair value basis alongside its equity instruments. Those instruments are: fixed income securities managed and evaluated alongside equity instruments under one portfolio.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy used has the following levels:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly, such as prices, or indirectly, such as those derived from prices;
- Level 3 - Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Consolidated Statement of Remeasurement Gains and Losses and recognized in the Consolidated Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Consolidated Statement of Operations.

**Transaction costs**

Transaction costs attributable to financial instruments measured at fair value are recognized in the Consolidated Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

**Impairment**

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Consolidated Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received, except for recoveries of impaired portfolio investments. Future recoveries of impaired portfolio investments are not recognized. In the case of an item in the fair value category, a reversal of any net remeasurement

---

## **Duncan's First Nation**

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

---

---

**March 31, 2023**

---

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

gains recognized in previous reporting periods up to the amount of the write-down is reported in the Consolidated Statement of Remeasurement Gains and Losses.

##### **(g) Use of estimates**

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

##### **(h) Asset Retirement Obligation**

A liability is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- 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.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations.

#### **3. Asset retirement obligation**

Asset retirement obligations have not been estimated and recorded in the consolidated financial statements due to the difficulty in determining the amount of the obligation. In addition, management believes that the First Nation will receive sufficient government funding to cover any asset retirement obligations as they arise, resulting in the net effect to the consolidated statement of financial position to be nil. Management is waiting on further guidance from Indigenous Services Canada on the recording of these obligations.

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 4. Cash

	2023	2022
Externally restricted		
Cash	\$ 156,720	\$ 109,940
Province of Alberta - First Nations Development Fund	495,586	344,733
CMHC Replacement Reserve	64,331	77,649
	<hr/> <b>716,637</b>	<hr/> 532,322
Unrestricted		
General accounts	<b>6,049,307</b>	3,946,883
	<hr/> <b>\$ 6,765,944</b>	<hr/> \$ 4,479,205

#### 5. Accounts receivable

	2023	2022
Accounts receivable - Other	\$ 803,911	\$ 988,314
Accounts receivable - Western Cree Tribal Council	5,577,368	7,075,881
Accounts receivable - Other government funding	157,742	51,227
Allowance for doubtful accounts	(209,177)	(748,218)
	<hr/> <b>\$ 6,329,844</b>	<hr/> \$ 7,367,204

Included in allowance for doubtful accounts are balances due over 90 days that have not been received subsequent to year-end.

#### 6. Duncan First Nation Trust

The Trustees of the Duncan's First Nation Trust are required to hold the Trust Property in trust and use the Trust Property for the specific purposes outlined in the Duncan's First Nation Trust Agreement. Pursuant to the Trust Agreement, all beneficiaries are entitled to a proportionate per capita distribution.

Per capita distributions due to beneficiaries under the age of 18, are held in Trust and invested in agreed upon investment funds as outlined in the Trust Agreement. Trustees, with the assistance from the Trust Administrator, are required to monitor and evaluate the performance of the investments to ensure they are in compliance with the Trust Agreement.

Upon a beneficiary reaching the age of 18 years old, the beneficiary is entitled to their proportionate per capita distribution, adjusted for inflation. The balance of the trust set aside for this purpose as at March 31, 2023 is \$2,187,065 (2022: \$2,303,386).

Annual income of the Trust, is deemed to be due and payable in its entirety to Duncan's First Nation to be used for Band development, no later than December 31 of each year.

---

## Duncan's First Nation

### Notes to Consolidated Financial Statements

---

**March 31, 2023**

---

#### **6. Duncan First Nation Trust, continued**

The Trust holds portfolio investments in Canadian and foreign equities measured using Level 1 measurements and fixed income securities measured using Level 2 measurements.

