

Duncan's First Nation

Consolidated Financial Statements

March 31, 2021

Duncan's First Nation
Consolidated Financial Statements

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Duncan's First Nation

Management's Responsibility for Financial Reporting

March 31, 2021

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

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

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

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

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

On behalf of Duncan's First Nation:

Original signed by
Chief

October 20, 2021
Date

Original signed by
Finance Director

October 21, 2021
Date

Independent Auditors' Report

To the Members of Duncan's First Nation

Opinion

We have audited the consolidated financial statements of Duncan's First Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Duncan's First Nation as at March 31, 2021, and the results of its consolidated operations, its changes in its consolidated net asset, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 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 Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the consolidated entities or business activities, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Edmonton, Canada
October 20, 2021

Crowe Mackay LLP
Chartered Professional Accountants

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

March 31	2021	2020
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Financial Assets

Cash (Note 3)	\$ 4,631,926	\$ 2,565,050
Accounts receivable (Note 4)	695,250	1,502,442
Federal Trust Funds (Note 5)	146,737	146,363
Funds held in Trust (Note 6)	3,090,419	3,296,979
	<hr/> 8,564,332	<hr/> 7,510,834

Liabilities

Demand loans (Note 7)	1,397,035	1,719,428
Accounts payable and accrued liabilities (Note 8)	455,432	570,225
Deferred revenue (Note 9)	3,126,837	1,673,277
Long-term debt (Note 10)	660,281	782,713
	<hr/> 5,639,585	<hr/> 4,745,643

Net financial assets	2,924,747	2,765,191
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Non-financial Assets

Tangible capital assets (Note 11)	13,304,338	11,897,510
Inventory (Note 12)	67,077	75,208
Prepays	52,159	55,609
	<hr/> 13,423,574	<hr/> 12,028,327

Accumulated Surplus (Note 13)	\$ 16,348,321	\$ 14,793,518
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Contingent liabilities (Note 14)

Approved on behalf of the Duncan's First Nation

Original signed by _____, Chief

Original signed by _____, Councilor

Duncan's First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Revenue			
Western Cree Tribal Council (WCTC)	\$ 4,062,413	\$ 3,996,066	\$ 3,103,099
Indigenous Services Canada - Health	1,685,874	1,029,738	698,123
First Nation Development Funds	-	371,049	346,310
Government of Alberta	123,925	114,068	794,951
Resource revenue	-	26,564	102,423
CMHC subsidy	17,473	27,660	27,683
Other income	3,000,674	2,376,067	3,779,871
	8,890,359	7,941,212	8,852,460
Expenses (Note 21)			
Band Government	1,007,798	1,428,599	1,010,031
Economic Development	2,376,281	2,139,387	2,745,587
Education	577,997	295,832	360,552
Health	1,677,960	750,460	755,583
Housing	1,764,541	536,855	456,353
Public Works	505,522	449,691	1,181,250
Social Services	973,216	279,097	513,926
Other programs	-	79,630	117,877
Amortization	-	426,858	406,727
	8,883,315	6,386,409	7,547,886
Excess of revenue over expenses	7,044	1,554,803	1,304,574
Accumulated surplus, beginning of year	14,793,518	14,793,518	13,488,944
Accumulated surplus, end of year	\$ 14,800,562	\$ 16,348,321	\$ 14,793,518

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

For the year ended March 31	2021 Budget	2021 Actual	2020
Excess of revenue over expenses	\$ 7,044	\$ 1,554,803	\$ 1,304,574
Acquisition of capital assets	-	(1,833,694)	(1,251,882)
Amortization of capital assets	-	426,858	406,726
	-	(1,406,828)	(845,147)
(Acquisition) use of inventory	8,131	8,131	(75,208)
(Acquisition) use of prepaids	3,450	3,450	(55,609)
Increase in net financial assets	18,625	159,556	328,601
Net financial assets, beginning of year	2,765,191	2,765,191	2,436,590
Net financial assets, end of year	\$ 2,783,816	\$ 2,924,747	\$ 2,765,191

