

Consolidated Financial Statements of

**PIIKANI NATION**

And Independent Auditors' Report thereon

Year ended March 31, 2020

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

Management of the Piikani Nation (the "Nation") is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the Nation's financial position as at March 31, 2020 and the results of its operations for the year then ended.

The financial statements have been prepared in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

Chief and Council carries out its responsibilities for review of the financial statements. The members of the Council are not officers or employees of the Nation. The Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Chief and Council with and without the presence of management. The Chief and Council of the Piikani Nation has approved the financial statements.

The financial statements for the year ended March 31, 2020 have been reported on by KPMG LLP, the external auditor. The Independent Auditors' Report outlines the scope of their examination and provides their opinion on the fairness of presentation of the information in the financial statements.

A handwritten signature in black ink, appearing to be "Wesley A. [unclear]", is written over a solid horizontal line.

February 8, 2021



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## INDEPENDENT AUDITORS' REPORT

To Members of the Piikani Nation

### ***Opinion***

We have audited the consolidated financial statements of Piikani Nation (the Nation), which comprise:

- the consolidated statement of financial position as at March 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2020, and its results of operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Lethbridge, Canada

February 8, 2021

# PIIKANI NATION

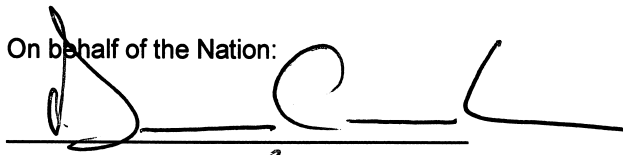
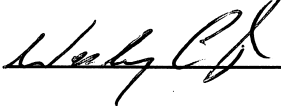
## Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash	\$ 20,991,768	\$ 23,593,909
Investments (note 3)	15,768,949	9,575,285
Accounts receivable (note 4)	3,707,064	4,339,004
Trust funds (note 5)	3,316,236	3,025,161
Other	--	258,619
Inventory	1,876,475	1,592,520
Notes receivable	42,721	97,227
	45,703,213	42,481,725
Financial liabilities:		
Bank indebtedness (note 9)	1,163,544	321,703
Accounts payable and accrued liabilities (note 7)	3,575,567	4,176,514
Deferred revenue (note 8)	17,271,375	16,314,600
Long-term debt (note 10)	46,235,554	32,935,356
	68,246,040	53,748,173
Net financial assets (debt)	(22,542,827)	(11,266,448)
Non-financial assets:		
Tangible capital assets (note 6)	69,105,450	65,998,585
Prepaid expenses	263,772	257,254
Alberta Electrical Connection Operator's License (note 19)	53,000	53,000
	69,422,222	66,308,839
Economic dependence (note 12)		
Contingent liabilities (note 17)		
Commitments (note 20)		
Contractual rights (note 22)		
COVID-19 pandemic (note 23)		
Accumulated surplus (note 11)	\$ 46,879,395	\$ 55,042,391

See accompanying notes to consolidated financial statements.

On behalf of the Nation:

# PIIKANI NATION

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2020, with comparative information for 2019

	Budget (note 18)	2020	2019
<b>Revenue:</b>			
Indigenous Services Canada (note 13)	\$ 22,629,252	\$ 29,068,554	\$ 22,413,947
Revenue on trust funds	--	291,075	69,603
Trust funds disbursed	--	1,689,694	2,471,074
ISC-FNIHB	--	--	4,699,850
Settlement revenue	2,560,000	1,662,735	13,063,978
Permit revenue	402,536	1,167,034	2,881,421
Other	5,673,665	12,255,444	13,829,887
	31,265,453	46,134,536	59,429,760
Deferred revenue, beginning of year	275,351	16,314,600	13,863,631
Deferred revenue, end of year	--	(17,271,375)	(16,314,600)
Repayment of funding	--	--	(94,343)
	275,351	(956,775)	(2,545,312)
	31,540,804	45,177,761	56,884,448
<b>Expenses:</b>			
Salaries, wages and benefits	10,831,561	14,455,682	13,503,177
Chief and council honorariums and travel (note 15)	1,160,000	1,142,298	1,826,679
Energy purchases	216,000	310,478	363,771
Per capita distribution	--	26,506	4,113,329
Interest on long-term debt	628,910	1,143,380	674,810
Insurance	189,378	331,409	255,511
Social assistance	--	2,765,179	2,244,930
Professional fees	964,621	1,645,678	1,716,218
Utilities and telephone	321,140	809,420	521,357
Travel, meetings and conferences	798,846	1,512,575	1,718,113
Projects and programs	12,813,698	13,704,701	20,117,110
Office and administration	1,121,752	1,584,254	1,881,887
Interest and bank charges	72,000	71,802	85,102
Committee expenses	83,250	151,709	175,677
Consulting	8,000	423,457	363,886
Repairs and maintenance	1,444,442	3,776,399	8,439,975
Settlement fund distribution	--	2,650,815	2,801,453
Other	247,500	1,775,960	1,383,036
Amortization	--	5,069,056	4,674,294
	30,901,098	53,350,758	66,860,315
Excess (deficiency) of revenue over expenses, before the undernoted	639,706	(8,172,997)	(9,975,867)
Gain (loss) on sale of tangible capital assets	--	10,001	(17,000)
Excess (deficiency) of revenue over expenses	639,706	(8,162,996)	(9,992,867)
Accumulated surplus, beginning of year	55,042,391	55,042,391	65,035,258
Accumulated surplus, end of year	\$ 55,682,097	\$ 46,879,395	\$ 55,042,391

See accompanying notes to consolidated financial statements.

