

**Montana First Nation
Consolidated Financial Statements
March 31, 2024**

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 consolidated 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

Qualified 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, 2024, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Montana First Nation as at March 31, 2024, 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 Qualified Opinion

Canadian Public Sector Accounting Standards ("PSAS") Section PS 3280 Asset Retirements Obligations ("ARO") which was adopted by the Nation as of April 1, 2022 requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The Nation has not identified ARO liabilities as of March 31, 2024 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities, net financial assets, tangible capital assets, accumulated surplus, expenses, annual surplus and change in net financial assets for the years-ended March 31, 2024 and 2023, and accumulated surplus as of April 1, 2022 and March 31, 2023 and 2024.

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

INDEPENDENT AUDITORS' REPORT - continued

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 consolidated 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 consolidated 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.
- 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.

September 12, 2024
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1

Doyle & Company
Chartered Professional Accountants

Montana First Nation
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023 Restated (Note 20)
	\$	\$
FINANCIAL ASSETS		
Cash	18,161,190	14,080,585
Restricted cash (Note 3)	443,985	1,713,104
Accounts receivable (Note 4)	5,434,489	4,446,548
Investments (Note 5)	9,345,046	4,639,275
Investment in First Nation controlled enterprises (Note 6)	9,999,781	9,643,175
	43,384,491	34,522,687
LIABILITIES		
Accounts payable (Note 8)	2,853,125	174,104
Deferred contributions (Note 9)	25,978,873	21,149,227
Bank loan (Note 10)	3,749,001	3,069,829
Long-term liabilities (Note 11)	294,885	418,336
	32,875,884	24,811,496
NET FINANCIAL ASSETS	10,508,607	9,711,191
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	36,061,536	35,796,545
Prepaid expenses	208,829	59,619
	36,270,365	35,856,164
ACCUMULATED SURPLUS (Schedule 1 and Note 16)	46,778,972	45,567,355

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, 2024

	2024 Budget \$	2024 Actual \$	2023 Actual \$
REVENUE			
Indigenous Services Canada	2,202,996	12,805,605	13,664,419
Aboriginal Skills and Employment Training Strategy	-	4,994,928	579,841
Canada Mortgage and Housing Corporation	-	338,602	117,274
First Nation Development Fund	547,120	512,472	595,300
Health Canada	1,373,590	2,437,243	2,058,261
Trust Funds			
Capital	-	213,300	-
Interest income	-	750,952	292,335
Other revenue	1,798,977	3,824,852	2,861,866
Revenue deferred from previous period	-	21,149,227	17,746,041
Revenue deferred to subsequent period	-	(25,978,875)	(21,149,227)
	5,922,683	21,048,306	16,766,110
EXPENDITURES			
Administration	1,740,457	2,308,031	2,091,724
Akamihk Community Development Society	-	331,046	190,596
Alberta Government Programs	-	516,806	389,256
Assisted Living	-	42,900	16,740
Canada Mortgage and Housing Corporation	-	266,890	52,866
Community Benefits	-	31,417	82,327
Community Services and Elders	290,000	600,416	377,616
Consultation	245,880	311,696	226,443
Economic Development	145,584	2,092,846	965,034
Education - Post Secondary	389,937	398,863	348,217
Education - Summer Students	-	119,949	61,616
Emergency Response	-	92,410	54,142
Food Security	-	-	5,756
Health Services	1,340,914	1,371,090	1,120,517
Honouring Life	-	23,624	12,247
Housing	-	259,744	208,718
Indigenous Skills and Employment Training	-	533,751	451,593
Own Source Revenue	-	-	243,392
Parent Child Assistance	74,031	9,594	58,954
Pre-Employment Support Program	-	309,623	108,124
Preventative Social Services	-	762,192	244,777
Public Works	-	1,682,261	2,007,201
Skills Partnership Fund	-	633,399	-
Social Services	-	3,045,518	3,019,631
Special Projects	-	2,429,816	560,480
	4,226,803	18,173,882	12,897,967
Excess of Revenue Over Expenditures			
Before Other Revenue (Expenditures)	1,695,880	2,874,424	3,868,143
Other Revenue (Expenditures)			
Unrealized gains (losses) on remeasurement (Note 5)	-	673,808	-
Amortization	-	(2,048,863)	(2,005,013)
EXCESS OF REVENUE OVER EXPENDITURES	1,695,880	1,499,369	1,863,130