Duncan's First Nation

Consolidated Statement of Cash Flow

For the year ended March 31,	2021	2020
Cash flows from Operating activities		
Excess of revenue over expenses	\$ 1,554,803	\$ 1,304,574
Items not affecting cash		
Amortization	426,858	406,726
	1,981,661	1,711,300
Change in non-cash operating working capital		
Accounts receivable	807,192	780,015
Inventory	8,131	(75,208)
Prepays	3,450	(55,609)
Accounts payable and accrued liabilities	(114,786)	(405,246)
Deferred revenue	1,453,560	20,431
	4,139,208	1,975,683
Capital activities		
Purchase of capital assets	(1,833,694)	(1,251,882)
Financing activities		
Repayment of long-term debt	(122,431)	(116,926)
Repayment of term loans due on demand	(322,393)	(241,329)
	(444,824)	(358,255)
Investing activities		
Withdrawals from trust funds	238,690	172,380
Net contributions to trust funds	(32,504)	(170,321)
	206,186	2,059
Increase in cash and cash equivalents	2,066,876	367,605
Cash and cash equivalents, beginning of year	2,565,050	2,197,445
Cash and cash equivalents, end of year	\$ 4,631,926	\$ 2,565,050

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

1. Basis of Presentation and Significant Accounting Policies

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

(a) Reporting entity principles of financial reporting

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

Entities included in the consolidated March 31, 2021 financial statements include Duncan's Carmon Creek Community Trust.

(b) Revenue recognition

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

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

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

Income from investments is recorded on the accrual basis.

(c) Cash

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

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(d) Tangible capital assets

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

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

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

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

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

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

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

(e) Inventory

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

(f) Investments

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

(g) Financial instruments

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

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

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

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the First Nation's operations, financial performance and financial position for the year ended March 31, 2021. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. COVID-19 Pandemic

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

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

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

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

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

3. Cash

	2021	2020
Externally restricted		
Province of Alberta - First Nations Development Fund	\$ 291,646	\$ 348,975
CMHC Replacement Reserve	122,689	508
	<u>414,335</u>	349,483
Unrestricted		
General accounts	4,217,591	2,215,567
	<u>\$ 4,631,926</u>	\$ 2,565,050

4. Accounts receivable

	2021	2020
Accounts receivable - Other	\$ 880,112	\$ 1,280,780
Accounts receivable - Western Cree Tribal Council	485,300	626,346
Accounts receivable - Other government funding	35,802	209,355
Allowance for doubtful accounts	(705,964)	(614,039)
	<u>\$ 695,250</u>	\$ 1,502,442

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, 2020	Income	Withdrawals	March 31, 2021
Capital funds held in trust	\$ 12,145	\$ -	\$ -	\$ 12,145
Revenue funds held in trust	134,218	26,564	(26,190)	<u>134,592</u>
	<u>\$ 146,363</u>	<u>\$ 26,564</u>	<u>\$ (26,190)</u>	<u>\$ 146,737</u>

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

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

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

6. Funds held in Trust

	March 31, 2020	Additions, 2021	Withdrawals, 2021	March 31, 2021
Carmon Creek Community Trust	\$ 3,296,979	\$ 5,940	\$ (212,500)	\$ 3,090,419

The Carmon Creek Community Trust represents funds invested in Flexible Guaranteed Investment Certificates (GICs), earning interest at 0.55% (2020 - 1.34%).

7. Demand loans

	2021	2020
Bank of Montreal term loan due on demand, bearing interest at prime plus 1.50%, payable in quarterly instalments of \$53,732 plus interest due March 2030 secured by a general security agreement.	\$ 1,397,035	\$ 1,719,428

8. Accounts payable and accrued liabilities

	2021	2020
Trade payables	\$ 443,257	\$ 555,304
Government remittances	\$ 12,171	\$ 14,919
	\$ 455,428	\$ 570,223

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, 2020	Funding received	Revenue recognized	March 31, 2021
First Nation Development Fund	\$ 307,990	\$ 213,059	\$ (371,049)	\$ 150,000
Western Cree Tribal Council	1,085,908	4,727,932	(3,996,066)	1,817,774
Government of Alberta	65,723	100,143	(114,068)	51,798
Indigenous Services Canada - Health	204,485	1,872,151	(1,029,738)	1,046,898
Other	9,171	80,000	(28,804)	60,367
	\$ 1,673,277	\$ 6,993,285	\$ (5,539,725)	\$ 3,126,837

