

Consolidated Financial Statements of

PIIKANI NATION

And Independent Auditors' Report thereon

Year ended March 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

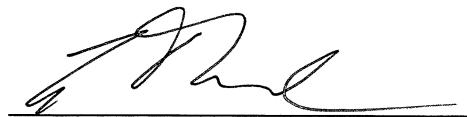
Management of the Piikani Nation (the "Nation") is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the Nation's financial position as at March 31, 2021 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, 2021 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.

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January 19, 2022



KPMG LLP
3410 Fairway Plaza Road South
Lethbridge AB T1K 7T5
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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, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules 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, 2021, 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Lethbridge, Canada

January 19, 2022

PIIKANI NATION

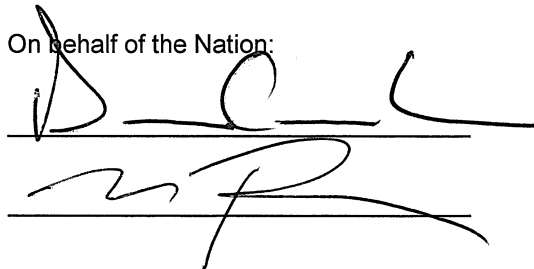
Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 26,034,629	\$ 20,991,768
Investments (note 3)	17,126,490	15,768,949
Accounts receivable (note 4)	7,580,926	3,749,785
Trust funds (note 5)	3,644,367	3,316,236
Inventory	2,434,043	1,876,475
	56,820,455	45,703,213
Financial liabilities:		
Bank indebtedness	1,142,660	1,163,544
Accounts payable and accrued liabilities (note 7)	5,608,468	3,575,567
Deferred revenue (note 8)	25,545,901	17,271,375
Long-term debt (note 9)	50,751,709	46,235,554
	83,048,738	68,246,040
Net financial assets (debt)	(26,228,283)	(22,542,827)
Non-financial assets:		
Tangible capital assets (note 6)	76,322,992	69,105,450
Prepaid expenses	313,201	263,772
Alberta Electrical Connection Operator's License (note 18)	53,000	53,000
	76,689,193	69,422,222
Economic dependence (note 11)		
Contingent liabilities (note 16)		
Commitments (note 19)		
Contractual rights (note 21)		
Accumulated surplus (note 10)	\$ 50,460,910	\$ 46,879,395

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, 2021, with comparative information for 2020

	Budget (note 17)	2021	2020
Revenue:			
Indigenous Services Canada (note 12)	\$ 26,569,693	\$ 39,795,849	\$ 29,068,554
Revenue on trust funds	--	328,131	291,075
Trust funds disbursed	--	1,726,730	1,689,694
Settlement revenue	2,600,000	5,961,353	1,662,735
Permit revenue	413,042	2,112,906	1,167,034
Other	7,183,813	14,676,430	12,255,444
	36,766,548	64,601,399	46,134,536
Deferred revenue, beginning of year	2,335,836	17,271,375	16,314,600
Deferred revenue, end of year	--	(25,545,901)	(17,271,375)
	2,335,836	(8,274,526)	(956,775)
	39,102,384	56,326,873	45,177,761
Expenses:			
Salaries, wages and benefits	10,885,367	15,224,689	14,455,682
Chief and council honorariums and travel (note 14)	1,160,000	1,215,396	1,142,298
Energy purchases	216,000	356,465	310,478
Per capita distribution	--	5,325	26,506
Interest on long-term debt	725,000	1,124,607	1,143,380
Insurance	208,427	387,560	331,409
Social assistance	2,607,872	2,228,685	2,765,179
Professional fees	972,262	1,426,399	1,645,678
Utilities and telephone	231,084	643,543	809,420
Travel, meetings and conferences	603,900	526,634	1,512,575
Projects and programs	16,949,064	14,003,805	13,704,701
Office and administration	2,212,848	1,755,512	1,584,254
Interest and bank charges	9,959	204,164	71,802
Committee expenses	141,300	158,410	151,709
Consulting	52,000	527,571	423,457
Repairs and maintenance	502,533	1,576,502	3,776,399
Settlement fund distribution	--	4,889,269	2,650,815
Other	281,713	747,419	1,775,960
Amortization	--	5,778,613	5,069,056
	37,759,329	52,780,568	53,350,758
Excess (deficiency) of revenue over expenses, before the undernoted	1,343,055	3,546,305	(8,172,997)
Gain on sale of tangible capital assets	--	35,210	10,001
Excess (deficiency) of revenue over expenses	1,343,055	3,581,515	(8,162,996)
Accumulated surplus, beginning of year	46,879,395	46,879,395	55,042,391
Accumulated surplus, end of year	\$ 48,222,450	\$ 50,460,910	\$ 46,879,395

See accompanying notes to consolidated financial statements.

