

Duncan's First Nation

Consolidated Financial Statements

March 31, 2019

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

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Duncan's First Nation

Management's Responsibility for Financial Reporting

March 31, 2019

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.

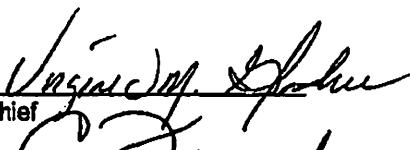
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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:


Chief
Finance Director

Aug 20, 2019
Date
Aug 20, 2019
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, which comprise the consolidated statement of financial position as at March 31, 2019, 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 First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of First Nation taken as a whole. The supplementary information included on the schedules on pages 24 - 43 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

Independent Auditors' Report (continued)

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
August 16, 2019

Choue Mackay LLP
Chartered Professional Accountants

Duncan's First Nation

Consolidated Statement of Financial Position

March 31	2019	2018
Financial Assets		
Cash (Note 2)		
Cash (Note 2)	\$ 2,197,445	\$ 1,400,136
Accounts receivable (Note 3)	2,282,457	1,134,136
Settlement Funds - Agricultural Benefits Claim	-	13,588,888
Federal Trust Funds (Note 5)	96,320	60,268
Funds held in trust (Note 6)	3,349,081	3,461,507
	7,925,303	19,644,935
Liabilities		
Demand loans (Note 7)	1,960,758	2,095,553
Accounts payable and accrued liabilities (Note 8)	975,471	650,839
Deferred revenue (Note 9)	1,652,846	821,069
Duncan's First Nation Trust liabilities	-	13,588,888
Long-term debt (Note 10)	899,640	1,012,662
	5,488,715	18,169,011
Net financial assets	2,436,588	1,475,924
Non-financial Assets		
Capital assets (Note 11)	11,052,353	10,807,831
Prepays	-	1,500
	11,052,353	10,809,331
Accumulated Surplus (Note 12)	\$ 13,488,941	\$ 12,285,255
Contingent liabilities (Note 13)		

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	2019 Budget	2019 Actual	2018 Actual
Revenue			
Federal Government:			
Western Cree Tribal Council (WCTC)	\$ 1,551,641	\$ 2,398,995	\$ 2,622,663
Health Canada - First Nation and Inuit Health Branch	-	731,218	711,035
First Nation Development Funds	-	379,061	315,611
Government of Alberta	133,065	251,039	251,290
Resource revenue	-	88,432	58,633
CMHC subsidy	-	27,507	30,079
CMHC - other	-	-	53,896
Other income	290,000	3,136,629	1,643,640
Government of Canada - Agricultural Benefits Claim Settlement	-	-	13,588,888
	1,974,706	7,012,881	19,275,735
Expenses (Note 16)			
Band Government	556,338	744,234	801,773
Economic Development	58,816	2,037,284	1,309,956
Education	319,841	332,108	246,553
Health	-	670,291	716,822
Housing	268,896	442,406	558,121
Public Works	243,861	565,861	508,091
Social Services	526,955	353,836	447,992
Other programs	-	254,320	112,497
Amortization	-	408,850	395,008
Duncan's First Nation Trust - Agricultural Benefits Claim	-	-	13,588,888
	1,974,707	5,809,190	18,685,701
Excess of revenue over expenses	-	1,203,691	590,037
Accumulated surplus, beginning of year	-	12,285,255	11,695,218
Accumulated surplus, end of year	\$ -	\$ 13,488,941	\$ 12,285,255

Duncan's First Nation

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2019 Budget	2019 Actual	2018
Excess of revenue over expenses	\$ -	\$ 1,203,691	\$ 590,037
Acquisition of capital assets	-	(653,374)	(268,727)
Amortization of capital assets	-	408,853	395,008
	-	(244,527)	126,279
Use of prepaids	-	1,500	-
Increase in net financial assets	-	960,664	714,816
Net financial assets, beginning of year	-	1,475,924	761,108
Net financial assets, end of year	\$ -	\$ 2,436,588	\$ 1,475,924

