

Siksika Nation
Combined Financial Statements
For the year ended March 31, 2020

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Management's Responsibility for the Combined Financial Statements

The accompanying combined financial statements of Siksika Nation (the "Nation") are the responsibility of management and have been approved by Chief and Council.

These combined financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada, except as described in Note 2a basis of accounting and Note 2b principles of combination. Management is responsible for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the combined financial statements.

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express an opinion on the combined financial statements. The external auditors have access to Chief and Council as well as financial management of the Nation and meet when required.

On behalf of Siksika Nation:

"signed" Ouray Crowfoot

Chief

"signed" Tracy McHugh

Councillor

Independent Auditor's Report

To the Chief and Council of Siksika Nation

Opinion

We have audited the combined financial statements of Siksika Nation operating entities (the "Nation"), which comprise the combined statement of financial position as at March 31, 2020 and the combined statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Nation as at March 31, 2020, and its combined results of operations, changes in combined net financial assets and its combined cash flows for the year then ended in accordance with the financial framework as described in note 2a basis of accounting and note 2b principles of combination.

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 Combined 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 combined 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 25 to the combined financial statements, which explains that certain comparative information for the year ended March 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2a and 2b of the combined financial statements, which describes the basis of accounting and principles of combination. The combined financial statements are prepared to assist management in complying with the financial reporting requirements of the Indigenous Services Canada Handbook. As a result, the combined financial statements may not be suitable for another purpose. Our opinion is not modified for this matter. Our report is intended solely for Chief and Council of the Siksika Nation and should not be used by parties other than the Chief and Council of the Siksika Nation.

Other Matters

Siksika Nation has also prepared a set of consolidated financial statements for the year ended March 31, 2020 in accordance with Canadian public sector accounting standards. These combined financial statements include only the operating entities of Siksika Nation, and do not include the trust entities which are considered passive. Our audit report on the other set of consolidated financial statements was issued to the Chief and Council of Siksika Nation and was dated November, 2020.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation of these combined financial statements in accordance with the financial reporting framework as described in note 2a basis of accounting and note 2b principles of combination, this includes determining that the described framework is an acceptable basis for the preparation of the combined financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

In preparing the combined financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or 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 Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 combined 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 combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the combined 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.

BDO Canada LLP

Chartered Professional Accountants
Calgary, Alberta
January 18, 2021

Siksika Nation
Combined Statement of Financial Position

March 31	2020	2019
		(Restated Note 25)
Financial assets		
Cash and cash equivalents	\$ 36,704,335	\$ 23,562,807
Restricted cash (Note 3)	4,033,887	4,033,891
Temporary investments (Note 4)	47,353	6,892,967
Accounts receivable (Note 5)	15,741,906	18,104,367
Loans receivable (Note 6)	2,116,830	2,250,830
Inventory for resale	4,600	16,012
Funds held in trust (Note 7)	16,413,074	15,133,933
Investment in and advances to Nation business entities (Note 8)	<u>24,205,467</u>	<u>31,791,187</u>
	<u>99,267,452</u>	<u>101,785,994</u>
Liabilities		
Accounts payable and accruals (Note 9)	10,161,518	10,368,492
Deferred revenue (Note 10)	12,891,363	14,699,918
Long-term debt (Note 12)	<u>33,366,808</u>	<u>32,990,748</u>
	<u>56,419,689</u>	<u>58,059,158</u>
Net financial assets	<u>42,847,763</u>	<u>43,726,836</u>
Non-financial assets		
Tangible capital assets (Note 13)	224,217,854	222,088,265
Prepaid expenses	986,337	799,335
Inventory for consumption	<u>280,000</u>	<u>280,000</u>
	<u>225,484,191</u>	<u>223,167,600</u>
Accumulated surplus (Note 14)	\$ 268,331,954	\$ 266,894,436
Commitments (Note 15)		
Contingent liabilities (Note 16)		

Approved on behalf of Chief and Council:

"signed" Ouray Crowfoot

Chief

"signed" Tracy McHugh

Councillor

Siksika Nation
Combined Statement of Operations and Accumulated Surplus

For the year ended March 31	Budget 2020 (Note 22)	2020	2019 (Restated Note 25)
Revenue			
Indigenous Services Canada	\$ 51,335,030	\$ 59,571,044	\$ 57,759,996
Band capital funds (Note 10)	-	370,848	616,699
Band revenue funds (Note 10)	1,754,062	2,806,002	3,956,001
Trust funds earned (disbursed) (Note 10)	-	1,279,141	(1,479,393)
First Nation Inuit Health Branch	13,116,992	13,941,704	11,133,593
Canada Mortgage and Housing Corporation	1,107,316	1,320,390	1,119,923
Community Futures Treaty Seven	2,295,894	2,871,797	3,037,799
Fee for service	5,737,287	2,137,261	2,173,214
First Nation Development Fund	160,787	1,167,622	1,352,472
Grants (Note 18)	16,212,183	24,167,484	26,401,175
Insurance proceeds	-	333,541	936,563
Interest income	105,540	2,317,418	1,729,709
Land taxes and land use fees	496,313	1,941,882	1,797,910
Other	2,388,346	2,509,981	2,152,377
Rental income	696,127	923,785	994,870
Retail sales	375,000	423,374	389,609
Trust distributions	-	6,355,744	6,850,837
	95,780,877	124,439,018	120,923,354
Expenses (Notes 19 and 25)			
Administration	1,866,892	1,905,196	1,817,226
Economic development	385,500	850,273	2,630,101
Education and adult education	26,953,673	28,847,660	29,049,991
Family services	37,441,336	30,017,408	28,958,915
Health services	18,257,330	19,919,801	16,860,569
Housing society	7,009,228	9,398,365	8,343,214
Justice	1,254,606	1,176,276	1,268,546
Land management	1,163,319	1,139,811	1,251,810
Major projects and council initiatives	5,720,457	6,444,306	6,473,049
Membership	778,817	4,589,049	1,456,209
Public works	3,079,404	5,088,099	5,928,792
Treasury	6,509,752	10,055,853	9,004,366
	110,420,314	119,432,097	113,042,788
Annual surplus (deficit) before other items	(14,639,437)	5,006,921	7,880,566
Loss from business enterprises (Note 8)	-	(3,569,403)	(8,435,470)
Annual surplus (deficit)	(14,639,437)	1,437,518	(554,904)
Accumulated surplus, beginning of year	266,894,436	266,894,436	267,449,340
Accumulated surplus, end of year (Note 14)	\$ 252,254,999	\$ 268,331,954	\$ 266,894,436