PIIKANI NATION

Consolidated Statement of Change in Net Financial Assets (Debt)

Year ended March 31, 2021, with comparative information for 2020

	Budget (note 17)	2021	2020
Excess (deficiency) of revenue over expenses	\$ 1,343,055	\$ 3,581,515	\$ (8,162,996)
Acquisition of tangible capital assets	--	(13,069,849)	(8,243,921)
Amortization of tangible capital assets	--	5,778,613	5,069,056
Gain on disposal of tangible capital assets	--	(35,210)	(10,001)
Proceeds on sale of tangible capital assets	--	108,905	78,000
Change in prepaid expenses	--	(49,430)	(6,517)
	--	(7,266,971)	(3,113,383)
Change in net financial assets (debt)	1,343,055	(3,685,456)	(11,276,379)
Net financial debt, beginning of year	(22,542,827)	(22,542,827)	(11,266,448)
Net financial debt, end of year	\$ (21,199,772)	\$ (26,228,283)	\$ (22,542,827)

See accompanying notes to consolidated financial statements.

PIIKANI NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 3,581,515	\$ (8,162,996)
Items not involving cash:		
Amortization of tangible capital assets	5,778,613	5,069,056
Gain on disposal of tangible capital assets	(35,210)	(10,001)
Gross revenue earned on trust funds	(328,131)	(291,075)
Equity earnings in Oldman River Hydro Joint Venture	(570,831)	(593,508)
Equity earnings on Piikani Transmission Holdings Limited Partnership	(1,023,980)	(570,634)
	7,401,976	(4,559,158)
Change in non-cash operating assets and liabilities:		
Inventory	(557,568)	(283,955)
Accounts receivable	(3,831,141)	684,865
Accounts payable and accrued liabilities	2,032,901	(599,368)
Deferred revenue	8,274,526	956,776
Other	--	258,619
Prepaid expenses	(49,430)	(6,517)
	13,271,264	(3,548,738)
Capital activities:		
Acquisition of tangible capital assets	(13,069,849)	(8,243,921)
Proceeds on disposal of tangible capital assets	108,905	78,000
	(12,960,944)	(8,165,921)
Financing activities:		
Proceeds on long-term debt	8,120,174	13,959,708
Payments on long-term debt	(3,604,019)	(659,509)
	4,516,155	13,300,199
Investing activities:		
Increase in investments	(1,410,257)	(6,548,478)
Distributions - Oldman River Hydro Joint Venture Limited Partnership	624,999	900,000
	1,022,528	618,956
	237,270	(5,029,522)
Increase (decrease) in cash	5,063,745	(3,443,982)
Cash, beginning of year	19,828,224	23,272,206
Cash, end of year	\$ 24,891,969	\$ 19,828,224
Cash consists of the following:		
Cash and cash equivalents	\$ 26,034,629	\$ 20,991,768
Bank indebtedness	(1,142,660)	(1,163,544)
	\$ 24,891,969	\$ 19,828,224

See accompanying notes to consolidated financial statements.

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

Nature of operations:

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

On March 11, 2020, the Coronavirus COVID-19 outbreak ("COVID-19") was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures include implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, which have caused material disruption to businesses globally and in Canada, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. Accordingly, economic uncertainties have arisen which could have a negative impact on the Government's revenue streams and results of operations.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Government's business, if any, is not known at this time. The Government continues to operate within the Provincial Government health guidelines. This has not had a significant impact on the Government's operations. However, given the uncertainty of the situation, there could be future impact, including potential decreases in revenue or the profitability of ongoing operations. The Government continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. The Government continues to meet its contractual obligations within normal payment terms. An estimate of the financial effect of COVID-19 on the Government's operations is not practicable at this time.

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.

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

1. Significant accounting policies (continued):

(a) Reporting entity (continued):

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.
Iitai'taamapo'p 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.

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.

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

1. Significant accounting policies (continued):

(c) Revenue recognition (continued):

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):

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, 2021

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 a 50.995% interest in the PiikaniLink Limited Partnership which are both 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, 2021

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, 2021

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.

