

**Siksika Nation**  
**Combined Financial Statements**  
**For the year ended March 31, 2021**

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## Management's Responsibility for the Combined Financial Statements

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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

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Chief

"signed" Kendall Panther Bone

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Councillor



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## Independent Auditor's Report

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### To the Chief and Council of Siksika Nation

#### Qualified 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, 2021 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Nation as at March 31, 2021, and its combined results of operations, combined changes in 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 Qualified Opinion

The Nation's investment in Siksika Resource Developments Ltd., a government business enterprise and accounted for by the modified equity method, is carried at \$17,981,606 on the combined statement of financial position as at March 31, 2021, and net loss of \$6,223,861 is included in the Nations' equity pick up for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the equity pick up of \$1,783,923 for the period of January 1, 2021 to March 31, 2021 and the corresponding effect on the carrying value of the investment because we were not able to complete audit procedures on the financial information. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 - 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, 2021 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 September 23, 2021.

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## Independent Auditor's Report (continued)

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### **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.

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.



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## Independent Auditor's Report (continued)

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- 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  
September 23, 2021

**Siksika Nation**  
**Combined Statement of Financial Position**

<b>March 31</b>	<b>2021</b>	<b>2020</b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 53,434,141	\$ 36,704,335
Restricted cash (Note 3)	3,998,748	4,033,887
Temporary investments	47,824	47,353
Accounts receivable (Note 4 and 6)	17,973,140	15,741,906
Loans receivable (Note 5)	1,618,024	2,116,830
Inventory for resale	4,600	4,600
Funds held in trust (Note 6)	11,363,016	16,413,074
Investment in and advances to Nation business entities (Note 7)	17,981,606	24,205,467
	<u>106,421,099</u>	<u>99,267,452</u>
<b>Liabilities</b>		
Accounts payable and accruals (Note 8)	11,218,206	10,161,518
Deferred revenue (Note 9)	22,768,440	12,891,363
Long-term debt (Note 11)	33,544,961	33,366,808
	<u>67,531,607</u>	<u>56,419,689</u>
<b>Net financial assets</b>	<u>38,889,492</u>	<u>42,847,763</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	221,308,446	224,217,854
Prepaid expenses	725,752	986,337
Inventory held for use	280,000	280,000
	<u>222,314,198</u>	<u>225,484,191</u>
<b>Accumulated surplus (Note 13)</b>	<u>\$ 261,203,690</u>	<u>\$ 268,331,954</u>

Commitments (Note 14)  
Contingent liabilities (Note 15)

Approved on behalf of Chief and Council:

"signed" Ouray Crowfoot

Chief

"signed" Kendall Panther Bone

Councillor

## Siksika Nation

### Combined Statement of Operations and Accumulated Surplus

For the year ended March 31	Budget 2021 (Note 21)	2021	2020
<b>Revenue</b>			
Indigenous Services Canada	\$ 59,784,609	\$ 60,124,222	\$ 59,571,044
Band trust funds (Notes 6 and 9)	6,768,775	2,671,249	4,455,991
First Nation Inuit Health Branch	7,070,361	18,850,790	13,941,704
Canada Mortgage and Housing Corporation	66,567	1,201,511	1,320,390
Community Futures Treaty 7	2,160,967	1,814,613	2,871,797
Fee for service	5,333,795	1,767,251	2,137,261
Grants (Note 17)	18,420,831	19,625,426	25,335,106
Interest and investment income	12,146	1,548,995	2,317,418
Land taxes and land use fees	-	853,924	1,941,882
Other own source revenues	1,834,240	4,683,378	4,190,681
Trust distributions	8,040,371	6,282,218	6,355,744
	<b>109,492,662</b>	<b>119,423,577</b>	<b>124,439,018</b>
<b>Expenses (Note 18)</b>			
Administration	1,904,529	1,870,118	1,905,196
Economic development	-	819,345	850,273
Education and adult education	32,933,088	29,901,996	28,847,660
Family services	36,914,650	27,362,653	30,017,408
Health services	14,539,502	25,023,545	19,919,801
Housing society	5,490,877	8,455,184	9,398,365
Justice	2,396,562	2,088,060	1,176,276
Land management	876,545	991,526	1,139,811
Major projects and council initiatives	5,857,621	5,751,509	6,444,306
Membership	614,130	839,107	4,589,049
Public works	4,708,157	5,717,553	5,088,099
Treasury	7,493,225	11,507,384	10,055,853
	<b>113,728,886</b>	<b>120,327,980</b>	<b>119,432,097</b>
<b>Annual surplus (deficit) before other items</b>	<b>(4,236,224)</b>	<b>(904,403)</b>	<b>5,006,921</b>
<b>Loss from business enterprises (Note 7)</b>	<b>-</b>	<b>(6,223,861)</b>	<b>(3,569,403)</b>
<b>Annual surplus (deficit)</b>	<b>(4,236,224)</b>	<b>(7,128,264)</b>	<b>1,437,518</b>
<b>Accumulated surplus, beginning of year</b>	<b>268,331,954</b>	<b>268,331,954</b>	<b>266,894,436</b>
<b>Accumulated surplus, end of year (Note 13)</b>	<b>\$ 264,095,730</b>	<b>\$ 261,203,690</b>	<b>\$ 268,331,954</b>

The accompanying notes are an integral part of these combined financial statements.