Siksika Nation
Combined Statement of Changes in Net Financial Assets

For the year ended March 31	Budget 2020 (Note 22)	2020	2019 (Restated Note 25)
Annual surplus (deficit)	\$ (14,639,437)	\$ 1,437,518	\$ (554,904)
Acquisition of tangible capital assets, net	- (13,294,152)	(26,958,770)	
Amortization of tangible capital assets	- 11,164,563	10,531,448	
Change in prepaid expenses	- (187,002)	(68,843)	
 Change in net financial assets	 (14,639,437)	 (879,073)	 (17,051,069)
 Net financial assets, beginning of year	 <u>43,726,836</u>	 <u>43,726,836</u>	 <u>60,777,905</u>
 Net financial assets, end of year	 <u>\$ 29,087,399</u>	 <u>\$ 42,847,763</u>	 <u>\$ 43,726,836</u>

Siksika Nation
Combined Statement of Cash Flows

For the year ended March 31	2020	2019
		(Restated Note 25)
Cash provided by (used in):		
Operating activities		
Annual surplus (deficit)	\$ 1,437,518	\$ (554,904)
Non-cash items included in annual surplus		
Amortization	11,164,563	10,531,448
Bad debts	2,270,410	777,691
Loss from business enterprises	3,569,403	8,435,470
Accrued interest revenue	1,034,834	718,413
(Increase) decrease in funds held in trust	<u>(1,279,141)</u>	<u>1,479,393</u>
	18,197,587	21,387,511
Changes in non-cash working capital balances		
Accounts receivable	(808,783)	7,608,464
Prepaid expenses	(187,002)	(68,843)
Accounts payable and accruals	(206,974)	501,697
Deferred revenue	(1,808,555)	373,628
Inventory for resale	<u>11,412</u>	<u>(5,635)</u>
	15,197,685	29,796,822
Capital activities		
Acquisition of tangible capital assets	<u>(13,294,152)</u>	<u>(26,958,770)</u>
Investing activities		
Restricted cash	4	(391,597)
(Purchase) redemptions of temporary investments	6,845,614	(6,010,681)
Repayment of advances to Nation business entities	<u>4,016,317</u>	<u>-</u>
	10,861,935	(6,402,278)
Financing activities		
Advances of long-term debt	1,824,942	983,372
Repayment of long-term debt	<u>(1,448,882)</u>	<u>(3,321,977)</u>
	376,060	(2,338,605)
Increase (decrease) in cash and cash equivalents	13,141,528	(5,902,831)
Cash and cash equivalents, beginning of year	<u>23,562,807</u>	<u>29,465,638</u>
Cash and cash equivalents, end of year	<u>\$ 36,704,335</u>	<u>\$ 23,562,807</u>

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

1. Operations

Siksika Nation operating entities (the "Nation") is located in the province of Alberta, and provides various services to its members. The Nation includes the Nation's members, government and all related entities that are accountable to the Nation that are either owned or controlled by the Nation.

2. Significant accounting policies

a. Basis of accounting

These combined financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of CPA Canada, except as described in Note 2b, and include the following significant accounting policies:

b. Principles of combination

The combined financial statements include the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities which are accounted for on the modified equity basis, and trust accounts and other passive entities controlled by the Nation, which are omitted from these combined financial statements. General purpose financial statements comprising the entire government reporting entity, prepared in accordance with PSAB are available upon request for members of the Nation.

The Nation has combined the assets, liabilities, revenues and expenses of the following entities and departments:

Entities

Health Services
Blackfoot Crossing Historical Park
Board of Education
Family Services
Old Sun Society
Siksika Off Reserve Affordable Housing ("SORAH")

Departments

Administration
Justice
Land Management
Major Projects and Council Initiatives
Membership
Public Works
Treasury
Adult Education
Housing Society

All inter-entity balances and transactions have been eliminated on combination.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

2. Significant accounting policies (continued)

b. Principles of combination (continued)

Siksika Nation business entities, owned or controlled by the Nation but not dependent on the Nation for their continuing operations, are included in the combined financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

The following entities present combined financial results and are accounted for by the modified equity basis:

- Siksika Resource Developments Ltd. (collectively "SRDL"), which owns directly or indirectly 100% of the following:

Wholly owned subsidiaries:

- Siksika Economic Development Corporation ("SEDCo")
- Siksika Vacation Resort Company Ltd. ("SVRL")
- Siksika Irrigation Land Corporation ("SILC")
- Siksika Environmental Limited Partnership ("SELP")
- Siksika Service Station Ltd. ("SSSL")
- Siksika Energy Resources Corporation ("SERC")
- Siksika Energy Limited Partnership ("SELP") (90% owned by Siksika Energy Resource Trust "SERT", 10% owned by SERC)
- SiksikaTel Inc. ("STEL")
- Siksika Holdings Inc. ("SHI")
- Siksika Holdings GP Inc. ("SHGPL")
- Siksika Nation Holdings GP Ltd. ("SNHGPL")
- Siksika Hospitality Holdings GP Ltd. ("SNHGP")

Unincorporated divisions:

- Siksika Nation Tribal Ranch
- Siksika Nation Arts Co-operative
- Siksika Energy Tribal Farms
- Blackfoot Aggregates

- Siksika Nation Holdings LP ("SNHLP"), which directly owns the following:
 - Siksika Nation Food and Beverage LP
 - Siksika Nation Business Development LP
 - Siksika Nation Industrial Park LP
 - Siksika Herbz LP
 - Siksika Trial Market LP
 - Blackfoot Construction Contracting LP

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

2. Significant accounting policies (continued)

b. Principles of combination (continued)

- Siksika Hospitality Holdings LP ("SHHLP"), which directly owns the following:
 - Siksika Castle Mountain Properties LP
 - Siksika Calgary Airport LP
 - Siksika Edmonton Conference LP
 - Siksika Edmonton Hotel LP
- Siksika Energy Resource Trust, trust where the Nation is the beneficiary

c. Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

d. Cash and cash equivalents

Cash and cash equivalents includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

e. Temporary investments

Temporary investments are short-term investments with initial maturity of more than three months and less than a year and are initially recorded at cost and subsequently accounted for at fair value.

f. Inventory

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value. Inventories held for consumption are recorded at cost. Cost is determined by the weighted average method.

g. Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly related to acquisition, construction, development, or betterment of the asset.

