

**Montana First Nation
Consolidated Financial Statements
March 31, 2014**

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**ABORIGINAL AFFAIRS & NORTHERN
DEVELOPMENT CANADA
ALBERTA REGION**

Montana First Nation

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Montana First Nation

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

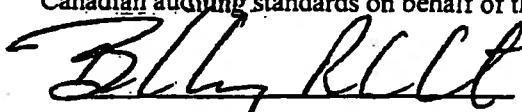
The accompanying consolidated financial statements of Montana First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

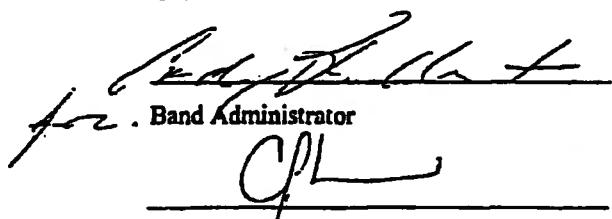
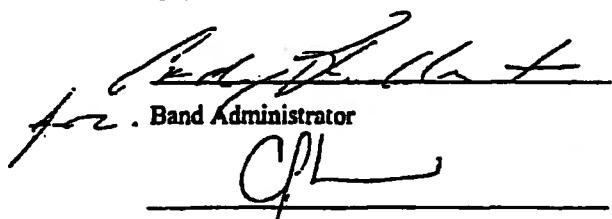
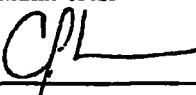
The Montana First Nation maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The consolidated financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members.



Chief


for 
Band Administrator

CPL

Chief Financial Officer

DOYLE & COMPANY

CHARTERED ACCOUNTANTS

Allan J. Grykuliak, C.A.*

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INDEPENDENT AUDITORS' REPORT

To the Chief and Council

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Montana First Nation, which comprise the statement of financial position as at March 31, 2014 and the statements of financial activities, change in net financial assets, cash flows, change in accumulated surplus, tangible capital assets, financial activities by program and expenditures by object for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

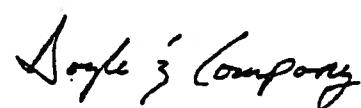
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Montana First Nation as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta

September 18, 2014



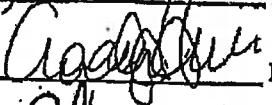
Chartered Accountants

Montana First Nation
Consolidated Statement of Financial Position
As at March 31, 2014

	2014 \$	2013 \$
FINANCIAL ASSETS		
Accounts receivable (Note 2)	971,490	1,582,753
Investments (Note 3)	2,537,500	3,000,000
Trust funds held by federal government (Note 11)	381,721	274,621
Investment in First Nation controlled enterprises (Note 4)	2,495,798	2,543,332
	6,386,509	7,400,706
LIABILITIES		
Bank indebtedness (Note 5)	709,424	738,774
Accounts payable	266,795	339,560
Accrued liabilities	132,828	72,414
Deferred revenue (Note 6)	291,266	178,838
Replacement reserve	600,130	600,130
Long-term liabilities (Note 7)	1,899,322	2,148,085
Obligations under capital lease (Note 8)	204,461	235,262
	4,104,226	4,313,063
NET FINANCIAL ASSETS	2,282,283	3,087,643
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	8,970,664	8,953,436
Prepaid expenses	-	123,636
	8,970,664	9,077,072
ACCUMULATED SURPLUS (Schedule 1 and Note 12)	11,252,947	12,164,715

Approved by:


Chief


Band Administrator


Chief Financial Officer

Montana First Nation
Consolidated Statement of Financial Activities
For the year ended March 31, 2014