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, 2024

	2024 \$	2023 \$
EXCESS OF REVENUES OVER EXPENDITURES	1,211,617	4,095,294
Acquisition of tangible capital assets	(2,313,853)	(3,566,037)
Amortization of tangible capital assets	2,048,862	2,015,851
	(264,991)	(1,550,186)
Acquisition of prepaid assets	(208,828)	(59,618)
Use of prepaid assets	59,618	12,055
	(149,210)	(47,563)
INCREASE IN NET FINANCIAL ASSETS	797,416	2,497,545
NET FINANCIAL ASSETS, BEGINNING OF YEAR	9,711,191	7,213,646
NET FINANCIAL ASSETS, END OF YEAR	10,508,607	9,711,191

Montana First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and customers	24,890,011	22,521,957
Cash paid to suppliers	(15,258,016)	(11,124,111)
	9,631,995	11,397,846
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in long-term liabilities	(123,451)	(148,141)
Increase in bank loan	679,172	74,419
	555,721	(73,722)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(2,313,853)	(3,566,037)
Increase in investments	(4,705,771)	(1,060,930)
Decrease (increase) in investment on controlled entities	(356,606)	(1,984,903)
	(7,376,230)	(6,611,870)
INCREASE IN CASH DURING THE YEAR	2,811,486	4,712,254
CASH - Beginning of year	15,793,689	11,081,435
CASH - End of year	18,605,175	15,793,689
 Cash Consists of:		
Cash	18,161,190	14,080,585
Restricted cash	443,985	1,713,104
	18,605,175	15,793,689

Montana First Nation
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2024

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Enterprise Fund \$	Equity in Trust Funds \$	Equity in CMHC Reserve \$	2024 \$	2023 \$
BALANCE, Beginning of Year	(1,413,217)	35,378,210	9,643,175	1,088,343	870,844	45,567,355	41,472,061
Excess of revenue over expenditures	1,499,369	-	356,606	37,248	-	1,893,223	4,095,294
Restricted funds used for operations	-	-	-	(681,606)	-	(681,606)	-
Current years funds used for tangible capital assets	(2,313,853)	2,313,853	-	-	-	-	-
Annual amortization expense	2,048,862	(2,048,862)	-	-	-	-	-
Long-term liabilities repaid	(123,450)	123,450	-	-	-	-	-
Transfer	(67,048)	-	-	-	67,048	-	-
Change in accumulated surplus	1,043,880	388,441	356,606	(644,358)	67,048	1,211,617	4,095,294
BALANCE, End of Year	(369,337)	35,766,651	9,999,781	443,985	937,892	46,778,972	45,567,355

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, 2024

	Land \$	Automotive \$	Buildings \$	Equipment \$	Infrastructure \$	2024 \$	2023 \$
COST							
BALANCE, Beginning of Year	14,600	2,066,488	39,174,458	1,812,715	25,567,203	68,635,464	65,069,427
Acquisition of tangible capital assets	-	-	1,370,201	-	943,652	2,313,853	3,566,037
Balance, End of Year	14,600	2,066,488	40,544,659	1,812,715	26,510,855	70,949,317	68,635,464
ACCUMULATED AMORTIZATION:							
BALANCE, Beginning of Year	-	1,547,120	23,773,894	1,623,272	5,894,633	32,838,919	30,823,068
Annual amortization	-	152,992	832,462	36,107	1,027,301	2,048,862	2,015,851
Balance, End of Year	-	1,700,112	24,606,356	1,659,379	6,921,934	34,887,781	32,838,919
NET BOOK VALUE	14,600	366,376	15,938,303	153,336	19,588,921	36,061,536	35,796,545
2023 NET BOOK VALUE	14,600	519,368	15,400,564	189,443	19,672,570	35,796,545	

