

**Montana First Nation  
Consolidated Financial Statements  
March 31, 2023**

# **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*

Director of Finance

Edward Cheung, 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, 2023, 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, 2023, 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

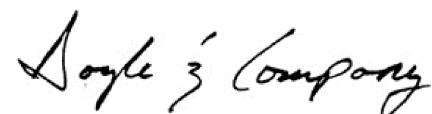
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control.
- Evaluate the appropriateness of accounting policies 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.

November 6, 2023, 2023  
11210 - 107 Avenue NW  
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

**Montana First Nation**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2023**

	2023 \$	2022 \$
<b>FINANCIAL ASSETS</b>		
Cash	14,080,585	9,988,959
Restricted cash (Note 3)	1,713,104	1,092,476
Accounts receivable (Note 4)	1,869,912	4,222,573
Investments (Note 5)	4,639,275	3,578,345
Investment in First Nation controlled enterprises (Note 6)	9,643,176	7,658,273
	<b>31,946,052</b>	26,540,626
<b>LIABILITIES</b>		
Accounts payable (Note 8)	174,104	595,688
Deferred contributions (Note 9)	21,149,227	17,746,041
Bank loan (Note 10)	493,193	418,774
Long-term liabilities (Note 11)	418,336	566,477
	<b>22,234,860</b>	19,326,980
<b>NET FINANCIAL ASSETS</b>	<b>9,711,192</b>	7,213,646
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	35,796,545	34,246,359
Prepaid expenses	59,618	12,056
	<b>35,856,163</b>	34,258,415
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 16)</b>	<b>45,567,355</b>	41,472,061

Approved by:

*Original Signed By* \_\_\_\_\_ Chief

*Original Signed By* \_\_\_\_\_ Band Administrator

*Original Signed By* \_\_\_\_\_ Director of Finance

**Montana First Nation**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2023**

	2023 Budget \$	2023 Actual \$	2022 Actual \$
<b>REVENUE</b>			
Indigenous Services Canada	2,047,426	12,871,714	14,474,836
Aboriginal Skills and Employment Training Strategy	-	579,841	245,547
Canada Mortgage and Housing Corporation	-	117,274	5,790,699
First Nation Development Fund	436,120	595,300	475,000
Health Canada	1,388,650	2,850,966	2,424,323
Interest income	-	292,335	215,582
Other revenue	1,017,497	2,861,866	4,683,282
Revenue deferred from previous period	-	17,746,041	11,125,299
Revenue deferred to subsequent period	-	(21,149,227)	(17,746,041)
	<b>4,889,693</b>	<b>16,766,110</b>	21,688,527
<b>EXPENDITURES</b>			
Administration	1,477,617	4,096,737	3,663,515
Covid - 19	-	54,142	1,051,335
Economic Development	145,584	965,034	183,968
Housing	-	208,718	174,422
Public Works	-	2,007,201	1,541,187
Education - Summer Students	-	61,616	60,636
Special Projects	-	560,480	2,168,962
Food Security	-	5,756	27,276
Education - Post Secondary	279,367	348,217	361,306
Social Services	-	3,019,631	2,756,470
Assisted Living	-	16,740	-
Pre-Employment Support Program	-	108,124	-
Indigenous Skills and Employment Training	-	451,593	457,468
Consultation	231,677	226,443	211,621
Community Benefits	-	82,327	476,073
Community Services and Elders	228,400	377,616	399,491
Alberta Government Programs	-	389,256	142,000
Own Source Revenue	-	243,392	-
Canada Mortgage and Housing Corporation	-	52,866	63,073
Parent Child Assistance	204,167	58,954	69,383
Job Corp.	-	-	827,756
Honouring Life	-	12,247	-
Education - Community School	-	-	34,200
Preventative Social Services	-	244,777	226,120
Akamihk Community Development Society	-	190,596	243,070
Health Services	1,160,360	1,120,517	647,271
	<b>3,727,172</b>	<b>14,902,980</b>	15,786,603
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>1,162,521</b>	<b>1,863,130</b>	5,901,924

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, 2023**

	<b>2023</b> \$	<b>2022</b> \$
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>4,095,294</b>	8,275,864
Acquisition of tangible capital assets	(3,566,037)	(5,721,389)
Proceeds on disposal of tangible capital assets	-	274,680
Amortization of tangible capital assets	2,015,851	1,949,714
Gain on disposal of capital assets	-	(51,998)
	<b>(1,550,186)</b>	(3,548,993)
Acquisition of prepaid assets	(59,618)	(12,056)
Use of prepaid assets	12,056	5,119
	<b>(47,562)</b>	(6,937)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>2,497,546</b>	4,719,934
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>7,213,646</b>	2,493,712
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>9,711,192</b>	7,213,646