	2014 Budget \$	2014 Actual \$	2013 Actual \$
REVENUE			
Aboriginal Affairs and Northern Development Canada	4,441,563	5,396,438	5,957,750
Health Canada	335,267	335,267	379,740
Human Resource Development	293,580	360,429	559,712
Canada Housing and Mortgage Corporation	-	186,773	275,261
Trust Funds			
Revenue	90,000	60,000	60,000
First Nation Development Fund	259,000	592,609	526,966
Interest income	-	149,558	34
Gain on disposal of investments	-	3,866	2,987,244
Other revenue	1,439,152	1,025,955	1,184,739
Revenue deferred from previous period	-	178,838	57,292
Revenue deferred to subsequent period	-	(291,266)	(178,838)
	6,858,562	7,998,467	11,809,900
EXPENSES			
Aboriginal Skills and Employment Training	297,580	334,133	428,843
Administration	967,381	1,402,443	1,416,755
Akamihk Community Development Society	-	202,213	177,867
Capacity Consultation	80,000	273,635	159,428
Canada Mortgage and Housing Corporation	334,449	136,015	156,613
Community Services and Elders	90,000	213,443	63,126
Economic Development	72,952	148,461	116,952
Education - Post Secondary	289,605	302,177	306,443
Education - Summer Students	11,660	21,845	34,600
Housing	319,000	350,535	522,451
Medical Services	335,267	349,627	349,274
Montana Community School	1,538,781	1,684,483	1,438,009
Public Works	663,057	1,029,429	744,543
Recreation	-	33,927	59,999
Recovery - Deficit	-	29,346	-
Social Services	1,972,444	1,855,735	1,948,306
	6,972,176	8,367,447	7,923,209
Excess of Revenue Over Expenses			
Before Other Revenue (Expenses)	(113,614)	(368,980)	3,886,691
Other Revenue (Expenses)			
Amortization	-	(621,430)	(542,363)
EXCESS OF REVENUE OVER EXPENSES	(113,614)	(990,410)	3,344,328

The accompanying notes form part of these financial statements.

Montana First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2014

	2014 \$	2013 \$
EXCESS OF REVENUES OVER EXPENSES	(990,410)	3,344,328
Acquisition of tangible capital assets	(638,657)	(1,338,406)
Amortization of tangible capital assets	621,430	542,363
Net earnings of enterprise and trust funds	78,642	(7,155)
	61,415	(803,198)
Acquisition of prepaid assets	-	(14,435)
Use of prepaid assets	123,635	14,214
	123,635	(221)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(805,360)	2,540,909
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,087,643	546,734
NET FINANCIAL ASSETS, END OF YEAR	2,282,283	3,087,643

The accompanying notes form part of these financial statements.

Montana First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and customers	8,794,572	11,343,945
Cash paid to suppliers	(7,894,535)	(10,167,578)
	900,037	1,176,367
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in long-term obligations, net	(248,763)	(295,232)
Increase (decrease) in obligations under capital lease	(30,801)	295,400
	(279,564)	168
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(638,657)	(1,338,406)
Decrease (increase) in advances to subsidiaries	47,534	(13,951)
	(591,123)	(1,352,357)
INCREASE (DECREASE) IN CASH DURING THE YEAR	29,350	(175,822)
BANK INDEBTEDNESS - Beginning of year	(738,774)	(562,952)
BANK INDEBTEDNESS - End of year	(709,424)	(738,774)

The accompanying notes form part of these financial statements.

Montana First Nation

Schedule of Changes in Accumulated Surplus - Schedule 1 For the year ended March 31, 2014

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	2014 \$	2013 \$
Balance, Beginning of Year	2,776,673	6,570,089	2,543,332	274,621	12,164,715	8,718,342
Excess of revenue over expenditures	(990,410)	-	(28,458)	107,100	(911,768)	3,426,373
Restricted funds used for operations	-	-	-	-	-	(60,000)
Current years funds advanced to (from) subsidiaries	19,076	-	(19,076)	-	-	80,000
Current years funds used for tangible capital assets	(638,657)	638,657	-	-	-	-
Annual amortization expense	621,429	(621,429)	-	-	-	-
Long-term liabilities repaid	(279,564)	279,564	-	-	-	-
Change in accumulated surplus	(1,268,126)	296,792	(47,534)	107,100	(911,768)	3,446,373
Balance, End of Year	1,508,547	6,866,881	2,495,798	381,721	11,252,947	12,164,715

The accompanying notes form part of these financial statements.

