

**Montana First Nation
Consolidated Financial Statements
March 31, 2021**

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.

Original Signed By

Chief

Original Signed By

Band Administrator

Original Signed By

Chief Financial Officer

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
* 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

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, 2021, 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, 2021, 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.

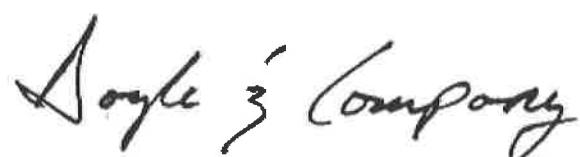
INDEPENDENT AUDITORS' REPORT - continued

- 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.



11210 - 107 Avenue NW
Edmonton, Alberta
T5H 0Y1

November 16, 2021

Chartered Professional Accountants

Montana First Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021 \$	2020 \$
FINANCIAL ASSETS		
Cash	3,266,659	106,335
Restricted cash (Note 3)	1,019,623	9,469,544
Accounts receivable (Note 4)	3,894,584	1,538,911
Investments (Note 5)	3,559,996	1,254,641
Investment in First Nation controlled enterprises (Note 6)	4,504,716	2,985,261
	16,245,578	15,354,692
LIABILITIES		
Accounts payable (Note 9)	1,280,320	274,691
Deferred contributions (Note 7)	11,125,299	12,077,283
Obligations under capital lease (Note 10)	277,204	306,778
Bank loan (Note 11)	371,612	371,450
Long-term liabilities (Note 12)	697,431	810,910
	13,751,866	13,841,112
NET FINANCIAL ASSETS	2,493,712	1,513,580
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	30,697,366	20,918,949
Prepaid expenses	5,119	-
	30,702,485	20,918,949
ACCUMULATED SURPLUS (Schedule 1 and Note 16)	33,196,197	22,432,529

Approved by:

Original Signed By _____ Chief

Original Signed By _____ Band Administrator

Original Signed By _____ Chief Financial Officer

Montana First Nation
Consolidated Statement of Financial Activities
For the year ended March 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
REVENUE			
Indigenous Services Canada	2,540,765	15,011,308	8,140,562
Aboriginal Skills and Employment Training Strategy	-	722,034	1,092,613
Canada Mortgage and Housing Corporation	-	75,218	99,018
First Nation Development Fund	139,000	297,227	397,858
Health Canada	637,759	1,591,798	738,394
Trust Funds			
Capital	-	153,675	205,800
Revenue	-	-	80,000
Interest income	-	36,634	311,329
Other revenue	1,397,993	6,162,689	3,167,687
Revenue deferred from previous period	-	12,077,283	10,806,066
Revenue deferred to subsequent period	155,000	(11,125,299)	(12,077,283)
	4,870,517	25,002,567	12,962,044
EXPENDITURES			
Administration	1,493,382	3,356,254	3,215,976
Akamihk Community Development Society	-	276,694	368,069
Alberta Government	-	373,391	410,252
Capacity Consultation	198,440	280,036	550,755
Canada Mortgage and Housing Corporation	-	81,086	104,005
Community Services and Elders	253,128	292,026	222,511
Covid - 19	-	2,711,584	-
Economic Development	183,968	183,968	72,952
Education - Community School	-	-	225,003
Education - Post Secondary	279,367	331,222	357,607
Education - Summer Students	1,000	64,458	86,103
Health Services	480,529	529,312	574,585
Housing	306,200	706,032	1,890,955
Indigenous Skills and Employment Training	-	312,835	337,794
Other Programs	-	-	120
Preventative Social Services	-	1,267,136	13,499
Public Works	4,112,324	1,798,574	1,978,146
Recreation	-	-	39,906
Social Services	-	2,808,317	2,714,258
Parent Child Assistance	189,224	70,677	62,385
	7,497,562	15,443,602	13,224,881
EXCESS OF REVENUE OVER EXPENDITURES	(2,627,045)	9,558,965	(262,837)