The uncertainties around the COVID-19 pandemic, as described within the nature of operations, require the use of judgement and estimates which resulted in no material impact for the year ended March 3, 2021, however, the future impact of COVID-19 cannot be reasonably estimated at this time.

(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, 2021

2. Future accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2022, 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, 2022.

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

2. Future accounting pronouncements:

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, 2023.

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.

3. Investments:

Investments comprise of the following:

	2021	2020
Investment in Oldman River Hydro Joint Venture	\$ 5,579,057	\$ 5,633,226
Investment in PiikaniLink Limited Partnership	9,934,137	9,932,685
Other	1,613,296	203,038
	\$ 17,126,490	\$ 15,768,949

Investment in Oldman River Hydro Joint Venture:

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

	2021	2020
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)	12,462,629	11,891,798
Cash distributions (cumulative)	(14,378,540)	(13,753,540)
	\$ 5,579,057	\$ 5,633,226

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

3. Investments (continued):

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

	2021	2020
Financial assets	\$ 1,171,495	\$ 1,035,787
Financial liabilities	(2,020,723)	(1,982,112)
Net financial debt	(849,228)	(946,325)
Non-financial assets	6,428,285	6,579,551
Share of equity, as at December 31	\$ 5,579,057	\$ 5,633,226
	2021	2020
Revenue	\$ 1,523,760	\$ 1,567,610
Costs of sales	(326,758)	(378,778)
Operating expenses	(626,171)	(595,324)
Share of earnings	\$ 570,831	\$ 593,508

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:

	2021	2020
Investment in PiikaniLink Limited Partnership	\$ 9,932,685	\$ 9,981,007
Share of earnings (cumulative)	1,023,980	570,634
Cash distributions (cumulative)	(1,022,528)	(618,956)
	\$ 9,934,137	\$ 9,932,685

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

3. Investments (continued):

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

	2021	2020
Financial assets	\$ 224,689	\$ 235,986
Financial liabilities	(18,445,911)	(18,806,446)
Net financial debt	(18,221,222)	(18,570,460)
Non-financial assets	28,155,359	28,503,145
Share of equity, as at December 31	\$ 9,934,137	\$ 9,932,685
Revenue	\$ 2,719,054	\$ 1,616,541
Expenses	(1,695,074)	(1,045,907)
Share of earnings	\$ 1,023,980	\$ 570,634

4. Accounts receivable:

	2021	2020
Indigenous Services Canada	\$ 685,130	\$ 557,329
Community Futures - Treaty 7	893,397	82,883
Government of Alberta	836,216	--
Other	5,166,183	3,066,852
	\$ 7,580,926	\$ 3,707,064

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

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:

	2021	2020
Capital fund	\$ 141,297	\$ 45,687
Land replacement – capital account	2,115,000	2,115,000
Land replacement – revenue account	337,516	290,923
Per capita account	18,198	17,852
Revenue fund account	1,032,356	846,774
	<u>\$ 3,644,367</u>	<u>\$ 3,316,236</u>

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

6. Tangible capital assets:

Cost	2020	Additions	Disposals	Transfers	2021
Land	\$ 952,499	\$ --	\$ --	\$ --	\$ 952,499
Buildings and improvements	88,076,566	10,841,789	--	177,144	99,095,499
Distribution systems	17,860,575	--	--	--	17,860,575
Engineering structures	4,412,305	189,396	--	--	4,601,701
Furniture and equipment	3,454,949	367,382	--	--	3,822,331
Computer equipment	728,563	68,518	--	--	797,081
Automotive, machinery and equipment	8,655,640	622,467	(130,945)	--	9,147,162
Assets under construction	442,428	980,297	--	(177,144)	1,245,581
	\$ 124,583,525	\$ 13,069,849	\$ (130,945)	\$ --	\$ 137,522,429

Accumulated amortization	2020	Amortization expense	Disposals	Transfers	2021
Buildings and improvements	\$ 35,132,095	\$ 3,923,030	\$ --	\$ --	\$ 39,055,125
Distribution systems	7,992,654	532,940	--	--	8,525,594
Engineering structures	2,342,681	125,780	--	--	2,468,461
Furniture and equipment	3,155,069	197,095	--	--	3,352,164
Computer equipment	686,862	49,212	--	--	736,074
Automotive, machinery and equipment	6,168,714	950,556	(57,251)	--	7,062,019
Total	\$ 55,478,075	\$ 5,778,613	\$ (57,251)	\$ --	\$ 61,199,437