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, 2024

	ISC Revenue \$	Other \$	2024 Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2023 Surplus (Deficit) \$
Administration	719,160	1,575,867	2,295,027	2,308,031	(13,004)	2
Akamihk Community Development Society	-	187,212	187,212	331,046	(143,834)	3,970
Alberta Government Programs	-	516,806	516,806	516,806	-	-
Assisted Living	160,809	(117,909)	42,900	42,900	-	-
Canada Mortgage and Housing Corporation	-	390,340	390,340	266,890	123,450	79,901
Community Benefits	-	31,417	31,417	31,417	-	387,512
Community Services and Elders	-	600,416	600,416	600,416	-	-
Consultation	-	311,696	311,696	311,696	-	-
Economic Development	1,861,107	231,739	2,092,846	2,092,846	-	-
Education - Post Secondary	356,850	42,013	398,863	398,863	-	-
Education - Summer Students	181,980	(62,031)	119,949	119,949	-	-
Emergency Response	59,341	33,069	92,410	92,410	-	-
Health Services	-	1,355,707	1,355,707	1,371,090	(15,383)	114,254
Honouring Life	-	23,624	23,624	23,624	-	-
Housing	173,200	86,544	259,744	259,744	-	-
Indigenous Skills and Employment Training Strategy	-	533,751	533,751	533,751	-	-
Own Source Revenue	-	609,342	609,342	-	609,342	218,233
Parent Child Assistance	-	9,594	9,594	9,594	-	-
Pre-Employment Support Program	-	309,623	309,623	309,623	-	-
Preventative Social Services	2,121,931	(1,359,739)	762,192	762,192	-	-
Public Works	1,588,772	93,489	1,682,261	1,682,261	-	-
Skills Partnership Fund	-	2,003,600	2,003,600	633,399	1,370,201	-
Social Services	3,399,807	(354,289)	3,045,518	3,045,518	-	-
Special Projects	2,182,648	1,190,820	3,373,468	2,429,816	943,652	3,064,271
	12,805,605	8,242,701	21,048,306	18,173,882	2,874,424	3,868,143

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, 2024

	2024 \$	2023 \$
EXPENDITURES		
Bank charges and short term interest	10,816	22,387
Materials, goods and utilities	880,961	797,435
Professional fees	228,680	1,411,836
Program costs	11,806,046	6,448,085
Repairs and maintenance	607,428	455,363
Training	657,819	626,507
Travel	608,895	472,867
Wages and employee benefits	3,373,237	2,663,491
	18,173,882	12,897,967

Montana First Nation

Notes to the Consolidated Financial Statements

March 31, 2024

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 "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.
- Akamihk Kanataskiy Ventures Ltd. (AKV)
- Akamihk Energy Incorporated. (AEI)
- MFN Management Inc.
- Killarney Lake Solar LP
- Akamihk Health Care Services Inc.

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

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

(c) Revenue Recognition

Government transfers and grant revenue are recognized as the Nation 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, 2024

**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. Cash subject to external restriction that prevents its use for current purposes is included in restricted cash.

(h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period.

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.

(i) 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.

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, 2024

3. RESTRICTED CASH

	2024	2023
	\$	\$
Trust Funds		
Band Capital	443,985	443,055
Band Revenue	645,288	
First Nation Development Fund	- 624,761	
	443,985	1,713,104

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

4. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Government Agencies		
Indigenous Services Canada	431,938	-
First Nation Development Fund	512,472	140,001
Alberta Government	105,000	199,150
Trust Funds	409,963	889,475
Legal fee loan	3,749,001	3,069,829
Other receivables	226,115	148,093
	5,434,489	4,446,548

Legal fee loan will be paid by the Federal Government of Canada upon successful settlement of their TLE lawsuit. If the lawsuit is unsuccessful, the Nation has an insurance policy that will pay out the loan.