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, 2021

	2021 \$	2020 \$
EXCESS OF REVENUES OVER EXPENDITURES	10,763,668	(106,938)
Acquisition of tangible capital assets	(11,551,764)	(1,525,538)
Amortization of tangible capital assets	1,773,347	1,256,177
	(9,778,417)	(269,361)
Acquisition of prepaid assets	(5,119)	-
Use of prepaid assets	-	4,498
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	980,132	(371,801)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,513,580	1,885,381
NET FINANCIAL ASSETS, END OF YEAR	2,493,712	1,513,580

Montana First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and customers	21,694,910	22,650,416
Cash paid to suppliers	(13,770,397)	(12,129,301)
	7,924,513	10,521,115
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in long-term liabilities	(113,479)	(124,074)
Increase in bank loan	162	51,647
Decrease in obligations under capital lease	(29,574)	(28,266)
	(142,891)	(100,693)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(11,551,764)	(1,525,538)
Decrease (increase) in investment on controlled entities	(1,519,455)	11,212
	(13,071,219)	(1,514,326)
INCREASE (DECREASE) IN CASH DURING THE YEAR		
	(5,289,597)	8,906,096
CASH - Beginning of year	9,575,879	669,783
CASH - End of year	4,286,282	9,575,879
 Cash Consists of:		
Cash (bank indebtedness)	3,266,659	106,335
Restricted cash	1,019,623	9,469,544
	4,286,282	9,575,879

Montana First Nation
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2021

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	Equity in CMHC Reserve	2021	2020
	\$	\$	\$	\$	\$	\$	\$
BALANCE, Beginning of Year	(2,055,274)	19,801,268	3,086,587	856,437	743,511	22,432,529	22,539,467
Excess of revenue over expenditures	9,558,965	-	1,142,911	61,792	-	10,763,668	(106,938)
Current years funds advanced to (from) subsidiaries	(275,218)	-	275,218	-	-	-	-
Current years funds used for tangible capital assets	(11,551,764)	11,551,764	-	-	-	-	-
Annual amortization expense	1,773,347	(1,773,347)	-	-	-	-	-
Long-term liabilities repaid	(143,046)	143,046	-	-	-	-	-
Transfer	(42,447)	-	-	-	42,447	-	-
Change in accumulated surplus	(680,163)	9,921,463	1,418,129	61,792	42,447	33,196,197	(106,938)
BALANCE, End of Year	(2,735,437)	29,722,731	4,504,716	918,229	785,958	33,196,197	22,432,529

Montana First Nation
Consolidated Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2021

	Land \$	Automotive \$	Buildings \$	Equipment \$	Infrastructure \$	2021 \$	2020 \$
COST							
BALANCE, Beginning of Year	14,600	1,219,383	28,546,529	2,172,090	16,218,282	48,170,884	48,035,837
Acquisition of tangible capital assets	-	569,920	2,221,600	10,500	8,749,744	11,551,764	1,525,538
Disposal of tangible capital assets	-	-	-	-	-	-	(1,390,491)
Balance, End of Year	14,600	1,789,303	30,768,129	2,182,590	24,968,026	59,722,648	48,170,884
ACCUMULATED AMORTIZATION:							
BALANCE, Beginning of Year	-	1,006,610	21,934,527	1,545,717	2,765,081	27,251,935	27,386,251
Annual amortization	-	148,874	386,140	128,186	1,110,147	1,773,347	1,256,175
Accumulated amortization on disposals	-	-	-	-	-	-	(1,390,491)
Balance, End of Year	-	1,155,484	22,320,667	1,673,903	3,875,228	29,025,282	27,251,935
NET BOOK VALUE	14,600	633,819	8,447,462	508,687	21,092,798	30,697,366	20,918,949
2020 NET BOOK VALUE	14,600	212,773	6,612,002	626,373	13,453,201	20,918,949	

