

**Montana First Nation
Consolidated Financial Statements
March 31, 2019**

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 Administrator on behalf of 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

Band Administrator

Chief Financial Officer

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
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INDEPENDENT AUDITORS' REPORT

To the Chief and Council

Opinion

We have audited the consolidated financial statements of **Montana First Nation** (the Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the results of its operations, changes in its net financial assets and cash flows for the years 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 financial position of the Montana First Nation as at March 31, 2019, the results of its operations, changes in its net financial assets and its 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 Auditor's 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 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 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.

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 relating to going concern and using the going concern basis of accounting unless management either intends 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

Auditor's Responsibility 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 auditor's 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

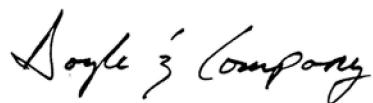
INDEPENDENT AUDITORS' REPORT - continued

- 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 auditor's 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 auditor's 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 entities or business activities within the Group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Mockford, CPA, CA.



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July 29, 2019

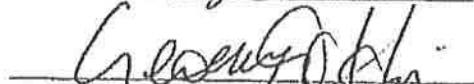
Chartered Professional Accountants

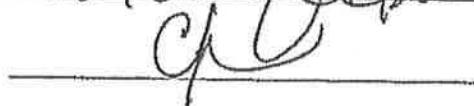
Montana First Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019 \$	2018 \$
FINANCIAL ASSETS		
Restricted cash (Note 3)	863,282	1,113,261
Accounts receivable (Note 4)	9,947,534	1,629,625
Investments (Note 5)	1,224,040	1,213,122
Investment in First Nation controlled enterprises (Note 6)	2,996,473	2,722,008
	15,031,329	6,678,016
LIABILITIES		
Bank indebtedness (Note 7)	193,499	871,223
Accounts payable	565,090	765,571
Deferred contributions (Note 8)	10,797,534	2,143,325
Replacement reserve	700,366	661,959
Obligations under capital lease (Note 9)	335,037	-
Bank loan (Note 10)	319,803	-
Long-term liabilities (Note 11)	934,985	1,052,111
	13,846,314	5,494,189
NET FINANCIAL ASSETS	1,185,015	1,183,827
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	20,649,586	18,605,208
Prepaid expenses	4,500	-
	20,654,086	18,605,208
ACCUMULATED SURPLUS (Schedule 1 and Note 15)	21,839,101	19,789,035

Approved by:

 Chief

 Band Administrator

 Chief Financial Officer

Montana First Nation
Consolidated Statement of Financial Activities
For the year ended March 31, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
REVENUE			
Indigenous Services Canada	6,534,688	6,873,044	6,571,979
Aboriginal Skills and Employment Training Strategy	302,094	9,454,615	608,521
Canada Housing and Mortgage Corporation	76,305	151,653	100,928
First Nation Development Fund	404,280	521,405	455,422
Health Canada	523,690	792,559	1,625,371
Trust Funds			
Revenue	80,000	370,000	80,000
Interest income	-	211,756	290,096
Other revenue	2,450,865	3,035,798	1,712,560
Revenue deferred from previous period	424,591	2,143,325	5,204,770
Revenue deferred to subsequent period	-	(10,797,534)	(2,143,325)
	10,796,513	12,756,621	14,506,322
EXPENDITURES			
Aboriginal Skills and Employment Training	412,668	362,604	469,778
Administration	1,506,188	3,533,413	2,415,212
Akamihk Community Development Society	-	324,063	318,682
Alberta Government	-	232,447	419,519
Capacity Consultation	559,017	267,813	284,420
Canada Mortgage and Housing Corporation	136,305	147,559	123,935
Community Services and Elders	144,800	158,837	138,703
Economic Development	160,380	201,380	73,219
Education - Community School	507,272	489,278	1,770,399
Education - Post Secondary	423,770	429,458	373,530
Education - Summer Students	41,840	87,815	129,192
Health Services	468,690	540,540	444,174
Housing	554,000	730,758	911,063
Other Programs	-	23,000	71,948
Public Works	3,336,992	1,168,354	1,363,944
Recreation	56,000	56,230	91,890
Social Services	1,921,463	1,975,892	1,759,871
Preventative social services	-	63,314	-
	10,229,385	10,792,755	11,159,479
EXCESS OF REVENUE OVER EXPENDITURES	567,128	1,963,866	3,346,843