# PIIKANI NATION

## Consolidated Statement of Change in Net Financial Assets (Debt)

Year ended March 31, 2020, with comparative information for 2019

	Budget (note 18)	2020	2019
Excess (deficiency) of revenue over expenses	\$ 639,706	\$ (8,162,996)	\$ (9,992,867)
Acquisition of tangible capital assets	--	(8,243,921)	(12,074,403)
Amortization of tangible capital assets	--	5,069,056	4,674,294
Loss on disposal of tangible capital assets	--	(10,001)	17,000
Proceeds on sale of tangible capital assets	--	78,000	9,500
Change in prepaid expenses	--	(6,517)	93,480
	--	(3,113,383)	(7,280,129)
Change in net financial assets (debt)	639,706	(11,276,379)	(17,272,996)
Net financial assets (debt), beginning of year	(11,266,448)	(11,266,448)	6,006,548
Net financial assets (debt), end of year	\$(10,626,742)	\$ (22,542,827)	\$ (11,266,448)

See accompanying notes to consolidated financial statements.



# PIIKANI NATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (8,162,996)	\$ (9,992,867)
Items not involving cash:		
Amortization of tangible capital assets	5,069,056	4,674,294
Loss (gain) on disposal of tangible capital assets	(10,001)	17,000
Gross revenue earned on trust funds	(291,075)	(244,609)
Equity earnings in Oldman River Hydro Joint Venture	(593,508)	(1,049,881)
Equity earnings on Piikani Transmission Holdings Limited Partnership	(570,634)	--
Change in non-cash operating assets and liabilities:		
Inventory	(283,955)	(577,677)
Accounts receivable	630,359	2,853,233
Notes receivable	54,506	81,102
Accounts payable and accrued liabilities	(599,368)	1,292,504
Deferred revenue	956,776	2,450,969
Other	258,619	(28,802)
Prepaid expenses	(6,517)	93,480
	(3,548,738)	(431,254)
Capital activities:		
Acquisition of tangible capital assets	(8,243,921)	(12,074,403)
Proceeds on disposal of tangible capital assets	78,000	9,500
	(8,165,921)	(12,064,903)
Financing activities:		
Proceeds on long-term debt	13,959,708	7,060,428
Payments on long-term debt	(659,509)	(2,572,845)
	13,300,199	4,487,583
Investing activities:		
Increase in investments	(6,548,478)	(69,023)
Distributions - Oldman River Hydro Joint Venture	900,000	1,000,000
Distributions from Piikani Transmission Holdings Limited Partnership	618,956	--
	5,029,522	930,977
Increase (decrease) in cash	(3,443,982)	(7,077,597)
Cash, beginning of year	23,272,206	30,349,803
Cash, end of year	\$ 19,828,224	\$ 23,272,206
Cash consists of the following:		
Cash and cash equivalents	\$ 20,991,768	\$ 23,593,909
Bank indebtedness	(1,163,544)	(321,703)
	\$ 19,828,224	\$ 23,272,206

See accompanying notes to consolidated financial statements.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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Piikani Nation is an aboriginal organization that represents Piikani Members in Southern Alberta.

### 1. Significant accounting policies:

The financial statements of Piikani Nation (the "Nation") are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Nation are as follows:

#### (a) Reporting Entity:

The Piikani Nation reporting Entity includes the Piikani Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the Piikani Nation.

The consolidated financial statements include the assets, liabilities and results of operations for the following entities:

Piikani Nation – Government Services  
Ky-Naak-Ku-Kan Housing Corporation  
Peigan Board of Education  
Piikani Resource Development Ltd.  
1559725 Alberta Ltd.  
1656877 Alberta Ltd.

Piikani Nation Travel Plaza Ltd.  
Peigan Indian Rural Electrification Association  
Oldman Irrigation Ltd.  
Piikani Child and Family Services  
Piikani Investment Corporation  
1792191 Alberta Ltd.

#### (b) Basis of accounting:

The Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Revenue recognition:

##### Government transfers:

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 1. Significant accounting policies (continued):

#### (c) Revenue recognition (continued):

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

##### Indigenous Services Canada ("ISC"):

Program revenue received from ISC is recognized as it becomes receivable under the terms of the applicable funds transfer agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt.

##### Canada Mortgage and Housing Corporation ("CMHC"):

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

##### Indigenous Services Canada-First Nations and Inuit Health Branch (ISC-FNIHB) (Previously Health Canada):

ISC-FNIHB provides funding for specific purposes. Funds allocated to a specific purpose, which have not been expended for that purpose by the fiscal year end of the entity, are recorded as deferred revenue and appear as a liability on the statement of financial position. These funds are reported as revenues in the year the specific expenditures are incurred.

##### Treaty 7 Economic Development Corporation ("Treaty 7"):

Treaty 7 provides funding for specific purposes. Funds allocated to a specific purpose, which have not been expended for that purpose by the fiscal year end of the entity, are recorded as deferred revenue and appear as a liability on the statement of financial position. These funds are reported as revenues in the year the specific expenditures are incurred.

#### (d) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 1. Significant accounting policies (continued):

(e) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(f) Employee future benefits:

The Nation and its employees participate in a multi-employer defined contribution pension plan. The contributions are expensed as incurred.

(g) Investments:

Investments include a 25% interest in the Oldman River Hydro Joint Venture and are recorded on the equity basis. All other investments are recorded at cost.