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, 2021

	ISC Revenue \$	Other \$	2021 Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2020 Surplus (Deficit) \$
Administration	812,314	763,278	1,575,592	3,356,254	(1,780,662)	(1,330,634)
Akamihk Community Development Society	-	174,920	174,920	276,694	(101,774)	147,916
Alberta Government Programs	-	373,391	373,391	373,391	-	218,838
Capacity Consultation	-	830,813	830,813	280,036	550,777	375,000
Canada Mortgage and Housing Corporation	-	75,218	75,218	81,086	(5,868)	124,072
Community Services and Elders	-	292,026	292,026	292,026	-	(14,138)
Covid - 19	3,888,519	(471,935)	3,416,584	2,711,584	705,000	-
Economic Development	183,968	8,749,744	8,933,712	183,968	8,749,744	964,162
Education - Community School	34,200	(34,200)	-	-	-	-
Education - Post Secondary	455,141	(123,919)	331,222	331,222	-	(149)
Education - Summer Students	265,037	(200,579)	64,458	64,458	-	-
Health Services	-	624,232	624,232	529,312	94,920	-
Housing	166,870	328,385	495,255	706,032	(210,777)	(776,251)
Indigenous Skills and Employment Training Strategy	-	312,835	312,835	312,835	-	-
Other Programs	-	-	-	-	-	170,822
Parent Child Assistance	-	70,677	70,677	70,677	-	-
Preventative Social Services	1,647,076	(379,940)	1,267,136	1,267,136	-	9,364
Public Works	3,762,049	(405,870)	3,356,179	1,798,574	1,557,605	(49,470)
Social Services	3,796,134	(987,817)	2,808,317	2,808,317	-	(102,369)
	15,011,308	9,991,259	25,002,567	15,443,602	9,558,965	(262,837)

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, 2021

	2021 \$	2020 \$
EXPENDITURES		
Amortization	1,768,772	1,232,174
Bad debts	-	191,990
Bank charges and short term interest	27,414	171,055
Materials, goods and utilities	794,238	581,506
Professional fees	316,766	287,467
Program costs	7,580,109	4,478,783
Repairs and maintenance	1,056,851	2,685,973
Training	539,317	911,671
Travel	95,511	326,414
Wages and employee benefits	3,264,624	2,357,848
	15,443,602	13,224,881

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

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)
- Akamihk Kanataskiy Ventures Ltd. (AKV)
- Akamihk Energy Incorporated. (AEI)

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

**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, 2021

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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible and intangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the revenue and expenses in the years in which they become known. 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.

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

3. RESTRICTED CASH

	2021 \$	2020 \$
Trust Funds		
Band Capital	401,705	395,389
Band Revenue	516,523	461,048
First Nation Development Fund	101,395	502,837
<u>CIBC savings account</u>	<u>8,110,270</u>	
	1,019,623	9,469,544

Restricted cash represents funds on deposit that must be used for specific expenditures and projects.

4. ACCOUNTS RECEIVABLE

	2021 \$	2020 \$
Government Agencies		
Indigenous Services Canada	280,626	98,782
First Nation Development Fund	237,941	-
Alberta Government	590,878	122,817
Health Canada	-	101,694
Trust Funds	889,475	735,800
Akamihk Energy Incorporated	932,744	-
Other receivables	962,920	479,818
	3,894,584	1,538,911

Akamihk Energy Incorporated is a company owned by Montana First Nation.

5. INVESTMENTS

Investments represent a guaranteed investment certificate that matures in October, 2021 and earns interest at 0.45%.