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

March 31, 2021

10. Long-term debt

	2021	2020
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.	\$ 59,528	\$ 108,607
Peace Hills Trust loan payable bearing interest at 3.95%, payable in monthly instalments of \$767, due 2022, with Ministerial guarantee pledged as collateral.	9,047	17,788
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.	276,679	294,501
Canada Housing and Mortgage loan payable bearing interest at 0.74%, payable in monthly instalments of \$1,708, due 2031, with Ministerial guarantee pledged as collateral.	195,938	214,667
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.	118,075	133,169
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 \$36,840 (2020 - \$42,507).	<u>1,014</u>	<u>13,981</u>
	<hr/> \$ 660,281	<hr/> \$ 782,713

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

2022	\$ 113,567
2023	62,581
2024	55,088
2025	56,350
2026 and thereafter	<u>372,695</u>
	<hr/> \$ 660,281

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

11. Tangible Capital Assets

	Cost			Accumulated amortization			2021 net book value		
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	on disposals	Balance, end of year	
Buildings	\$ 13,849,942	\$ 131,580	\$ (85,000)	\$ 13,896,522	\$ 3,891,519	\$ 277,465	\$ (85,000)	\$ 4,083,984	\$ 9,812,538
Automotive equipment	1,196,539	59,750	(110,000)	1,146,289	602,557	77,185	(110,000)	569,742	576,547
Equipment	597,613	59,999	-	657,612	513,483	49,416	-	562,899	94,713
Land improvements	33,380	-	-	33,380	22,331	1,335	-	23,666	9,714
Engineering structures	916,193	313,370	-	1,229,563	73,122	21,458	-	94,580	1,134,983
Asset under construction	406,855	1,268,988	-	1,675,843	-	-	-	-	1,675,843
	\$ 17,000,522	\$ 1,833,687	\$ (195,000)	\$ 18,639,209	\$ 5,103,012	\$ 426,860	\$ (195,000)	\$ 5,334,871	\$ 13,304,338

	Cost			Accumulated amortization			2020 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	\$ 13,389,656	\$ 460,286	\$ -	\$ 13,849,942	\$ 3,623,016	\$ 268,503	\$ -	\$ 3,891,519	\$ 9,958,423
Automotive equipment	1,033,008	163,531	-	1,196,539	536,537	66,020	-	602,557	593,982
Equipment	563,195	34,418	-	597,613	455,443	58,040	-	513,483	84,130
Land improvements	33,380	-	-	33,380	20,996	1,335	-	22,331	11,049
Engineering structures	366,501	549,692	-	916,193	60,295	12,827	-	73,122	843,071
Asset under construction	362,900	43,955	-	406,855	-	-	-	-	406,855
	\$ 15,748,640	\$ 1,251,882	\$ -	\$ 17,000,522	\$ 4,696,287	\$ 406,725	\$ -	\$ 5,103,012	\$ 11,897,510

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

12. Inventory

	2021	2020
Confectionary	\$ 31,604	\$ 33,424
Tobacco	<u>35,473</u>	<u>41,784</u>
	<hr/> \$ 67,077	<hr/> \$ 75,208

During the year, \$693,537 (2020: \$285,237) was expensed to cost of goods sold.

13. Accumulated surplus

	2021	2020
Unrestricted surplus	\$ 1,864,143	\$ 1,954,807
Equity in Tangible Capital Assets	<u>11,247,022</u>	<u>9,395,369</u>
Equity in Trust Funds	<u>3,237,156</u>	<u>3,443,342</u>
	<hr/> \$ 16,348,321	<hr/> \$ 14,793,518

14. 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.

15. 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. Total employer contributions for the March 31, 2021 year-end were \$186,664 (2020: \$214,315).

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

16. CMHC Replacement Reserve

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

At March 31, 2021, the replacement reserve is underfunded by \$1,735 (2020: \$172,480).