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

6. Tangible capital assets (continued):

Net book value	2021	2020
Land	\$ 952,499	\$ 952,499
Buildings and improvements	60,040,374	52,944,471
Distribution systems	9,334,981	9,867,921
Engineering structures	2,133,240	2,069,624
Furniture and equipment	470,167	299,880
Computer equipment	61,007	41,701
Automotive, machinery and equipment	2,085,143	2,486,926
Assets under construction	1,245,581	442,428
	<u>\$ 76,322,992</u>	<u>\$ 69,105,450</u>

7. Accounts payable and accrued liabilities:

	2021	2020
Trade payables and accrued liabilities	\$ 5,112,424	\$ 3,016,221
Payroll liabilities	416,271	474,387
Other	79,773	84,959
	<u>\$ 5,608,468</u>	<u>\$ 3,575,567</u>

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

8. Deferred revenue:

	2021	2020
Piikani Administration	\$ 7,758,855	\$ 5,208,012
Piikani Child and Family Services	5,265,038	3,399,708
Piikani Employment Services	708,594	582,490
Piikani Public Works	100,543	177,050
Piikani Social Development	1,796,189	599,834
Peigan Board of Education	5,700,751	2,225,116
Piikani Resource Development Ltd.	3,753,903	4,608,265
1559725 Alberta Ltd.	367,400	367,400
Ky-Naak-Ku-Kaan Housing Corporation	94,628	103,500
	<u>\$ 25,545,901</u>	<u>\$ 17,271,375</u>

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

9. Long-term debt:

	2021	2020
Piikani Housing Authority and Rentals:		
Housing loans payable to various financial institutions in monthly instalments of \$32,422 at interest rates from 0.86% 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 October 2024	\$ 6,462,778	\$ 5,720,410
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	286,004	405,410
BMO Demand loan with an interest rate of prime plus 0.75%, principal repayment commencing November 2020 at \$26,209 per month plus interest, due November 2030	2,102,100	1,916,434
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
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 \$4,915, due September 2022	7,529	7,529
Piikani Administration and Piikani Resource Development Ltd. 1% loan to Piikani Settlement Fund, the terms of this loan are discussed below (2)	10,943,781	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 \$16,137, due June 2021	28,230	57,649
BMO term loan with an interest rate of 3.42%, payable in quarterly instalments of \$134,714 including interest, due January 2022 (1)	6,304,775	6,620,118
Peigan Board of Education:		
Loan payable at 6.10%	--	8,175
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	12,011	17,350
Carried forward	\$ 26,147,208	\$27,570,213

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

9. Long-term debt (continued):

	2021	2020
Brought forward	\$ 26,147,208	\$ 27,570,213
Ky-Naak-Ku-Kan Housing Corporation:		
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$3,343 including interest (1)	216,521	230,075
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$7,174 including interest (1)	474,013	502,970
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$10,209 including interest (1)	1,655,092	1,682,628
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$9,928 including interest (1)	1,610,816	1,637,576
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$9,493 including interest (1)	1,631,940	1,656,252
BMO prime plus 1.00% demand loan, repayable in monthly payments of \$7,065 including interest (1)	1,150,421	1,169,722
BMO prime plus 1.50% demand loan, repayable in monthly payments of \$1,524 including interest (1)	135,524	141,190
BMO prime plus 1.50% demand loan, repayable in monthly payments of \$2,561 plus interest	755,573	--
BMO prime plus 1.50% demand loan repayable in monthly payments of \$2,625 plus interest	774,434	--
BMO demand loans with interest at 1.50%, repayment terms on demand loans are negotiated once construction has been completed on projects (1)	1,808,254	1,555,940
1656877 Alberta Ltd. and 1792191 Alberta Ltd.:		
Bankers acceptable payable to Toronto Dominion Bank, see below for details (3)	9,574,361	10,088,988
Piikani Travel Plaza Ltd:		
BMO prime plus 0.50% demand loan repayable in monthly payments of \$14,994 plus interest	4,468,095	--
Centex Petroleum loan with an interest rate of prime plus 1.25%, repayable in monthly instalments as determined by the monthly sales volume of delivered fuel, due December 2021	21,260	--
Centex forgivable loan	328,197	--
	\$ 50,751,709	\$ 46,235,554

(1) Security for the Bank of Montreal ("BMO") debt includes a general security agreement over all assets at the respective entity with BMO registered in the first position with regards to certain assets and a guarantee from the Piikani Nation.

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

9. Long-term debt (continued):

- (2) 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.