Tangible capital assets are amortized annually using the declining balance method at rates intended to amortize the cost of the assets over their estimated useful lives:

Automotive	33%
Buildings	4%
Computer equipment	33%
Furniture and fixtures	20%
Infrastructure	5%
Machinery	20%
Office and equipment	20%

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

2. Significant accounting policies (continued)

g. Tangible capital assets (continued)

No amortization is provided on construction in progress or sculptures and artwork. Assets under construction are not amortized until the asset is complete.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the combined statement of operations.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

h. Funds held in trust

Trust monies consist of:

- Capital trust monies held by the Government of Canada derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets;
- Future Generation trust monies held by the Government of Canada generated through interest earned on deposits held in trust;

i. Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. As at March 31, 2020, the Nation did not have a liability recorded for contaminated sites.

j. Segmented disclosure

The Nation provides a range of services to its members. For each reporting segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis (Note 26). The accounting policies used in these segments are consistent with those followed in the preparation of the combined financial statements.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

2. Significant accounting policies (continued)

k. Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. When the loss is known with sufficient precision and there is no realistic prospect of recovery the loan receivable is reduced by the amount of the loss. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

l. Revenue recognition

Revenues are recognized in the period in which the transaction occurred or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the combined statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

The Nation recognizes revenues from the Capital Trust and Future Generations Trust when payments are made by the federal government.

The Nation recognizes trust distributions as revenue at the time funds are earned or accrued.

Canada Mortgage and Housing Corporation ("CMHC"), First Nation Inuit Health Branch ("FNIH"), Human Resources Development Canada, Community Futures Treaty Seven and First Nation Development Fund revenues are recognized as they become receivable under the terms of the applicable funding agreements.

Rental revenue is recorded in the period it is earned.

Band revenue, land taxes and land use fees are recorded in the year they are earned and collectibility is reasonably assured.

Other revenue is recognized by the Nation when services are provided or goods are shipped.

m. Pension plan

The Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount based on a set percentage of salary.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

2. Significant accounting policies (continued)

n. Measurement uncertainty

The preparation of combined financial statements in conformity with Canadian public sector accounting standards, except as described in Note 2a basis of accounting and Note 2b principles of combination, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts receivable and loans receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided when considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Payables to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies' review of the combined financial statements.

These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the period in which they become known.

o. Financial instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the combined financial statements. The Nation recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, temporary investments, loans receivable, funds held in trust, investments in and advances to Nation business entities, accounts payable and accrued liabilities, and other liabilities.

Except for temporary investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the combined statement of operations. Interest and dividends attributable to financial instruments are reported in the combined statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the combined statement of operations. A write-down of a temporary investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

3. Restricted cash

	2020	2019
First Nation Finance Authority: Cash deposits	\$ 259,712	\$ 253,287
First Nation Finance Authority: Debt reserve fund	984,310	945,043
Funds held in trust with lawyers	177,976	166,199
Old Sun College: Scholarship fund	31,438	29,248
Siksika Housing Society: Damage deposits	122,323	120,788
Siksika Housing Society: Replacement reserve (Note 11)	956,560	2,375,925
Siksika Housing Society: Operating reserve (Note 11)	1,466,054	109,886
Siksika Off Reserve Housing: Security deposits	<u>35,514</u>	<u>33,515</u>
	\$ 4,033,887	\$ 4,033,891

4. Temporary investments

Investments consist of 1 (2019 - 6) guaranteed investment certificates bearing interest at rates of 1.00% (2019 - 0.70% to 2.25%) maturing in 2020 (2019 - 2020).

5. Accounts receivable

	2020	2019
Indigenous Services Canada	\$ 803,669	\$ 884,186
Government of Alberta	1,830,949	2,783,142
Band revenue	534,581	295,108
Siksika Trust	2,269,590	3,056,590
Siksika Nation business entities (Note 8)	1,614,629	829,634
Land taxes	1,623,537	1,289,481
Siksika Heritage Trust	4,767,029	4,561,982
Health Canada	794,389	1,927,208
Community Futures Treaty 7	62,356	780,630
Government of Canada - 1910 Surrender Claim negotiation funds	586,838	508,102
Other	<u>1,968,955</u>	<u>1,492,825</u>
	16,856,522	18,408,888
Less: Allowance for doubtful accounts	<u>(1,114,616)</u>	<u>(304,521)</u>
	\$ 15,741,906	\$ 18,104,367

6. Loans receivable

	2020	2019
Indian Business Corporation	2,700,000	2,700,000
Less: Allowance for doubtful accounts	<u>(583,170)</u>	<u>(449,170)</u>
	\$ 2,116,830	\$ 2,250,830

This loan portfolio is administered by the Indian Business Corporation to provide loans to Nation members for economic development on the Nation. These loans bear interest at 10% and have various maturity dates. The agreement with Indian Business Corporation expires in May of 2021.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

7. Funds held in trust

Band capital and future generations trust monies ("Ottawa Trust Funds") are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada with the consent of the Nation's Chief and Council.

	2020	2019
Capital Trust		
Balance, beginning of year	\$ 14,497,732	\$ 13,918,873
Additions	<u>982,186</u>	<u>578,859</u>
Balance, end of year	<u>15,479,918</u>	<u>14,497,732</u>
Revenue Trust		
Balance, beginning of year	-	2,393,675
Additions	<u>2,329,310</u>	<u>1,481,891</u>
Less: Transfers to Nation	<u>2,329,310</u>	<u>3,875,566</u>
Balance, end of year	<u>(2,329,310)</u>	<u>(3,875,566)</u>
Future Generations Trust		
Balance, beginning of year	636,201	300,778
Additions	<u>296,955</u>	<u>335,423</u>
Balance, end of year	<u>933,156</u>	<u>636,201</u>
Total band funds held in trust	<u>\$ 16,413,074</u>	<u>\$ 15,133,933</u>

In fiscal 2019, Band Council Resolution ("BCR") #2018-82 was approved by Chief and Council for the Nation to withdraw the monies in the Revenue Trust and maintain them in a separate bank account. Quarterly payments are deposited directly for any funds collected on behalf of the Nation, unless otherwise directed by Chief and Council. As at year end, \$534,581 (2019 - \$295,108) was included in accounts receivable for revenues collected but not yet deposited in the Nation's account.

No withdrawals were made from the Capital Trust and Future Generations Trust in 2020 (2019 - none).

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

8. Investment in and advances to Nation business entities

SRDL was established on May 27, 1997 to hold all of the Nation's investments in for-profit enterprises. The Nation owns 100% of SRDL, who through various investment vehicle's, carries out its mandate.

The Nation's combined investment in these government enterprises is as follows:

Investment in shares	2020	2019
Investment, beginning of year	\$ (3,929,604)	\$ 4,505,866
Loss from operations	(3,569,403)	(8,435,470)
Investment, end of year	<u>\$ (7,499,007)</u>	<u>\$ (3,929,604)</u>
 Advances receivable		
Receivable from Siksika Hospitality Holdings LP	\$ 24,704,474	\$ 28,720,791
Receivable from Siksika Resource Development Ltd.	<u>7,000,000</u>	<u>7,000,000</u>
 Total investment and advances	<u>\$ 24,205,467</u>	<u>\$ 31,791,187</u>

The SHHLP loan ("Hospitality Loan") receivable bears interest at a rate of 1% per annum from the date of advance, being November 30, 2016, to the operations date, being the date on which all of the properties acquired under the project are fully operational, being March 20, 2019. Commencing on the operations date and ending on the maturity date, financing shall bear interest at a rate of 4% per annum, calculated and payable quarterly. The first quarterly payment shall be due and payable at the end of the first fiscal quarter following the commencement date, which is one year from the operations date. The purpose of the Hospitality Loan is to purchase hospitality properties.