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, 2019

	2019 \$	2018 \$
EXCESS OF REVENUES OVER EXPENDITURES	2,050,066	3,451,347
Acquisition of tangible capital assets	(3,250,120)	(3,983,749)
Amortization of tangible capital assets	1,205,742	994,190
	(2,044,378)	(2,989,559)
Acquisition of prepaid assets	(4,500)	-
INCREASE IN NET FINANCIAL ASSETS	1,188	461,788
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,183,827	722,039
NET FINANCIAL ASSETS, END OF YEAR	1,185,015	1,183,827

Montana First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and customers	13,092,921	10,993,971
Cash paid to suppliers	(9,678,305)	(9,684,988)
	3,414,616	1,308,983
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in long-term liabilities	(117,126)	(174,221)
Increase in long-term liabilities	319,803	-
Increase in obligations under capital lease	335,037	-
	537,714	(174,221)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(3,250,120)	(3,983,749)
Decrease in investment on controlled entities	(274,465)	(352,260)
	(3,524,585)	(4,336,009)
INCREASE (DECREASE) IN CASH DURING THE YEAR	427,745	(3,201,247)
CASH - Beginning of year	242,038	3,443,285
CASH - End of year	669,783	242,038
 Cash Consists of:		
Cash (bank indebtedness)	(193,499)	(871,223)
Restricted cash	863,282	1,113,261
	669,783	242,038

Montana First Nation
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2019

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	2019	2018
	\$	\$	\$	\$	\$	\$
BALANCE, Beginning of Year	(1,195,229)	17,553,097	2,722,008	709,159	19,789,035	16,337,688
Excess of revenue over expenditures	1,963,866	-	-	86,200	2,050,066	3,451,347
Current years funds advanced to (from) subsidiaries	(274,465)	-	274,465	-	-	-
Current years funds used for tangible capital assets	(3,250,120)	3,250,120	-	-	-	-
Annual amortization expense	1,205,742	(1,205,742)	-	-	-	-
Long-term liabilities obtained	335,037	(335,037)	-	-	-	-
Long-term liabilities repaid	(117,127)	117,127	-	-	-	-
Change in accumulated surplus	(137,067)	1,826,468	274,465	86,200	2,050,066	3,451,347
BALANCE, End of Year	(1,332,296)	19,379,565	2,996,473	795,359	21,839,101	19,789,035

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, 2019

	Land \$	Automotive \$	Buildings \$	Equipment \$	Infrastructure \$	2019 \$	2018 \$
COST:							
BALANCE, Beginning of Year	14,600	1,397,464	27,277,040	2,775,874	13,361,007	44,825,985	40,842,236
Acquisition of tangible capital assets	-	142,679	1,264,067	386,600	1,456,774	3,250,120	3,983,749
Disposal of tangible capital assets	-	-	(25,000)	(15,268)	-	(40,268)	-
Balance, End of Year	14,600	1,540,143	28,516,107	3,147,206	14,817,781	48,035,837	44,825,985
ACCUMULATED AMORTIZATION:							
BALANCE, Beginning of Year	-	1,268,490	21,280,919	2,247,869	1,423,499	26,220,777	25,226,587
Annual amortization	-	61,253	331,408	143,367	669,714	1,205,742	994,190
Accumulated amortization on disposals	-	-	(25,000)	(15,268)	-	(40,268)	-
Balance, End of Year	-	1,329,743	21,587,327	2,375,968	2,093,213	27,386,251	26,220,777
NET BOOK VALUE	14,600	210,400	6,928,780	771,238	12,724,568	20,649,586	18,605,208

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, 2019

	ISC Revenue \$	Other \$	2019 Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2018 Surplus (Deficit) \$
Aboriginal Skills and Employment Training Strategy	-	398,303	398,303	362,604	35,699	34,000
Administration	982,942	1,633,445	2,616,387	3,533,413	(917,026)	(941,092)
Akamihk Community Development Society	-	309,483	309,483	324,063	(14,580)	46,244
Alberta Government Programs	-	609,080	609,080	232,447	376,633	-
Capacity Consultation	-	367,813	367,813	267,813	100,000	-
Canada Mortgage and Housing Corporation	-	211,653	211,653	147,559	64,094	119,193
Community Services and Elders	-	147,300	147,300	158,837	(11,537)	(18,703)
Economic Development	160,380	41,000	201,380	201,380	-	-
Education - Community School	467,272	23,428	490,700	489,278	1,422	1,889,175
Education - Post Secondary	323,770	-	323,770	429,458	(105,688)	182,250
Education - Summer Students	91,840	-	91,840	87,815	4,025	12,968
Health Services	-	1,756,267	1,756,267	540,540	1,215,727	158,454
Housing	315,000	408,703	723,703	730,758	(7,055)	(99,779)
Other Programs	-	116,537	116,537	23,000	93,537	-
Public Works	1,591,332	725,689	2,317,021	1,168,354	1,148,667	2,116,763
Recreation	-	56,280	56,280	56,230	50	(63,467)
Social Services	2,940,508	(984,718)	1,955,790	1,975,892	(20,102)	(89,163)
Preventative Social Services	-	63,314	63,314	63,314	-	-
	6,873,044	5,883,577	12,756,621	10,792,755	1,963,866	3,346,843