- (3) 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 bankers acceptance also has a stamping fee of 1.25%

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:
 - 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:
 - 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, 2021

9. Long-term debt (continued):

The principal payments required on all long-term debt for the next five years are approximately as follows:

Aggregate long-term debt	\$ 50,751,709
Less long-term debt where repayment terms are yet to be established	(6,211,966)
	<u>\$ 44,539,743</u>
<hr/>	
2022	17,779,650
2023	1,579,210
2024	1,577,612
2025	1,607,074
2026	1,523,934
Thereafter	20,472,263
	<u>\$ 44,539,743</u>

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

10. Accumulated surplus:

	Operating	Trust funds	CMHC Reserve (i)	Invested in tangible capital assets	Total 2021	Total 2020
Balance, beginning of year	\$ (3,714,464)	\$ 3,316,236	\$ 60,000	\$ 47,217,623	\$ 46,879,395	\$ 55,042,391
Excess (deficiency) of revenue over expenses	3,581,515	--	--	--	3,581,515	(8,162,996)
Amortization of tangible capital assets	5,778,613	--	--	(5,778,613)	--	--
Acquisition of tangible capital assets	(13,069,849)	--	--	13,069,849	--	--
Net Trust funds earned/ disbursed	(328,131)	328,131	--	--	--	--
Proceeds on long-term debt related to tangible capital assets	3,197,091	--	--	(3,197,091)	--	--
Principal payments on long-term debt related to tangible capital assets	(989,383)	--	--	989,383	--	--
Loss/ (gain) on sale of tangible capital assets	(35,210)	--	--	35,210	--	--
Proceeds on sale of tangible capital assets	108,905	--	--	(108,905)	--	--
Transfer	27,775	--	(27,775)	--	--	--
	\$ (5,443,138)	\$ 3,644,367	\$ 32,225	\$ 52,227,456	\$ 50,460,910	\$ 46,879,395

(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, 2021

11. 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.

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Indigenous Services Canada:

	Fixed	Flexible	Set	Grant	2021	2020
Aakom-Kiyii Health Services:						
Administration (Q2FQ-001, Q2G1-001, Q2GA-001)	\$ --	\$ 373,010	\$ --	\$ --	\$ 373,010	\$ --
ADI – Diabetes Initiative (Q221-001/002)	--	92,287	--	--	92,287	88,346
CDE Planning Response (Q23X-001/003)	--	42,268	--	--	42,268	27,046
CHNS – Public Health (Q243-001)	--	446,989	--	--	446,989	434,293
CHR Public Health (Q22N-001)	--	246,469	--	--	246,469	245,725
Children Oral Health Initiative (Q02U-001)	--	60,000	--	--	60,000	60,000
CPNP – Prenatal Nutrition Program (Q22G-001)	--	64,643	--	--	64,643	62,807
Enviro Health – Drinking Water (Q23C-001/002)	--	28,000	--	--	28,000	23,000
HIV/AIDS Harm Reduction (Q23Z-004)	--	10,869	--	--	10,869	--
HIV/AIDS Prevention (Q23Z-001/002)	--	15,061	--	--	15,061	10,653
HIV/AIDS STBBI (Q23Z-003)	--	75,000	--	--	75,000	75,000
Maternal Health Child (Q22I-001/002)	--	100,000	--	--	100,000	93,867
TB Prevention (Q23U-001)	--	4,372	--	--	4,372	--
AHSOR – Head Start (Q22K-001/002/003/004)	--	277,163	--	--	277,163	264,021
Accreditation Services (Q30Q-001)	--	30,000	--	--	30,000	38,903
Community Facilities O&M (Q302-001)	--	169,832	--	--	169,832	206,811
Health Strategic Plan (Q30P-002)	--	35,000	--	--	35,000	35,000
Health Plan Management (Q30P-001)	--	179,930	--	--	179,930	173,825
HSIF – Health Service Integration (Q30T-001)	--	62,030	--	--	62,030	--
HCC – Home Care (Q22U-001/002)	--	738,157	--	--	738,157	710,926
NIHB – Medical Transportation (Q01O-005, Q01D-005)	464,934	--	--	--	464,934	467,204
NIHB – Capital Medical Transportation (Q01E-002/003)	180,000	--	--	--	180,000	--
NIHB – Medical Transportation – Opioid (Q01O-005, Q01D-005)	181,938	--	--	--	181,938	181,939
NIHB – Mental Therapist (Q01R-002)	163,818	--	--	--	163,818	163,818
IRS – Residential Schools Program (Q21M-002, Q21N-002, Q21Q-002)	148,823	--	--	--	148,823	152,596
Carried forward	1,139,513	3,051,080	--	--	4,190,593	3,515,780