5. INVESTMENTS

	2024	2023
	\$	\$
CIBC Guaranteed Investment Certificates	3,787,773	3,650,819
BMO Private Banking	5,557,273	988,456
	9,345,046	4,639,275

CIBC investments represent a guaranteed investment certificate that matures on October 7, 2024 and earns interest at 3.15%.

BMO investments represents the fair market value of fixed income and equity portfolio investments. The amount of unrealized gains included in these fair values are 673,808 (2023 - \$nil). The difference between the opening and closing unrealized amounts is \$673,808 and has been recorded to income.

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

6. INVESTMENT IN FIRST NATIONS CONTROLLED ENTITIES

	2024	2023
	\$	\$
Colchester Holdings Ltd. - 100% interest		
Shares	5	5
Advances	2,785,289	2,698,568
Accumulated deficit in earnings	(955)	(955)
	2,784,339	2,697,618
Akamihk Kanataskiy Ventures Ltd. (AKV) - 100% interest		
Shares	100	100
Advances	350,000	350,000
Accumulated surplus in earnings	3,916,558	4,854,469
	4,266,658	5,204,569
Akamihk Energy Incorporated (AEI) - 100% interest		
Advances	1,012,906	1,012,906
Accumulated surplus in earnings	1,141,414	515,202
	2,154,320	1,528,108
MFN Management - 100% interest		
Shares	100	100
Accumulated surplus in earnings	185,981	212,780
	186,081	212,880
Killarney Lake Solar Limited Partnership - 100% interest		
Accumulated deficit in earnings	(187)	-
Akamihk Health Care Services Inc. - 100% interest		
Accumulated deficit in earnings	(284,653)	-
Akamihk Child and Family Services Society - 100% interest		
Accumulated surplus in earnings	893,223	-
	9,999,781	9,643,175

Montana First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

6. INVESTMENT IN FIRST NATIONS CONTROLLED ENTITIES - continued

Unaudited financial information for each of the entities for their respective year ends are as follows:

	Assets \$	Liabilities \$	Revenues \$	Net Earnings \$
Colchester Holdings Ltd.	2,833,093	2,834,043	172,086	-
Akamihk Kanataskiy Ventures Ltd. (AKO)	14,101,169	10,184,511	12,538,551	168,381
Akamihk Energy Incorporated (AEI)	2,424,480	1,283,066	3,506,800	826,211
MFN Management Inc.	678,096	492,015	1,436,774	(26,799)
Killarney Lake Solar LP	18,435,545	16,817,732	-	(187)
Akamihk Health Care Services Inc.	106,895	391,548	10,727	(284,653)
Akamihk Child and Family Services Society	1,414,472	1,151,762	6,575,787	390,157

7. BANK INDEBTEDNESS

The 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

	2024 \$	2023 \$
Trade	2,483,659	50,418
Wages, salaries, and source deductions	369,466	123,686
	2,853,125	174,104

Montana First Nation
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9. DEFERRED CONTRIBUTIONS