17. Financial Instruments

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

It is management's opinion that the Nation is not exposed to significant currency risk from its financial instruments. The Nation is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that the entities may experience financial difficulty and be unable to fulfill their obligations. The large amount of annual funding received from the Government of Canada minimizes credit risk.

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

18. Budget Information

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

19. Economic Dependence

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

20. Comparative Amounts

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

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

March 31, 2021

21. Expenses by object

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Administration fees	\$ 76,786	\$ 164,784	\$ 59,960
Allowances	132,000	99,255	95,442
Amortization	-	426,858	406,727
Bad debts	-	91,925	636,687
Bank charges and interest	9,440	12,656	8,733
Capital asset purchases	2,085,970	-	-
Contracted services	327,743	235,024	420,891
Cost of sales - store	569,120	693,537	285,237
Cultural events	85,925	92,209	387,573
Equipment rental and leases	-	4,340	7,551
Funerals	30,000	23,132	32,129
Insurance	183,850	249,983	149,525
Interest on long-term debt	360	83,332	122,376
Land Lease	60,000	49,782	99,360
Member support	44,240	52,428	66,308
Office expenses	111,956	133,295	121,574
Professional fees	439,284	677,139	672,555
Program expenses	56,327	23,476	24,139
Repairs and maintenance	82,565	127,939	79,569
Social Assistance	217,778	146,099	138,064
Supplies	572,962	185,191	316,221
Travel	239,221	71,751	203,160
Tuition	93,000	55,083	54,944
Utilities	151,700	170,504	156,218
Vehicle	22,500	40,067	98,536
Wages and benefits	2,547,979	1,995,410	2,321,144
Wages and benefits - Chief and Council	275,000	262,063	260,446
Workshops, training, and professional development	467,609	219,147	322,817
	\$ 8,883,315	\$ 6,386,409	\$ 7,547,886

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

22. Segmented information

	Band Government			Economic Development			Education		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Western Cree Tribal Council	\$ 496,933	\$ 1,079,954	\$ 563,387	\$ 164,281	\$ 336,961	\$ 112,821	\$ 553,826	\$ 297,446	\$ 452,866
Transfers (to) from other programs	330,000	201,027	408,722	(330,000)	(391,196)	(583,883)	-	-	-
Other revenue	113,365	217,114	33,293	2,503,000	2,185,158	3,670,688	24,171	65,331	20,799
Total revenue	940,298	1,498,095	1,005,402	2,337,281	2,130,923	3,199,626	577,997	362,777	473,665
Expenses									
Wages and benefits	383,552	487,345	282,361	840,300	674,510	673,225	159,039	84,479	149,622
Professional fees	63,971	228,246	76,041	258,900	336,840	212,311	-	-	-
Repairs and maintenance	10,000	21,367	-	28,000	25,521	20,567	-	-	-
Utilities	42,500	84,213	53,946	14,000	12,877	7,083	2,500	3,550	3,125
Travel	-	23,651	25,137	66,500	23,207	71,949	500	-	656
Contracted services	-	-	-	64,000	25,454	111,770	-	12,134	20,000
Other expenses	507,775	583,777	572,546	1,104,581	1,040,978	1,648,682	415,958	195,669	187,149
Total expenses	1,007,798	1,428,599	1,010,031	2,376,281	2,139,387	2,745,587	577,997	295,832	360,552
Annual surplus (deficit)	\$ (67,500)	\$ 69,496	\$ (4,629)	\$ (39,000)	\$ (8,464)	\$ 454,039	\$ -	\$ 66,945	\$ 113,113