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

6. INVESTMENT IN FIRST NATIONS CONTROLLED ENTITIES

	2021	2020
	\$	\$
Colchester Holdings Ltd. - 100% interest		
Shares	5	5
Advances	2,765,134	2,993,344
Accumulated deficit in earnings	(12,446)	-
	2,752,693	2,993,349
1560750 Alberta Ltd. (Bobtail) - 100% interest		
Shares	5	5
Advances	79,995	79,995
Accumulated deficit in earnings	(122,352)	(88,088)
	(42,352)	(8,088)
Akamihk Kanataskiy Ventures Ltd. (AKV)- 100% interest		
Shares	100	-
Advances	350,000	-
Accumulated surplus in earnings	1,259,693	-
	1,609,793	-
Akamihk Energy Incorporated (AEI) - 100% interest		
Advances	250,000	-
Accumulated deficit in earnings	(65,418)	-
	184,582	-
	4,504,716	2,985,261

Unaudited financial information for each of the entities for their respective March 31, 2021 years ended are as follows:

	Assets	Liabilities	Revenues	Net Earnings (Loss)
	\$	\$	\$	\$
Colchester Holdings Ltd.	2,786,088	2,798,529	208,718	(12,446)
1560750 Alberta Ltd. (Bobtail)	2,150	124,497	386,735	(34,264)
Akamihk Kanataskiy Ventures Ltd. (AKO)	2,347,126	1,087,333	4,977,971	1,260,741
Akamihk Energy Incorporated (AEI)	193,878	259,296	7,823	(65,418)

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

7. DEFERRED CONTRIBUTIONS

	2021	2020
	\$	\$
Aboriginal Skills and Employment Training		
First Nation Childcare Initiative	-	122,214
Administration		
Planning risk management - ISC (Q32N-001)	32,420	47,448
Alberta Government Programs		
Climate leadership - solar	-	7,817,000
Alberta Labour - AEI	359,121	523,538
Capacity Consultation	3,021,671	1,437,225
Covid - ISC	471,935	-
Education - Community School - ISC (Q2FR-001)	34,200	-
Education - Post Secondary - ISC (Q29A-001)	125,180	-
Education - Summer Student - ISC (????)	200,579	-
Health Canada		
Aboriginal headstart on reserve	279,199	96,271
Canada prenatal nutrition	33,171	16,180
Communicable disease emergencies	3,935	-
Child oral health initiative	105,022	54,000
Maternal child health	126,836	102,150
Mental health crisis management	771,469	-
HIV / Aids	23,337	-
Medical transportation	70,749	-
Administrative support	78,580	-
Housing		
Indigenous Services Canada		
Lot servicing	-	220,303
Recovery	-	82,382
Indigenous Skills and Employment Training		
CRF	121,639	-
FNICCI	4,769	-
IELCC	145,454	-
Job Corp.	413,878	-
Other Programs	1,163,528	-
Parent Child Assistance	242,677	163,354
Preventative social services		
Indigenous Services Canada		
Community based initiative (Q2BW-001)	471,188	326,207
Capacity building (Q2HD-001)	254,959	-
Public Works		
Indigenous Services Canada		
Preparedness mitigation (Q3FO-001 and Q3FO-002)	214,131	-
Waste transfer station (Q3OF-001)	104,744	-
Master infrastructure plan (Q32N-001)	119,913	-
Social		
Indigenous Services Canada		
Social	236,497	-
Social Assistance and Employment Training (Q2A0-001)	28,692	-
Pre Employment Sport Program	1,865,826	1,069,011
	11,125,299	12,077,283

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8. 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.

9. ACCOUNTS PAYABLE

	2021	2020
	\$	\$
Trade	909,954	1,313
Wages, salaries and source deductions	105,502	8,514
<u>Due to REA</u>	<u>264,864</u>	<u>264,864</u>
	1,280,320	274,691

Trade payables include \$400,000 to Akamihk Kanataskiy Ventures Ltd., a company owned by Montana First Nation.

10. OBLIGATIONS UNDER CAPITAL LEASE

	2021				2020
	Total	Deferred Finance	Current Portion	Long-Term Portion	
	\$	\$	\$	\$	\$
Brandt tractor lease	279,273	2,069	277,204	-	277,205

The lease payable to Brandt Tractor Ltd. is due May 2021 and is repayable in monthly installments of \$3,564, with a residual payment of \$275,710. The lease includes interest charged at 4.50% and is secured by equipment with a net book value of \$170,490.