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Indigenous Services Canada (continued):

	Fixed	Flexible	Set	Grant	2021	2020
Brought forward	\$ 1,139,513	\$ 3,051,080	\$ --	\$ --	\$ 4,190,593	\$ 3,515,780
Aakom-Kiyii Health Services (continued):						
MCH – Traditional Healer (Q01T-001)	--	25,022	--	--	25,022	23,819
Mental Wellness (Q21G-002/005)	--	941,270	--	--	941,270	850,914
MWP – Suicide Prevention (Q21G-007)	--	78,250	--	--	78,250	79,041
MWP – OAT (Q21G-004)	--	250,000	--	--	250,000	250,000
MWP – MMIW (Q21G-001/006)	--	15,287	--	--	15,287	15,287
MWP – Indian Day School (Q21G-008)	--	10,123	--	--	10,123	--
Capital Investment Build Recap (Q300-004)	--	11,818	--	--	11,818	--
Capital Investment COVID-19 (Q300-001/005)	--	1,286,738	--	--	1,286,738	--
Capital Investment COVID-19 Round 2 (Q300-002)	--	322,000	--	--	322,000	--
Capital Investment Winter Structures (Q300-003)	--	306,562	--	--	306,562	--
CDE – COVID-19 (Q23X-002/004)	--	1,647,915	--	--	1,647,915	--
COVID-19 AHSOR ADAP (Q3RF-001)	--	21,502	--	--	21,502	--
COVID-19 Health Facility (Q3RA-001)	--	36,678	--	--	36,678	--
COVID-19 IELCC (Q2I0-001)	--	111,965	--	--	111,965	--
COVID-19 NNADAP (Q3RP-001)	--	20,057	--	--	20,057	--
MWP – COVID-19 (Q21G-009)	--	274,210	--	--	274,210	--
Management & Support – CHP (Q30P-003)	--	--	--	--	--	69,000
Fetal Alcohol Spectrum (Q22H-001)	--	--	--	--	--	6,133
Climate Change (Q23I-001)	--	--	--	--	--	100,000
JP Mental Health (Q20S-001)	--	--	--	--	--	162,745
Piikani Day Care:						
AB and ON Day Care Agreement (Q2AX-001)	273,500	--	--	--	273,500	273,500
Piikani Lands:						
RLEMP (Q3KU-001)	194,130	--	--	--	194,130	194,130
RLEMP (Q3KU-002)	39,413	--	--	--	39,413	--
Carried forward	1,646,556	8,410,477	--	--	10,057,033	5,540,349

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Indigenous Services Canada (continued):

	Fixed	Flexible	Set	Grant	2021	2020
Brought forward	\$ 1,646,556	8,410,477	--	--	10,057,033	5,540,349
Administration:						
Band Support Funding (Q31K-001)	--	--	--	845,567	845,567	887,616
Band Offices	145,995	--	--	--	145,995	--
CPP/QPP and Pension (Q31V-001)	68,438	--	--	--	68,438	63,219
Special Claim Submission (QZ9P-001)	25,000	--	--	--	25,000	--
Admin & Support Services (Q03B-001)	29,550	--	--	--	29,550	--
Admin & Support Services (Q03B-002)	1,229	--	--	--	1,229	--
Admin & Support Services (QZEA-001)	--	--	--	--	--	29,220
Admin & Support Services (QZEA-002)	--	--	--	--	--	2,294
Community Based Initiatives (Q2BW-001)	171,067	--	--	--	171,067	228,089
Pension Plan Admin & Non-Stat (Q31U-001)	37,743	--	--	--	37,743	--
ESA – Steps 5-6 (Q302-001)	208	--	--	--	208	--
ESA – Steps 5-6 Q302-002)	1,407	--	--	--	1,407	--
ESA – CSMWG STEPS (Q3N8-001)	24,000	--	--	--	24,000	--
ESA – CSMWG STEPS (Q3NJ-001)	6,000	--	--	--	6,000	--
Management Support (Q38Y-001)	5,100	--	--	--	5,100	--
Management Support (Q31U-001)	--	--	--	--	--	31,490
Daycares (Q3R7-001)	36,555	--	--	--	36,555	--
COVID-19-LEDSP (Q3QP-001)	180,931	--	--	--	180,931	--
COVID-19 ICSF2 – EMAP (Q3G6-001)	--	191,820	--	--	191,820	--
COVID-19 ICSF2 – EMAP (Q3SJ-001)	--	318,468	--	--	318,468	--
ICSF2 Perimeter Security (Q3G8-001)	--	59,748	--	--	59,748	--
ICSF3 Perimeter Security (Q3S0-001)	--	454,200	--	--	454,200	--
ICSF3 Envelope 2 - EMAP (Q3T4-001)	--	200,000	--	--	200,000	--
Response (Q3FP-001)	--	955,789	--	--	955,789	--
CAP Plan (Q3B2-001)	--	--	--	--	--	100,000
Community Building (Q3BK-002)	--	--	--	--	--	44,547
Carried forward	2,379,779	10,590,502	--	845,567	13,815,848	6,926,824