Duncan's First Nation

Consolidated Statement of Cash Flow

<u>For the year ended March 31, 2019</u>	2019	2018
Cash flows from Operating activities		
Excess of revenue over expenses	\$ 1,203,691	\$ 590,037
Items not affecting cash		
Amortization	408,853	395,008
Loss on long-term investments	-	193,003
	1,612,544	1,178,048
Change in non-cash operating working capital		
Accounts receivable	(1,148,321)	(767,677)
Prepays	1,500	(1,500)
Accounts payable and accrued liabilities	324,627	349,103
Deferred revenue	831,777	444,117
	1,622,127	1,202,091
Capital activities		
Purchase of capital assets	(653,374)	(268,727)
Financing activities		
Repayment of long-term debt	(113,024)	(113,330)
Repayment of term loans due on demand	(134,794)	(218,178)
Proceeds of long-term debt	-	45,976
	(247,818)	(285,532)
Investing activities		
Withdrawals from trust fund	213,880	192,721
Net contributions to trust fund	(137,506)	(101,259)
	76,374	91,462
Increase in cash and cash equivalents	797,309	739,294
Cash and cash equivalents, beginning of year	1,400,136	660,842
Cash and cash equivalents, end of year	\$ 2,197,445	\$ 1,400,136

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

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, except for First Nation entities.

First Nation entities included in the Consolidated Financial Statements include:

(a) 1126544 Alberta Ltd. (August 31, 2018 year end) - Modified Equity Method

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform 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.

(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, 2019

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

(d) Capital assets

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 and Land Improvements	25 years Straight line
Engineering Structures	45 years Straight line

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 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) Investments

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

(f) 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.

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

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

(g) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue 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.

2. Cash

	2019	2018
Externally restricted		
Province of Alberta - First Nations Development Fund	\$ 238,678	\$ 269,964
Unrestricted		
General accounts	1,958,767	1,130,172
	\$ 2,197,445	\$ 1,400,136

3. Accounts receivable

	2019	2018
Accounts receivable		
Accounts receivable - Western Cree Tribal Council	\$ 788,402	\$ 411,863
Accounts receivable - Other government funding	1,026,418	628,416
	467,637	93,857
	\$ 2,282,457	\$ 1,134,136

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

4. Long-term investments

The Duncan's First Nation owns 100% of the shares of 1126544 Alberta Ltd.

Balance Sheet - 1126544 Alberta Ltd.

	March 31, 2019	March 31, 2018
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Due to shareholders	\$ 1,791,997	\$ 1,791,997
Deficit	<u>(1,791,997)</u>	<u>(1,791,997)</u>
Total liabilities and deficit	\$ -	\$ -

Statement of Operations - 1126544 Alberta Ltd.

	March 31, 2019	March 31, 2018
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Net loss - write down of investment (2018)	\$ -	\$ (193,003)
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1126544 Alberta Ltd. owns 50% of the Partnership units of Savanna Energy Services Limited Partnership #5 (Savanna), which were written down to the estimated net realizable value of zero at August 31, 2018, the year end of 1126544 Alberta Ltd.

The December 31, 2018 financial statements of "Savanna" includes a "Going Concern note", which indicates "as at December 31, 2018, the Partnership had cash of \$Nil, a working capital deficit of \$2,078,000, and a net loss of \$262,000. Given the history of recent losses, expected profitability, limited access to financial resources, the impact of industry conditions on the Partnership and no commitment from other sources to fund outstanding payables, the Partnership financial position indicates the existence of a material uncertainty that raises significant doubt about the Partnerships' ability to continue as a going concern."

During the year, the Savanna Partnership offered 1126544 Alberta Ltd. the option to sell its 50% interest in the Partnership for zero proceeds and have "Savanna" assume all of the Partnership's potential liabilities that 1126544 Alberta Ltd. may be required to pay. The company is continuing to negotiate with "Savanna."

If "Savanna" is not able to pay the liabilities of the Partnership, it has not been determined whether 1126544 Alberta Ltd. and/or Duncan's First Nation has an obligation to pay any of the liabilities of "Savanna." No provision has been recorded in the March 31, 2019 financial statements of the Duncan's First Nation. Should 1126544 Alberta Ltd. and/or Duncan's First Nation be required to make a payment related to the liabilities of the Savanna Partnership, the amount will be expensed in the year the liability is determined.

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

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, 2018	Income	Withdrawals	March 31, 2019
Capital funds held in trust	\$ 12,145	\$ -	\$ -	\$ 12,145
Revenue funds held in trust	\$ 48,123	\$ 88,432	\$ (52,380)	\$ 84,175
	\$ 60,268	\$ 88,432	\$ (52,380)	\$ 96,320

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.

