

**Montana First Nation  
Consolidated Financial Statements  
March 31, 2016**

# **Montana First Nation**

## **CONTENTS**

	<u>Page</u>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	1
<b>INDEPENDENT AUDITORS' REPORT</b>	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Changes in Accumulated Surplus - Schedule 1	7
Consolidated Statement of Tangible Capital Assets - Schedule 2	8
Consolidated Statement of Financial Activities by Program - Schedule 3	9
Consolidated Statement of Expenditures by Object - Schedule 4	10
Notes to the Consolidated Financial Statements	11 - 18

## **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.

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

\_\_\_\_\_ Band Administrator

Original signed by \_\_\_\_\_ Chief Financial Officer

# DOYLE & COMPANY

CHARTERED ACCOUNTANTS

Allan J. Grykuliak, C.A.\*  
Scott T. Mockford, C.A.\*  
\* Operates as a Professional Corporation

11210 - 107 Avenue N.W. 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

## 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, 2016 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.

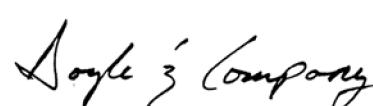
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta

August 4, 2016



Chartered Accountants

**Montana First Nation**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2016**

	<b>2016</b> \$	<b>2015</b> \$
<b>FINANCIAL ASSETS</b>		
Restricted cash (Note 3)	564,836	462,994
Accounts receivable (Note 4)	2,179,864	1,090,146
Investments (Note 5)	1,198,200	1,916,774
Investment in First Nation controlled enterprises (Note 6)	2,341,635	2,348,968
	<b>6,284,535</b>	5,818,882
<b>LIABILITIES</b>		
Bank indebtedness (Note 7)	850,181	417,368
Accounts payable	1,865,860	925,921
Deferred revenue (Note 8)	1,002,921	87,485
Replacement reserve	600,130	600,130
Long-term liabilities (Note 9)	1,446,212	1,658,909
Obligations under capital lease (Note 10)	129,697	168,420
	<b>5,895,001</b>	3,858,233
<b>NET FINANCIAL ASSETS</b>	<b>389,534</b>	1,960,649
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	12,371,691	9,343,439
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 14)</b>	<b>12,761,225</b>	11,304,088

**Approved by:**

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

\_\_\_\_\_ Band Administrator

Original signed by \_\_\_\_\_ Chief Financial Officer

**Montana First Nation**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2016**

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	<b>5,558,891</b>	<b>5,282,438</b>	5,450,393
Aboriginal Skills and Employment Training Strategy	284,239	602,603	423,935
Canada Housing and Mortgage Corporation	44,354	159,161	169,226
First Nation Development Fund	394,000	569,712	466,749
Health Canada	403,993	411,738	383,909
Trust Funds			
Revenue	82,400	80,000	80,000
Interest income	-	12	170,318
Other revenue	1,537,178	1,586,691	1,615,466
Revenue deferred from previous period	-	87,485	291,266
Revenue deferred to subsequent period	-	(1,002,920)	(87,485)
	<b>8,305,055</b>	<b>7,776,920</b>	8,963,777
<b>EXPENDITURES</b>			
Aboriginal Skills and Employment Training	553,719	274,754	315,848
Administration	1,124,881	1,365,873	1,354,116
Akamihk Community Development Society	-	166,003	75,442
Alberta Government	265,480	266,944	127,750
Capacity Consultation	392,525	202,075	292,720
Canada Mortgage and Housing Corporation	95,000	118,726	127,999
Community Services and Elders	107,400	110,694	101,184
Economic Development	-	197,929	179,832
Education - Community School	1,354,381	1,676,249	1,826,930
Education - Post Secondary	-	308,417	300,221
Education - Summer Students	-	13,292	15,976
Health Services	429,868	394,810	384,181
Housing	-	558,171	552,312
Public Works	2,341,988	1,212,714	891,332
Recreation	-	81,579	100,749
Recovery - Deficit	350,000	1,249	9,367
Social Services	1,780,418	1,670,486	1,545,793
	<b>8,795,660</b>	<b>8,619,965</b>	8,201,752
<b>Excess of Revenue Over Expenditures</b>			
Before Other Revenue (Expenditures)	(490,605)	(843,045)	762,025
<b>Other Revenue (Expenditures)</b>			
Capital funding			
Indigenous and Northern Affairs Canada	-	2,967,841	-
Amortization	-	(754,540)	(668,562)
	<b>-</b>	<b>2,213,301</b>	(668,562)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>(490,605)</b>	<b>1,370,256</b>	93,463