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings and improvements	20-40
Infrastructure, distribution systems and engineering structures	20-33
Automotive, machinery and equipment	3-5
Furniture and equipment	5
Computer equipment	3

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 1. Significant accounting policies (continued):

#### (h) Non-financial assets (continued):

##### (i) Tangible capital assets (continued)

When conditions indicate that a tangible capital asset no longer contributes to the Nation's ability to provide goods and services, or the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the net book value of the tangible capital asset is written down to reflect the decline in the tangible capital assets net book value.

Assets under construction are not amortized until the asset is available for productive use.

##### (ii) Contributions of tangible capital assets

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

##### (iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

##### (iv) Interest capitalization

The Nation does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

##### (v) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

#### (i) Inventory held for resale:

Housing inventory is measured at the lower of cost or net realizable value using the specific item basis. Costs consist of the cost of raw materials and other costs that bring the housing units to marketable condition.

Inventories of agricultural product and biological assets are valued at the lower of cost and estimated net realizable value.

The actual amount that will be realized for the inventories may be more or less than this value.

When circumstances exist where the estimated amounts that will be realized from the inventory is less than cost it is written down to the estimated net realizable value. When circumstances which previously resulted in inventories to be written down no longer exist the previous impairment is reversed.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 1. Significant accounting policies (continued):

(j) Asset retirement obligation:

The Nation is subject to regulations requiring the repair, removal and disposal of friable asbestos. The obligation, under these regulations meets the definition of a conditional asset retirement obligation.

As a result of the longevity of the Nation's facilities, due in part to the Nation's maintenance procedures, and the fact that the Nation does not have plans for major changes that would require the removal of asbestos, the timing of the removal of asbestos in the Nation's facilities is indeterminable at year end. As a result, the Nation is currently unable to estimate the fair value of its asbestos removal and disposal obligation. Therefore, expenditures are recorded in accounts as they are incurred.

(k) Use of estimates:

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

Actual results could differ from these estimates.

(l) Cash and cash equivalents:

Cash and cash equivalents consists of cash on hand and deposits which are highly liquid with original maturities of less than three months at the date of acquisition. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### **2. Future accounting pronouncements & adoption of new standards:**

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2021, the Entity will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

**1. PS 1201 – Financial Statement Presentation:**

The implementation of this standard requires a new statement of re-measurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2022.

**2. PS 3450 – Financial Instruments:**

This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the Entity. Unrealized gains and losses will be presented on the new statement of remeasurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. As the Entity does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact on the Entity. This standard is effective for fiscal years beginning on or after April 1, 2022.

**3. PS 2601 – Foreign Currency Translation:**

This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The section requires monetary assets and liabilities, denominated in a foreign currency and non-monetary items valued at fair value denominated in a foreign currency to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of remeasurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2022.

**4. PS 3041 – Portfolio Investments:**

This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of these types of investments. Upon adoption of this section and PS 3450, PS 3040 – Portfolio investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2022.

**5. PS 3280 – Asset Retirement Obligations:**

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset. This section is effective for fiscal years beginning on or after April 1, 2021.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 2. Future accounting pronouncements & adoption of new standards (continued):

#### 6. PS 3400 – Revenue:

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This section is effective for fiscal years beginning on or after April 1, 2022.

The requirements in PS 1201, PS 3450, PS 2601 and PS 3041 are required to be implemented at the same time.

Management has indicated that the impact of the adoption of this standard is being evaluated and it is not known or reasonably estimable at this time.

The Entity has prospectively adopted the following standards effective April 1, 2019:

#### (i) PS 3430 – Restructuring transactions:

Provides guidance on the recognition, measurement and presentation of restructuring transactions by both the transferor and recipients of assets and/or liabilities, together with related program or operating responsibilities.

### 3. Investments:

Investments comprise of the following:

	2020	2019
Investment in Oldman River Hydro Joint Venture	\$ 5,633,226	\$ 5,939,718
Investment in PiiikaniLink Limited Partnership	9,932,685	--
Guaranteed Investment Certificate, 2.12%, maturing March 23, 2020	--	3,439,064
Other	203,038	196,503
	<b>\$ 15,768,949</b>	<b>\$ 9,575,285</b>

Investment in Oldman River Hydro Joint Venture:

Piiikani Nation holds a 25% interest in the Oldman River Hydro Joint Venture. Information specifically related to this interest is as follows:

	2020	2019
Investment in Oldman River Hydro Joint Venture	\$ 7,444,968	\$ 7,444,968
Advances for operating costs	50,000	50,000
Share of earnings (cumulative)	11,891,798	11,298,290
Cash distributions (cumulative)	(13,753,540)	(12,853,540)
	<b>\$ 5,633,226</b>	<b>\$ 5,939,718</b>



# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 3. Investments (continued):

The following summarized information extracted from the Oldman River Hydro Joint Venture unaudited financial statements representing a 25% interest.

	2020	2019
Financial assets	\$ 1,035,787	\$ 993,520
Financial liabilities	(1,982,112)	(1,424,040)
Net financial debt	(946,325)	(430,520)
Non-financial assets	6,579,551	6,370,238
Share of equity, as at December 31	\$ 5,633,226	\$ 5,939,718
	2020	2019
Revenue	\$ 1,567,610	\$ 1,876,524
Costs of sales	(378,778)	(282,216)
Operating expenses	(595,324)	(544,427)
Share of earnings (deficiency)	\$ 593,508	\$ 1,049,881

Investment in PiikaniLink Limited Partnership:

Piikani Nation holds a 50.995% interest in the PiikaniLink Limited Partnership. Information specifically related to this interest is as follows:

	2020	2019
Investment in Oldman River Hydro Joint Venture	\$ 9,981,007	\$ --
Share of earnings (cumulative)	570,634	--
Cash distributions (cumulative)	(618,956)	--
	\$ 9,932,685	\$ --

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 3. Investments (continued):

The following summarized information extracted from the PiikaniLink Limited Partnership's unaudited financial statements representing a 50.995% interest.