	Opening Balance \$	Contributions Received \$	Revenue Recognized \$	Ending Balance \$
Administration				
Indigenous Services Canada (QZ9Q)	4,956	33,350	4,956	33,350
Alberta Government Programs				
Alberta Labour - AEI	550,336	460,455	516,806	493,985
Assisted Living - ISC (Q411-001)	298,751	160,809	42,900	416,660
Consultation	97,293	341,305	311,696	126,902
Community benefits	2,659,081	718,767	31,418	3,346,430
Emergency Response				
(Q23X, Q3V9, Q3YZ, Q3AU)	1,427,167	59,341	92,410	1,394,098
Education - Post Secondary - ISC				
(Q40Z)	276,692	356,850	397,947	235,595
Education Summer Student - ISC				
(Q26G & Q26F)	78,327	181,980	119,949	140,358
Food Security - ISC (Q3ST)	186,968	-	-	186,968
Health Canada				
Indigenous Services Canada				
Clinical & client care				
Primary health nurse vehicle (Q243)	50,000	-	-	50,000
Healthy child development &				
PH nurses (Q40E & Q40I)	6,645	302,558	175,690	133,513
Health planning & management				
(Q300 & Q40K)	247,096	182,391	86,860	342,627
Home & community care (Q40F)	177,341	250,156	248,568	178,929
Healthy child development				
(Q40E, Q40B, Q22K, Q02U)	1,162,824	539,201	186,091	1,515,934
Mental wellness (Q21G, Q40C)	1,805,679	841,924	386,346	2,261,257
Communicable disease (Q23U)	101,114	41,053	4,105	138,062
Aboriginal diabetes initiative				
(Q40D, Q221)	55,625	59,228	23,953	90,900
Medical transportation (Q01D, Q01O)	230,824	216,546	196,692	250,678
Environment health (Q40H, Q23C)	19,000	19,569	1,956	36,613
Honouring Life	215,624	-	23,624	192,000
Indigenous Skills and Employment Training				
CRF	148,303	200,272	219,276	129,299
IELCC	410,551	245,718	119,789	536,480
SPF	-	4,354,252	2,003,600	2,350,652
Own source revenue	-	132,227	-	132,227
Parent Child Assistance - Gov't of AB	118,173	-	9,594	108,579
Preventative Social Services				
Indigenous Services Canada				
Community based initiative (Q2BW)	-	-	-	-
Least disruptive measures (Q2C3)	1,516,711	1,157,052	340,542	2,333,221
Capacity building (Q2HD)	245,960	-	500	245,460
CFS renovation (QA1U)	-	546,929	-	546,929

Montana First Nation
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9. DEFERRED CONTRIBUTIONS - continued

	Opening Balance \$	Contributions Received \$	Revenue Recognized \$	Ending Balance \$
Public Works				
Indigenous Services Canada				
Other community O&M (Q40T)	-	1,238,862	1,017,666	221,196
Waste water feasibility (Q351)	69,126	-	69,126	-
Special Projects				
Indigenous Services Canada				
Emergency management				
assistance preparedness (Q3FO)	164,420	-	-	164,420
Waste transfer station (Q30F)	608,802	500,000	1,013,146	95,656
Admin building repair (Q3CK)	1,087,714	-	264,434	823,280
Drainage study (Q3SO)	99,652	-	99,652	-
Community plan (Q32N)	90,000	-	58,482	31,518
Master infrastructure plan (Q32N)	211,041	-	127,984	83,057
5 Unit renovations (QA1B)	240,000	480,000	360,000	360,000
Waste water feasibility	231,595	-	124,881	106,714
Housing Capacity (QA1D)	215,000	91,610	-	306,610
Construction (QA1A)	1,185,000	-	-	1,185,000
Wastewater feasibility (Q351)	231,595	-	231,595	-
Land use planning (Q3B2)	90,000	-	32,250	57,750
Lot servicing (QA1C)	150,000	-	-	150,000
Social Services				
Indigenous Services Canada				
Social (QZA0)	768,250	-	723,465	44,785
Income assistance (Q410)	-	3,390,689	2,295,876	1,094,813
Pre-Employment Support Program (Q2AK, Q2AL, Q2AM)	3,615,991	-	309,623	3,306,368
	21,149,227	17,103,094	12,273,448	25,978,873

10. BANK LOAN

Montana First Nation has two loans from RBC for the purpose of paying legal fees in an ongoing treaty land entitlement and cows & plows negotiation.

This loan has no due date, has no fixed terms of repayment and bears interest at prime plus 0.5% (7.7%) annually.