Included in interest income is interest earned from the Hospitality Loan of \$1,034,834 (2019 - \$718,413). During the year, a prepayment under section 4(f) of the financing agreement of \$4,016,317 (2019 - \$nil) was made towards the loan as a result of SHHLP no longer proceeding with transactions related to the acquisition of the West Edmonton Conference Centre.

The Siksika Resource Developments Ltd. loan receivable is non-interest bearing, unsecured and repayable in annual payments of \$200,000 over a 35 year period beginning in December 2019, no payments have been received to date.

Included in SRDL's revenue is \$1,241,095 (2019 - \$1,878,502) in sales and service charges to the Nation. These transactions were in the normal course of operations and recorded at the exchange amount and management believes they were on normal commercial terms.

At March 31, 2020, included in accounts receivable is \$1,614,629 (2019 - \$829,634) receivable from SRDL and its subsidiaries (Note 5).

As at March 31, 2020, included in accounts payable and accruals is \$220,347 (2019 - \$160,047) payable to SRDL and its subsidiaries (Note 9).

Funding transfers

During the year, Indigenous Services Canada ("ISC") funding was provided to SRDL and its subsidiaries in the amount of block funding \$326,924 (2019 - \$326,924).

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

8. Investment in and advances to Nation business entities (continued)

Summary of consolidated financial information of SRDL is as follows:

	2020	2019
Assets		
Cash and restricted cash	\$ 10,830,350	\$ 14,447,999
Accounts receivable	2,218,189	4,944,433
Intangible assets	124,878	151,727
Inventory	897,141	1,605,927
Investments	200,928	200,928
Investment in associates	21,076,238	24,505,389
Property, plant and equipment	61,845,940	61,008,200
Prepaid expenses	14,521	65,525
Total assets	97,208,185	106,930,128
Liabilities		
Accounts payable and accruals	2,316,216	3,653,700
Demand loans	59,681,443	62,754,559
Deferred revenue	233,846	233,846
Long-term debt	21,528,801	22,627,061
Finance lease liability	4,931,807	476,725
Decommissioning liability	630,137	4,570,065
Total liabilities	89,322,250	94,315,956
Shareholders equity		
Share capital	13	13
Common control reserve	13,356,369	13,356,369
Contributed surplus	17,408,389	18,567,223
Retained earnings (deficit)	(5,430,882)	4,212,161
Beneficiaries	(17,447,954)	(23,521,594)
Equity	7,885,935	12,614,172
Total liabilities and shareholders equity	\$97,208,185	\$106,930,128
Total revenue	\$ 30,627,651	\$ 20,147,767
Total expenses	34,197,054	28,583,237
Net loss	\$ (3,569,403)	\$ (8,435,470)

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

9. Accounts payable and accruals

	2020	2019
Trade payables	\$ 4,731,678	\$ 5,894,900
Accrued salaries and benefits payable	842,498	626,814
Member distributions payable	2,695,974	2,405,506
Other accrued liabilities	612,441	227,928
Indigenous Services Canada (Note 16)	238,564	292,057
Siksika Resource Developments Ltd. (Note 8)	220,347	160,047
Holdbacks payable	820,016	761,240
	<u>\$ 10,161,518</u>	<u>\$ 10,368,492</u>

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

10. Deferred revenue

	Balance March 31, 2019	Funding Received 2020	Revenue Recognized 2020	Balance March 31, 2020
Federal Government				
Band capital (Note 7)	\$ 1,098,423	\$ -	\$ 370,848	\$ 727,575
Band revenue (Note 7)	476,692	2,329,310	2,806,002	-
First Nation and Inuit Health	759,337	1,682,167	882,560	1,558,944
Capital projects	3,302,373	2,194,878	4,103,005	1,394,246
Education	1,625,094	5,516,086	4,492,550	2,648,630
House renovations	35,061	1,180,250	338,907	876,404
Fire reduction	-	75,000	26,727	48,273
COVID-19	-	524,000	101,615	422,385
CMHC	92,135	39,855	67,447	64,543
Aboriginal language initiative	-	79,500	23,410	56,090
Youth employment strategy	24,988	40,000	51,418	13,570
	<u>\$ 7,414,103</u>	<u>\$ 13,661,046</u>	<u>\$ 13,264,489</u>	<u>\$ 7,810,660</u>
Provincial Government				
Capital projects	\$ 2,328,145	\$ 508,488	\$ 1,069,315	\$ 1,767,318
Victim services	12,393	-	12,393	-
Repatriation	14,196	7,000	14,196	7,000
Child welfare	497,033	155,731	462,764	190,000
Community wellness	248,168	-	248,168	-
Flood recovery	1,240,263	3,261,117	4,501,380	-
First Nations college grant	248,979	640,000	605,677	283,302
Education	1,754,269	-	295,198	1,459,071
Advanced education	631,598	695,196	630,410	696,384
Environmental consultation	-	425,000	356,827	68,173
Health services	10,000	683,959	343,814	350,145
	<u>\$ 6,985,044</u>	<u>\$ 6,376,491</u>	<u>\$ 8,540,142</u>	<u>\$ 4,821,393</u>
Other				
Environmental consultation	\$ -	\$ 150,000	\$ -	\$ 150,000
First Nation Finance Authority	\$ 70,043	\$ 39,267	\$ -	\$ 109,310
Blackfoot confederacy	230,728	-	230,728	-
	<u>\$ 300,771</u>	<u>\$ 189,267</u>	<u>\$ 230,728</u>	<u>\$ 259,310</u>
	<u><u>\$ 14,699,918</u></u>	<u><u>\$ 20,226,804</u></u>	<u><u>\$ 22,035,359</u></u>	<u><u>\$ 12,891,363</u></u>

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

10. Deferred revenue (continued)

Band capital

Funding received from ISC to be used towards programs and development on the Nation.

Band revenue

Funding received from ISC to be used towards programs and development on the Nation.

First Nation and Inuit Health

Funding received from First Nation and Inuit Health is to be used towards the acquisition of moveable capital assets and for the well-being of the Nation members.

Capital projects

Funding received from ISC and grant funding from the Provincial Government for the completion of Capital Projects on the Nation.

Education

Funding received from ISC and Provincial Government for the operation of Crowfoot and Chief Old Sun schools, as well as the First Nation and Inuit Skills Link programs.