**Siksika Nation**  
**Combined Statement of Changes in Net Financial Assets**

For the year ended March 31	Budget 2021 (Note 21)	2021	2020
Annual surplus (deficit)	\$ (4,236,224)	\$ (7,128,264)	\$ 1,437,518
Acquisition of tangible capital assets, net	-	(8,470,987)	(13,294,152)
Amortization of tangible capital assets	-	11,380,395	11,164,563
Change in prepaid expenses	-	260,585	(187,002)
Change in net financial assets	(4,236,224)	(3,958,271)	(879,073)
Net financial assets, beginning of year	42,847,763	42,847,763	43,726,836
Net financial assets, end of year	\$ 38,611,539	\$ 38,889,492	\$ 42,847,763

The accompanying notes are an integral part of these combined financial statements.



**Siksika Nation**  
**Combined Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	\$ (7,128,264)	\$ 1,437,518
Non-cash items included in annual surplus		
Amortization	11,380,395	11,164,563
Bad debts	732,055	2,270,410
Loss from business enterprises	6,223,861	3,569,403
Accrued interest revenue	988,179	1,034,834
(Increase) decrease in funds held in trust	5,050,058	(1,279,141)
	<u>17,246,284</u>	<u>18,197,587</u>
Changes in non-cash working capital balances		
Accounts receivable	(3,452,662)	(808,783)
Prepaid expenses	260,585	(187,002)
Accounts payable and accruals	1,056,688	(206,974)
Deferred revenue	9,877,077	(1,808,555)
Inventory for resale	-	11,412
	<u>24,987,972</u>	<u>15,197,685</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(8,690,987)	(13,294,152)
Proceeds on disposal of tangible capital assets	220,000	-
	<u>(8,470,987)</u>	<u>(13,294,152)</u>
<b>Investing activities</b>		
Restricted cash	35,139	4
(Purchase) redemptions of temporary investments	(471)	6,845,614
Repayment of advances to Nation business entities	-	4,016,317
	<u>34,668</u>	<u>10,861,935</u>
<b>Financing activities</b>		
Advances of long-term debt	1,737,308	1,824,942
Repayment of long-term debt	(1,559,155)	(1,448,882)
	<u>178,153</u>	<u>376,060</u>
<b>Increase in cash and cash equivalents</b>	<b>16,729,806</b>	<b>13,141,528</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>36,704,335</b>	<b>23,562,807</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 53,434,141</b>	<b>\$ 36,704,335</b>

The accompanying notes are an integral part of these combined financial statements.

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## Siksika Nation

### Notes to the Combined Financial Statements

**March 31, 2021**

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#### 1. Operations

Siksika Nation (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.

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#### 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. In addition, trust accounts and other passive entities controlled by the Nation, which are omitted from these combined financial statements. General purpose consolidated 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.

**March 31, 2021**

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**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. ("SHGPI")
- 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

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**Siksika Nation**  
**Notes to the Consolidated Financial Statements**

**March 31, 2021**

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**2. Significant accounting policies (continued)**

**b. Principles of combined (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%

**March 31, 2021**

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**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**

Funds held in trust are reported on the combined statement of financial position as a financial asset and internally restricted in accumulated surplus. 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; and
- 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, 2021, 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 23). The accounting policies used in these segments are consistent with those followed in the preparation of the combined financial statements.

**March 31, 2021**

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**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.

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.

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.

**March 31, 2021**

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**2. Significant accounting policies (continued)**

**n. Measurement uncertainty**

The preparation of combined 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 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.

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**Siksika Nation**  
Notes to the Combined Financial Statements

**March 31, 2021**

**3. Restricted cash**

	2021	2020
First Nation Finance Authority: Cash deposits	\$ 261,732	\$ 259,712
First Nation Finance Authority: Debt reserve fund	992,878	984,310
Funds held in trust with lawyers	177,976	177,976
Old Sun College: Scholarship fund	31,551	31,438
Siksika Housing Society: Damage deposits	122,991	122,323
Siksika Housing Society: Replacement reserve (Note 10)	2,145,922	2,008,720
Siksika Housing Society: Operating reserve (Note 10)	234,823	413,894
Siksika Off Reserve Housing: Security deposits	30,875	35,514
	<u>\$ 3,998,748</u>	<u>\$ 4,033,887</u>