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Indigenous Services Canada (continued):

	Fixed	Flexible	Set	Grant	2021	2020
Brought forward	\$ 2,379,779	\$10,590,502	\$ --	\$ 845,567	\$13,815,848	\$ 6,926,824
Public Works:						
A&C – Water - <1.5M (Q34X-001)	--	--	--	--	--	140,000
Community Buildings (Q3BK-001)	105,029	--	--	--	105,029	105,029
Community Buildings (Q3BK-002)	44,547	--	--	--	44,547	--
Electrical Systems (Q3BI-001)	4,549	--	--	--	4,549	4,549
Fire Protection (Q3BG-001)	56,421	--	--	--	56,421	56,421
Fire Protection (Q3CI-001)	10,245	--	--	--	10,245	8,910
Fire Protection (Q3CI-002)	6,000	--	--	--	6,000	--
Fire Protection (Q3FB-001)	250,000	--	--	--	250,000	--
Maintenance Management (Q3BO-001)	71,700	--	--	--	71,700	71,700
Maintenance Management (Q3BO-002)	--	--	--	--	--	15,536
Roads and Bridges (Q3BH-001)	729,316	--	--	--	729,316	729,316
Solid Waste (Q3BT-001)	273,040	--	--	--	273,040	273,040
Wastewater Systems (Q35A-001)	306,642	--	--	--	306,642	36,042
Wastewater Systems (Q35A-002)	61,816	--	--	--	61,816	35,998
Water Systems (Q35B-001)	867,615	--	--	--	867,615	438,430
Water Systems (Q35B-002)	2,107	--	--	--	2,107	50,056
Water Systems (Q35B-003)	39,602	--	--	--	39,602	--
Fire Smart (Q3FS-001)	--	50,000	--	--	50,000	--
Piikani Housing and Rental Authorities:						
Community Based Initiatives (Q2BW-001)	81,225	--	--	--	81,225	--
Planning Design and Construction (Q38L-001)	450,000	--	--	--	450,000	450,000
Construction (Q3AA-001)	624,375	--	--	--	624,375	1,001,647
Renovation (Q3AB-001)	100,000	--	--	--	100,000	400,000
Lot Servicing (Q3AC-001)	125,000	--	--	--	125,000	250,000
IT Government Capital Development (Q32H-001)	--	--	--	--	--	49,500
Carried forward	6,589,008	10,640,502	--	845,567	18,075,077	11,042,998

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Indigenous Services Canada (continued):

	Fixed	Flexible	Set	Grant	2021	2020
Brought forward	\$ 6,589,008	\$10,640,502	\$ --	\$ 845,567	\$18,075,077	\$ 11,042,998
Piikani Housing and Rental Authorities (continued):						
HR Government Capital Development (Q32K-001)	--	--	--	--	--	10,183
HR Government Capital Development (Q32K-002)	--	--	--	--	--	10,577
Capacity and Innovation (Q3AD-001/002/003/004)	--	--	--	--	--	261,291
Management Support (Q38Y-001)	--	--	--	--	--	5,100
Risk Management (Q32N-002)	--	--	--	--	--	75,000
Capital Planning Project (Q3B2-001)	334,800	--	--	--	334,800	234,800
Piikani Employment Services:						
First Nation & Inuit – Summer Work Experience Program (Q26F-001)	39,362	--	--	--	39,362	68,486
First Nation & Inuit – Summer Work Experience Program (Q26F-002)	31,958	--	--	--	31,958	--
First Nation & Inuit – Skills Link Information and Communication (Q26G-001)	--	--	--	--	--	35,840
Piikani Social Development:						
Service Delivery (Q2AF-001)	576,110	--	--	--	576,110	576,110
Service Delivery (Q2AF-002)	80,460	--	--	--	80,460	--
Basic Needs (Q29W-001)	--	2,173,369	--	--	2,173,369	2,716,712
Basic Needs (Q29W-002)	--	308,880	--	--	308,880	--
Basic Needs (Q29W-003)	--	308,880	--	--	308,880	--
Special Needs (Q2A6-001)	--	71,745	--	--	71,745	116,586
Special Needs (Q2A6-002)	--	37,346	--	--	37,346	70,000
Social Assistance Employment & Training (Q2A0-001)	--	362,003	--	--	362,003	362,003
In-Home Care (Q2BF-001)	--	158,057	--	--	158,057	137,040
Response (Q3FP-001)	--	--	--	--	--	125,000
Children Out of Parental Home (Q2A1-001)	--	--	4,760	--	4,760	5,936
Carried forward	7,651,698	14,060,782	4,760	845,567	22,562,807	15,853,662