House renovations

Funding received from ISC to be used towards house renovations.

Fire reduction

Funding received from ISC to be used towards fire reduction.

COVID-19

Funding received from ISC to be used towards COVID-19 relief efforts.

Aboriginal language initiative

Grant funding received from the federal government to be used towards Aboriginal language initiatives.

Repatriation

Grant funding received from the Provincial Government to be used for the repatriation of Chief Crowfoot's artifacts from the Royal Albert Memorial Museum in the United Kingdom to Blackfoot Crossing Historical Park.

Child welfare program

Grant funding received from the Provincial Government which has been approved for expenditure on a culturally based program in Siksika Child Welfare Services.

Flood recovery

Funding received from the Provincial Government for the flood recovery proceeds shall be used solely to cover costs incurred to purchase modular homes and trailers, manage the operating costs of the New Temporary Neighbourhoods ("NTNs") and costs for the rebuild process from the 2013 flood.

First Nations college grant

Funding received from the Provincial Government to support and sustain an Indigenous adult learning program.

CMHC

Funding received from CMHC to complete various housing projects on the Nation.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

10. Deferred revenue (continued)

Health services

Funding received from the Provincial Government for the well-being of the Nation members.

Community wellness

Funding received from Provincial Government for responding to the Psycho-Social impacts of the June 2013 flood on the Siksika Nation.

Advanced education

Funding received from the Provincial Government to help current students and prospective students learn and develop new skills.

First Nation Finance Authority

Interest revenue earned on the First Nation Finance Authority debt reserve fund that is to be applied to future principal payments.

Environmental consultation

Funding from the Provincial Government and corporations in regards to pipeline construction on Nation lands.

Youth employment strategy

Funding received from ISC to be used towards youth employment strategy.

Blackfoot confederacy

Funding received from the Blackfoot Confederacy Tribal Council to be used towards the First Nation Student Success Program.

Deferred revenue represents conditional grant amounts received which will be taken into revenue in the period in which the conditions related to the respective grant above do not create a liability.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

11. Housing reserves

Under agreements with CMHC, the Nation established the following:

A replacement reserve, established by an annual allocation of \$325,309 (2019 - \$325,309), to ensure adequate funds set aside for future repairs financed by CMHC. At March 31, 2020, the balance of this reserve is \$2,008,720 (2019 - \$2,375,925) which has been set aside to fund this reserve. The underfunded portion at March 31, 2020 was \$nil (2019 - \$nil).

In accordance with terms of the agreements, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation ("CDIC"), or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

For pre 1997 projects

An operating surplus reserve fund is established by retaining excess federal assistance payments received to a maximum of \$500 per unit, plus interest for pre 1997 projects. Reserve funds may be used to meet future operating deficits, within the guidelines of the CMHC agreements. Any surpluses calculated in excess of the amounts allowed to be retained in this reserve is repayable to the CMHC. As at March 31, 2020 this fund had a balance of \$nil (2019 - \$nil).

For post 1996 projects

An operating surplus reserve fund is established by retaining excess federal assistance payments received to a maximum of minimum revenue contribution plus subsidy less eligible expenses for each post 1996 project. Reserve funds may be used to meet future operating deficits, within the guidelines of the CMHC agreements. In accordance with terms of the agreements, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the CDIC, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal. As at March 31, 2020 the operating reserve is \$873,731 (2019 - \$873,731), the underfunded portion of the operating reserve is \$459,837 (2019 - \$763,845).

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

12. Long-term debt

	2020	2019
Housing Rental Companies (Pre 97 and Post 96 Combined) Mortgages payable in monthly installments of \$98,693 including interest at rates ranging from 1.04% to 5.44%, due on dates ranging from January 2024 to July 2041.	\$ 10,980,958	\$ 11,978,050
First Nation Development Loan A demand non-revolving facility to a maximum of \$4,000,000 bearing interest at prime rate.	595,000	-
Land Claims Loan ISC land claim - non-interest bearing, repayable upon the date settlement is reached, secured by the Nation guarantee.	4,692,696	4,105,590
Siksika Community Account Bylaw First Nation Finance Authority 9 year term loan payable in annual installments of \$189,173 plus interest payable semi-annually at 2.99%, guaranteed by a secured revenues trust account management agreement, maturing on June 26, 2024.	8,048,882	8,260,248
Siksika Community Account Bylaw First Nation Finance Authority term loan payable in annual payments of \$178,664, plus interest payable semi-annually at 2.90% guaranteed by a secured revenues trust account management agreement, maturing on June 26, 2024.	7,801,343	7,995,152
SORAH 5 year term loan payable in monthly blended payments of \$4,500, bearing interest at 4.95% per annum, due October 2022, and a monthly management fee is charged in the amount of \$300. The loan is secured by a general security agreement of all of SORAH's assets, and a mortgage and assignment of rents on one of SORAH's residential buildings.	130,093	176,708
CMHC - Project 37 Advance of funds from CMHC to begin construction of a housing project on the Band land. No interest is charged on the loan amount until the date of the final loan advance or when the project is substantially complete, whichever comes earlier.	1,117,836	475,000
	<u>\$ 33,366,808</u>	<u>\$ 32,990,748</u>

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

12. Long-term debt (continued)

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2021	\$ 2,657,214
2022	4,610,931
2023	2,057,956
2024	2,137,521
2025 and thereafter	<u>21,903,186</u>
Total	<u>\$ 33,366,808</u>

Prime rate as at March 31, 2020 was 2.95% (2019 - 3.95%). Interest expense for the year on long-term debt was \$669,902 (2019 - \$727,135).

In 2017, the Nation entered into a secured revenues trust account agreement (the "agreement") to guarantee the First Nations Finance Authority loans. The agreement establishes a secured revenues trust account ("SRTA"). The SRTA is in the name of both the First Nation Finance Authority and the Nation, and the SRTA is to be held by an approved bank. The SRTA agreed upon is the Siksika Trust (Note 8). First Nation Finance Authority is authorized to direct the SRTA manager to withdraw all or any of the funds, and to not deposit any new amounts in any approved bank specified in the notice.

The First Nation Finance Authority loans have the following covenants: the Nation is to use the funds only for the payment of the permitted expenditures and they are required to deliver audited combined financial statements. The Nation is in compliance with these covenants as at March 31, 2020.