**4. Accounts receivable**

	2021	2020
Indigenous Services Canada	\$ 1,249,172	\$ 803,669
Government of Alberta	1,208,435	1,830,949
Band revenue (Note 6)	650,112	534,581
Siksika Trust	1,947,235	2,269,590
Siksika Heritage Trust	4,919,154	4,767,029
Siksika Nation business entities (Note 7)	3,296,964	1,614,629
Land taxes	1,692,122	1,623,537
Investment income receivables	425,792	373,644
First Nation Inuit Health Branch	-	794,389
Community Futures Treaty 7	358,923	62,356
Government of Canada - 1910 Surrender Claim negotiation funds	-	586,838
Other	3,329,314	1,595,311
	<u>19,077,223</u>	<u>16,856,522</u>
Less: Allowance for doubtful accounts	<u>(1,104,083)</u>	<u>(1,114,616)</u>
	<u>\$ 17,973,140</u>	<u>\$ 15,741,906</u>

**5. Loans receivable**

	2021	2020
Indian Business Corporation	2,700,000	2,700,000
Less: Allowance for doubtful accounts	<u>(1,081,976)</u>	<u>(583,170)</u>
	<u>\$ 1,618,024</u>	<u>\$ 2,116,830</u>

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 expired in May of 2021, and the Nation settled the outstanding balance subsequent to year end.



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**Siksika Nation**  
Notes to the Combined Financial Statements

**March 31, 2021**

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**6. 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.

	<u>2021</u>	<u>2020</u>
<b>Capital Trust</b>		
Balance, beginning of year	\$ 15,479,679	\$ 14,497,493
Additions	682,530	982,186
Less: Transfers to Nation	(5,000,000)	-
Balance, end of year	<u>11,162,209</u>	<u>15,479,679</u>
<b>Revenue Trust</b>		
Balance, beginning of year	-	-
Additions	<u>2,475,544</u>	<u>2,329,310</u>
	2,475,544	2,329,310
Less: Transfers to Nation	<u>(2,475,544)</u>	<u>(2,329,310)</u>
Balance, end of year	<u>-</u>	<u>-</u>
<b>Future Generations Trust</b>		
Balance, beginning of year	933,395	636,440
Additions	200,806	296,955
Less: Transfers to Nation	<u>(933,394)</u>	<u>-</u>
Balance, end of year	<u>200,807</u>	<u>933,395</u>
Total band funds held in trust	<u>\$ 11,363,016</u>	<u>\$ 16,413,074</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, \$650,112 (2020 - \$534,581) was included in accounts receivable for revenues collected but not yet deposited in the Nation's account.

Withdrawals were made from the Capital Trust and Future Generations Trust in 2021 of \$5,000,000 (2020 - \$Nil) and \$933,394 (2020 - \$Nil), respectively. The portion of the trust account additions that remains unspent at year end is \$687,631 (2020 - \$Nil), which has been included in deferred revenue leaving a net balance of \$2,671,249 (2020 - \$4,455,991) recognized in revenue.

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# Siksika Nation

## Notes to the Combined Financial Statements

**March 31, 2021**

### 7. 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	2021	2020
Investment, beginning of year	\$ (7,499,007)	\$ (3,929,604)
Loss from operations	(6,223,861)	(3,569,403)
Investment, end of year	\$(13,722,868)	\$ (7,499,007)
<b>Advances receivable</b>		
Receivable from Siksika Hospitality Holdings LP	\$ 24,704,474	\$ 24,704,474
Receivable from Siksika Resource Development Ltd.	7,000,000	7,000,000
<b>Total investment and advances</b>	<b>\$ 17,981,606</b>	<b>\$ 24,205,467</b>

The SHHLP loan ("Hospitality Loan") receivable bears 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 \$988,179 (2020 - \$1,034,834). During the prior year, a prepayment under section 4(f) of the financing agreement of \$4,016,317 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 \$1,247,092 (2020 - \$1,241,095) 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, 2021, included in accounts receivable is \$3,296,964 (2020 - \$1,614,629) receivable from SRDL and its subsidiaries (Note 4).

As at March 31, 2021, included in accounts payable and accruals is \$nil (2020 - \$220,347) payable to SRDL and its subsidiaries (Note 8).

**Siksika Nation**  
Notes to the Consolidated Financial Statements

**March 31, 2021**

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

*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 (2020 - \$326,924) and fixed funding of \$609,844 (2020 - \$nil).