	2020	2019
Financial assets	\$ 235,986	\$ --
Financial liabilities	(18,806,446)	--
Net financial debt	(18,570,460)	--
Non-financial assets	28,503,145	--
Share of equity, as at December 31	\$ 9,932,685	\$ --
	2020	2019
Revenue	\$ 1,616,541	\$ --
Expenses	(1,045,907)	--
Share of earnings	\$ 570,634	\$ --

### 4. Accounts receivable:

	2020	2019
Indigenous Services Canada	\$ 557,329	\$ 1,465,069
Community Futures - Treaty 7	82,883	215,651
First Nations Development Fund	--	228,087
Government of Alberta	--	421,083
Other	3,066,852	2,009,114
	\$ 3,707,064	\$ 4,339,004

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 5. Trust funds:

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the consolidated revenue fund of the Government of Canada. The management of these funds is primarily governed by Section 63 and Section 69 of the Indian Act. These funds can be accessed by the Piikani Nation with the approval of Indigenous Services Canada. The trust funds include the following:

	2020	2019
Capital fund	\$ 45,687	\$ 5,813
Land replacement – capital account	2,115,000	2,115,000
Land replacement – revenue account	290,923	244,607
Per capita account	17,852	17,509
Revenue fund account	846,774	642,232
	<b>\$ 3,316,236</b>	<b>\$ 3,025,161</b>

## PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 6. Tangible capital assets:

Cost	2019	Additions	Disposals	Transfers	2020
Land	\$ 952,499	\$ --	\$ --	\$ --	\$ 952,499
Buildings and improvements	80,238,494	6,615,668	--	1,222,404	88,076,566
Distribution systems	17,860,575	--	--	--	17,860,575
Engineering structures	4,036,402	142,890	--	233,013	4,412,305
Furniture and equipment	3,319,679	135,270	--	--	3,454,949
Computer equipment	676,666	51,897	--	--	728,563
Automotive, machinery and equipment	8,375,711	724,881	(444,952)	--	8,655,640
Assets under construction	1,324,530	573,315	--	(1,455,417)	442,428
	<b>\$ 116,784,556</b>	<b>\$ 8,243,921</b>	<b>\$ (444,952)</b>	<b>\$ --</b>	<b>\$ 124,583,525</b>
Accumulated amortization	2019	Amortization expense	Disposals	Transfers	2020
Buildings and improvements	\$ 31,739,449	\$ 3,392,646	\$ --	\$ --	\$ 35,132,095
Distribution systems	7,459,713	532,941	--	--	7,992,654
Engineering structures	2,222,875	119,806	--	--	2,342,681
Furniture and equipment	2,989,283	165,786	--	--	3,155,069
Computer equipment	656,716	30,146	--	--	686,862
Automotive, machinery and equipment	5,717,935	827,731	(376,952)	--	6,168,714
Total	<b>\$ 50,785,971</b>	<b>\$ 5,069,056</b>	<b>\$ (376,952)</b>	<b>\$ --</b>	<b>\$ 55,478,075</b>

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 6. Tangible capital assets (continued):

Net book value	2020	2019
Land	\$ 952,499	\$ 952,499
Buildings and improvements	52,944,471	48,499,045
Distribution systems	9,867,921	10,400,862
Engineering structures	2,069,624	1,782,527
Furniture and equipment	299,880	305,037
Computer equipment	41,701	19,950
Automotive, machinery and equipment	2,486,926	2,714,135
Assets under construction	442,428	1,324,530
	<b>\$ 69,105,450</b>	<b>\$ 65,998,585</b>

### 7. Accounts payable and accrued liabilities:

	2020	2019
Trade payables and accrued liabilities	\$ 3,016,221	\$ 3,072,042
Payroll liabilities	474,387	1,027,223
Other	84,959	77,249
	<b>\$ 3,575,567</b>	<b>\$ 4,176,514</b>

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 8. Deferred revenue:

	2020	2019
Piikani Administration	\$ 5,208,012	\$ 6,821,549
Piikani Child and Family Services	3,399,708	2,592,358
Piikani Employment Services	582,490	232,039
Piikani Public Works	177,050	177,050
Piikani Social Development	599,834	304,186
Peigan Board of Education	2,225,116	441,799
Piikani Resource Development Ltd.	4,608,265	5,233,830
Peigan Indian Rural Electrification Association	--	--
Piikani Housing Authority and Rentals	--	144,389
1559725 Alberta Ltd.	367,400	367,400
Ky-Naak-Ku-Kaan Housing Corporation	103,500	--
	<b>\$ 17,271,375</b>	<b>\$ 16,314,600</b>

### 9. Bank indebtedness:

At March 31, 2020, the Nation had two operating lines of credit with an aggregate balance of \$1,163,544 (2019 – two lines of credit with a balance of \$321,703). The Nation has a \$200,000 operating line of credit with a balance of \$ nil (2019 - \$ nil) which is secured by a general security agreement and bears interest at prime plus 2.65%. The Nation also has a \$1,500,000 operating line of credit with a balance of \$1,163,544 which bears interest at prime plus 0.50%.

At March 31, 2020, the prime interest rate was 2.45% (2019 – 3.95%).