Siksika Housing Society receives federal assistance from CMHC pursuant to Section 95 of the National Housing Act to reduce mortgage interest expense and enable the project to provide housing to members. At March 31, 2020, Siksika Nation Housing was not in compliance with the provision to maintain and fund replacement reserves and operating reserves. The continuation of this interest rate reduction is contingent upon compliance with the terms of the agreement. CMHC and Siksika Nation Housing are working together on a solution to the non-compliance.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

13. Tangible capital assets

	Cost beginning 2019	Additions 2019	Disposals 2019	Cost beginning 2020	Additions 2020	Disposals 2020	Cost ending 2020
Automotive	\$ 13,350,803	\$ 1,634,402	\$ (1,000)	\$ 14,984,205	\$ 717,884	\$ -	\$ 15,702,089
Buildings	181,086,342	48,796,912	-	229,883,254	4,646,285	-	234,529,539
Computer equipment	8,162,366	284,600	-	8,446,966	382,930	-	8,829,896
Construction in progress	38,617,211	21,474,295	(48,361,660)	11,729,846	7,223,977	(4,096,965)	14,856,858
Furniture and fixtures	7,086,616	177,437	-	7,264,053	166,479	-	7,430,532
Infrastructure	78,919,688	2,399,886	-	81,319,574	3,739,499	-	85,059,073
Machinery	10,738,513	500,263	-	11,238,776	378,477	-	11,617,253
Office and equipment	2,566,835	53,635	-	2,620,470	135,586	-	2,756,056
Sculptures and artwork	756,809	-	-	756,809	-	-	756,809
	\$341,285,183	\$ 75,321,430	\$ (48,362,660)	\$368,243,953	\$ 17,391,117	\$ (4,096,965)	\$381,538,105

	Accumulated amortization beginning 2019	Amortization 2019	Accumulated amortization beginning 2020	Amortization 2020	Accumulated amortization ending 2020
Automotive	\$ 11,988,683	\$ 792,634	\$ 12,781,317	\$ 777,074	\$ 13,558,391
Buildings	68,497,317	5,475,406	73,972,723	6,357,443	80,330,166
Computer equipment	7,230,077	289,808	7,519,885	422,531	7,942,416
Furniture and fixtures	6,348,292	150,915	6,499,207	144,611	6,643,818
Infrastructure	30,873,267	3,077,912	33,951,179	2,867,165	36,818,344
Machinery	8,470,640	666,353	9,136,993	481,792	9,618,785
Office and equipment	2,215,964	78,420	2,294,384	113,947	2,408,331
	\$ 135,624,240	\$ 10,531,448	\$ 146,155,688	\$ 11,164,563	\$ 157,320,251

	Net book value end of 2019	Net book value end of 2020
Automotive	\$ 2,202,888	\$ 2,143,698
Buildings	155,910,531	154,199,373
Computer equipment	927,081	887,480
Construction in progress	11,729,846	14,856,858
Furniture and fixtures	764,846	786,714
Infrastructure	47,368,395	48,240,729
Machinery	2,101,783	1,998,468
Office and equipment	326,086	347,725
Sculptures and artwork	756,809	756,809
	\$ 222,088,265	\$ 224,217,854

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

13. Tangible capital assets (continued)

During the year, assets with a cost of \$467,200 (2019 - \$48,361,660) were transferred from construction in progress to buildings.

During the year, assets with a cost of \$3,629,765 (2019 - \$nil) were transferred from construction in progress to infrastructure.

14. Accumulated surplus

Accumulated surplus is comprised of the following:

	2020	2019
		(Restated Note 25)
Equity in funds held in trust	\$ 16,413,074	\$ 15,133,933
Equity in tangible capital assets	196,138,742	193,203,107
Unrestricted equity	52,897,687	55,350,734
Housing reserves	2,882,451	3,206,662
	\$ 268,331,954	\$ 266,894,436

15. Commitments

The Nation has guaranteed mortgages for Nation members with CMHC Section 10 loans. As at March 31, 2020 the value of the mortgages guaranteed is \$1,134,813 (2019 - \$520,322).

The Nation has guaranteed mortgages for Nation members under the First Nations Market Housing Fund. As at March 31, 2020 the value of the mortgages guaranteed is \$1,120,753 (2019 - \$1,262,312).

The Nation has provided an unlimited guarantee for a demand revolving credit facility for up to \$25,000,000 made available to SRDL. As part of the guarantee, SRDL will not make any payments to the Nation in respect of any subordinated obligations without written consent of the lender.

The Nation has entered into various lease agreements for office equipment with estimated minimum annual payments as follows:

2021	\$ 172,363
2022	\$ 169,058
2023	\$ 124,269
2024	\$ 85,974
2025 and thereafter	\$ 3,192

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

16. Contingent liabilities

The Nation has been named as a defendant under various claims for general matters. Management has assessed the success of these claims as unlikely and/or has ensured adequate insurance is in place. Accordingly, no provision has been made in these combined financial statements.

Retention or repayment of individual program surpluses will be determined and negotiated with the appropriate funding agencies upon receipt of these combined financial statements. It is not possible at this time to determine the amount, if any, of retention or repayment of certain surpluses.

At March 31, 2020 the Nation has unexpended set funding of \$139,005 in relation to the Basic Needs Program, and unexpended set funding of \$99,559 in relation to the Resolution Support Workers programs. The amounts are included in accounts payable (Note 9).

17. Flood relief efforts

Submissions to the Government of Alberta relating to the 2013 flood, have been made for cost recoveries under the Government's Disaster Relief Plan ("DRP"), and for the year ended March 31, 2020, the Nation has received \$1,162,044 (2019 - \$1,804,517) under the DRP.

During the year the Nation incurred expenses of \$4,050,209 (2019 - \$11,774,988) to rebuild homes damaged from the flood. The Nation received reimbursements of \$3,024,221 (2019 - \$8,689,630) from the Government of Alberta for the costs incurred under the Memorandum of Understanding signed with the Province of Alberta in 2013, and as at March 31, 2020 \$336,024 (2019 - \$nil) is included with accounts receivable at year end.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

18. Grants - provincial and federal

	2020	2019
Federal grants		
Canadian Heritage	\$ 143,410	\$ 160,395
Employment and Social Development	306,947	23,049
Justice Canada	159,595	137,983
Western Economic Diversification	-	500,000
	609,952	821,427
Provincial grants		
Human Services	13,237,565	11,761,100
Disaster Recovery Program	1,162,044	1,804,517
Aboriginal Relations	479,023	495,518
Alberta Flood Recovery Program	4,501,380	8,689,630
Alberta Environment and Parks	1,069,315	-
Health Services	445,035	98,957
Enterprise and Advanced Education	1,452,577	1,717,511
Justice	134,548	145,548
Other	114,459	228,492
Victim Services	253,000	253,000
	22,848,946	25,194,273
Other grants	708,586	385,475
	\$ 24,167,484	\$ 26,401,175