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, 2019

	2019 \$	2018 \$
EXPENDITURES		
Amortization	1,205,743	994,191
Bad debts	101,467	48,111
Bank charges and short term interest	49,464	26,500
Materials, goods and utilities	473,188	607,440
Professional fees	616,387	240,021
Program costs	3,343,459	3,438,936
Repairs and maintenance	980,121	1,186,359
Training	812,401	963,478
Travel	297,977	223,769
Wages and employee benefits	2,912,548	3,430,674
	10,792,755	11,159,479

Montana First Nation

Notes to the Consolidated Financial Statements

March 31, 2019

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, 2019

**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, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Cash and Cash Equivalents

Cash and cash equivalents consist of bank accounts and temporary investments with maturities of three months or less.

(h) Financial Instruments

The Nation initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

The Nation's risk exposures related to its financial instruments are outlined as follows:

Credit Risk

The Nation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations.

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.

(i) 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 Services Canada.

3. RESTRICTED CASH

	2019	2018
	\$	\$
Trust Funds		
Band Capital	383,266	354,358
Band Revenue	412,093	354,801
First Nation Development Fund	67,923	404,102
	<hr/> 863,282	<hr/> 1,113,261

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2019

4. ACCOUNTS RECEIVABLE

	2019	2018
	\$	\$
Government Agencies		
Indigenous Services Canada	379,553	107,569
First Nation Development Fund	512,800	346,976
Alberta Government	8,012,000	249,845
Canada Housing and Mortgage Corporation	-	152,007
Health Canada	41,123	-
Six Independent Alberta First Nations	-	133,668
Trust Funds	450,000	80,000
Member loans	60,091	127,476
Other receivables	552,058	492,175
Less: Allowance for doubtful accounts	(60,091)	(60,091)
	9,947,534	1,629,625

5. INVESTMENTS

Investments represent a guaranteed investment certificate that matures in September, 2019 and earns interest at 0.6%.

6. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES

	2019	2018
	\$	\$
Colchester Holdings Ltd. - 100% interest		
Shares	5	5
Advances	3,099,378	2,824,913
Accumulated deficit in earnings	(70,940)	(70,940)
	3,028,443	2,753,978
Bobtail Construction Ltd. - 100% interest		
Shares	5	5
Advances	79,995	79,995
Accumulated surplus in earnings	(111,970)	(111,970)
	(31,970)	(31,970)
	2,996,473	2,722,008

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2019

6. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES - continued

Unaudited financial information for each of the entities for their respective March 31, 2019 years ended are as follows:

	Assets \$	Liabilities \$	Revenues \$	Net Earnings \$
Colchester Holdings Ltd.	3,138,507	3,209,443	285,095	-

7. BANK INDEBTEDNESS

The First Nation has a bank overdraft protection with CIBC operating account in the amount of \$750,000, a CIBC social services account in the amount of \$150,000 both bearing interest at prime (3.7%) plus 1% and a revolving term loan of \$100,000 for equipment purchases.

None of these facilities have been used in the year.

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2019

8. DEFERRED CONTRIBUTIONS

	2019 \$	2018 \$
Aboriginal Skills and Employment Training		
First Nation Childcare Initiative	111,282	64,870
Administration		
Prairie Central	-	150,000
Alberta Government Programs		
Climate leadership - solar	8,000,000	-
Alberta Labor - AEI	523,203	69,627
Capacity Consultation - Government of Alberta	873,782	314,017
Education - Community School		
Indigenous Services Canada		
Meskanahk school repairs	-	23,428
Health Canada		
Headstart building	35,396	1,022,743
Headstart program funding	23,639	-
Other Programs - other revenue	13,045	39,053
Public Works		
Indigenous Services Canada		
Firehall	8,532	269,042
Road	38,071	-
Solid waste feasibility	-	25,320
Solar farm	-	60,725
Daycare solar	-	104,500
Social		
Indigenous Services Canada		
Community based initiative	168,845	-
Client support	664,000	-
Case management capacity	112,000	-
Preventative social services	225,739	-
	10,797,534	2,143,325

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2019

9. OBLIGATIONS UNDER CAPITAL LEASE

	2019				2018
	Total	Deferred Finance	Current Portion	Long-Term Portion	
\$	\$	\$	\$	\$	\$
Brandt tractor lease	364,804	29,767	28,268	306,769	-

The lease payable to Brandt Tractor Ltd. is due May 2021 and is repayable in monthly installments of \$3,564. The lease includes interest charged at 4.50% and is secured by equipment with a net book value of \$347,940.