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

22. Segmented information, continued

	2021 Budget	Health 2021 Actual	2020 Actual	2021 Budget	Housing 2021 Actual	2020 Actual	2021 Budget	Public Works 2021 Actual	2020 Actual
Revenues									
Western Cree Tribal Council	\$ 2,087	\$ 2,087	-	\$ 1,380,473	\$ 1,383,118	\$ 280,951	\$ 505,522	\$ 626,060	\$ 880,208
CMHC subsidy	-	-	-	17,473	27,660	27,683	-	-	-
Indigenous Services Canada - Health	1,685,874	1,029,738	698,123	-	-	-	-	-	-
Transfers (to) from other programs	-	-	-	-	186,292	208,774	-	-	312,895
Other revenue	-	-	10,056	360,138	90,635	321,886	110,000	111,359	618,151
Total revenue	1,687,961	1,031,825	708,179	1,758,084	1,687,705	839,294	615,522	737,419	1,811,254
Expenses									
Wages and benefits	412,987	275,798	412,825	56,183	79,867	202,461	118,100	317,985	343,418
Professional fees	10,000	6,300	3,600	105,413	91,185	10,250	-	1,475	352,682
Repairs and maintenance	-	4,259	2,014	42,565	73,193	51,602	2,000	3,600	5,386
Utilities	21,700	13,107	13,771	30,000	9,341	29,408	32,200	40,370	40,882
Travel	162,203	21,112	52,789	-	707	1,024	-	-	50,639
Contracted services	116,660	34,235	12,099	123,016	139,989	128,344	19,067	23,213	147,267
Other expenses	954,410	395,649	258,485	1,407,364	142,573	33,264	334,155	63,048	240,976
Total expenses	1,677,960	750,460	755,583	1,764,541	536,855	456,353	505,522	449,691	1,181,250
Annual surplus (deficit)	\$ 10,001	\$ 281,365	(47,404)	\$ (6,457)	\$ 1,150,850	\$ 382,941	\$ 110,000	\$ 287,728	\$ 630,004

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

22. Segmented information, continued

	Social Services				Other		Amortization	
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2020 Actual
Revenues								
Western Cree Tribal Council	\$ 959,291	\$ 270,440	\$ 812,867	-	\$ -	\$ 371,049	-	\$ -
First Nation Development Funds	-	-	-	-	-	346,310	-	-
Transfers (to) from other programs	-	3,877	(346,508)	-	-	-	-	-
Other revenue	13,925	4,780	55,495	-	(157,678)	(53,124)	-	-
Total revenue	973,216	279,097	521,854	-	213,371	293,186	-	-
Expenses								
Wages and benefits	577,818	75,427	257,233	-	-	-	-	-
Professional fees	1,000	-	1,775	-	24,908	38,339	-	-
Utilities	8,800	7,045	8,002	-	-	-	-	-
Travel	10,018	3,075	966	-	-	-	-	-
Social Assistance	217,778	146,099	138,064	-	-	-	-	-
Contracted services	5,000	-	1,410	-	-	-	-	-
Other expenses	152,802	47,451	106,476	-	54,722	79,538	-	426,858
Total expenses	973,216	279,097	513,926	-	79,630	117,877	-	426,858
Annual surplus (deficit)	\$ -	\$ -	\$ 7,928	\$ -	\$ 133,741	\$ 175,309	\$ -	(\$ 426,858)
								(\$ 406,727)

Duncan's First Nation

Notes to Consolidated Financial Statements

March 31, 2021

22. Segmented information, continued

		Consolidated totals		
	2021 Budget	2021 Actual	2020 Actual	
Revenues				
Western Cree Tribal Council	\$ 4,062,413	\$ 3,996,066	\$ 3,103,100	
First Nation Development Funds	-	371,049	346,310	
CMHC subsidy	17,473	27,660	27,683	
Indigenous Services Canada - Health	1,685,874	1,029,738	698,123	
Other revenue	3,124,599	2,516,699	4,677,244	
Total revenue	8,890,359	7,941,212	8,852,460	
Expenses				
Wages and benefits	2,547,979	1,995,411	2,321,145	
Professional fees	439,284	688,954	694,998	
Repairs and maintenance	82,565	127,940	79,569	
Utilities	151,700	170,503	156,217	
Travel	239,221	71,752	203,160	
Social Assistance	217,778	146,099	138,064	
Contracted services	327,743	235,025	420,890	
Other expenses	4,877,045	2,950,725	3,533,843	
Total expenses	8,883,315	6,386,409	7,547,886	
Annual surplus (deficit)	\$ 7,044	\$ 1,554,803	\$ 1,304,574	