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

19. Expenditures by object

	2020 Budget (Note 22)	2020	2019 (Restated Note 25)
Salaries and benefits	\$ 43,697,185	\$ 47,480,412	\$ 45,397,172
Program expense	18,318,887	13,011,045	13,569,383
Amortization (Note 13)	996,042	11,164,563	10,531,448
Professional fees	8,421,874	6,095,367	6,930,186
Supplies, rent, utilities and other	8,095,859	6,704,470	5,826,350
Tuition and student allowances	5,664,147	5,437,339	5,747,226
Repairs and maintenance	6,260,681	6,417,246	5,134,287
Travel	3,566,264	3,631,031	3,854,596
Child care	5,283,807	2,978,684	3,756,038
Social assistance	4,889,444	4,642,495	2,762,756
Contracted services	2,474,170	1,915,879	2,222,621
Insurance	1,185,387	1,346,522	1,175,370
Distributions	300,000	4,026,532	1,383,763
Professional development	1,078,420	888,221	966,824
Bad debts	61,287	2,270,410	777,691
Interest on long-term debt (Note 12)	-	699,902	727,135
Bank charges and interest	126,860	395,055	1,953,018
Transfer to business enterprises	-	326,924	326,924
 Total	 \$ 110,420,314	 \$ 119,432,097	 \$ 113,042,788

20. Defined contribution pension plan

The Nation has two defined contribution pension plans covering substantially all full-time employees. Each participant selects a contribution level of 4.0 - 7.6% of salary. The Nation matches the participant's contribution. This pension expense of \$608,755 (2019 - \$602,298) and \$88,781 (2019 - \$84,758) respectively, is recorded in salaries and benefits.

21. Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Nation are either recognized or disclosed in the combined financial statements together with other information relevant for making a reasonable assessment of future cash flows, liquidity risk, interest rate risk and credit risk.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

21. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Nation will not be able to meet its financial obligations as they come due. The Nation has a planning and budgeting process in place to help determine the funds required to support the normal operating requirements of the Nation on an ongoing basis. The Nation ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows and its holdings of cash and cash equivalents. The following table sets out the contractual maturities (representing contractual cash flows) of financial liabilities:

	0 - 90 Days	Over 90 days
Accounts payable and accruals	\$ 10,161,518	\$ -
Long-term debt	296,079	33,070,729
	<hr/> \$ 10,457,597	<hr/> \$ 33,070,729

Interest rate risk

Interest rate cash flow risk

Interest rate cash flow risk is the risk that cash flows will fluctuate due to changes in the market interest rates. The Nation is exposed to interest rate cash flow risk on its First Nation Development Loan which bears a floating charge.

Interest rate fair value risk

Interest rate fair value risk is the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Nation is exposed to interest rate fair value risk arising from fluctuations in interest rates on its fixed rate long-term debt.

Credit risk

The Nation is exposed to credit risk primarily through its trade accounts receivable and loans receivable. Credit risk is the risk that the Nation may not collect the trade or loans receivables. The risk is mitigated as a large part of trade receivable is government funding and the risk of default is low. The maximum risk related to the trade receivable and loans receivable are the carrying values included in Note 5 and 6 respectively. The Nation holds significant cash, restricted cash, and investments at one financial institution and, as such, are subject to a concentration of credit risk.

There have been no significant changes from the previous year in the exposure to risk, policies or procedures used to manage financial instrument risks.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

22. Approval of combined budgets

Budgeted figures have been provided for comparison purposes and have been derived from the budget approved by Chief and Council.

23. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain on coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

As the impacts of COVID-19 continue, there could be further impact on the Nation, its funders and its business entities. The Nation has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Nation is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

24. Comparative figures

The combined financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

25. Prior period adjustment

During the year ended March 31, 2020, it was noted that the replacement reserves do not meet the definition of a liability and have therefore been included in equity. The effect on the 2019 comparative figures is as follows:

Combined Statement of Financial Position

	March 31, 2019 As previously stated	Adjustment	March 31, 2019 Restated
Replacement reserve	3,206,662	(3,206,662)	-
Accumulated surplus	263,687,774	3,206,662	266,894,436

Combined Statement of Operations and Accumulated Surplus

	March 31, 2019 As previously stated	Adjustment	March 31, 2019 Restated
Housing society	8,251,033	92,181	8,343,214
Annual deficit	(462,723)	(92,181)	(554,904)
Accumulated surplus, beginning of year	264,150,497	3,298,843	267,449,340
Accumulated surplus, end of year	263,687,774	3,206,662	266,894,436

Combined Statement of Cash Flows

	March 31, 2019 As previously stated	Adjustment	March 31, 2019 Restated
Annual surplus (deficit)	(462,723)	(92,181)	(554,904)
Replacement reserve	(92,181)	92,181	-

Notes

Note 14. Accumulated Surplus

	March 31, 2019 As previously stated	Adjustment	March 31, 2019 Restated
Housing reserves	-	3,206,662	3,206,662

Note 19. Expenditures by object

	March 31, 2019 As previously stated	Adjustment	March 31, 2019 Restated
Program expense	13,477,202	92,181	13,569,383

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

26. Segmented disclosure

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by program.

The services are provided by several entities of the Nation. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

Administration

Administration contains activities needed to run the Nation.

First Nation Development Fund

First Nation Development Fund obtains grant funding to be used in economic, social and community development projects including addictions programs, education, health and infrastructure.

Health Services

Health services contains activities that provide emergency, medical, and well-being related services to band members.

Justice

Justice contains activities that provide legal services to band members.

Land Management

Land management contains activities that maintain the Nations land.

Major Projects and Council Initiatives

Major Projects and Council Initiatives contain activities that relate to the initiation and approval of certain projects, and land claims along with other significant cultural activities.

Membership

Membership contains activities that oversee the membership of band members in the Nation.

Public Works

Public works contains activities related to the maintenance of buildings, infrastructure and lands of the Nation.

Treasury

Treasury and corporate services contain activities that are needed to operate the Nation.

Economic Development

Economic Development contains funds advanced from the Bylaw distribution companies, to be used in the economic development of the Nation.

Education and Adult Education

Education and Adult Education contain activities that provide education to band members for primary and secondary schooling, as well as sponsorship to attend post secondary institutions.

Siksika Nation
Notes to the Combined Financial Statements

March 31, 2020

26. Segmented disclosure (continued)

Family Services

Family services contains activities that provide social services to band members and their families.

Housing Society

Housing society contains activities that provide housing and repairs and maintenance to band members' housing.