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, 2016**

	<b>2016</b> \$	<b>2015</b> \$
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,457,137</b>	51,141
Acquisition of tangible capital assets	(3,782,792)	(1,041,338)
Amortization of tangible capital assets	754,540	668,562
	<b>(3,028,252)</b>	<b>(372,776)</b>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>(1,571,115)</b>	(321,635)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>1,960,649</b>	2,282,284
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>389,534</b>	1,960,649

**Montana First Nation**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2016**

	<b>2016</b> \$	<b>2015</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and customers	7,602,638	8,641,340
Cash paid to suppliers	(4,009,294)	(7,178,322)
	<b>3,593,344</b>	1,463,018
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in long-term obligations, net	(212,697)	(240,413)
Decrease in obligations under capital lease	(38,723)	(36,041)
	<b>(251,420)</b>	(276,454)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(3,782,792)	(1,041,338)
Decrease in investment on controlled entities	7,333	146,830
	<b>(3,775,459)</b>	(894,508)
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	<b>(433,535)</b>	292,056
<b>BANK INDEBTEDNESS - Beginning of year</b>	<b>(417,368)</b>	(709,424)
<b>BANK INDEBTEDNESS - End of year</b>	<b>(850,903)</b>	(417,368)

**Montana First Nation**  
**Schedule of Changes in Accumulated Surplus - Schedule 1**  
**For the year ended March 31, 2016**

	<b>Unrestricted Surplus</b> \$	<b>Equity in Tangible Capital Assets</b> \$	<b>Equity in Enterprise Fund</b> \$	<b>Equity in Trust Funds</b> \$	<b>2016</b> \$	<b>2015</b> \$
<b>Balance, Beginning of Year</b>	<b>976,738</b>	<b>7,516,110</b>	<b>2,348,968</b>	<b>462,272</b>	<b>11,304,088</b>	<b>11,252,947</b>
Excess of revenue over expenditures	1,370,256	-	(12,082)	98,963	1,457,137	51,141
Current years funds advanced to (from) subsidiaries	(4,749)	-	4,749	-	-	-
Current years funds used for tangible capital assets	(3,782,792)	3,782,792	-	-	-	-
Annual amortization expense	754,540	(754,540)	-	-	-	-
Long-term liabilities repaid	(251,420)	251,420	-	-	-	-
Change in accumulated surplus	(1,914,165)	3,279,672	(7,333)	98,963	1,457,137	51,141
<b>Balance, End of Year</b>	<b>(937,427)</b>	<b>10,795,782</b>	<b>2,341,635</b>	<b>561,235</b>	<b>12,761,225</b>	<b>11,304,088</b>

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, 2016**

	Land \$	Automotive \$	Buildings \$	Equipment \$	Infrastructure \$	2016 \$	2015 \$
<b>COST:</b>							
Balance, Beginning of Year	14,600	1,658,864	26,957,667	2,545,481	2,007,533	33,184,145	32,142,807
Acquisition of tangible capital assets	-	-	319,373	-	3,463,419	3,782,792	1,041,338
Balance, End of Year	14,600	1,658,864	27,277,040	2,545,481	5,470,952	36,966,937	33,184,145
<b>ACCUMULATED AMORTIZATION:</b>							
Balance, Beginning of Year	-	1,244,046	20,291,865	1,930,659	374,136	23,840,706	23,172,143
Annual amortization	-	124,449	341,274	120,562	168,255	754,540	668,563
Balance, End of Year	-	1,368,495	20,633,139	2,051,221	542,391	24,595,246	23,840,706
<b>NET BOOK VALUE</b>	<b>14,600</b>	<b>290,369</b>	<b>6,643,901</b>	<b>494,260</b>	<b>4,928,561</b>	<b>12,371,691</b>	<b>9,343,439</b>