6. Funds held in trust

	March 31, 2018	Additions, 2019	Withdrawals, 2019	March 31, 2019
Carmon Creek Community Trust	\$ 3,461,507	\$ 49,074	\$ (161,500)	\$ 3,349,081

The Carmon Creek Community Trust represents funds invested in Guaranteed Investment Certificates (GICs), earning interest at rates ranging from 2.15% - 2.50%, maturing February 2020.

7. Demand loans

	2019	2018
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.	\$ 1,960,758	\$ 2,095,553

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

8. Accounts payable and accrued liabilities

	2019	2018
Trade payables	\$ 962,867	\$ 630,210
Government remittances	12,605	20,630
	\$ 975,472	\$ 650,840

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, 2018	Funding received	Revenue recognized	March 31, 2019
First Nation Development Fund	\$ 288,621	\$ 393,413	\$ (379,062)	\$ 302,972
Western Cree Tribal Council	475,310	2,926,903	(2,398,995)	1,003,218
Government of Alberta - Building Collaboration and Capacity in Education grant	57,138	-	(46,619)	10,519
Government of Alberta	-	300,735	-	300,735
Health Canada	-	607,282	(571,880)	35,402
	\$ 821,069	\$ 4,228,333	\$ (3,396,556)	\$ 1,652,846

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

10. Long-term debt

	2019	2018
Peace Hills Trust loan payable bearing interest at 3.95%, payable in monthly instalments of \$4,333, due 2022, with Ministerial guarantee pledged as collateral.	\$ 155,236	\$ 200,359
Peace Hills Trust loan payable bearing interest at 3.95%, payable in monthly instalments of \$767, due 2022, with Ministerial guarantee pledged as collateral.	26,094	34,132
Peace Hills Trust loan payable bearing interest at 3.95%, payable in monthly instalments of \$2,396, due 2022, with Ministerial guarantee pledged as collateral.	311,233	327,538
Canada Housing and Mortgage loan payable bearing interest at 1.01%, payable in monthly instalments of \$1,731, due 2031, with Ministerial guarantee pledged as collateral.	233,361	251,484
Canada Housing and Mortgage loan payable bearing interest at 2.50%, payable in monthly instalments of \$1,517 due 2028, with Ministerial guarantee pledged as collateral.	148,132	162,304
Ford Credit financing payable bearing interest at 2.99%, payable in monthly instalments of \$1,017, including interest, due May 2021. Secured by a vehicle with a net book value of \$48,175 (2018 - \$53,842).	<u>25,584</u>	<u>36,845</u>
	<u><u>\$ 899,640</u></u>	<u><u>\$ 1,012,662</u></u>

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

2020	\$ 113,597
2021	117,490
2022	111,230
2023	60,206
<u>2024 and thereafter</u>	<u>497,117</u>
	<u><u>\$ 899,640</u></u>

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

11. Capital Assets

	Cost		Accumulated amortization			2019 net book value	
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization		
Buildings	\$ 13,343,963	\$ 45,693	\$ 13,389,656	\$ 3,359,572	\$ 263,444	\$ 3,623,016	\$ 9,766,640
Automotive equipment	808,858	224,150	1,033,008	455,909	80,628	536,537	496,471
Equipment	563,195	-	563,195	399,123	56,320	455,443	107,752
Land and land improvements	33,380	-	33,380	19,660	1,336	20,996	12,384
Engineering structures	345,870	20,631	366,501	53,171	7,124	60,295	306,206
Asset under construction	-	362,900	362,900	-	-	-	362,900
	\$ 15,095,266	\$ 653,374	\$ 15,748,640	\$ 4,287,435	\$ 408,853	\$ 4,696,287	\$ 11,052,353
	Cost		Accumulated amortization			2018 Net book value	
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization		
Buildings	\$ 13,343,963	\$ -	\$ 13,343,963	\$ 3,096,586	\$ 262,986	\$ 3,359,572	\$ 9,984,391
Automotive equipment	543,631	265,227	808,858	388,284	67,625	455,909	352,949
Equipment	559,695	3,500	563,195	342,979	56,144	399,123	164,072
Land and land improvements	33,380	-	33,380	18,325	1,335	19,660	13,720
Engineering structures	345,870	-	345,870	46,254	6,917	53,171	292,699
	\$ 14,826,539	\$ 268,727	\$ 15,095,266	\$ 3,892,428	\$ 395,007	\$ 4,287,435	\$ 10,807,831

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

12. Accumulated surplus

	2019	2018
Unrestricted surplus	\$ 1,851,585	\$ 1,063,864
Equity in Capital Assets	8,191,955	7,699,616
Equity in Trust Funds	3,445,401	3,521,775
	\$ 13,488,941	\$ 12,285,255

13. Contingent Liabilities

Government contributions related to the projects of the Nation are subject to conditions regarding the expenditure of funds. The 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.