March 31, 2020

26. Segmented disclosure

	First Nation					Major Projects and Council Initiatives			Total Carried Forward to Next Page		
	Administration	Development Fund	Health Services	Justice	Land Management	Membership	Public Works				
Revenue											
ISC revenue	\$ -	\$ -	\$ 1,777,335	\$ -	\$ 307,568	\$ 219,186	\$ 308,108	\$ 7,218,834	\$ 9,831,031		
Band revenue	8,412	-	661,912	165,660	-	1,262,430	5,000	-	-	2,103,414	
Other revenue	2,075,586	1,172,161	18,000,970	1,214,562	482,951	4,207,892	4,415,852	1,413,092	32,983,066		
	2,083,998	1,172,161	20,440,217	1,380,222	790,519	5,689,508	4,728,960	8,631,926	44,917,511		
Expenses											
Amortization	14,327	-	935,081	57,189	161,546	693,142	1,180	1,970,844	3,833,309		
Salaries and benefits	531,360	110,842	11,032,833	705,114	624,433	2,660,867	307,793	1,506,562	17,479,804		
Debt servicing	-	-	-	-	-	-	-	-	-		
Other expenses	1,359,509	325,474	7,271,711	413,974	353,832	3,090,298	4,280,076	1,610,693	18,705,567		
	1,905,196	436,316	19,239,625	1,176,277	1,139,811	6,444,307	4,589,049	5,088,099	40,018,680		
Surplus (deficit)	\$ 178,802	\$ 735,845	\$ 1,200,592	\$ 203,945	\$ (349,292)	\$ (754,799)	\$ 139,911	\$ 3,543,827	\$ 4,898,831		

March 31, 2020

26. Segmented disclosure (continued)

	Total Brought Forward from Prior Page	Treasury	Economic Development	Adult Education	Education	Family Services	Housing Society	Total Before Adjustments	Consolidated Adjustments	Consolidated 2020 Totals
Revenue										
ISC revenue	\$ 9,831,031	\$ 61,971,229	\$ -	\$ 4,359,304	\$ 18,550,225	\$ 18,634,804	\$ 5,231,369	\$ 118,577,962	\$ (59,006,918)	\$ 59,571,044
Band revenue	2,103,414	3,608,451	-	-	-	-	362,542	6,074,407	(1,618,416)	4,455,991
Other revenue	32,983,066	18,697,433	7,944,457	4,093,154	1,065,035	14,942,898	2,309,040	82,035,083	(21,623,101)	60,411,982
	44,917,511	84,277,113	7,944,457	8,452,458	19,615,260	33,577,702	7,902,951	206,687,452	(82,248,435)	124,439,018
Expenses										
Amortization	3,833,309	2,721,831	-	93,949	1,578,023	334,256	2,513,974	11,075,342	89,221	11,164,563
Salaries and benefits	17,479,804	3,052,222	-	3,146,320	12,080,099	11,035,772	1,287,865	48,082,082	(601,670)	47,480,412
Debt servicing	-	-	515,165	-	-	-	184,737	699,902	-	699,902
Other expenses	18,705,567	73,754,004	13,246,822	3,938,454	7,994,011	18,710,926	5,411,988	141,761,772	(81,674,552)	60,087,220
	40,018,680	79,528,057	13,761,987	7,178,723	21,652,133	30,080,954	9,398,564	201,619,098	(82,187,001)	119,432,097
Surplus (deficit)	\$ 4,898,831	\$ 4,749,056	\$ (5,817,530)	\$ 1,273,735	\$ (2,036,873)	\$ 3,496,748	\$ (1,495,613)	\$ 5,068,354	\$ (61,434)	\$ 5,006,921

March 31, 2019

26. Segmented disclosure

	First Nation					Major Projects and Council Initiatives			Total Carried Forward to Next Page		
	Administration	Development Fund	Health Services	Justice	Land Management	Membership	Public Works				
Revenue											
ISC revenue	\$ -	\$ -	\$ 1,394,248	\$ -	\$ 399,378	\$ 224,186	\$ 324,844	\$ 9,498,652	\$ 11,841,308		
Band revenue	169,207	-	557,150	267,997	126,000	1,013,388	-	-	-	2,133,742	
Other revenue	1,676,694	1,333,113	16,014,665	968,143	369,411	4,157,217	1,260,089	1,231,719	27,011,051		
	1,845,901	1,333,113	17,966,063	1,236,140	894,789	5,394,791	1,584,933	10,730,371	40,986,101		
Expenses											
Amortization	17,904	-	801,965	67,341	205,824	678,772	1,416	2,123,728	3,896,950		
Salaries and benefits	494,515	105,609	10,039,439	754,553	623,851	2,597,797	290,646	1,504,290	16,410,700		
Debt servicing	-	-	-	-	-	-	-	-	-		
Other expenses	1,304,806	1,979,411	6,053,783	473,652	422,135	3,567,582	1,164,147	2,300,774	17,266,290		
	1,817,225	2,085,020	16,895,187	1,295,546	1,251,810	6,844,151	1,456,209	5,928,792	37,573,940		
Surplus (deficit)	\$ 28,676	\$ (751,907)	\$ 1,070,876	(59,406)	\$ (357,021)	\$ (1,449,360)	\$ 128,724	\$ 4,801,579	\$ 3,412,161		

March 31, 2019

26. Segmented disclosure (continued)

	Total Brought Forward from Prior Page	Treasury	Economic Development	Adult Education	Education	Family Services	Housing Society	Total Before Adjustments	Combined Adjustments	Combined 2019 Totals
Revenue										
ISC revenue	\$ 11,841,308	\$ 62,380,050	\$ -	\$ 3,883,526	\$ 17,844,048	\$ 16,219,436	\$ 4,404,348	\$ 116,572,716	\$ (58,812,720)	\$ 57,759,996
Band revenue	2,133,742	4,353,232	-	-	-	-	334,726	6,821,700	(2,865,699)	3,956,001
Other revenue	27,011,051	23,028,333	3,499,460	3,235,648	1,282,017	15,978,436	2,719,010	76,753,955	(17,546,599)	59,207,356
	40,986,101	89,761,615	3,499,460	7,119,174	19,126,065	32,197,872	7,458,084	200,148,371	(79,225,018)	120,923,354
Expenses										
Amortization	3,896,950	1,937,610	-	104,175	1,603,686	346,322	2,642,705	10,531,448	-	10,531,448
Salaries and benefits	16,410,700	3,607,547	-	3,539,708	10,866,375	10,423,803	1,086,502	45,934,635	(537,463)	45,397,172
Debt servicing	-	-	515,169	-	-	14,900	197,066	727,135	-	727,135
Other expenses	17,266,290	74,040,891	13,562,317	4,548,534	8,387,513	21,569,653	4,439,795	143,814,993	(87,427,960)	56,387,033
	37,573,940	79,586,048	14,077,486	8,192,417	20,857,574	32,354,678	8,366,068	201,008,211	(87,965,423)	113,042,788
Surplus (deficit)	\$ 3,412,161	\$ 10,175,567	\$ (10,578,026)	\$ (1,073,243)	\$ (1,731,509)	\$ (156,806)	\$ (907,984)	\$ (859,840)	\$ 8,740,405	\$ 7,880,566