Montana First Nation

Consolidated Statement of Tangible Capital Assets - Schedule 2

For the year ended March 31, 2014

	Land	Automotive	Buildings	Equipment	Infrastructure	2014 \$	2013 \$
COST:							
Balance, Beginning of Year	14,600	1,473,864	27,528,666	829,487	1,657,533	31,504,150	30,165,744
Acquisition of tangible capital assets	-	-	217,597	421,060	-	638,657	1,338,406
<u>Balance, End of Year</u>	<u>14,600</u>	<u>1,473,864</u>	<u>27,746,263</u>	<u>1,250,547</u>	<u>1,657,533</u>	<u>32,142,807</u>	<u>31,504,150</u>
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	-	948,203	20,577,141	799,579	225,791	22,550,714	22,008,350
Annual amortization	-	157,702	347,351	44,789	71,587	621,429	542,364
<u>Balance, End of Year</u>	<u>-</u>	<u>1,105,905</u>	<u>20,924,492</u>	<u>844,368</u>	<u>297,378</u>	<u>23,172,143</u>	<u>22,550,714</u>
NET BOOK VALUE	14,600	367,959	6,821,771	406,179	1,360,155	8,970,664	8,953,436

The accompanying notes form part of these financial statements.

Montana First Nation

Consolidated Statement of Financial Activities by Program - Schedule 3
For the year ended March 31, 2014

	2014			2013		
	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	Surplus (Deficit) \$
Aboriginal Skills and Employment Training Strategy			308,559	308,559	334,133	(25,574)
Administration	509,036	445,070	954,106	1,402,443	(448,337)	67,879
Akamihk Community Development Society	-	111,763	111,763	202,213	(90,450)	(320,622)
Capacity Consultation	-	273,635	273,635	273,635	-	120,967
Canada Mortgage and Housing Corporation	-	261,773	261,773	136,015	125,758	185,598
Community Services and Elders	-	60,000	60,000	213,443	(153,443)	6
Economic Development	139,832	-	139,832	148,461	(8,629)	-
Education - Post Secondary	299,843	564	300,407	302,177	(1,770)	(3,560)
Education- Summer Students	12,420	-	12,420	21,845	(9,425)	-
Housing	249,700	99,050	348,750	350,535	(1,785)	(244,882)
Medical Services	-	349,446	349,446	349,627	(181)	30,466
Montana Community School	1,251,183	383,813	1,634,996	1,684,483	(49,487)	31,407
Public Works	1,107,344	338,124	1,445,468	1,029,429	416,039	1,071,525
Recreation	-	30,000	30,000	33,927	(3,927)	(2,293)
Recovery - Deficit	-	17,957	17,957	29,346	(11,389)	2,987,714
Social Services	1,827,080	(77,725)	1,749,355	1,855,735	(106,380)	(37,514)
	5,396,438	2,602,029	7,998,467	8,367,447	(368,980)	3,886,691

The accompanying notes form part of these financial statements.

Montana First Nation
Consolidated Statement of Expenditures by Object - Schedule 4
For the year ended March 31, 2014

	2014 \$	2013 \$
EXPENDITURES		
Bad debts	115,093	257,278
Bank charges and short term interest	37,936	19,720
Materials, goods and utilities	493,244	537,852
Professional fees	314,867	278,408
Program costs	3,481,630	3,038,897
Repairs and maintenance	487,252	539,179
Training	467,376	548,576
Travel	82,823	52,114
Wages and employee benefits	2,887,226	2,651,185
	8,367,447	7,923,209

Montana First Nation
Notes to the Consolidated Financial Statements

March 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook. These statements encompass the following significant accounting policies:

(a) Fund Accounting

Montana First Nation utilizes fund accounting procedures, which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. Montana First Nation has established the following funds:

- The Operating Fund which reports the general activities of the General Administration.
- The Tangible Capital Fund which reports the capital assets of Montana First Nation together with their related assets and liabilities.
- The Enterprise Fund which reports the investments in related entities as well as on and off reserve business operations.
- The Trust Fund which reports on trust funds owned by Montana First Nation and held by third parties.
- The CMHC Housing Fund which reports the CMHC project housing assets of the Montana First Nation together with related activities.