	2023 Level 1	2023 Level 2	2023 Total	2022 Total
<b>Held at fair value:</b>				
Canadian equities	\$ 707,555	\$ -	\$ 707,555	\$ 828,069
United states equities	353,704	-	353,704	363,984
International equities	183,439	-	183,439	241,392
<b>Designated to fair value:</b>				
Fixed income securities	-	1,246,303	1,246,303	1,367,865
	\$ 1,244,698	\$ 1,246,303	\$ 2,491,001	\$ 2,801,310

The cost of the portfolio investments was \$2,313,619 as at March 31, 2023. The portfolio investments were measured at cost as at March 31, 2022 totaling \$2,457,662.

---

## Duncan's First Nation

### Notes to Consolidated Financial Statements

---

**March 31, 2023**

---

#### 7. Long-term investments

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

Duncan First Nation owns 100% of the shares of the following:

- ◆ Duncan First Nation Development Corporation

The Duncan First Nation Development Corporation financial statements for the year ending March 31, 2023 were still undergoing audit as at the time of the release of these consolidated financial statements. Therefore, the equity pick-up and equity balance included in the consolidated financial statements are unaudited.

Advances to related parties are unsecured, non-interest bearing and due on demand. Advances from related parties are unsecured, non-interest bearing and due on demand. The amounts below include the Nation's equity in the related party and advances made by the Nation to the entity.

	2023	2022 (Restated Note 18)
Equity in Duncan First Nation Development Corporation	\$ 3,463,521	\$ 842,306
Advances to (from) Duncan First Nation Development Corporation	(55,033)	65,141
	<hr/> <b>\$ 3,408,488</b>	<hr/> <b>\$ 907,447</b>

---

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

---

---

**March 31, 2023**

---

**7. Long-term investments, continued**

	<b>2023 Total</b>	2022 Total
Cash	\$ 3,247,624	\$ 1,130,171
Accounts receivable	702,743	6,784
Due from related parties	399,233	-
Loans and notes receivable	25,000	-
<u>Long-term investments</u>	<u>20,000</u>	-
 <u>Total assets</u>	 <u>\$ 4,394,600</u>	 <u>\$ 1,136,955</u>
 Accounts payable	 \$ 12,341	 6,872
Goods and services tax payable	186,776	48,962
Income taxes payable	731,962	173,674
Due to related parties	-	65,141
 <u>Total liabilities</u>	 <u>931,079</u>	 <u>294,649</u>
Share capital	10	10
<u>Equity</u>	<u>3,463,511</u>	842,296
 <u>Total equity</u>	 <u>3,463,521</u>	 842,306
 <u>Total liabilities and equity</u>	 <u>\$ 4,394,600</u>	 <u>\$ 1,136,955</u>
	<b>2023 Total</b>	2022 Total
 Revenue	 \$ 3,782,161	 \$ 1,092,594
Expenses	428,984	76,624
<u>Income taxes</u>	<u>731,962</u>	173,674
 <u>Total expenses</u>	 <u>1,160,946</u>	 250,298
 <u>Net income</u>	 <u>\$ 2,621,215</u>	 842,296

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 8. 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, 2022	Income	Withdrawals, 2023	March 31, 2023
Capital funds held in trust	\$ 12,145	\$ -	\$ -	\$ 12,145
Revenue funds held in trust	288,177	99,954	-	388,131
	\$ 300,322	\$ 99,954	\$ -	\$ 400,276

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.

#### 9. Other trust funds

	March 31, 2022	Additions, 2023	Withdrawals, 2023	March 31, 2023
Carmon Creek Community Trust	\$ 3,077,200	\$ 90,231	\$ (21,337)	\$ 3,146,094

The Carmon Creek Community Trust represents funds invested in Flexible Guaranteed Investment Certificates (GICs), earning interest at rates ranging from 0.78% to 4.8% during the year (2022 - 0.55%).