**Montana First Nation**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2023**

	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and customers	22,521,957	27,981,279
Cash paid to suppliers	(12,185,041)	(12,224,866)
	<b>10,336,916</b>	15,756,413
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in long-term liabilities	(148,141)	(130,953)
Decrease in obligations under capital lease	-	(277,203)
Increase in bank loan	74,419	47,162
	<b>(73,722)</b>	(360,994)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(3,566,037)	(5,721,389)
Proceeds on disposal of capital assets	-	274,680
Decrease (increase) in investment on controlled entities	(1,984,903)	(3,153,557)
	<b>(5,550,940)</b>	(8,600,266)
<b>INCREASE IN CASH DURING THE YEAR</b>	<b>4,712,254</b>	6,795,153
<b>CASH - Beginning of year</b>	<b>11,081,435</b>	4,286,282
<b>CASH - End of year</b>	<b>15,793,689</b>	11,081,435
<b>Cash Consists of:</b>		
Cash	14,080,585	9,988,959
Restricted cash	1,713,104	1,092,476
	<b>15,793,689</b>	11,081,435

**Montana First Nation**  
**Schedule of Changes in Accumulated Surplus - Schedule 1**  
**For the year ended March 31, 2023**

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	Equity in CMHC Reserve	2023	2022
	\$	\$	\$	\$	\$	\$	\$
<b>BALANCE, Beginning of Year</b>	(1,535,470)	33,679,882	7,508,273	991,081	828,295	41,472,061	33,196,197
Excess of revenue over expenditures	1,863,130	-	2,134,902	97,262	-	4,095,294	8,275,864
Current years funds used for tangible capital assets	(3,566,037)	3,566,037	-	-	-	-	-
Annual amortization expense	2,015,851	(2,015,851)	-	-	-	-	-
Long-term liabilities repaid	(148,142)	148,142	-	-	-	-	-
Transfer	(42,549)	-	-	-	42,549	-	-
Change in accumulated surplus	122,253	1,698,328	2,134,902	97,262	42,549	45,567,355	8,275,864
<b>BALANCE, End of Year</b>	(1,413,217)	35,378,210	9,643,175	1,088,343	870,844	45,567,355	41,472,061

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, 2023**

	Land \$	Automotive \$	Buildings \$	Equipment \$	Infrastructure \$	2023 \$	2022 \$
<b>COST</b>							
<b>BALANCE, Beginning of Year</b>	<b>14,600</b>	<b>1,867,741</b>	<b>36,275,506</b>	<b>1,812,715</b>	<b>25,098,865</b>	<b>65,069,427</b>	<b>59,734,638</b>
Acquisition of tangible capital assets	-	198,747	2,898,952	-	468,338	3,566,037	5,721,389
Disposal of tangible capital assets	-	-	-	-	-	-	(386,600)
<b>Balance, End of Year</b>	<b>14,600</b>	<b>2,066,488</b>	<b>39,174,458</b>	<b>1,812,715</b>	<b>25,567,203</b>	<b>68,635,464</b>	<b>65,069,427</b>
<b>ACCUMULATED AMORTIZATION:</b>							
<b>BALANCE, Beginning of Year</b>	<b>-</b>	<b>1,353,043</b>	<b>22,959,207</b>	<b>1,577,679</b>	<b>4,933,139</b>	<b>30,823,068</b>	<b>29,037,272</b>
Annual amortization	-	194,077	814,687	45,593	961,494	2,015,851	1,949,714
Accumulated amortization on disposals	-	-	-	-	-	-	(163,918)
<b>Balance, End of Year</b>	<b>-</b>	<b>1,547,120</b>	<b>23,773,894</b>	<b>1,623,272</b>	<b>5,894,633</b>	<b>32,838,919</b>	<b>30,823,068</b>
<b>NET BOOK VALUE</b>	<b>14,600</b>	<b>519,368</b>	<b>15,400,564</b>	<b>189,443</b>	<b>19,672,570</b>	<b>35,796,545</b>	<b>34,246,359</b>
<b>2022 NET BOOK VALUE</b>	14,600	514,698	13,316,299	235,036	20,165,726	34,246,359	