(b) Investments

Investments are recorded at fair market value.

(c) Investment in Controlled Entities

Investments in wholly-owned incorporated subsidiaries of Montana First Nation are accounted for by the equity method. The equity method initially records the investment at cost and the carrying value thereafter is adjusted for the investor's pro-rata share of post acquisition earnings or losses of the subsidiary. The companies that Montana First Nation owns are as follows:

- Colchester Holdings Ltd.
- 1560750 Alberta Ltd. (Bobtail Construction)

Montana First Nation
Notes to the Consolidated Financial Statements

March 31, 2014

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES -
continued**

(d) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

Feedlot	5%
Buildings	5%
Administration equipment	20%
School equipment	30%
Automotive	30%

Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term liabilities, as required for CMHC reporting purposes.

(e) Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

(f) Trust Funds

The Ottawa Trust Account arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. This fund is held in trust in the Consolidated Revenue Fund of the Government of Canada and is subject to audit by the Office of the Auditor General of Canada. The management of this fund is primarily governed by Sections 63 to 69 of the Indian Act.

Band trust funds are included as revenue in these statements only to the extent they have been received from the Band's trust funds. The amounts on deposit with the Government of Canada are audited by the Auditor General of Canada.

(g) Financial Instruments

The First Nation's financial instruments consist of cash, investments, trust funds, accounts receivable, accounts payable and long-term obligations. Unless otherwise noted, it is management's opinion that the nation is not exposed to significant interest or foreign currency risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2014

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES -
continued**

(h) Measurement Uncertainty

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. ACCOUNTS RECEIVABLE

	2014 \$	2013 \$
Government Agencies		
Aboriginal Affairs and Northern Development Canada	557,453	494,470
First Nation Development Fund	264,000	176,391
Alberta Government	33,000	72,700
Canada Housing and Mortgage Corporation	6,915	-
Health Canada	-	142,746
Six Independent Alberta First Nations	-	27,205
Trust Funds	60,000	-
US withholding taxes	-	540,000
Member loans	101,253	94,276
Other receivables	8,960	167,470
Less: Allowance for doubtful accounts	(60,091)	(60,091)
	971,490	1,655,167

3. INVESTMENTS

Investments represent a guaranteed investment certificate that matures in September, 2014 and earns interest at 1.25%.

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2014

4. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES

	2014 \$	2013 \$
Colchester Holdings Ltd. - 100% interest		
Shares	5	5
Advances	2,502,613	2,521,684
Accumulated deficit in earnings	(70,940)	(70,940)
	2,431,678	2,450,749
Bobtail Construction Ltd. - 100% interest		
Shares	5	5
Advances	79,995	80,000
Accumulated surplus in earnings	(15,880)	12,578
	64,120	92,583
	2,495,798	2,543,332

Unaudited financial information for each of the entities for their respective March 31, 2014 years ended are as follows:

	Assets \$	Liabilities \$	Revenues \$	Net Earnings (Loss) \$
Colchester Holdings Ltd.	2,447,396	2,518,332	157,711	-
Bobtail Construction Ltd.	138,890	154,765	574,914	(12,765)

5. BANK INDEBTEDNESS

The First Nation has a bank overdraft protection with CIBC operating account in the amount of \$600,000 and CIBC social services account in the amount of \$100,000 both bearing interest at prime (3%) plus 1%.

6. DEFERRED REVENUE

	2014 \$	2013 \$
First Nation Development Fund	188,609	119,391
Alberta Government Funding	102,657	59,447
	291,266	178,838