Interest paid on obligations under capital lease was \$15,841.

Future lease payments on obligations under capital lease are as follows:

	\$
2020	42,766
2021	42,766
2022	279,272
	364,804

10. BANK LOAN

Montana First Nation has a loan from ATB for the purpose of paying legal fees in an ongoing treaty land entitlement negotiation.

This loan has no due date and has no fixed terms of repayment.

11. LONG-TERM LIABILITIES

	2019	2018
	\$	\$
Mortgage repayable in monthly instalments of \$1,158 including interest at 4.84%, secured by a Ministerial Guarantee, maturing April 1, 2018	-	1,131
Mortgage repayable in monthly instalments of \$1,291 including interest at 5.14%, secured by a Ministerial Guarantee, maturing June 1, 2018	-	3,840
Mortgage repayable in monthly instalments of \$1,003 including interest at 5.14%, secured by a Ministerial Guarantee, maturing June 1, 2018	-	2,984
Mortgage repayable in monthly instalments of \$2,371 including interest at 4.79%, secured by a Ministerial Guarantee, maturing June 1, 2020	107,396	130,169

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11. LONG-TERM LIABILITIES - continued

	2019 \$	2018 \$
Mortgage repayable in monthly instalments of \$1,258 including interest at 4.79%, secured by a Ministerial Guarantee, maturing March 1, 2021	75,860	87,072
Mortgage repayable in monthly instalments of \$1,516 including interest at 7.25%, secured by a Ministerial Guarantee, maturing April 1, 2021	98,154	108,928
Mortgage repayable in monthly instalments of \$1,525 including interest at 4.79%, secured by a Ministerial Guarantee, maturing April 1, 2021	102,169	115,280
Mortgage repayable in monthly instalments of \$1,832 including interest at 7.25%, secured by a Ministerial Guarantee, maturing April 1, 2019	129,498	141,768
Mortgage repayable in monthly instalments of \$1,684 including interest at 7.25%, secured by a Ministerial Guarantee, maturing May 1, 2019	128,641	139,106
Mortgage repayable in monthly instalments of \$3,613 including interest at 4.79%, secured by a Ministerial Guarantee, maturing March 1, 2021	293,266	321,833
Mortgage repayable in monthly instalments of \$3,613 including interest at 4.79%, secured by a Ministerial Guarantee, maturing March 1, 2021	293,266	321,833
	934,984	1,052,111

Interest paid on long-term liabilities amounted to \$56,415 (2018 - \$63,297) during the year.

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

	\$
2020	97,665
2021	112,119
2022	119,102
2023	126,540
2024	130,538
2025 and thereafter	349,020
	934,984

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12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2019 \$	2018 \$
Tangible capital assets (Schedule 2)	48,035,837	44,825,985
Accumulated amortization (Schedule 2)	(27,386,251)	(26,220,777)
Long-term liabilities (Note 11)	(934,984)	(1,052,111)
<u>Obligations under capital lease (Note 9)</u>	(335,037)	-
	19,379,565	17,553,097

13. EQUITY IN ENTERPRISE FUND

	2019 \$	2018 \$
Balance, beginning of year	2,722,008	2,369,748
Surplus from subsidiary companies	-	38,865
Advances to controlled entities	274,465	313,395
Balance, end of year	2,996,473	2,722,008

14. EQUITY IN TRUST FUNDS

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	354,358	354,801	709,159
Other revenue	28,908	57,292	86,200
Balance, end of year	383,266	412,093	795,359

15. ACCUMULATED SURPLUS

	2019 \$	2018 \$
Unrestricted surplus	(1,332,296)	(1,195,229)
Equity in tangible capital assets	19,379,565	17,553,097
Equity in enterprise fund	2,996,473	2,722,008
<u>Equity in trust funds</u>	795,359	709,159
	21,839,101	19,789,035

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16. 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.

On June 6, 2019 a judgement against Montana First Nation was ruled and Montana First Nation's proportionate share of the judgement is \$1,012,269.

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.