#### 10. Demand loans

	2023	2022
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 on demand secured by a general security agreement.	\$ 967,178	\$ 1,182,107

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 11. Accounts payable and accrued liabilities

	2023	2022
Trade payables	\$ 1,291,556	\$ 1,205,631
Government remittances	13,727	20,662
Due to minor members	2,187,065	2,303,386
	<b>\$ 3,492,348</b>	<b>\$ 3,529,679</b>

#### 12. 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, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
<b>Federal government</b>				
WCTC - Administration	\$ 852,330	\$ 600,975	\$ (465,851)	\$ 987,454
WCTC - Economic Development	101,978	425,702	(479,623)	48,057
WCTC - Social	639,327	1,066,134	(304,665)	1,400,796
WCTC - CYE Wellbeing & Support	-	309,830	-	309,830
WCTC - Education	278,077	699,446	(391,949)	585,574
WCTC - O&M	-	926,706	(378,498)	548,208
WCTC - Water Systems	4,950,451	4,867,900	(5,280,519)	4,537,832
WCTC - Overland Flooding	139,649	-	(35,914)	103,735
WCTC - Master Infrastructure	-	100,000	-	100,000
WCTC - Housing	237,446	222,108	(400,470)	59,084
WCTC - HRD	435,832	295,686	(261,610)	469,908
Government of Canada - Economic Development	95,206	197,302	(1,028)	291,480
Indigenous Service Canada - Health	1,288,860	1,389,388	(1,397,927)	1,280,321
	9,019,156	11,101,177	(9,398,054)	<b>10,722,279</b>
<b>Provincial Government</b>				
First Nation Development Fund	226,093	469,802	(348,724)	347,171
Government of Alberta - Early Intervention Program	37,127	69,420	(91,915)	14,632
	263,220	539,222	(440,639)	<b>361,803</b>
<b>Other</b>				
Other - Education	4,171	-	-	4,171
	<b>\$ 9,286,547</b>	<b>\$ 11,640,399</b>	<b>\$ (9,838,693)</b>	<b>\$ 11,088,253</b>

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 13. Long-term debt

	2023	2022
Peace Hills Trust loan repaid during the year.	\$ -	\$ 8,787
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.	<b>241,678</b>	258,338
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.	<b>157,567</b>	176,823
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.	<b>86,814</b>	102,639
	<b>\$ 486,059</b>	<b>\$ 546,587</b>

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

2024	\$ 52,666	
2025	53,737	
2026	54,835	
2027	55,961	
2028 and thereafter	<b>268,860</b>	
	<b>\$ 486,059</b>	

#### 14. Accumulated surplus

	2023	2022 (Restated Note 18)
Unrestricted surplus	\$ 682,306	\$ 1,216,413
Equity in Tangible Capital Assets	18,688,504	13,341,125
Equity in Trust Funds	3,546,370	3,377,522
Equity in Investments	3,408,488	907,447
Equity in Duncan First Nation Trust	112,914	275,628
Replacement reserve fund	123,058	111,858
Remeasurement gains (losses)	<b>177,382</b>	-
	<b>\$ 26,739,022</b>	<b>\$ 19,229,993</b>

---

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

---

---

**March 31, 2023**

---

**15. 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.

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 16. Tangible Capital Assets

	Cost				Accumulated amortization				2023 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	\$ 13,946,632	\$ 2,418,630	\$ -	\$ 16,365,262	\$ 4,362,416	\$ 303,119	\$ -	\$ 4,665,535	\$ 11,699,727
Automotive equipment	1,330,431	-	-	1,330,431	639,724	98,586	-	738,310	592,121
Equipment	723,022	145,796	-	868,818	577,975	25,636	-	603,611	265,207
Land and land improvements	33,380	-	-	33,380	25,001	1,335	-	26,336	7,044
Engineering structures	2,573,931	5,240,206	-	7,814,137	132,615	103,880	-	236,495	7,577,642
Asset under construction	2,200,154	(2,200,154)	-	-	-	-	-	-	-
	\$ 20,807,550	\$ 5,604,478	\$ -	\$ 26,412,028	\$ 5,737,731	\$ 532,556	\$ -	\$ 6,270,287	\$ 20,141,741
Cost									
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	on disposals	Balance, end of year	2022 Net book value
	\$ 13,896,522	\$ 50,110	\$ -	\$ 13,946,632	\$ 4,083,984	\$ 278,432	\$ -	\$ 4,362,416	\$ 9,584,216
Buildings	1,146,289	232,635	(48,493)	1,330,431	569,742	84,529	(14,547)	639,724	690,707
Automotive equipment	657,612	65,410	-	723,022	562,899	15,076	-	577,975	145,047
Equipment	33,380	-	-	33,380	23,666	1,335	-	25,001	8,379
Land and land improvements	1,229,563	1,344,368	-	2,573,931	94,580	38,035	-	132,615	2,441,316
Engineering structures	1,675,843	524,311	-	2,200,154	-	-	-	-	2,200,154
	\$ 18,639,209	\$ 2,216,834	\$ (48,493)	\$ 20,807,550	\$ 5,334,871	\$ 417,407	\$ (14,547)	\$ 5,737,731	\$ 15,069,819