14. Employment Retirement Plan

The 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 Nation making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched.

15. 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, 2019, the replacement reserve was underfunded by \$161,835 (2018: \$150,085).

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

16. Expenses by object

For the year ended March 31	2019 Budget	2019 Actual	2018 Actual
Administration fees	\$ 45,000	\$ 136,747	\$ 58,079
Allowances	102,017	92,502	39,600
Amortization	-	408,850	395,008
Bank charges and interest	-	4,625	3,705
Consulting fees	-	-	24,300
Contracted services	7,300	424,222	593,159
Cultural events	24,000	322,060	69,185
Duncan's First Nation Trust expenses	-	-	13,588,888
Equipment rental and leases	6,000	2,287	2,005
Funerals	-	42,126	49,328
Insurance	50,000	103,068	100,584
Interest on long-term debt	-	125,104	133,632
Land Lease	-	32,478	58,208
Member support	-	28,121	31,530
Office expenses	26,878	126,238	44,169
Professional fees	6,500	115,071	275,613
Program expenses	12,593	37,530	59,423
Rent	10,000	7,427	17,352
Repairs and maintenance	150,000	96,546	220,531
Social Assistance	160,427	73,195	92,340
Supplies	77,560	176,778	136,201
Travel	176,504	161,651	132,810
Tuition	64,000	50,230	41,571
Utilities	78,100	133,480	183,362
Vehicle	43,549	83,914	107,183
Wages and benefits	695,598	2,501,272	1,640,419
Wages and benefits - Chief and Council	220,000	214,863	207,720
Workshops, training, and professional development	18,681	308,805	379,796
	\$ 1,974,707	\$ 5,809,190	\$ 18,685,701

17. Economic Dependence

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

18. Comparative Amounts

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

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented information

	Band Government			Economic Development			Education		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues									
Western Cree Tribal Council	\$ 266,338	\$ 325,838	\$ 1,127,404	\$ 58,816	\$ 58,816	\$ 48,090	\$ 319,841	\$ 339,840	\$ 258,181
Transfers (to) from other programs	-	-	(120,904)	(265,000)	(200,000)	-	-	-	8,203
Other revenue	290,000	417,480	199,706	265,000	3,091,009	1,645,462	-	3,529	-
Total revenue	556,338	743,318	1,206,206	58,816	2,949,825	1,693,552	319,841	343,369	266,384
Expenses									
Wages and benefits	192,838	235,812	180,380	45,516	1,069,542	298,397	80,000	139,756	136,525
Professional fees	5,000	55,480	66,940	-	37,986	196,858	-	-	-
Repairs and maintenance	-	1,256	779	-	8,204	18,040	-	-	-
Utilities	34,000	51,861	85,924	-	-	358	2,500	2,650	5,959
Travel	27,500	30,775	16,456	-	72,269	48,000	1,000	543	1,373
Contracted services	-	-	92,996	7,300	184,501	297,801	-	-	2,845
Other expenses	297,000	369,050	358,298	6,000	664,782	450,502	236,341	189,159	99,851
Total expenses	556,338	744,234	801,773	58,816	2,037,284	1,309,956	319,841	332,108	246,553
Annual surplus (deficit)	\$ -	\$ (916)	\$ 404,433	-	\$ 912,541	\$ 383,596	-	\$ 11,261	\$ 19,831

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented information, continued