Montana First Nation
Notes to the Consolidated Financial Statements
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11. LONG-TERM LIABILITIES

	2024	2023
	\$	\$
Mortgage repayable in monthly instalments of \$2,587 including interest at 2.51%, secured by a Ministerial Guarantee, maturing April 1, 2023	-	2,582
Mortgage repayable in monthly instalments of \$1,209 including interest at 1.94%, secured by a Ministerial Guarantee, maturing September 1, 2024	10,790	24,936
Mortgage repayable in monthly instalments of \$1,483 including interest at 1.99%, secured by a Ministerial Guarantee, maturing October 1, 2024	24,840	41,960
Mortgage repayable in monthly instalments of \$1,449 including interest at 2.19%, secured by a Ministerial Guarantee, maturing October 1, 2025	27,029	43,625
Mortgage repayable in monthly instalments of \$1,633 including interest at 2.49%, secured by a Ministerial Guarantee, maturing October 1, 2026	50,506	68,603
Mortgage repayable in monthly instalments of \$1,684 including interest at 3.19%, secured by a Ministerial Guarantee, maturing April 1, 2027	57,517	74,998
Mortgage repayable in monthly instalments of \$3,389 including interest at 2.25%, secured by a Ministerial Guarantee, maturing September 1, 2026	124,203	161,632
	294,885	418,336

Interest paid on long-term liabilities amounted to \$8,606 (2023 - \$12,972) during the year.

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

	\$
2025	120,708
2026	94,880
2027	72,513
2028	6,784
	294,885

Montana First Nation
Notes to the Consolidated Financial Statements
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12. ASSET RETIREMENT OBLIGATION

The Nation owns buildings which were constructed at a time in which they may reasonably be expected to contain asbestos, and therefore require specific treatment and remediation to remove, renovate, or demolish in accordance with laws and regulations. This requirement gives rise to an obligation at such a time when the material would be disturbed. At this point in time, a reasonable estimate of the potential obligation cannot be determined and has therefore not been included in these consolidated financial statements.

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024 \$	2023 \$
Tangible capital assets (Schedule 2)	70,949,317	68,635,464
Accumulated amortization (Schedule 2)	(34,887,781)	(32,838,919)
<u>Long-term liabilities (Note 11)</u>	(294,885)	(418,336)
	35,766,651	35,378,209

14. EQUITY IN ENTERPRISE FUND

	2024 \$	2023 \$
Balance, beginning of year	9,643,175	7,508,273
<u>Surplus (deficit) from subsidiary companies</u>	356,606	2,134,902
<u>Balance, end of year</u>	9,999,781	9,643,175

15. EQUITY IN TRUST FUNDS

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	443,055	645,288	1,088,343
<u>Royalties</u>	930	36,318	37,248
	443,985	681,606	1,125,591
<u>Trust fund draws</u>	-	681,606	681,606
<u>Balance, end of year</u>	443,985	-	443,985

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16. ACCUMULATED SURPLUS

	2024	2023
	\$	\$
Unrestricted surplus (deficit)	(369,337)	(1,413,217)
Equity in tangible capital assets	35,766,651	35,378,209
Equity in enterprise fund	9,999,781	9,643,175
Equity in trust funds	443,985	1,088,343
Equity in CMHC replacement reserve	937,892	870,844
	46,778,972	45,567,354

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 donation revenue of \$316,094 (2023 - \$587,476) from Akamihk Kanataskiy Ventures Ltd.

During the year the Montana First Nation recorded interest income of \$86,721 (2023 - \$36,223) from Colchester Holdings Ltd.

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

18. FINANCIAL INSTRUMENTS

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.

Liquidity Risk

Liquidity risk is the risk that the Nation will encounter difficulty meeting its obligations associated with financial liabilities. The Nation is exposed to the risk in respect of its receipt from funding agencies, customers, and other sources, accounts payable, and long-term debt.

Montana First Nation
Notes to the Consolidated Financial Statements
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19. CONTINGENT LIABILITIES

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.

20. RESTATED PRIOR YEARS FIGURES

We restated the 2023 statement of financial position to include a loan from ATB in the amount of \$2,576,636. The proceeds of this loan were used to cover legal costs related to TLE negotiations.

As this loan will be repaid upon successful settlement of the TLE claim. The same amount of the loan has been included in the accounts receivables.