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 10. Long-term debt:

	2020	2019
Piikani Housing Authority and Rentals:		
Housing loans payable to various financial institutions in monthly instalments of \$17,468 including interest at rates from 2.86% to 5.375%, secured by postponements and guarantees by parties within the reporting entity, an assignment of settlement trust interest revenues and specific assets owned by the Nation. Maturing at various dates to March 2024	\$ 5,720,410	\$ 3,619,318
Piikani Administration:		
Loans payable in monthly instalments of \$11,400, including interest at 4.95%, secured by a demand promissory note for \$1,463,000, a Band Council Resolution authorizing the borrowing, assignment of lease payments of the related building and an assignment of insurance, matures February, 2022	405,410	518,914
BMO Demand loan with an interest rate of prime plus 0.75%, interest only until November 2020	1,916,434	1,657,935
John Deere Equipment loan with an interest rate of 2.90%, payable in annual instalments of \$10,475, secured by specific equipment with a net book value of \$nil, due July 2020	10,226	20,073
John Deere Equipment loan with an interest rate of 3.95%, payable in annual instalments of \$4,301, secured by specific equipment with a net book value of \$8,750, due September 2022	7,529	11,946
Piikani Administration and Piikani Resource Development Ltd. 1% loan to Piikani Settlement Fund, the terms of this loan are discussed below (1)	12,806,912	12,806,912
CNH Equipment loan with an interest rate at 4.49% payable in annual instalments of \$30,748 including interest, secured by specific equipment with a net book value of \$48,837, due June 2021	57,649	84,492
BMO term loan with an interest rate of 3.42%, payable in quarterly instalments of \$134,714 including interest, due January 2022 secured by certain guarantees	6,620,118	6,919,557
Peigan Board of Education:		
Finance contract payable in 10 monthly instalments of \$2,070 per annum including interest at 6.10%, secured by two Freightliner buses, due September 2020	8,175	27,702
John Deere Equipment loan with an interest rate of \$nil, payable in monthly instalments of \$445, secured by specific equipment with a net book value of \$43,185, due June 2023	17,350	22,688
Carried forward	\$ 25,570,213	\$25,689,537

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 10. Long-term debt (continued):

	2020	2019
Brought forward	\$ 25,570,213	\$ 25,689,537
Ky-Naak-Ku-Kan Housing Corporation:		
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$3,343 including interest	230,075	257,952
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$7,174 including interest	502,970	562,345
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$10,209 including interest	1,682,628	1,720,170
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$9,928 including interest	1,637,576	1,674,020
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$9,493 including interest	1,656,252	1,686,718
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$7,065 including interest	1,169,722	--
BMO prime plus 1.50% demand loan, repayable in monthly payments of \$1,524 including interest	141,190	--
BMO demand loans with interest rates from prime plus 1.00% to prime plus 1.50%, repayment terms on demand loans are negotiated once construction has been completed on projects. Security for loans includes a general security agreement over all assets of the entity with BMO registered in the first position and a guarantee from Piikani Nation	1,555,940	1,344,614
1656877 Alberta Ltd. and 1792191 Alberta Ltd.:		
Bankers acceptable payable to Toronto Dominion Bank, see below for details (2)	10,088,988	--
	<b>\$ 46,235,554</b>	<b>\$ 32,935,356</b>

- (1) The loan payable to the Settlement Fund of the Piikani Nation is payable over 23 years maturing December 2037 with interest at 1% per annum and payable on December 31, each year.

In 2015, there was a court ordered settlement between the Piikani Nation and its subsidiaries which include the Piikani Resource Development Ltd. and the Settlement Trust. The court order re-established the amounts owing as well as the terms of the amounts owing to the Settlement Trust by the Piikani Nation and its subsidiaries and addressed a number of transactions that were previously disputed and for which there was limited knowledge of.



# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 10. Long-term debt (continued):

- (2) The bankers acceptance payable to Toronto-Dominion Bank is a revolving bankers acceptance and is fully paid every quarter with a new bankers acceptance issued upon payment. The banks acceptance has a fixed and floating rate. Interest payable is determined by the difference. The fixed rate for the bankers acceptance is 3.97%.

The Partnership has two demand loans that have not been drawn on yet. The loans are for \$650,000 and \$1,000,000. The purpose of these loans is to finance the purchase of a TransAlta substation and financing for any additional rate-based assets and/or repairs, respectively. Both loans are prime rate-based loans and are to be paid per annum.

The partnership is always required to maintain a Debt Service Coverage (DSC) of not less than 100% and tested at minimum annually.

The following security shall be provided to and accepted by the Bank:

- Unlimited Guarantee of Advances executed by 1792191 Alberta Corp ( the "Guarantor") in favor of The Partnership. Supported by:
  - a. General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings
- Unlimited Guarantee of Advances executed by Piikani Nation (the "Nation") in favor of The Partnership.
- Unlimited Guarantee of Advances executed by 1656277 Alberta Ltd (the "Guarantor") in favor of The Partnership. Supported by:
  - b. GSA representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 11. Accumulated surplus:

	Operating	Trust funds	CMHC Reserve (i)	Invested in tangible capital assets	Total 2020	Total 2019
Balance, beginning of year	\$ 4,705,300	\$ 3,025,161	\$ 55,000	\$ 47,256,930	\$ 55,042,391	\$ 65,035,258
Excess (deficiency) of revenue over expenses	(8,162,996)	--	--	--	(8,162,996)	(9,992,867)
Amortization of tangible capital assets	5,069,056	--	--	(5,069,056)	--	--
Acquisition of tangible capital assets	(8,243,921)	--	--	8,243,921	--	--
Net Trust funds earned/ disbursed	(291,075)	291,075	--	--	--	--
Proceeds on long-term debt related to tangible capital assets	3,962,551	--	--	(3,962,551)	--	--
Principal payments on long-term debt related to tangible capital assets	(816,378)	--	--	816,378	--	--
Loss/ (gain) on sale of tangible capital assets	(10,001)	--	--	10,001	--	--
Proceeds on sale of tangible capital assets	78,000	--	--	(78,000)	--	--
Transfer	(5,000)	--	5,000	--	--	--
	\$ (3,714,464)	\$ 3,316,236	\$ 60,000	\$ 47,217,623	\$ 46,879,395	\$ 55,042,391

(i) As part of its funding agreement, the Nation maintains a housing replacement reserve.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 12. Economic dependence:

Piikani Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada, ISC-FNIHB and other Federal and Provincial government departments.