Summary of consolidated financial information of SRDL is as follows:

	As at March 31, 2021 (unaudited)	As at December 31, 2020	Year ended March 31, 2020
<b>Assets</b>			
Cash and restricted cash	\$ 6,485,080	\$ 6,751,534	\$ 10,830,350
Accounts receivable	4,017,728	4,102,823	2,218,189
Intangible assets	119,028	119,028	124,878
Inventory	1,346,240	1,744,592	897,141
Investments	200,928	200,928	200,928
Investment in associates	19,544,915	19,697,505	21,076,238
Property, plant and equipment	59,088,509	59,922,408	61,845,940
Prepaid expenses	-	66,170	14,521
<b>Total assets</b>	<b>90,802,428</b>	<b>92,604,988</b>	<b>97,208,185</b>
<b>Liabilities</b>			
Accounts payable and accruals	1,988,901	1,724,174	2,316,216
Demand loans	58,040,879	58,311,854	59,681,443
Deferred revenue	233,866	233,846	233,846
Other liabilities	177,116	-	-
Long-term debt	22,427,220	22,630,554	21,528,801
Finance lease liability	5,232,239	5,232,239	4,931,807
Decommissioning liability	637,699	637,699	630,137
<b>Total liabilities</b>	<b>88,737,920</b>	<b>88,770,366</b>	<b>89,322,250</b>
<b>Shareholder's equity</b>			
Share capital	13	13	13
Common control reserve	13,356,369	13,356,369	13,356,369
Contributed surplus	17,797,014	17,797,014	17,408,389
Retained earnings (deficit)	(1,783,924)	(5,805,217)	(5,430,882)
Beneficiaries	(27,304,964)	(21,513,557)	(17,447,954)
<b>Equity</b>	<b>2,064,508</b>	<b>3,834,622</b>	<b>7,885,935</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$90,802,428</b>	<b>\$92,604,988</b>	<b>\$ 97,208,185</b>
	3 month period ending March 31, 2021 (unaudited)	9 month period ending December 31, 2020	Year ended March 31, 2020
<b>Total revenue</b>	<b>\$ 3,578,920</b>	<b>\$ 14,225,084</b>	<b>\$ 30,627,651</b>
<b>Total expenses</b>	<b>5,362,843</b>	<b>18,665,022</b>	<b>34,197,054</b>
<b>Net loss</b>	<b>\$ (1,783,923)</b>	<b>\$ (4,439,938)</b>	<b>\$ (3,569,403)</b>

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**Siksika Nation**  
**Notes to the Combined Financial Statements**

**March 31, 2021**

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

During the year, SRDL changed its year end from March 31 to December 31, which resulted in a 3 month unaudited stub period as presented in the above table.

*Subsequent events*

Subsequent to year-end, the Nation approved a restructuring plan aimed at streamlining the SRDL's organizational structure which included the formation of a new limited partnership, Siksika Group of Companies LP, in addition to its general partner, Siksika Group of Companies GP Ltd., and the dissolution of certain inactive or redundant entities. Management intends for the new limited partnership to replace SRDL during the December 31, 2021 year-end as the parent to SRDL's wholly owned subsidiaries, Siksika Energy Resources Trust (discontinued), Siksika Nation Holdings LP and Siksika Hospitality Holdings LP and their respective subsidiaries. The restructuring plan was not complete at March 31, 2021.

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**8. Accounts payable and accruals**

	<u>2021</u>	<u>2020</u>
Trade payables	\$ 6,009,921	\$ 4,731,678
Accrued salaries and benefits payable	885,452	842,498
Member distributions payable	3,101,473	2,695,974
Other accrued liabilities	445,797	612,441
Indigenous Services Canada (Note 15)	238,555	238,564
Siksika Resource Developments Ltd. (Note 7)	-	220,347
Holdbacks payable	537,008	820,016
	<u>\$ 11,218,206</u>	<u>\$ 10,161,518</u>

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**Siksika Nation**  
Notes to the Combined Financial Statements