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 17. 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, 2023 year-end were \$46,458 (2022: \$7,814).

Elders Pension contribution amounts for the March 31, 2023 year-end were \$192,500 (2021: \$180,500).

#### 18. Prior period restatement

During the year, it was determined that material adjustments were required to the long-term investments balance at March 31, 2022, as a result of operations commencing for Duncan First Nation Development Corporation during April 2021.

In addition, management determined that the Duncan First Nation Trust should be consolidated into the financial statements. The comparatives have also been restated as a result of this consolidation.

The effects of the prior period restatement are as follows:

For the year ended March 31	As previously stated in 2022	Adjustments		Restated 2022
		Increase (Decrease)		
<b>Consolidated Statement of Financial Position</b>				
Financial assets				
Cash	\$ 4,369,265	\$ 109,940	\$ 4,479,205	
Portfolio investments	-	2,457,662	2,457,662	
Long-term investments	-	907,447	907,447	
Liabilities				
Accounts payable and accrued liabilities	1,087,004	2,442,675	3,529,679	
Net financial assets	3,011,746	1,032,374	4,044,120	
Accumulated surplus	18,197,619	1,032,374	19,229,993	
<b>Consolidated Statement of Operations</b>				
Revenue				
Equity pick-up on long-term investments	-	842,296	842,296	
Other income	1,721,430	65,151	1,786,581	
Income from portfolio investments	-	223,147	223,147	
Expenses				
Duncan First Nation Trust	-	74,961	74,961	
Current year surplus (deficit)	\$ 1,849,290	\$ 1,055,633	\$ 2,904,923	

---

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

---

---

**March 31, 2023**

---

**19. Expenses by object**

For the year ended March 31	2023 Budget	2023 Actual	2022 Actual (Restated Note 18)
Administration fees	\$ (7,635)	\$ -	\$ -
Allowances	113,578	169,879	112,444
Amortization	-	532,557	417,407
Bad debts	-	98,600	42,254
Bank charges and interest	223,267	89,529	29,733
Capital asset purchases	32,500	-	-
Contracted services	356,860	550,120	604,582
Cost of sales - store	597,000	440,709	544,163
Cultural events	36,963	518,514	457,729
Equipment rental and leases	-	2,672	3,399
Funerals	15,000	79,254	16,702
Insurance	255,390	316,467	287,204
Interest on long-term debt	-	79,681	76,365
Land lease	75,000	54,009	55,086
Member support	177,370	171,504	436,743
Office expenses	108,153	231,225	139,634
Patient travel	49,572	43,277	20,829
Professional fees	266,798	1,465,292	876,662
Program expenses	16,000	35,725	36,112
Repairs and maintenance	71,879	56,342	160,591
Social assistance	233,807	197,428	200,909
Supplies	89,421	277,313	240,582
Travel	45,500	64,411	50,518
Tuition	67,500	77,269	59,524
Utilities	140,703	199,397	183,508
Vehicle	10,000	45,375	94,743
Wages and benefits	1,653,161	1,681,946	1,772,773
Wages and benefits - Chief and Council	230,000	258,810	282,897
Workshops, training, and professional development	235,687	424,706	193,474
	<hr/> \$ 5,093,474	<hr/> \$ 8,162,011	<hr/> \$ 7,396,567

---

## **Duncan's First Nation**

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

---

---

**March 31, 2023**

---

#### **20. 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, 2023, the replacement reserve is underfunded by \$58,727 (2022: \$34,209). Subsequent to year-end, the Nation made payments to cover the underfunded balance.