	2019 Budget	Health 2019 Actual	2018 Actual	2019 Budget	Housing 2019 Actual	2018 Actual	2019 Budget	Public Works 2019 Actual	2018 Actual
Revenues									
Western Cree Tribal Council	\$ -	\$ 9,784	\$ 10,000	\$ 268,896	\$ 557,724	\$ 388,190	-	\$ -	\$ -
CMHC subsidy	-	-	-	-	27,507	30,079	-	-	-
Health Canada	-	731,218	711,035	-	-	-	-	-	-
Transfers (to) from other programs	-	-	37,008	-	-	18,574	-	-	-
Government of Canada - Settlement	-	-	-	-	-	-	-	-	13,588,888
Other revenue	-	1,423	7,274	-	22,832	225,877	243,861	972,207	(12,923,155)
Total revenue	-	742,425	765,317	268,896	608,063	662,720	243,861	972,207	665,733
Expenses									
Wages and benefits	-	351,330	370,853	104,879	174,049	205,996	-	-	-
Professional fees	-	3,500	-	-	3,400	-	-	-	-
Repairs and maintenance	-	1,701	1,493	150,000	73,303	130,773	-	-	-
Utilities	-	9,665	9,081	-	17,474	26,143	-	-	-
Travel	-	34,525	35,937	7,500	7,610	14,816	-	-	-
Contracted services	-	3,850	8,852	-	123,139	131,677	-	-	-
Other expenses	-	265,720	290,606	6,517	43,431	48,716	243,861	565,861	508,091
Total expenses	-	670,291	716,822	268,896	442,406	558,121	243,861	565,861	508,091
Annual surplus (deficit)	\$ -	\$ 72,134	\$ 48,495	-	\$ 165,657	\$ 104,599	-	\$ 406,346	\$ 157,642

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented information, continued

	Social Services			2019 Budget	2018 Actual	2019 Budget	2019 Actual	2018 Budget	2018 Actual	Amortization	
	2019 Budget	2019 Actual	2018 Actual							2019 Actual	2018 Actual
Revenues											
Western Cree Tribal Council	\$ 162,861	\$ 823,332	\$ 423,985	\$ 474,890	\$ 283,662	\$ 366,813	-	\$ -	\$ -	\$ -	\$ -
Transfers (to) from other programs			57,119	-	16,580	-	-	-	-	-	-
Other revenue	364,094	(469,900)	(54,172)	(474,890)	16,580	(366,810)	-	-	-	-	-
Total revenue	526,955	353,432	426,932	-	300,242	3	-	-	-	-	-
Expenses											
Wages and benefits	183,400	303,161	249,648	88,965	166,377	198,620	-	-	-	-	-
Professional fees	-	-	-	1,500	13,490	22,443	-	-	-	-	-
Repairs and maintenance	-	12,082	66,153	-	-	3,293	-	-	-	-	-
Utilities	1,100	34,570	25,322	40,500	17,260	30,575	-	-	-	-	-
Travel	4,000	10,853	4,940	136,504	2,271	11,288	-	-	-	-	-
Social Assistance	-	-	-	160,427	73,195	92,340	-	-	-	-	-
Contracted services	-	112,731	57,983	-	-	1,004	-	-	-	-	-
Other expenses	338,455	(119,561)	43,946	(427,896)	(18,273)	(247,086)	-	-	408,850	395,008	
Total expenses	526,955	353,836	447,992	-	254,320	112,497	-	-	408,850	395,008	
Annual surplus (deficit)	\$ -	\$ (404)	\$ (21,060)	-	\$ 45,922	\$ (112,494)	-	\$ (408,850)	\$ (395,008)		

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented information, continued

	Duncan's First Nation Trust			Consolidated totals		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues						
Western Cree Tribal Council	\$ -	\$ -	\$ -	\$ 1,551,642	\$ 2,398,996	\$ 2,622,663
CMHC subsidy	-	-	-	-	27,507	30,079
Health Canada	-	-	-	-	731,218	711,035
Transfers (to) from other programs	-	-	-	(265,000)	(200,000)	-
Government of Canada - Settlement	-	-	-	-	-	13,588,888
Other revenue	-	-	13,588,888	688,065	4,055,160	2,323,070
Total revenue	-	-	13,588,888	1,974,707	7,012,881	19,275,735
Expenses						
Wages and benefits	-	-	-	695,598	2,440,027	1,640,419
Professional fees	-	-	-	6,500	113,856	286,241
Repairs and maintenance	-	-	-	150,000	96,546	220,531
Utilities	-	-	-	78,100	133,480	183,362
Travel	-	-	-	176,504	158,846	132,810
Social Assistance	-	-	-	160,427	73,195	92,340
Contracted services	-	-	-	7,300	424,221	593,158
Other expenses	-	-	13,588,888	700,278	2,369,019	15,536,840
Total expenses	-	-	13,588,888	1,974,707	5,809,190	18,685,701
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ 1,203,691	\$ 590,034