March 31, 2021

**9. Deferred revenue**

	Balance March 31, 2020	Funding Received 2021	Revenue Recognized 2021	Balance March 31, 2021
<b>Federal Government</b>				
Band capital (Note 6)	\$ 727,575	\$ 5,000,000	\$ 4,312,369	\$ 1,415,206
First Nation and Inuit Health	1,558,944	11,571,426	10,081,208	3,049,162
Capital projects	1,394,246	3,342,264	2,253,720	2,482,790
Education	2,648,630	7,351,636	4,576,342	5,423,924
House renovations	876,404	607,838	434,616	1,049,626
Fire reduction and support	48,273	769,215	253,758	563,730
COVID-19	422,385	6,518,805	4,309,944	2,631,246
RRAP	64,543	-	64,543	-
Health services	-	240,396	-	240,396
Aboriginal language and culture initiative	56,090	99,186	139,134	16,142
Family services	-	9,908,425	9,704,983	203,442
Youth employment strategy	13,570	80,000	85,210	8,360
Protective services	-	1,088,518	895,990	192,528
	<u>\$ 7,810,660</u>	<u>\$ 46,577,709</u>	<u>\$ 37,111,817</u>	<u>\$ 17,276,552</u>
<b>Provincial Government</b>				
Capital projects	\$ 1,767,318	\$ -	\$ -	\$ 1,767,318
Repatriation	7,000	-	7,000	-
Child welfare	190,000	9,193,212	8,574,484	808,728
First Nations college grant	283,302	640,000	555,664	367,638
Education	1,459,071	368,331	921,173	906,229
Advanced education	696,384	2,256,116	1,978,772	973,728
Environmental consultation	68,173	-	-	68,173
Health services	350,145	100,000	217,083	233,062
	<u>\$ 4,821,393</u>	<u>\$ 12,557,659</u>	<u>\$ 12,254,176</u>	<u>\$ 5,124,876</u>
<b>Other</b>				
Environmental consultation	\$ 150,000	\$ -	\$ -	\$ 150,000
First Nation Finance Authority	109,310	8,568	-	117,878
City of Calgary	-	160,000	60,866	99,134
	<u>\$ 259,310</u>	<u>\$ 168,568</u>	<u>\$ 60,866</u>	<u>\$ 367,012</u>
	<u>\$ 12,891,363</u>	<u>\$ 59,303,936</u>	<u>\$ 49,426,859</u>	<u>\$ 22,768,440</u>

**March 31, 2021**

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**9. Deferred revenue (continued)**

*Band capital*

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 and support*

Funding received from ISC to be used towards fire reduction and other support programs.

*COVID-19*

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

*RRAP*

Funding received from the Government of Canada under the Residential Rehabilitation Assistance Program (RRAP) to assist with housing loans for members.

*Health Services*

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

*Aboriginal language and culture initiative*

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

*Family services*

Funding received from ISC to be used towards family services.

*Youth employment strategy*

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

*Protective services*

Funding received from ISC to be used towards protective and other security programs.

*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.

**March 31, 2021**

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**9. Deferred revenue (continued)**

*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.

*First Nations college grant*

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

*Advanced education*

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

*Environmental consultation*

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

*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.

*City of Calgary*

Funding received from the City of Calgary to be used towards COVID-19 relief efforts.

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.

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**March 31, 2021**

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**10. Housing reserves**

Under agreements with CMHC, the Nation established the following:

A replacement reserve, established by an annual allocation of \$328,809 (2020 - \$325,309), to ensure adequate funds set aside for future repairs financed by CMHC. At March 31, 2021, the balance of this reserve is \$2,145,922 (2020 - \$2,008,720) which has been set aside to fund this reserve. The underfunded portion at March 31, 2021 was \$nil (2020 - \$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, 2021 this fund had a balance of \$nil (2020 - \$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, 2021 the operating reserve is \$873,731 (2020 - \$873,731), the underfunded portion of the operating reserve is \$638,908 (2020 - \$459,837).



**Siksika Nation**  
**Notes to the Combined Financial Statements**

**March 31, 2021**

**11. Long-term debt**

	<u>2021</u>	<u>2020</u>
Housing Rental Companies (Pre 97 and Post 96 Combined) Mortgages payable in monthly installments of \$104,642 including interest at rates ranging from 0.27% to 5.44%, due on dates ranging from January 2024 to July 2041.	<b>\$ 11,849,913</b>	<b>\$ 10,980,958</b>
First Nation Development Loan A demand non-revolving facility to a maximum of \$4,000,000 bearing interest at prime rate, repayable in monthly instalments of \$8,263 plus interest, maturing February 2026.	<b>495,833</b>	<b>595,000</b>
Land Claims Loan ISC land claim - non-interest bearing, repayable upon the date settlement is reached, secured by the Nation guarantee.	<b>5,681,333</b>	<b>4,692,696</b>
Siksika Community Account Bylaw First Nation Finance Authority 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.	<b>7,831,175</b>	<b>8,048,882</b>
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.	<b>7,601,722</b>	<b>7,801,343</b>
SORAH 5 year term loan payable in monthly blended payments of \$4,500, bearing interest at 4.95% per annum, due October 2022. 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.	<b>84,985</b>	<b>130,093</b>
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. During the year, Project 37 was completed, and the outstanding loan was transferred to Housing Mortgages payable.	<b>-</b>	<b>1,117,836</b>
	<b>\$ 33,544,961</b>	<b>\$ 33,366,808</b>

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**Siksika Nation**  
**Notes to the Combined Financial Statements**

**March 31, 2021**

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**11. Long-term debt (continued)**

Principal repayments on long-term debt in each of the next 5 years are estimated as follows:

2022	\$ 5,607,138
2023	2,025,710
2024	2,102,740
2025	2,375,809
Total	21,433,564
Total	<u>\$ 33,544,961</u>

Interest expense for the year on long-term debt was \$335,607 (2020 - \$669,902). During the year, the Nation received interest relief of \$368,118 on the Siksika Community Account Bylaw loans.