### 13. Indigenous Services Canada:

	2020	2019
Fixed:		
Administration:		
AB and ON Day-Care Agreement (NPA5)	\$ --	\$ 273,500
Pension Plan Admin & Non-Stat (NG0L)	--	34,894
LEDSP-Land Management-Allocation (NT45)	--	180,842
Designations (NT7A)	--	36,820
CPP/QPP & Pension-FN EMPLR (Q31V-001)	63,219	64,830
Basic Admin Gov Cap Dev (NG1G)	--	20,133
Financial Management Capacity (NG1E)	--	50,000
Financial Management Capacity (NG1E-002)	--	13,665
CAP Plan (Q3B2-001)	100,000	--
Community Building (Q3BK-002)	44,547	44,547
Risk Management (NG1J)	--	75,000
Registry Event (NPNF)	--	27,626
Indian Registry (NGNF-005)	--	5,705
Consul. Legislative Develop. (NGNH)	--	10,000
Admin & Support Estates (QZEA-001 & QZEA-002)	31,514	73,320
Community Based Initiatives (NPCV)	--	198,687
Management Support (Q31U-001)	31,490	5,100
Community Opportunity Readiness (Q2BW-001)	228,089	250,000
Reno/Additions (NTHC)	--	25,525
Public Works:		
A&C Wastewater (Q34X)	140,000	68,500
Wastewater Systems (Q35A)	72,040	123,574
Water Systems (Q35B)	488,486	488,486
Fire Protection (Q3BG/ Q3CI)	65,331	64,481
Road and Bridges (Q3BH)	729,316	729,316
Electrical Systems (Q3BI)	4,549	4,549
Community Buildings (Q3BK)	105,029	105,029
Maintenance Management (Q3BO)	87,236	71,700
Solid Waste (Q3BT)	273,040	273,040
Operations-Maintenance (NTVG)	--	116,375
Piikani Social Development:		
Service Delivery (Q2AF)	576,110	576,110
Carried forward	\$ 3,039,996	\$ 4,011,354

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 13. Indigenous Services Canada (continued):

	2020	2019
Brought forward	\$ 3,039,996	\$ 4,011,354
Piikani Housing and Rental Authorities:		
Planning Design and Construction (Q3BL)	450,000	450,000
Planning and Risk (Q32N)	75,000	--
Management Support (Q3BY)	5,100	--
Cap Planning Proj-Infra (Q3AD)	261,291	334,800
Lot Servicing (NTLT)	--	247,520
HR Mgmt GOV CAP Dev (Q32K)	20,760	--
Cap Plan (Q3B2)	234,800	--
Lot Servicing (Q3AC)	250,000	--
Renovation (Q3AB)	400,000	--
Construction (Q3AA)	1,001,647	--
IM/ IT Gov Cap (Q32H)	49,500	--
Piikani Resource Development Ltd:		
Economic Development Allocation (QZF7)	214,565	214,565
Piikani Child and Family Services:		
Operations (Q2CO)	2,217,893	1,715,013
Foster Homes (Q2BY)	972,983	972,983
Group Homes (Q2BZ)	1,429,849	2,022,205
Prevention, least disruptive measures (Q2C3)	443,058	399,996
Kinship Care (Q2C1)	261,578	261,578
Post-adoption subsidies (Q2C3)	158,370	158,370
Peigan Board of Education:		
FN School Formula (Q24F)	3,466,023	--
FN School Second level (Q24K)	528,477	--
FN Kindergarten (Q24L)	288,983	--
FN School Protect Formula (Q24M)	193,253	--
FN School Protect Formula (Q24M)	10,041	--
FN Sch Targeted HCSE (Q28N)	474,024	--
Prov. School Tuition (Q2EG)	63,534	--
Prov. School Transport (Q2EL)	717,239	--
Community Buildings (QBK)	12,391	12,391
CPP and Pension Other Employees (NG0P)	--	118,651
Fit Up of Education Facilities (Q36M)	13,680	14,680
Guidance and Counselling (NP13)	--	45,000
Instruction Service Formula (NP05)	--	1,420,772
Low Cost Special Education (NP08)	--	31,455
Maintenance Management (Q3BO)	20,200	20,200
Pension Plan Admin and Non-Stat (NG0L)	--	64,622
Post-secondary Student Support Program (Q29A)	1,487,457	1,312,085
Schools – O&M (NTHL)	--	431,986
Student Transportation Services (NP18)	--	1,285,506
Enhanced Teachers' Salaries (NP07)	--	62,648
Carried forward	\$ 18,761,692	\$ 15,608,380

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 13. Indigenous Services Canada (continued):