#### **21. 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.

#### **22. 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.

---

## Duncan's First Nation

### Notes to Consolidated Financial Statements

---

March 31, 2023

---

#### 23. Risk management

Transacting in and holding of financial instruments exposes the Nation to certain financial risks and uncertainties. Qualitative and quantitative analysis of the significant risks are as follows:

##### **a) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is exposed to market risk as follows:

###### *i) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's interest-bearing financial instruments include investment in fixed rate GIC's, a variable rate demand loan and fixed rate long-term debt. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The cash flows resulting from variable rate financial instruments fluctuate as interest rates applicable to the instruments change. The entity does not employ derivative financial instruments to hedge its exposure to interest rate risk.

Increased economic uncertainty and changing inflation rates due to a range of economic factors has resulted in a change in interest rate risk from the prior year.

###### *ii) Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk, whether those changes are caused by factors specific to the individual financial instrument or issuer, or factors affecting all similar financial instruments or issuers. The Nation's portfolio investments expose the Nation to price risks as these instruments are subject to price changes in an open market for a variety of reasons including, investor sentiment and expectations, changes in market rates of interest, general economic indicators and restrictions of credit markets. The Nation does not employ derivative financial instruments to hedge its exposure to other price risk. Management mitigates this risk by performing investment activities through a reputable Canadian brokerage.

The sensitivity of the Nation's fair market value of portfolio investments due to a 5.0% change in the rate of return in the market is the increase or decrease to remeasurement gains for the year of \$124,550.

There have been no significant changes to other price risk from the previous year and no significant changes to the methods and assumptions used in the sensitivity analysis.

##### **b) Credit risk**

Credit risk is the risk 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 is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that an entity or individual may experience financial difficulty and be unable to fulfil their obligations. A significant portion of the First Nation's accounts receivable is from federal and provincial governments, which minimizes credit risk. Management further mitigates credit risk through continuously monitoring its financial assets; consistent collection efforts; and maintaining regular contact with funders and other credit applicants. The maximum exposure to credit risk is the carrying value of accounts receivable.

The First Nation performs continuous evaluation of its financial assets and records impairment in accordance with the stated policy. As at year-end management has determined that a portion of accounts receivable are impaired. Impaired accounts receivable are disclosed in Note 5. Management's assessment is based on specific identification and the age of the receivables. Aged financial assets that are past due but not impaired include: \$797,168 > 90 days.

---

---

## **Duncan's First Nation**

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

---

---

**March 31, 2023**

---

There have been no significant changes to the credit risk from the previous year.

**c) Liquidity risk**

Liquidity risk is the risk that the Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The Nation's exposure to liquidity risk relates to demand loan, accounts payable and accrued liabilities and long-term debt and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through active working capital management including monitoring current and future cash flow requirements in consideration of current credit facilities and management of expenses.

The demand loan is due on demand. Accounts payable and accrued liabilities are due within 30 days of receipt of an invoice. The contractual maturities of long-term debt are disclosed in Note 13.

There have been no significant changes to the liquidity risk from the previous year.

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 24. Segmented information

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. The segment revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounts Policies as described in Note 2. The segment results for the period are as follows:

	Band Government			Economic Development			Education		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>									
Western Cree Tribal Council	\$ 353,133	\$ 465,851	\$ 923,995	\$ 166,115	\$ 479,623	\$ 1,352,045	\$ 332,509	\$ 391,949	\$ 336,116
Government of Alberta	-	-	3,876	110,000	110,000	161,798	-	-	-
Transfers (to) from other programs	240,000	244,800	376,786	(240,000)	(244,800)	(718,520)	-	-	-
Other revenue	35,560	575,211	79,947	2,230,000	4,555,956	2,537,939	36,882	-	17,669
<b>Total revenue</b>	<b>628,693</b>	<b>1,285,862</b>	<b>1,384,604</b>	<b>2,266,115</b>	<b>4,900,779</b>	<b>3,333,262</b>	<b>369,391</b>	<b>391,949</b>	<b>353,785</b>
<b>Expenses</b>									
Wages and benefits	178,632	250,865	492,915	664,440	473,854	472,216	158,690	84,512	83,249
Supplies	1,000	3,397	58,654	3,000	33,486	11,482	9,723	771	13,600
Professional fees	41,986	164,436	190,967	172,995	972,203	529,495	-	-	-
Repairs and maintenance	-	-	56,728	25,000	3,390	12,200	-	-	-
Utilities	37,500	71,215	76,075	15,000	15,525	14,643	2,900	2,150	2,000
Insurance	110,000	166,592	160,441	-	-	-	6,000	5,925	6,207
Contracted services	-	-	-	252,500	417,388	124,563	-	-	-
Other expenses	259,575	317,018	287,220	1,133,180	1,290,903	1,278,686	192,078	256,296	212,715
<b>Total expenses</b>	<b>628,693</b>	<b>973,523</b>	<b>1,323,000</b>	<b>2,266,115</b>	<b>3,206,749</b>	<b>2,443,285</b>	<b>369,391</b>	<b>349,654</b>	<b>317,771</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 312,339</b>	<b>\$ 61,604</b>	<b>\$ -</b>	<b>\$ 1,694,030</b>	<b>\$ 889,977</b>	<b>\$ -</b>	<b>\$ 42,295</b>	<b>\$ 36,014</b>

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 24. Segmented information (continued)

	2023 Budget	Health 2023 Actual	2022 Actual	2023 Budget	Housing 2023 Actual	2022 Actual	2023 Budget	Public Works 2023 Actual	2022 Actual
<b>Revenues</b>									
Western Cree Tribal Council	\$ -	\$ -	\$ -	\$ 180,770	\$ 400,470	\$ 116,281	\$ 177,053	\$ 5,694,931	\$ 1,650,322
ISC Health - Flexible	689,864	1,397,927	2,015,708	-	-	-	-	-	-
Transfers (to) from other programs	-	-	-	-	-	227,779	-	-	113,955
CMHC subsidy	-	-	-	24,426	27,407	27,407	-	-	-
Other revenue	-	-	2,836	205,103	22,449	49,279	-	2,441	45,600
<b>Total revenue</b>	<b>689,864</b>	<b>1,397,927</b>	<b>2,018,544</b>	<b>410,299</b>	<b>450,326</b>	<b>420,746</b>	<b>177,053</b>	<b>5,697,372</b>	<b>1,809,877</b>
<b>Expenses</b>									
Wages and benefits	240,058	338,555	331,893	22,350	95,919	108,446	130,000	223,400	157,182
Supplies	24,863	160,220	134,176	-	-	-	-	10,683	19,747
Professional fees	3,600	117,557	40,726	45,117	3,675	40,155	-	53,243	1,955
Repairs and maintenance	-	360	33,600	46,879	46,490	49,434	-	6,101	8,629
Utilities	9,850	17,538	13,351	30,450	16,296	18,723	34,403	69,459	50,580
Insurance	7,850	14,605	11,286	121,540	117,126	97,607	10,000	12,219	11,663
Contracted services	26,000	22,157	167,221	75,860	66,561	85,773	2,500	44,014	227,024
Other expenses	377,643	710,171	682,032	8,103	6,949	27,371	150	38,047	48,606
<b>Total expenses</b>	<b>689,864</b>	<b>1,381,163</b>	<b>1,414,285</b>	<b>350,299</b>	<b>353,016</b>	<b>427,509</b>	<b>177,053</b>	<b>457,166</b>	<b>525,386</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 16,764</b>	<b>\$ 604,259</b>	<b>\$ 60,000</b>	<b>\$ 97,310</b>	<b>\$ (6,763)</b>	<b>\$ -</b>	<b>\$ 5,240,206</b>	<b>\$ 1,284,491</b>