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, 2016**

	INAC Revenue \$	Other \$	2016 Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2015 Surplus (Deficit) \$
Aboriginal Skills and Employment Training Strategy	-	286,185	286,185	274,754	11,431	(29,379)
Administration	539,598	585,013	1,124,611	1,365,873	(241,262)	244,818
Akamihk Community Development Society	-	174,979	174,979	166,003	8,976	(10,854)
Alberta Government Programs	-	266,944	266,944	266,944	-	11,950
Capacity Consultation	-	202,075	202,075	202,075	-	-
Canada Mortgage and Housing Corporation	-	305,412	305,412	118,726	186,686	84,976
Community Services and Elders	-	105,000	105,000	110,694	(5,694)	(21,184)
Economic Development	197,929	-	197,929	197,929	-	-
Education - Community School	1,048,378	485,134	1,533,512	1,676,249	(142,737)	(153,192)
Education - Post Secondary	308,417	-	308,417	308,417	-	(379)
Education - Summer Students	13,292	-	13,292	13,292	-	(3,187)
Health Services	-	440,488	440,488	394,810	45,678	92,745
Housing	165,000	99,000	264,000	558,171	(294,171)	(240,262)
Public Works	4,120,848	(324,803)	3,796,045	1,212,714	2,583,331	730,823
Recreation	-	83,001	83,001	81,579	1,422	-
Recovery - Deficit	-	683	683	1,249	(566)	(8,892)
Social Services	1,628,625	13,563	1,642,188	1,670,486	(28,298)	64,042
	<b>8,022,087</b>	<b>2,722,674</b>	<b>10,744,761</b>	<b>8,619,965</b>	<b>2,124,796</b>	<b>762,025</b>

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, 2016**

	<b>2016</b> \$	<b>2015</b> \$
<b>EXPENDITURES</b>		
Bad debts	<b>41,045</b>	47,971
Bank charges and short term interest	<b>27,210</b>	39,318
Materials, goods and utilities	<b>628,999</b>	439,263
Professional fees	<b>296,120</b>	411,034
Program costs	<b>2,928,028</b>	3,080,492
Repairs and maintenance	<b>649,167</b>	704,946
Training	<b>714,640</b>	504,968
Travel	<b>64,378</b>	92,313
Wages and employee benefits	<b>3,270,378</b>	2,881,447
	<b>8,619,965</b>	8,201,752

# **Montana First Nation**

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

### **March 31, 2016**

---

#### **NATURE OF OPERATIONS**

Montana First Nation provides local government, education and social development services to its members and was established under the Indian Act (Canada)

#### **1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements include the assets, liabilities, and results of operations of Montana First Nation (the "First Nation") and all related entities and organizations subject to control by Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of First Nations members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

##### **(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) Reporting Entity and Principles of Financial Reporting**

The Montana First Nation reporting entity includes the Montana First Nation's government and all related entities which are accountable to the First Nation and are either owned or controlled by the Montana First Nation.

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, 2016**

---

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

**(c) Revenue Recognition**

Government transfers and grant revenue are recognized as the First Nations becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

**(d) Investments**

Investments are recorded at fair market value.

**(e) 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.

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds.

**(f) 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.

**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%

Annual amortization is charged in the year of acquisition and not in the year of disposal.

Assets under construction are not amortized until the asset is available for productive use.

**Montana First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

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

**(g) Financial Instruments**

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

**Credit Risk**

The Nation is exposed to credit risk to the extent of non-collection of accounts receivable and loans to Band members. Management is of the opinion that the risk of non-collection of accounts receivable is low since the majority of accounts receivable are from the Government of Canada.

**Interest Rate Risk**

The Nation is exposed to risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate due to changes in market interest rates.

**(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 expenditures during the reporting period. Actual results could differ from those estimates.