The Nation also has the following lines of credits in relation to Old Sun Community College, Siksika Trail Market and Siksika Trail Market limited for \$70,000, \$7,000, and \$75,000, respectively. At year-end, no amounts have been drawn on these lines of credit.

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. 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 consolidated financial statements. The Nation is in compliance with these covenants as at March 31, 2021.

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, 2021, 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 remedy the non-compliance.

**Siksika Nation**  
**Notes to the Combined Financial Statements**

**March 31, 2021**

**12. Tangible capital assets**

	Cost beginning 2020	Additions 2020	Disposals 2020	Cost beginning 2021	Additions 2021	Disposals 2021	Cost ending 2021
Automotive	\$ 14,984,205	\$ 717,884	\$ -	\$ 15,702,089	\$ 1,525,513	\$ -	\$ 17,227,602
Buildings	229,883,254	4,646,285	-	234,529,539	3,826,131	(220,000)	238,135,670
Computer equipment	8,446,966	382,930	-	8,829,896	797,863	-	9,627,759
Construction in progress	11,729,846	7,223,977	(4,096,965)	14,856,858	3,707,764	(7,699,705)	10,864,917
Furniture and fixtures	7,264,053	166,479	-	7,430,532	465,933	-	7,896,465
Infrastructure	81,319,574	3,739,499	-	85,059,073	5,354,455	-	90,413,528
Machinery	11,238,776	378,477	-	11,617,253	443,140	-	12,060,393
Office and equipment	2,620,470	135,586	-	2,756,056	269,893	-	3,025,949
Sculptures and artwork	756,809	-	-	756,809	-	-	756,809
	<b>\$368,243,953</b>	<b>\$ 17,391,117</b>	<b>\$ (4,096,965)</b>	<b>\$381,538,105</b>	<b>\$ 16,390,692</b>	<b>\$ (7,919,705)</b>	<b>\$390,009,092</b>

	Accumulated amortization beginning 2020	Amortization 2020	Accumulated amortization beginning 2021	Amortization 2021	Accumulated amortization ending 2021
Automotive	\$ 12,781,317	\$ 777,074	\$ 13,558,391	\$ 883,729	\$ 14,442,120
Buildings	73,972,723	6,357,443	80,330,166	6,264,759	86,594,925
Computer equipment	7,519,885	422,531	7,942,416	507,825	8,450,241
Furniture and fixtures	6,499,207	144,611	6,643,818	181,139	6,824,957
Infrastructure	33,951,179	2,867,165	36,818,344	2,926,698	39,745,042
Machinery	9,136,993	481,792	9,618,785	487,135	10,105,920
Office and equipment	2,294,384	113,947	2,408,331	129,110	2,537,441
	<b>\$ 146,155,688</b>	<b>\$ 11,164,563</b>	<b>\$ 157,320,251</b>	<b>\$ 11,380,395</b>	<b>\$ 168,700,646</b>

	Net book value end of 2020	Net book value end of 2021
Automotive	\$ 2,143,698	\$ 2,785,482
Buildings	154,199,373	151,540,745
Computer equipment	887,480	1,177,518
Construction in progress	14,856,858	10,864,917
Furniture and fixtures	786,714	1,071,508
Infrastructure	48,240,729	50,668,486
Machinery	1,998,468	1,954,473
Office and equipment	347,725	488,508
Sculptures and artwork	756,809	756,809
	<b>\$ 224,217,854</b>	<b>\$ 221,308,446</b>

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**Siksika Nation**  
**Notes to the Combined Financial Statements**

**March 31, 2021**

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**12. Tangible capital assets (continued)**

During the year, assets with a cost of \$1,940,237 (2020 - \$467,200) were transferred from construction in progress to buildings.

During the year, assets with a cost of \$5,405,069 (2020 - \$3,629,765) were transferred from construction in progress to infrastructure.

During the year, assets with a cost of \$304,799 (2020 - \$nil) were transferred from construction in progress to computer equipment.

During the year, assets with a cost of \$19,600 (2020 - \$nil) were transferred from construction in progress to office equipment.

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**13. Accumulated surplus**

Accumulated surplus is comprised of the following:

	<u>2021</u>	<u>2020</u>
Unrestricted equity	\$ 53,376,202	\$ 52,894,327
Equity in trust funds	11,363,016	16,413,074
Equity in tangible capital assets	193,444,819	196,138,742
Housing reserves	3,019,653	2,882,451
	<u>\$ 261,203,690</u>	<u>\$ 268,328,594</u>

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**14. Commitments**

The Nation has guaranteed mortgages for Nation members with CMHC Section 10 loans. As at March 31, 2021 the value of the mortgages guaranteed is \$155,003 (2020 - \$1,134,813).