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 24. Segmented information (continued)

	Social Services				Other		Amortization		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>									
Western Cree Tribal Council	\$ 537,059	\$ 566,275	\$ 344,437	-	\$ -	\$ 348,724	-	\$ -	\$ -
First Nation Development Funds	-	-	-	-	-	\$ 277,920	-	-	-
Government of Alberta	-	91,915	32,293	-	-	-	-	-	-
Other revenue	-	15,849	-	-	\$ 190,611	\$ 102,880	-	-	-
<b>Total revenue</b>	<b>537,059</b>	<b>674,039</b>	<b>376,730</b>	<b>-</b>	<b>539,335</b>	<b>380,800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>									
Wages and benefits	183,991	213,595	126,871	75,000	1,250	-	-	-	-
Supplies	50,835	68,230	2,924	-	525	-	-	-	-
Professional fees	3,100	20,100	1,775	-	76,132	15,242	-	-	-
Utilities	10,600	7,213	8,137	-	-	-	-	-	-
Social assistance	233,807	197,428	200,909	-	-	-	-	-	-
Other expenses	54,726	109,049	36,114	-	\$ 77,651	\$ 60,991	-	\$ 532,557	\$ 417,407
<b>Total expenses</b>	<b>537,059</b>	<b>615,615</b>	<b>376,730</b>	<b>75,000</b>	<b>155,558</b>	<b>76,233</b>	<b>-</b>	<b>532,557</b>	<b>417,407</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 58,424</b>	<b>\$ -</b>	<b>\$ (75,000)</b>	<b>\$ 383,777</b>	<b>\$ 304,567</b>	<b>-</b>	<b>\$ (532,557)</b>	<b>\$ (417,407)</b>

## Duncan's First Nation

### Notes to Consolidated Financial Statements

March 31, 2023

#### 24. Segmented information (continued)

	Duncan's First Nation Trust			Consolidated totals		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>						
Western Cree Tribal Council	\$ -	\$ -	\$ -	\$ 1,746,639	\$ 7,999,099	\$ 4,723,196
ISC Health - Flexible	-	-	-	689,864	1,397,927	2,015,708
First Nation Development Funds	-	-	-	-	348,724	277,920
Government of Alberta	-	-	-	110,000	201,915	197,967
CMHC subsidy	-	-	-	24,426	27,407	27,407
Other revenue	-	152,516	223,147	2,507,545	5,515,033	3,059,297
<b>Total revenue</b>	<b>-</b>	<b>152,516</b>	<b>223,147</b>	<b>5,078,474</b>	<b>15,490,105</b>	<b>10,301,495</b>
<b>Expenses</b>						
Wages and benefits	-	-	-	1,653,161	1,681,950	1,772,772
Supplies	-	-	-	89,421	277,312	240,583
Professional fees	-	-	-	266,798	1,407,346	820,315
Repairs and maintenance	-	-	-	71,879	56,341	160,591
Utilities	-	-	-	140,703	199,396	183,509
Insurance	-	-	-	255,390	316,467	287,204
Social assistance	-	-	-	233,807	197,428	200,909
Contracted services	-	-	-	356,860	550,120	604,581
Other expenses	-	137,010	74,961	2,025,455	3,475,651	3,126,103
<b>Total expenses</b>	<b>-</b>	<b>137,010</b>	<b>74,961</b>	<b>5,093,474</b>	<b>8,162,011</b>	<b>7,396,567</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 15,506</b>	<b>\$ 148,186</b>	<b>\$ (15,000)</b>	<b>\$ 7,328,094</b>	<b>\$ 2,904,928</b>

---

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

---

---

**March 31, 2023**

---

**25. Inventory**

	<b>2023</b>	2022
Confectionary	\$ 29,077	\$ 25,634
Tobacco	38,000	35,473
	<hr/> <b>\$ 67,077</b>	<hr/> <b>\$ 61,107</b>

During the year, \$440,709 (2022: \$544,163) was expensed to cost of goods sold.