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, 2023**

	ISC Revenue \$	Other \$	2023 Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2022 Surplus (Deficit) \$
Administration	706,616	1,385,108	2,091,724	4,096,737	(2,005,011)	(1,686,675)
Akamihk Community Development Society	-	194,566	194,566	190,596	3,970	7,145
Alberta Government Programs	-	389,256	389,256	389,256	-	-
Assisted Living	154,930	-	-	-	-	-
Consultation	15,000	211,443	226,443	226,443	-	-
Canada Mortgage and Housing Corporation	-	132,767	132,767	52,866	79,901	76,887
Community Benefits	-	469,839	469,839	82,327	387,512	1,988,926
Community Services and Elders	-	377,616	377,616	377,616	-	-
Covid - 19	234,768	(180,626)	54,142	54,142	-	-
Economic Development	965,034	-	965,034	965,034	-	474,230
Education - Post Secondary	403,545	(55,328)	348,217	348,217	-	-
Education - Summer Students	-	61,616	61,616	61,616	-	-
Food Security	-	5,756	5,756	5,756	-	-
Health Services	-	1,234,771	1,234,771	1,120,517	114,254	-
Housing	166,870	41,848	208,718	208,718	-	-
Indigenous Skills and Employment Training Strategy	-	451,593	451,593	451,593	-	-
Own Source Revenue	-	461,625	461,625	243,392	218,233	1,610,091
Parent Child Assistance	-	58,954	58,954	58,954	-	-
Pre-Employment Support Program	954,000	-	-	-	-	954,000
Preventative Social Services	1,272,298	(1,027,521)	244,777	244,777	-	-
Public Works	1,530,699	476,502	2,007,201	2,007,201	-	82,732
Special Projects	3,311,595	313,156	3,624,751	560,480	3,064,271	3,348,588
Social Services	3,156,359	(136,728)	3,019,631	3,019,631	-	(954,000)
	<b>12,871,714</b>	<b>4,866,213</b>	<b>16,628,997</b>	<b>14,765,869</b>	<b>1,863,130</b>	<b>5,901,924</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, 2023**

	<b>2023</b> \$	<b>2022</b> \$
<b>EXPENDITURES</b>		
Amortization	<b>2,011,837</b>	1,949,714
Bank charges and short term interest	<b>22,387</b>	13,662
Materials, goods and utilities	<b>797,435</b>	2,704,430
Professional fees	<b>1,411,836</b>	255,584
Program costs	<b>6,448,085</b>	6,934,390
Repairs and maintenance	<b>455,363</b>	707,617
Training	<b>626,507</b>	589,428
Travel	<b>472,867</b>	323,637
Wages and employee benefits	<b>2,656,663</b>	2,308,141
	<b>14,902,980</b>	15,786,603

# **Montana First Nation**

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

### **March 31, 2023**

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#### **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, 2023**

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**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, 2023**

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**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, 2023**

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**3. RESTRICTED CASH**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trust Funds		
Band Capital	443,055	417,114
Band Revenue	645,288	573,967
First Nation Development Fund	<u>624,761</u>	101,395
	<b>1,713,104</b>	1,092,476

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

**4. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
	\$	\$
Government Agencies		
Indigenous Services Canada	-	1,085,226
First Nation Development Fund	140,001	475,000
Alberta Government	199,150	1,183,938
Canada Housing and Mortgage Corporation	-	71,009
Trust Funds	889,475	889,475
Other receivables	<u>641,286</u>	517,925
	<b>1,869,912</b>	4,222,573

**5. INVESTMENTS**

	<b>2023</b>	<b>2022</b>
	\$	\$
CIBC Guaranteed Investment Certificates	3,650,819	3,578,345
BMO Private Banking	<u>988,456</u>	-
	<b>4,639,275</b>	3,578,345

CIBC investments represent a guaranteed investment certificate that matures in October, 2023 and earns interest at 0.90%.

BMO investments represents the fair market value of fixed income and equity portfolio investments.