Interest paid on obligations under capital lease was \$12,441 (2020 - \$14,498).

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

	\$
2022	279,272

11. 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, has no fixed terms of repayment and bears interest at 2.7% annually.

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12. LONG-TERM LIABILITIES

	2021	2020
	\$	\$
Mortgage repayable in monthly instalments of \$2,455 including interest at 7.25%, secured by a Ministerial Guarantee, maturing June 1, 2021	58,983	75,374
Mortgage repayable in monthly instalments of \$1,315 including interest at 7.25%, secured by a Ministerial Guarantee, maturing September 1, 2021	51,780	64,105
Mortgage repayable in monthly instalments of \$1,525 including interest at 4.79%, secured by a Ministerial Guarantee, maturing April 1, 2021	74,009	88,422
Mortgage repayable in monthly instalments of \$1,516 including interest at 7.25%, secured by a Ministerial Guarantee, maturing April 1, 2021	74,185	86,596
Mortgage repayable in monthly instalments of \$1,832 including interest at 7.25%, secured by a Ministerial Guarantee, maturing April 1, 2021	102,206	116,338
Mortgage repayable in monthly instalments of \$1,684 including interest at 7.25%, secured by a Ministerial Guarantee, maturing May 1, 2021	104,825	117,065
Mortgage repayable in monthly instalments of \$3,876 including interest at 7.25%, secured by a Ministerial Guarantee, maturing September 1, 2021	231,443	263,010
	697,431	810,910

Interest paid on long-term liabilities amounted to \$56,886 (2020 - \$41,453) during the year.

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

	\$
2022	125,952
2023	129,190
2024	123,330
2025	118,425
2026	102,387
2027 and thereafter	98,147
	697,431

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13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2021 \$	2020 \$
Tangible capital assets (Schedule 2)	59,722,648	48,170,884
Accumulated amortization (Schedule 2)	(29,025,282)	(27,251,935)
Long-term liabilities (Note 12)	(697,431)	(810,910)
<u>Obligations under capital lease (Note 10)</u>	(277,204)	(306,771)
	29,722,731	19,801,268

14. EQUITY IN ENTERPRISE FUND

	2021 \$	2020 \$
Balance, beginning of year	3,086,587	2,996,473
Surplus from subsidiary companies	1,142,911	94,821
<u>Advances to (from) controlled entities</u>	275,218	(4,707)
Balance, end of year	4,504,716	3,086,587

15. EQUITY IN TRUST FUNDS

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	395,389	461,048	856,437
Royalties	-	26,691	26,691
Interest	-	6,512	6,512
Other revenue	6,316	22,273	28,589
Balance, end of year	401,705	516,524	918,229

16. ACCUMULATED SURPLUS

	2021 \$	2020 \$
Unrestricted surplus (deficit)	(2,735,437)	(2,055,274)
Equity in tangible capital assets	29,722,731	19,801,268
Equity in enterprise fund	4,504,716	3,086,587
Equity in trust funds	918,229	856,437
<u>Equity in CMHC replacement reserve</u>	785,958	743,511
	33,196,197	22,432,529

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17. RELATED PARTY TRANSACTIONS

Nature of Relationship

Colchester Holdings Ltd., 1560750 Alberta Ltd., Akamihk Energy Incorporated and Akamihk Kanataskiy Ventures Ltd. are related by the fact that all are owned by Montana First Nation.

Revenue

During the year the Montana First Nation recorded revenue of \$932,744 from Akamihk Energy Incorporated for work done, by Montana First Nation, related to the Solar Farm.

Consulting Expense

During the year the Montana First Nation paid fees in the amount of \$400,000 to Akamihk Kanataskiy Ventures Ltd. for subcontract work done.

These transactions were in the normal course of operations and were measured at the exchange amount.

18. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the Nation and its operations is too uncertain to be estimated at this time. As a result, we are unable to estimate the potential impact on the Nation's operations as at the date of these financial statements.