The Nation has guaranteed mortgages for Nation members under the First Nations Market Housing Fund. As at March 31, 2021 the value of the mortgages guaranteed is \$1,235,834 (2020 - \$1,120,753).

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.

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**Siksika Nation**  
**Notes to the Combined Financial Statements**

**March 31, 2021**

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**14. Commitments (continued)**

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

2022	\$ 289,643
2023	281,721
2024	231,231
2025	89,325
Total	<u>\$ 891,920</u>

During the year, the Nation entered into a contract with an oil and gas company to receive the following payments to build a mutually beneficial relationship which recognized the interests of both Parties and is based on understanding, trust, and respect, and is to be used for educational, cultural and community initiatives:

2022	\$ 665,000
2023	665,000
2024	670,000
Total	<u>\$ 2,000,000</u>

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**15. 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, 2021 the Nation has unexpended set funding of \$139,006 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 8).

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**16. 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, 2021, the Nation has received \$nil (2020 - \$1,162,044) under the DRP.

During the year the Nation incurred expenses of \$nil (2020 - \$4,050,209) to rebuild homes damaged from the flood. The Nation received reimbursements of \$1,365,082 (2020 - \$3,024,221) 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, 2021 \$nil (2020 - \$336,024) is included with accounts receivable at year end.

**Siksika Nation**  
Notes to the Combined Financial Statements

**March 31, 2021**

**17. Grants - provincial and federal**

	2021	2020
<b>Federal grants</b>		
Canadian Heritage	\$ 571,397	\$ 143,410
Education	349,831	-
Employment and Social Development	-	306,947
Justice Canada	159,716	159,595
Natural Resources	156,593	-
	<u>1,237,537</u>	<u>609,952</u>
<b>Provincial grants</b>		
Human Services	12,247,356	13,237,565
Disaster Recovery Program	345,067	1,162,044
Aboriginal Relations	110,000	479,023
Alberta Flood Recovery Program	1,365,083	4,501,380
Alberta Environment and Parks	53,720	1,069,315
Health Services	355,689	445,035
Enterprise and Advanced Education	2,448,244	1,452,577
First Nation Development Fund	708,092	1,167,622
Justice	133,548	134,548
Other	-	114,459
Victim Services	-	253,000
	<u>17,766,799</u>	<u>24,016,568</u>
<b>Other grants</b>	<u>621,090</u>	<u>708,586</u>
	<u>\$ 19,625,426</u>	<u>\$ 25,335,106</u>

**Siksika Nation**  
Notes to Combined Financial Statements

**March 31, 2021**

**18. Expenditures by object**

	2021 Budget (Note 21)	2021	2020
Salaries and benefits	\$ 46,706,887	\$ 52,460,214	\$ 47,480,412
Program expense	25,828,909	13,224,022	13,011,045
Amortization (Note 12)	359,891	11,380,395	11,164,563
Professional fees	6,975,126	6,696,429	6,095,367
Supplies, rent, utilities and other	8,291,586	8,470,282	6,704,470
Tuition and student allowances	7,172,312	6,290,202	5,437,339
Repairs and maintenance	6,561,932	6,508,626	6,417,246
Travel	2,731,642	1,439,626	3,631,031
Child care	2,286,133	3,272,774	2,978,684
Social assistance	1,522,000	3,455,810	4,642,495
Contracted services	2,393,642	2,266,292	1,915,879
Insurance	1,142,687	1,566,433	1,346,522
Distributions	620,000	485,373	4,026,532
Professional development	1,019,838	426,971	888,221
Bad debts	11,681	732,055	2,270,410
Interest on long-term debt (Note 11)	-	335,607	699,902
Bank charges and interest	104,620	260,101	395,055
Transfer to business enterprises	-	1,056,768	326,924
Total	\$ 113,728,886	\$ 120,327,980	\$ 119,432,097

**19. 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 \$391,461 (2020 - \$608,755) and \$94,898 (2020 - \$88,781) respectively, is recorded in salaries and benefits.

**20. 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.

***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.

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**Siksika Nation**  
**Notes to the Combined Financial Statements**

**March 31, 2021**

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**20. Financial instruments (continued)**

***Liquidity risk (continued)***

The following table sets out the contractual maturities (representing contractual cash flows) of financial liabilities:

	<u>0 - 90 Days</u>	<u>Over 90 days</u>
Accounts payable and accruals	\$ 11,218,206	\$ -
Long-term debt	313,926	33,231,035
	<u>\$ 11,532,132</u>	<u>\$ 33,231,035</u>

***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 4 and 5 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.

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**March 31, 2021**

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**21. Approval of combined budgets**

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

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**22. COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of 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.

During the year, the Nation received \$1,259,628 and \$2,487,736 of Indigenous Service Canada flex funding and fixed funding, respectively, and \$9,764,379 in First Nation Inuit Health Branch fixed funding to assist with COVID-19 expenditures and relief costs.