**Montana First Nation**  
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**6. INVESTMENT IN FIRST NATIONS CONTROLLED ENTITIES**

	2023	2022
	\$	\$
<b>Colchester Holdings Ltd. - 100% interest</b>		
Shares	5	5
Advances	2,698,568	2,812,345
Accumulated deficit in earnings	(955)	(955)
	<b>2,697,618</b>	2,811,395
<b>Akamihk Kanataskiy Ventures Ltd. (AKV) - 100% interest</b>		
Shares	100	100
Advances	350,000	350,000
Accumulated surplus in earnings	4,854,469	3,827,153
	<b>5,204,569</b>	4,177,253
<b>Akamihk Energy Incorporated (AEI) - 100% interest</b>		
Advances	1,012,906	1,012,906
Accumulated surplus (deficit) in earnings	515,202	(343,281)
	<b>1,528,108</b>	669,625
<b>MFN Management - 100% interest</b>		
Shares	100	-
Accumulated deficit in earnings	212,780	-
	<b>212,880</b>	-
	<b>9,643,175</b>	7,658,273

Unaudited financial information for each of the entities for their respective March 31, 2023 years ended are as follows:

	Assets \$	Liabilities \$	Revenues \$	Net Earnings \$
Colchester Holdings Ltd.	2,780,084	2,781,034	125,725	-
Akamihk Kanataskiy Ventures Ltd. (AKO)	8,252,832	3,398,263	5,849,570	1,027,316
Akamihk Energy Incorporated (AEI)	1,565,275	1,050,073	2,515,802	1,058,483
MFN Management Inc.	418,205	205,325	592,948	212,780

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**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.

**8. ACCOUNTS PAYABLE**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade	50,418	476,339
Wages, salaries and source deductions	123,686	119,349
	<b>174,104</b>	<b>595,688</b>

**9. DEFERRED CONTRIBUTIONS**

	<b>2023</b>	<b>2022</b>
	\$	\$
Administration		
Indigenous Services Canada (Q40L-001)	4,956	78,750
Alberta Government Programs		
Alberta Labour - AEI	550,336	644,592
Assisted Living - ISC (Q411-001)	298,751	-
Consultation	97,293	49,765
Community benefits	2,659,081	2,945,287
Covid - ISC (Q23X-001, Q3V9-001)	1,427,167	1,246,541
Education - Post Secondary - ISC (Q29A-001-002)	276,692	217,987
Education - Summer Student - ISC (Q26G-001-002)	78,327	139,943
Food Security - ISC (Q3ST-001)	186,968	192,724
Health Canada		
Indigenous Services Canada		
Clinical & client care (Q243-001)	56,645	-
Health planning & management (Q30P & Q40K)	247,096	-
Home & community care (Q40F)	177,341	-
Healthy child development (Q	1,162,824	-
Mental wellness (Q21G)	1,805,679	1,518,172
Aboriginal headstart on reserve (Q22K-001-002)	-	314,543
Canada prenatal nutrition (Q22G-001-002)	-	37,211
Communicable disease emergencies (Q23U-001)	101,114	9,209
Child oral health initiative (Q02U-001-002)	-	159,022
Maternal child health (Q22I-001)	-	184,682
HIV / AIDS (Q23Z-001-002)	-	37,020
Aboriginal diabetes initiative (Q40D, Q221)	55,625	-
Medical transportation (Q01D, Q01O)	230,824	144,626
Administrative support (Q30P-001-003)	-	81,516
Environment health (Q40H)	19,000	-

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**9. DEFERRED CONTRIBUTIONS - continued**

	<b>2023</b> \$	<b>2022</b> \$
Honouring Life	215,624	-
Indigenous Skills and Employment Training		
CRF	148,303	167,377
IELCC	410,551	263,229
Parent Child Assistance - Government of Alberta	118,173	173,294
Preventative Social Services		
Indigenous Services Canada		
Community based initiative (Q2BW-001)	679,954	475,787
Capacity building (Q2HD-001)	245,960	245,960
CFS prevention (Q2C3-001)	836,757	-
Public Works		
Indigenous Services Canada		
Waste water feasibility (Q351-001)	69,126	80,000
Special Projects		
Indigenous Services Canada		
Emergency management assistance preparedness (Q3FO-001)	92,858	92,858
Waste transfer station (Q3OF-001)	608,802	1,077,140
Admin building repair (Q3CK-001)	1,658,650	497,850
Drainage study (Q3SO-001)	99,652	99,652
Comprehensive community plan (Q32N-001)	90,000	139,013
Master infrastructure plan (Q32N-001)	211,041	98,029
5 Unit renovations (Q3XK-001)	240,000	240,000
Pet food feasibility	-	32,000
CMHC 20 new homes	-	2,511,441
Construction (QA1A-001)	1,185,000	-
Wastewater feasibility (Q351-001)	231,595	-
Land use planning (Q3B2-001)	90,000	-
Lot servicing (QA1C-001)	97,221	-
Social Services		
Indigenous Services Canada		
Social (Q29W)	768,250	665,903
Social Assistance and Employment Training (Q2A0-001)	-	114,803
Pre Employment Support Program (Q2AK, Q2AL, Q2AM)	3,615,991	2,770,115
	<b>21,149,227</b>	<b>17,746,041</b>

**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, has no fixed terms of repayment and bears interest at 6.95% annually.