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2014

7. LONG-TERM LIABILITIES

	2014 \$	2013 \$
Mortgage repayable in monthly instalments of \$2,281 including interest at 5.5%, secured by a Ministerial Guarantee, maturing September 1, 2014.	13,473	39,347
Mortgage repayable in monthly instalments of \$2,352 including interest at 3.0%, secured by a Ministerial Guarantee, maturing April 1, 2014.	23,203	50,226
Mortgage repayable in monthly instalments of \$1,158 including interest at 4.84%, secured by a Ministerial Guarantee, maturing April 1, 2016.	51,426	62,562
Mortgage repayable in monthly instalments of \$1,206 including interest at 4.89%, secured by a Ministerial Guarantee, maturing July 1, 2016.	34,016	46,514
Mortgage repayable in monthly instalments of \$2,257 including interest at 4.0%, secured by a Ministerial Guarantee, maturing October 1, 2016.	74,477	98,095
Mortgage repayable in monthly instalments of \$1,704 including interest at 4.99%, secured by a Ministerial Guarantee, maturing August 1, 2017.	64,152	80,974
Mortgage repayable in monthly instalments of \$2,327 including interest at 4.85%, secured by a Ministerial Guarantee, maturing January 1, 2018.	97,584	120,228
Mortgage repayable in monthly instalments of \$1,291 including interest at 5.14%, secured by a Ministerial Guarantee, maturing June 1, 2018.	59,101	71,210
Mortgage repayable in monthly instalments of \$1,003 including interest at 5.14%, secured by a Ministerial Guarantee, maturing June 1, 2018.	45,922	55,331
Mortgage repayable in monthly instalments of \$2,540 including interest at 6.7%, secured by a Ministerial Guarantee, maturing June 1, 2014.	209,161	225,732
Mortgage repayable in monthly instalments of \$1,282 including interest at 5.39%, secured by a Ministerial Guarantee, maturing March 1, 2015.	125,692	134,132

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2014

7. LONG-TERM LIABILITIES - continued

	2014 \$	2013 \$
Mortgage repayable in monthly instalments of \$1,528 including interest at 4.84%, secured by a Ministerial Guarantee, maturing April 1, 2016.	161,868	172,177
Mortgage repayable in monthly instalments of \$1,375 including interest at 4.74%, secured by a Ministerial Guarantee, maturing April 1, 2017.	149,666	158,912
Mortgage repayable in monthly instalments of \$1,648 including interest at 4.74%, secured by a Ministerial Guarantee, maturing April 1, 2017.	188,598	199,253
Mortgage repayable in monthly instalments of \$1,510 including interest at 4.74%, secured by a Ministerial Guarantee, maturing November 1, 2017.	180,980	190,369
Mortgage repayable in monthly instalments of \$3,718 including interest at 5.5%, secured by a Ministerial Guarantee, maturing September 1, 2014.	418,877	440,088
Loan repayable in monthly instalments of \$60 including interest at 9.5%, due June 1, 2013.	-	185
Loan repayable in monthly instalments of \$28 including interest at 9.5%, due July 1, 2013.	-	86
Loan repayable in monthly instalments of \$86 including interest at 6.8%, due July 1, 2014.	223	1,202
Loan repayable in monthly instalments of \$54 including interest at 7.1%, due September 1, 2015.	903	1,462
	1,899,322	2,148,085

Interest paid on long-term liabilities amounted to \$102,670 (2013 - \$141,543) during the year.

Future principal repayments on long-term liabilities are estimated as follows:

	\$
2015	239,951
2016	213,165
2017	214,326
2018	175,932
<u>2019 and thereafter</u>	<u>1,055,948</u>
	1,899,322

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2014

8. OBLIGATIONS UNDER CAPITAL LEASE

	2014			2013	
	Total	Deferred Finance	Current Portion	Long-Term Portion	Long-Term Portion
	\$	\$	\$	\$	\$
John Deere Credit Inc.	204,461	32,923	36,041	168,420	201,651

The John Deere Credit Inc. obligation is due March, 2017 and is repayable over a five year period in monthly instalments of \$4,132 including interest charged at 7.2%.

The First Nation has pledged specific pieces of equipment as collateral for this obligation.

Interest paid on long-term liabilities amounted to \$16,043 (2013 - \$18,909) during the year.