	2020	2019
Brought forward	\$ 18,761,692	\$ 15,608,380
School Effectiveness (NP1M)	--	133,500
Parental and Community Engagement (NP1P)	--	10,000
Teacher Recruitment and Retention (NP1Q)	--	46,084
Language and Culture (NP1R)	--	200,500
Skills-Link Program (Q26G)	142,844	152,997
Band Operations School Direct Services (NP34)	--	837,109
Band Operated School-Evaluation (NP09)	--	35,000
EPP-Structural Readiness (Q274)	98,450	221,100
Regional Implementation (NP2L)	--	280,000
Peigan Indian REA:		
Electrical Systems (NTNH)	--	--
Planning Design and Construction (NTKB)	--	--
Set:		
Piikani Child and Family Services:		
Operations (NPD3)	--	903,396
Prevention, least disruptive measures (NPD7)	--	293,906
Piikani Employment Services:		
First Nation & Inuit - Summer Work Experience (NP20)	--	98,700
First Nation & Inuit - Skills Link Program (Q26G)	35,840	38,228
Summer Work Experience Program (Q26F)	68,486	--
Piikani Social Development:		
Basic Needs (Q29W)	2,716,712	2,283,737
Child Out of Parental Home Allowance (Q2A1)	5,936	14,711
Special Needs (Q2A6)	186,586	196,711
In-Home Care (Q2BF)	137,040	87,818
Response (Q3FP)	125,000	--
Social Assist. Empl. Training (Q2A0)	362,003	--
Aakom-Kiyii Health Services		
MT-Client Insured Sen (Q010-002)	343,197	--
MT-Client Insured Sen (Q010-003)	142,898	--
MT Client Insured Sen (Q010-004)	26,883	--
MT-Ca Admin (Q01D-002)	97,124	--
MT-Ca Admin (Q01D-003)	39,041	--
Mental Health (Q01R-002)	163,818	--
BF-Brighter Futures (Q212-02)	15,287	--
IRS-ResolutionsUP Wo (Q21M-002)	116,161	--
IRS-Cutl Support PRV (Q21N-002)	33,875	--
IRS-RHSP Program De (Q21Q-002)	2,560	--
	\$ 23,621,433	\$ 21,441,877

# PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 13. Indigenous Services Canada (continued):

	2020	2019
Brought forward	\$ 23,621,433	\$ 21,441,877
Peigan Board of Education: Instruction Service Formula (NP05)	--	81,900
Grant: Piikani Administration: Band Support Funding (Q31K)	887,616	890,170
Flexible: Aakom-Kiyii Health Services:		
MHC Traditional Heal (Q01T-001)	23,819	--
COHI-Child Oral Hth In (Q02U-001)	60,000	--
JP-Mental Health (Q20S-001)	162,745	--
BHC-BLDG Hlthy CMN (Q211-001)	201,110	--
SP-Suicide Prevention (Q213-001)	78,250	--
BF-Brighter Futures (Q212-001)	297,257	--
NNADAP-NATNTVALO (Q216-001)	291,009	--
NYSAP Treatment Cent (Q218-001)	40,329	--
CDSS Recruitment (Q219-001)	12,000	--
CDSS OAT Project (Q219-002)	250,000	--
CDSS NNADAP Training (Q219-003)	10,000	--
ADI-ABOR Diabetes (Q221-001)	85,439	--
ADI-ABOR Diabetes (Q221-002)	2,907	--
CPNP-CAN Prentl Nutr (Q22G-001)	62,807	--
FASD-Fetal ALCSpdis (Q22H-001)	6,133	--
MCH-Mat. Child Health (Q22I-001)	93,867	--
AHSOR-ABOR Headstart (Q22K-001)	143,979	--
AHSOR-ABOR Headstart (Q22K-002)	10,281	--
AHSOR-ABOR Headstart (Q22K-003)	109,761	--
HCD-PUB Health NS (Q22N-001)	239,468	--
HCC Service Delivery (Q22U-001)	592,993	--
HCC Service Delivery (Q22U-002)	117,933	--
EPHS-Dr. Water (Q23C-001)	23,000	--
Climate Change (Q23I-001)	100,000	--
CDE Planning and Resp (Q23X-001)	5,000	--
CDE Planning and Resp (Q23X-002)	22,046	--
HIV/Aids Prev Promo (Q23Z-001)	5,000	--
HIV/Aids Prev Promo (Q23Z-002)	5,653	--
HIV/Aids Prev Promo (Q23Z-003)	75,000	--
CDCM-Pub Health NS (Q243-001)	434,293	--
CDCM-Pub Health ND (Q243-002)	6,257	--
Capital Investments (Q300-001)	41,803	--
Community Facilities (Q302-001)	165,008	--
Carried forward	\$ 28,284,196	\$ 22,413,947

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 13. Indigenous Services Canada (continued):

	2020	2019
Brought forward	\$ 28,284,196	\$ 22,413,947
Health Planning Mgmt (Q30P-001)	173,825	--
Health Planning Mgmt (Q30P-002)	35,000	--
Health Planning Mgmt (Q30P-003)	69,000	--
Accreditation Services (Q30Q-001)	38,903	--
Piikani Lands:		
Allocation (NT4) RLEMP (QZMF-001)	194,130	--
Piikani Day Care:		
AB & ON Day Care Agreement (Q2AX-001)	273,500	--
	\$ 29,068,554	\$ 22,413,947

### 14. Financial instruments:

It is management's opinion that the Nation is not exposed to significant interest, currency, liquidity or credit risk arising from its financial instruments.