**2. ECONOMIC DEPENDENCE**

The Montana First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

**3. RESTRICTED CASH**

	<b>2016</b>	<b>2015</b>
	\$	\$
Trust Funds		
Band Capital	323,737	281,547
Band Revenue	237,498	180,725
First Nation Development Fund	3,601	722
	<b>564,836</b>	<b>462,994</b>

**Montana First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

**4. ACCOUNTS RECEIVABLE**

	<b>2016</b>	<b>2015</b>
	\$	\$
Government Agencies		
Indigenous and Northern Affairs Canada	1,347,951	341,296
First Nation Development Fund	177,340	316,749
Alberta Government	55,200	9,920
Canada Housing and Mortgage Corporation	40,973	20,305
Health Canada	11,091	126,338
Six Independent Alberta First Nations	95,625	11,768
Trust Funds	220,000	140,000
Member loans	106,493	100,616
Other receivables	185,282	83,245
Less: Allowance for doubtful accounts	(60,091)	(60,091)
	<b>2,179,864</b>	1,090,146

**5. INVESTMENTS**

Investments represent a guaranteed investment certificate that matures in September, 2016 and earns interest at 0.9%.

**6. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>Colchester Holdings Ltd. - 100% interest</b>		
Shares	5	5
Advances	2,483,405	2,478,656
Accumulated deficit in earnings	(70,940)	(70,940)
	<b>2,412,470</b>	2,407,721
<b>Bobtail Construction Ltd. - 100% interest</b>		
Shares	5	5
Advances	79,995	79,995
Accumulated surplus in earnings	(150,835)	(138,753)
	<b>(70,835)</b>	(58,753)
	<b>2,341,635</b>	2,348,968

**Montana First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

**6. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES - continued**

Unaudited financial information for each of the entities for their respective March 31, 2016 years ended are as follows:

	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Net Earnings (Loss)</b>
	\$	\$	\$	\$
Colchester Holdings Ltd.	2,463,638	2,534,574	210,885	-
Bobtail Construction Ltd.	<u>53,465</u>	<u>204,295</u>	<u>57,443</u>	<u>(12,082)</u>

**7. BANK INDEBTEDNESS**

The First Nation has a bank overdraft protection with CIBC operating account in the amount of \$750,000 and CIBC social services account in the amount of \$150,000 both bearing interest at prime (2.7%) plus 1%.

**8. DEFERRED REVENUE**

	<b>2016</b>	<b>2015</b>
	\$	\$
Indigenous and Northern Affairs Canada		
Capital Funding - Water Treatment	555,830	-
First Nation Development Fund	92,340	60,000
Alberta Government Funding	354,751	27,485
	<b>1,002,921</b>	<b>87,485</b>

**9. LONG-TERM LIABILITIES**

	<b>2016</b>	<b>2015</b>
	\$	\$
Mortgage repayable in monthly instalments of \$1,158 including interest at 4.84%, secured by a Ministerial Guarantee, maturing April 1, 2016	27,491	39,744
Mortgage repayable in monthly instalments of \$1,206 including interest at 4.89%, secured by a Ministerial Guarantee, maturing July 1, 2016	7,136	20,901
Mortgage repayable in monthly instalments of \$2,257 including interest at 4.00%, secured by a Ministerial Guarantee, maturing October 1, 2016	24,341	49,905
Mortgage repayable in monthly instalments of \$1,704 including interest at 4.99%, secured by a Ministerial Guarantee, maturing August 1, 2017	27,916	46,481

