

AOHKII (2018) Ltd.
Financial Statements
For the year ended March 31, 2021
(Unaudited - see Notice to Reader)

Notice To Reader

On the basis of information provided by management we have compiled the statement of financial position of AOHKII (2018) Ltd. as at March 31, 2021 and the statements of income and other comprehensive income and changes in equity for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

The firm MNP LLP is not independent of the Company as prior to compiling the financial statements of the Company, we performed bookkeeping services, which included the preparation of journal entries.

Lethbridge, Alberta

May 18, 2021


MNP LLP

Chartered Professional Accountants

AOHKII (2018) Ltd.
Statement of Financial Position
As at March 31, 2021
(Unaudited - see Notice to Reader)

	<u>2021</u>	<u>2020</u>
Assets		
Current		
Cash	5,212,711	3,929,987
Trade and other receivables	1,929	-
Goods and Services Tax receivable	172,824	-
Notes receivable <i>(Note 1)</i>	125,000	-
Current portion of long-term notes receivable <i>(Note 2)</i>	171,000	171,000
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	5,683,464	4,100,987
Property, plant and equipment <i>(Note 3)</i>	11,443,055	4,374,093
Investments	24,674	24,674
Notes receivables <i>(Note 4)</i>	237,000	408,000
Investment in Alberta Timothy Marketing Corporation <i>(Note 5)</i>	-	64,000
Investment in Kainai Forage Limited Partnership <i>(Note 6)</i>	1,181,098	2,473,357
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	18,569,291	11,445,111
Liabilities		
Current		
Trade and other payables <i>(Note 7)</i>	581,818	81,867
Goods and Services Tax payable	-	48,575
Holdback payable - pivot expansion	476,538	-
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	1,058,356	130,442
Long-term debt <i>(Note 8)</i>	2,200,000	-
Deferred revenue	-	1,485,251
Advances from related parties	-	628,818
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	3,258,356	2,244,511
Equity		
Retained earnings	11,760,555	5,650,220
Contributed surplus	3,550,380	3,550,380
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	15,310,935	9,200,600
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	18,569,291	11,445,111

Approved on behalf of the Board of Trustees



 Trustee



 Trustee

AOHKII (2018) Ltd.
Statement of Income and Other Comprehensive Income
For the year ended March 31, 2021
(Unaudited - see Notice to Reader)

	2021	2020
Revenue		
Lease revenue	5,752,199	5,222,848
Community land lease	1,154,763	1,067,523
Band revenue	-	595,000
Other revenue	182,730	225,573
Straw sales	142,196	154,140
	7,231,888	7,265,084
Expenses		
Head lease	2,188,516	1,481,443
Professional fees	298,579	622,503
Repairs and maintenance	441,271	580,211
Salaries, wages and benefits	772,856	891,806
Insurance	118,672	268,027
Utilities	142,999	128,412
Automotive	53,877	89,260
Board travel, training, and honouraria	95,261	86,612
Donations	-	57,986
Interest on long-term debt	28,353	45,078
Office	58,579	74,876
Bad debts	-	24,342
Training and education	10,592	18,825
Travel	10,113	10,485
Interest and bank charges	16,547	10,402
Rental	-	4,151
Amortization	633,781	574,030
	4,869,996	4,968,449
Income from operations	2,361,892	2,296,635
Other income (expense)		
Share of loss from investment in Kainai Forage Limited Partnership	(1,292,259)	(1,077,023)
Share of earnings (loss) from investment in Alberta Timothy Marketing Corporation	-	(281,233)
Management fees	-	250,000
Grant revenue	2,753,778	-
Gain on disposal of property, plant and equipment	29,664	-
	1,491,183	(1,108,256)
Income and other comprehensive income for the year	3,853,075	1,188,379

AOHKII (2018) Ltd.
Statement of Changes in Equity
For the year ended March 31, 2021
(Unaudited - see Notice to Reader)

	<i>2021</i>	<i>2020</i>
Retained earnings, beginning of year	5,650,220	4,128,145
Income and other comprehensive income for the year	3,853,075	1,188,379
Dividends	(250,000)	(310,000)
Equity transfer from 709204 Alberta Ltd.	2,507,260	643,696
Retained earnings, end of year	11,760,555	5,650,220

AOHKII (2018) Ltd.
Notes to the Financial Statements
For the year ended March 31, 2021
(Unaudited - see Notice to Reader)

1. Notes receivable

Notes receivable consist of the following:

	2021	2020
Note receivable - API note bearing interest, payable April 2021.	125,000	-

2. Current portion of long-term notes receivable

	2021	2020
Degenstein Farms note 1 - equipment sale	105,000	105,000
Degenstein Farms note 2 - equipment sale	66,000	66,000
	171,000	171,000

3. Property, plant and equipment

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings	840,930	370,318	470,612	495,381
Automotive	865,024	648,525	216,499	186,898
Computer equipment	254,886	208,553	46,333	65,288
Equipment	19,381,171	8,940,789	10,440,382	3,623,035
Furniture and fixtures	-	-	-	3,491
Road improvements	283,399	14,170	269,229	-
	21,625,410	10,182,355	11,443,055	4,374,093

4. Notes receivables

	2021	2020
Degenstein Farms note 1 - equipment sale. Repayable in annual instalments of \$105,000 plus interest, due 2023.	105,000	210,000
Degenstein Farms note 2 - equipment sale. Repayable in annual instalments of \$66,000 plus interest, due 2024.	132,000	198,000
	237,000	408,000

AOHKII (2018) Ltd.
Notes to the Financial Statements
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5. Investment in Alberta Timothy Marketing Corporation

	2021	2020
Alberta Timothy Marketing Corporation (50% ownership interest)		
Opening Balance	64,000	792,904
Advances (repayment of advances)	(64,000)	(447,671)
Share of earnings (loss) from investment	-	(281,233)
	-	64,000

The share of loss has been calculated up to March 31, 2021.

6. Investment in Kainai Forage Limited Partnership

	2021	2020
Kainai Forage Limited Partnership (50.9995% ownership interest)		
Contribution - initial investment	3,550,380	3,550,380
Share of loss from investment - 2020	(1,077,023)	(1,077,023)
Share of loss from investment - 2021	(1,292,259)	-
	1,181,098	2,473,357

The share of loss has been calculated up to March 31, 2021.

7. Trade and other payables

	2021	2020
Trade accounts payable and other payables	581,818	81,867

Trade and other payables includes \$536,902 which relate to payables of the pivot expansion.

8. Long-term debt

	2021	2020
BMO pivot expansion loan. Loan was taken to assist with the construction of the new pivot expansion project. Payments are interest only. Once the system is tested, works and the project is in use the loan will be converted from a construction loan to a term loan at which time payments, interests and loan terms will be determined.	2,200,000	-