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**23. 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.

**March 31, 2021**

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**23. Segmented disclosure (continued)**

*Land Management*

Land management contains activities that oversee the land under the Nation's control.

*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 Siksika Trust and the Siksika Heritage Trust, 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.

*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.

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March 31, 2021

23. Segmented disclosure (continued)

	Administration	First Nation Development Fund	Health Services	Justice	Land Management	Major Projects and Council Initiatives	Membership	Public Works	Total Carried Forward to Next Page
Revenue									
ISC revenue	\$ 61,720	\$ -	\$ 1,589,514	\$ 1,111,777	\$ 254,012	\$ 633,044	\$ 326,208	\$ 5,580,358	\$ 9,556,633
Band revenue	1,003,280	-	929,563	25,000	-	2,549,352	300,000	-	4,807,195
Other revenue	840,932	709,270	22,151,478	1,449,301	895,857	4,612,765	134,288	11,474	30,805,365
	<u>1,905,932</u>	<u>709,270</u>	<u>24,670,555</u>	<u>2,586,078</u>	<u>1,149,869</u>	<u>7,795,161</u>	<u>760,496</u>	<u>5,591,832</u>	<u>45,169,193</u>
Expenses									
Amortization	20,561	-	1,236,299	67,152	142,146	677,060	990	1,982,267	4,126,475
Salaries and benefits	548,700	52,485	15,604,337	1,552,908	649,922	2,418,131	292,146	1,928,068	23,046,697
Debt servicing	-	15,020	-	-	-	-	-	-	15,020
Other expenses	1,300,857	548,188	10,201,372	468,000	199,458	2,656,319	545,970	1,807,219	17,727,383
	<u>1,870,118</u>	<u>615,693</u>	<u>27,042,008</u>	<u>2,088,060</u>	<u>991,526</u>	<u>5,751,510</u>	<u>839,106</u>	<u>5,717,554</u>	<u>44,915,575</u>
Surplus (deficit)	<u>\$ 35,814</u>	<u>\$ 93,577</u>	<u>\$ (2,371,453)</u>	<u>498,018</u>	<u>\$ 158,343</u>	<u>\$ 2,043,651</u>	<u>\$ (78,610)</u>	<u>\$ (125,722)</u>	<u>\$ 253,618</u>

March 31, 2021

23. Segmented disclosure (continued)

	Total Brought Forward from Prior Page	Treasury	Economic Development	Adult Education	Education	Family Services	Housing Society	Total Before Adjustments	Consolidated Adjustments	Combined 2021 Totals
Revenue										
ISC revenue	\$ 9,556,633	\$ 69,500,056	\$ -	\$ 5,095,188	\$ 18,837,298	\$ 16,775,293	\$ 5,326,713	\$ 125,091,181	\$ (64,966,959)	\$ 60,124,222
Band revenue	4,807,195	5,075,873	-	-	-	-	66,516	9,949,584	(7,278,335)	2,671,249
Other revenue	30,805,365	16,313,737	37,859,035	3,847,490	984,406	16,271,928	1,756,134	107,838,095	(51,209,989)	56,628,106
	45,169,193	90,889,666	37,859,035	8,942,678	19,821,704	33,047,221	7,149,363	242,878,860	(123,455,283)	119,423,577
Expenses										
Amortization	4,126,475	2,754,977	-	89,516	1,538,259	316,179	2,470,298	11,295,704	84,691	11,380,395
Salaries and benefits	23,046,697	2,973,509	-	3,236,572	11,835,747	10,726,265	1,271,382	53,090,172	(629,958)	52,460,214
Debt servicing	15,020	-	147,032	-	-	-	173,555	335,607	-	335,607
Other expenses	17,727,383	87,227,461	9,861,680	5,619,530	7,276,542	19,598,774	4,677,151	151,988,521	(95,836,757)	56,151,764
	44,915,575	92,955,947	10,008,712	8,945,618	20,650,548	30,641,218	8,592,386	216,710,004	(96,382,024)	120,327,980
Surplus (deficit)	\$ 253,618	\$ (2,066,281)	\$ 27,850,323	\$ (2,940)	\$ (828,844)	\$ 2,406,003	\$ (1,443,023)	\$ 26,168,856	\$ (27,073,259)	\$ (904,403)

March 31, 2020

23. Segmented disclosure (continued)

	Administration	First Nation Development Fund	Health Services	Justice	Land Management	Major Projects and Council Initiatives	Membership	Public Works	Total Carried Forward to Next Page
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

23. 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 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	(21,623,100)	60,411,983
	44,917,511	84,277,113	7,944,457	8,452,458	19,615,260	33,577,702	7,902,951	206,687,452	(82,248,434)	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	\$ (61,433)	\$ 5,006,921