**Montana First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

**9. LONG-TERM LIABILITIES - continued**

	<b>2016</b> \$	<b>2015</b> \$
Mortgage repayable in monthly instalments of \$2,327 including interest at 4.85%, secured by a Ministerial Guarantee, maturing January 1, 2018	<b>48,909</b>	73,830
Mortgage repayable in monthly instalments of \$1,291 including interest at 5.14%, secured by a Ministerial Guarantee, maturing June 1, 2018	<b>32,872</b>	46,319
Mortgage repayable in monthly instalments of \$1,003 including interest at 5.14%, secured by a Ministerial Guarantee, maturing June 1, 2018	<b>25,542</b>	35,991
Mortgage repayable in monthly instalments of \$2,371 including interest at 4.79%, secured by a Ministerial Guarantee, maturing June 1, 2020	<b>172,606</b>	191,986
Mortgage repayable in monthly instalments of \$1,258 including interest at 4.79%, secured by a Ministerial Guarantee, maturing March 1, 2021	<b>107,964</b>	116,791
Mortgage repayable in monthly instalments of \$1,375 including interest at 4.74%, secured by a Ministerial Guarantee, maturing April 1, 2017	<b>129,822</b>	151,054
Mortgage repayable in monthly instalments of \$1,528 including interest at 4.84%, secured by a Ministerial Guarantee, maturing April 1, 2016	<b>139,709</b>	139,976
Mortgage repayable in monthly instalments of \$1,648 including interest at 4.74%, secured by a Ministerial Guarantee, maturing April 1, 2017	<b>165,732</b>	177,433
Mortgage repayable in monthly instalments of \$1,510 including interest at 4.74%, secured by a Ministerial Guarantee, maturing November 1, 2017	<b>160,830</b>	171,141
Mortgage repayable in monthly instalments of \$3,613 including interest at 4.79%, secured by a Ministerial Guarantee, maturing March 1, 2021	<b>375,342</b>	397,357
	<b>1,446,212</b>	1,658,909

**Montana First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

**9. LONG-TERM LIABILITIES - continued**

	<b>2016</b>	<b>2015</b>
	\$	\$
Interest paid on long-term liabilities amounted to \$84,254 (2015 - \$94,316) during the year.		
Future principal repayments on long-term liabilities are estimated as follows:		
	\$	
2017	217,112	
2018	178,156	
2019	120,294	
2020	117,752	
2021 and thereafter	812,898	
	<b>1,446,212</b>	

**10. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2016</b>	<b>2015</b>			
	Total	Deferred	Current	Long-Term	Long-Term
	\$	\$	\$	\$	\$
John Deere Credit Inc.	<b>138,208</b>	<b>8,511</b>	<b>41,605</b>	<b>88,092</b>	<b>168,420</b>

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 \$10,865 (2015 - \$13,547) during the year.

Future annual lease payments are estimated as follows:

	\$
2017	49,588
2018	88,620
	<b>138,208</b>

**Montana First Nation**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2016**

---

**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2016</b> \$	<b>2015</b> \$
Tangible capital assets (Schedule 2)	36,966,937	33,184,145
Accumulated amortization (Schedule 2)	(24,595,246)	(23,840,706)
Long-term liabilities (Note 9)	(1,446,212)	(1,658,909)
<u>Obligations under capital lease (Note 10)</u>	<u>(129,697)</u>	<u>(168,420)</u>
	<b>10,795,782</b>	<b>7,516,110</b>

**12. EQUITY IN ENTERPRISE FUND**

	<b>2016</b> \$	<b>2015</b> \$
Balance, beginning of year	2,348,968	2,495,798
Surplus (deficit) from subsidiary companies	(12,082)	(122,873)
Advances to (from) controlled entities	4,749	(23,957)
Balance, end of year	<b>2,341,635</b>	2,348,968

**13. EQUITY IN TRUST FUNDS**

	<b>Capital</b> \$	<b>Revenue</b> \$	<b>Total</b> \$
Balance, beginning of year	281,547	180,725	462,272
Royalties	1,672	20,535	22,207
Interest	-	10,176	10,176
Other revenue	40,518	26,062	66,580
Balance, end of year	<b>323,737</b>	<b>237,498</b>	<b>561,235</b>

**14. ACCUMULATED SURPLUS**

	<b>2016</b> \$	<b>2015</b> \$
Unrestricted surplus	(937,427)	976,738
Equity in tangible capital assets	10,795,782	7,516,110
Equity in enterprise fund	2,341,635	2,348,968
<u>Equity in trust funds</u>	<u>561,235</u>	<u>462,272</u>
	<b>12,761,225</b>	<b>11,304,088</b>