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**11. LONG-TERM LIABILITIES**

	<b>2023</b>	<b>2022</b>
	\$	\$
Mortgage repayable in monthly instalments of \$2,587 including interest at 2.51%, secured by a Ministerial Guarantee, maturing April 1, 2023	<b>2,582</b>	32,888
Mortgage repayable in monthly instalments of \$1,209 including interest at 1.94%, secured by a Ministerial Guarantee, maturing September 1, 2024	<b>24,936</b>	38,811
Mortgage repayable in monthly instalments of \$1,483 including interest at 1.99%, secured by a Ministerial Guarantee, maturing October 1, 2024	<b>41,960</b>	58,743
Mortgage repayable in monthly instalments of \$1,449 including interest at 2.19%, secured by a Ministerial Guarantee, maturing October 1, 2025	<b>43,625</b>	59,864
Mortgage repayable in monthly instalments of \$1,633 including interest at 2.49%, secured by a Ministerial Guarantee, maturing October 1, 2026	<b>68,603</b>	86,257
Mortgage repayable in monthly instalments of \$1,684 including interest at 3.19%, secured by a Ministerial Guarantee, maturing April 1, 2027	<b>74,998</b>	91,681
Mortgage repayable in monthly instalments of \$3,389 including interest at 2.25%, secured by a Ministerial Guarantee, maturing September 1, 2026	<b>161,632</b>	198,233
	<b>418,336</b>	566,477

Interest paid on long-term liabilities amounted to \$12,972 (2022 - \$28,582) during the year.

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

	\$
2024	<b>124,042</b>
2025	<b>120,710</b>
2026	<b>94,896</b>
2027	<b>71,889</b>
2028	<b>6,799</b>
	<b>418,336</b>

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**12. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2023</b>	<b>2022</b>
	\$	\$
Tangible capital assets (Schedule 2)	68,635,465	65,069,427
Accumulated amortization (Schedule 2)	(32,838,919)	(30,823,068)
Long-term liabilities (Note 11)	(418,336)	(566,477)
	<b>35,378,210</b>	33,679,882

**13. EQUITY IN ENTERPRISE FUND**

	<b>2023</b>	<b>2022</b>
	\$	\$
Balance, beginning of year	7,508,273	4,504,716
Surplus from subsidiary companies	2,134,902	2,301,088
Advances to (from) controlled entities	-	702,469
Balance, end of year	<b>9,643,175</b>	7,508,273

**14. EQUITY IN TRUST FUNDS**

	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>
	\$	\$	\$
Balance, beginning of year	417,114	573,967	991,081
Royalties	25,941	71,321	97,262
Balance, end of year	<b>443,055</b>	<b>645,288</b>	<b>1,088,343</b>

**15. ACCUMULATED SURPLUS**

	<b>2023</b>	<b>2022</b>
	\$	\$
Unrestricted surplus (deficit)	(1,413,217)	(1,535,470)
Equity in tangible capital assets	35,378,210	33,679,882
Equity in enterprise fund	9,643,175	7,508,273
Equity in trust funds	1,088,343	991,081
Equity in CMHC replacement reserve	870,844	828,295
	<b>45,567,355</b>	41,472,061

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**16. 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 donation revenue of \$nil (2022 - \$203,721) from Akamihk Energy Incorporated.

During the year the Montana First Nation recorded donation revenue of \$587,476 from Akamihk Kanataskiy Ventures Ltd.

During the year the Montana First Nation recorded interest income of \$36,223 (2022 - \$197,211) from Colchester Holdings Ltd.

**Consulting Expense**

During the year the Montana First Nation paid fees in the amount of \$nil (2022 - \$166,574) 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.

**17. CONTINGENT LIABILITIES**

(a) There has been a claim filed related to a dispute over funds owed for services provided. The claim is for \$150,000 plus additional damages and costs. Based on currently available information, the assessed risk is low.

(b) There has been a claim filed for a wrongful termination. The claim is for \$66,000 plus additional damages and costs. Based on currently available information, the assessed risk is low.