Unless otherwise noted, the fair values of financial assets and liabilities approximate their carrying values due to the relatively short periods to maturity of the instruments.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 15. Chief and Council Member Honorariums and Travel:

Honorarium and travel expense paid to elected officials:

	Months	Self-funded		Total 2020	Total 2019
		Honorarium	Travel		
Stanley Grier	12	\$ 120,000	\$ 30,633	\$ 150,633	\$ 263,411
Troy Knowlton	12	110,000	22,217	132,217	206,816
Brian Jackson	12	110,000	29,175	139,175	246,635
Doane Crow Shoe	12	85,000	11,819	96,819	160,019
Erwin Bastien	12	110,000	18,684	128,684	29,333
Wesley Crow Shoe	12	110,000	17,583	127,583	28,624
Riel Provost-Houle	12	110,000	18,427	128,427	27,966
Che Little Leaf-Matusiak	12	110,000	13,228	123,228	26,340
Theodore Provost	12	110,000	5,532	115,532	28,992
Ferlin Crow Shoe	-	--	--	--	199,987
Keith Grier	-	--	--	--	150,235
Lowell Yellow Horn	-	--	--	--	156,227
Fabian North Peigan	-	--	--	--	196,530
Barnaby Provost	-	--	--	--	105,564
		\$ 975,000	\$ 167,298	\$ 1,142,298	\$ 1,826,679

### 16. Comparative Information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. The changes do not affect prior year earnings.

### 17. Contingent liabilities:

- The Nation has been named a defendant in various legal actions. Management is of the opinion that there is a strong defense against these claims. Accordingly, no provisions for losses have been reflected in the accounts.
- The Nation has not recognized a liability for certain legal obligations, primarily special handling for the removal and disposal of encapsulated asbestos from facilities and equipment. The fair value of these liabilities cannot be reasonably determined as the settlement dates are not known.



# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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**18. Budget information:**

The budget information presented in these financial statements is based upon the 2020 operating and capital budgets approved by the Chief and Council and various Committees.

**19. Alberta Electrical Connection Operator License:**

On September 9, 2010, the Nation paid \$53,000 to the Piikani Energy Corporation to have the Alberta Electrical Connection Operator application for the Piikani Wind Project amended so that the Nation was the applicant. This effectively resulted in the Nation purchasing the Piikani Energy Corporation's interest in the Alberta Connection Operator application.

**20. Commitments:**

The Nation has entered into agreements with Zynxx (Utility Net) to assist in managing their electricity portfolio and back end processing including support and managing meter assets, power pool purchases, wire rate billing and management of customer accounts. The Nation pays \$4 per new member service and \$9 per member monthly.

**21. Segmented disclosure:**

The Nation discloses information on its segments in the following schedule. The Nation provides a range of services to the Nation Members, for each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments is consistent with those adopted by the Nation as a whole.

**22. Contractual rights:**

Contractual rights are rights of the Piikani Nation to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met. Piikani Nation has agreements with various third parties that will provide future revenues and assets. The timing and extent of future revenues varies based on the terms of the individual agreements.

# PIIKANI NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 23. COVID-19 pandemic:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of the approval of these financial statements, the Entity has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic.

- The Entity is following public health recommendations
- The Entity has implemented mandatory self-isolation for individuals experiencing symptoms as well as individuals returning from travel
- The Entity has restricted access to certain departments and entities
- The Entity has encouraged remote working where possible
- The Entity has seen an increase in demands for certain health and welfare services

At this time, these factors present uncertainty over future cash flows and may cause significant changes to the assets or liabilities and may have a significant impact on future operations. The estimate of the financial effect of COVID-19 is not practicable at this time.

## PIIKANI NATION

### Consolidated Schedule of Segmented Disclosures

Year ended March 31, 2020, with comparative information for 2019

	2020			2019		
	Revenues	Expenses	Excess (deficiency)	Revenues	Expenses	Excess (deficiency)
Piikani Administration	\$ 17,047,704	\$ 20,785,306	\$ (3,737,602)	\$ 21,003,800	\$ 36,831,349	\$ (15,827,549)
Piikani Social Development	3,818,664	3,887,339	(68,675)	3,293,443	3,255,355	38,088
Piikani Housing Authority and Rentals	4,203,862	5,932,679	(1,728,817)	9,924,588	6,166,111	3,758,477
Ky-Naak-Ku-Kan Housing Corporation	1,428,524	1,816,662	(388,138)	1,907,848	1,997,892	(90,044)
Piikani Employment Services	1,356,685	1,348,468	8,217	1,375,429	1,321,849	53,580
Piikani Public Works	2,126,366	2,865,984	(739,618)	2,510,573	3,081,179	(570,606)
Peigan Board of Education	7,028,032	7,937,192	(909,160)	8,447,106	7,729,452	717,654
Piikani Child and Family Services	5,898,357	5,898,357	--	6,032,395	6,032,395	--
Piikani Resource Development Ltd.	1,075,779	873,169	202,610	1,337,487	1,238,390	99,097
Peigan Indian Rural Electrification Association	1,008,708	1,226,734	(218,026)	3,014,538	2,442,180	572,358
1559725 Alberta Ltd.	80,111	62,598	17,513	92,322	101,729	(9,407)
Piikani Investment Corporation	300,066	133,132	166,934	300,019	264,090	35,929
Piikani Nation Travel Plaza Ltd.	--	1,190,551	(1,190,551)	1,750,000	520,444	1,229,556
1656877 Alberta Ltd.	665,839	247,745	418,094	--	--	--
1792191 Alberta Ltd.	6,725	2,502	4,223	--	--	--
	46,045,422	54,208,418	(8,162,996)	60,989,548	70,982,415	(9,992,867)
Net inter-departmental elimination	(857,660)	(857,660)	--	(4,105,100)	(4,105,100)	--
	45,187,762	53,350,758	(8,162,996)	\$ 56,884,448	\$ 66,877,315	\$ (9,992,867)