Future annual lease payments are estimated as follows:

	\$
2015	49,588
2016	49,588
2017	49,588
2018	49,588
2019 and thereafter	6,109
	204,461

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2014	2013
	\$	\$
Tangible capital assets (Schedule 2)	32,142,807	31,504,150
Accumulated amortization (Schedule 2)	(23,172,143)	(22,550,714)
Long-term liabilities (Note 7)	(1,899,322)	(2,148,085)
Obligations under capital lease (Note 8)	(204,461)	(235,262)
	6,866,881	6,570,089

Montana First Nation
Notes to the Consolidated Financial Statements
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10. EQUITY IN ENTERPRISE FUND

	2014 \$	2013 \$
Balance, beginning of year	2,543,332	4,559,550
Surplus (deficit) from subsidiary companies	(28,458)	12,578
Advances to (from) controlled entities	(19,076)	1,373
Disposal of Midland land	-	(1,959,229)
Transfer to operations	-	(70,940)
Balance, end of year	2,495,798	2,543,332

11. EQUITY IN TRUST FUNDS

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	211,609	63,012	274,621
Royalties	2,973	38,150	41,123
Interest	-	4,358	4,358
Other revenue	44,610	17,009	61,619
Balance, end of year	259,192	122,529	381,721

12. ACCUMULATED SURPLUS

	2014 \$	2013 \$
Unrestricted surplus	1,508,547	2,776,673
Equity in tangible capital assets	6,866,881	6,570,089
Equity in enterprise fund	2,495,798	2,543,332
Equity in trust funds	381,721	274,621
	11,252,947	12,164,715

Montana First Nation
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13. CONTINGENT LIABILITIES

1. During 1997, an action was brought by Chevron Canada Resources against Her Majesty the Queen in Right of Canada, represented by Montana First Nation, Indian Oil and Gas Canada (IOGC) and three other Hobbema area Indian Bands. The Action alleges a mistaken overpayment to Indian Bands of approximately \$10 million in royalties on gas production under an oil and gas lease with the Indian Bands during the period January 1, 1991 to October 31, 1996.

Montana First Nation has filed a defence denying liability to Chevron on the grounds set out in their Statement of Defence and filed a counterclaim against Chevron.

In addition, the Montana First Nation has filed a Counterclaim against the Crown, so that if Montana is in any way liable to Chevron, then they claim to be entitled to indemnity and contribution from Her Majesty the Queen.

2. The Crown has brought a Third Party Claim against Montana Tribe seeking reimbursement on a claim against the Crown by Louis Bull Tribe. The claim for reimbursement is \$4,000,000 but it is against Samson, Ermineskin and Montana.

The outcome and potential liability to the First Nation from this action, has been determined to be nil.

14. BUDGET

The 2014 budget figures presented represent the capital and revenue budgets prepared by the Montana First Nation. The budget figures have not been audited.

General Assessment

Recipient: 0431 - O'CHIESE BAND

Region: ALBERTA

Assessment #: 1415-AB-000044

Fiscal Year: 2014-2015

Responsible Officer: Cory, Jim

Status: Approved

Part: Part A

Assessment Type: Update

Assigned To: Cory, Jim

Assessment Summary

Recipient

Total: 8.66

Rating: Low

Not Started

Started

Completed

Risk Factor	Consideration	Consideration Score	Calculated Risk Factor Score	Adjusted Risk Factor Score	Weight	Weighted Risk Factor Score
✓ 1. Governance	✓ 1.1 Capacity of Recipient (i.e. governing authority) to Transact Business ✓ 1.2 Familiarity with Agreement ✓ 1.3 Management Framework for Program Management ✓ 1.4 Accountability to Service Population	0 0 0 0	0.00		X 4 =	0.00
✓ 2. Planning	✓ 2.1 Strategic Plan ✓ 2.2 Operational Plan and Budget ✓ 2.3 Business Continuity Plan	0 0 0	0.00		X 2 =	0.00
✓ 3. Financial Management	✓ 3.1 Financial Position ✓ 3.2 Financial Records and Reporting ✓ 3.3 Finance Function	0 0 1	0.33		X 3 =	1.00
✓ 4. Program Management	✓ 4.1 Service / Project Delivery ✓ 4.2 Service / Project Policies and Plans ✓ 4.3 Staff Capacity ✓ 4.4 Reporting	1.3 1.1 1.4 2.3	1.53		X 5 =	7.66
						Total 8.66