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Indigenous Services Canada (continued):

	Fixed	Flexible	Set	Grant	2021	2020
Brought forward	\$ 7,651,698	\$14,060,782	\$ 4,760	\$ 845,567	\$22,562,807	\$15,853,662
Piikani Child and Family Services:						
Maintenance – Foster Homes (Q2BY-001)	972,983	--	--	--	972,983	972,983
Prevention, least disruptive measures (Q2C3-001)	443,057	--	--	--	443,057	443,058
Prevention, least disruptive measures (Q2C3-002)	400,001	--	--	--	400,001	--
Maintenance – Group Homes (Q3BZ-001)	1,429,849	--	--	--	1,429,849	1,429,849
Operations – Child and Family Services (Q2CO-001)	1,965,256	--	--	--	1,965,256	2,217,893
Maintenance – Kinship Care (Q2C1-001)	261,578	--	--	--	261,578	261,578
Maintenance – Post-Adoption Subsidies (Q2C2-001)	158,370	--	--	--	158,370	158,370
Peigan Board of Education:						
FN School Formula (Q24F-001)	4,142,436	--	--	--	4,142,436	3,466,023
FN School Second Level (Q24K-001)	632,317	--	--	--	632,317	528,477
FNS and Inuit – Skills Link Program (Q26G-001)	79,088	--	--	--	79,088	142,844
FNS and Inuit – Skills Link Program (Q26G-002)	112,261	--	--	--	112,261	--
EPP – Structural Readiness (Q274-001)	140,780	--	--	--	140,780	98,450
FN Sch Targeted HCSE (Q28N-00)	324,321	--	--	--	324,321	474,024
Post-Secondary Student Support Program (Q29A-001)	1,587,304	--	--	--	1,587,304	1,487,457
Post-Secondary Student Support Program (Q29A-002)	274,596	--	--	--	274,596	--
Prov School Tuition (Q2EG-001)	2,568,053	--	--	--	2,568,053	63,534
Prov School Transport (Q2EL-001)	627,551	--	--	--	627,551	717,239
Prov/Private Administration 2nd Level Q2EO-001)	128,403	--	--	--	128,403	--
Prov/Private Student Support (Q2EP-001)	101,500	--	--	--	101,500	--
COVID-19 Safe Re Elementary/Secondary (Q2JB-001)	293,264	--	--	--	293,264	--
Pension Plan Admin & Non-Stat(Q31U-001)	1,509	--	--	--	1,509	--
CPP/QPP & Pension – Other Employer (Q31X-001)	3,805	--	--	--	3,805	--
Fit Up of Education Facilities (Q36M-001)	13,960	--	--	--	13,960	13,680
Fit Up of Education Facilities (Q36M-002)	48,097	--	--	--	48,097	--
Carried forward	24,362,037	14,060,782	4,760	845,567	39,273,146	28,329,121

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Indigenous Services Canada (continued):

	Fixed	Flexible	Set	Grant	2021	2020
Brought forward	\$24,362,037	\$14,060,782	\$ 4,760	\$ 845,567	\$39,273,146	\$28,329,121
Peigan Board of Education (continued):						
Capital Planning Project Education (Q36N-001)	10,000	--	--	--	10,000	--
COVID-19 School Reopening	48,204	--	--	--	48,204	--
Reno/Additions (Q36R-002)	25,000	--	--	--	25,000	--
Reno/Additions (Q36R-003)	40,000	--	--	--	40,000	--
Reno/Additions (Q36R-004)	26,738	--	--	--	26,738	--
Reno/Additions (Q36R-005)	125,605	--	--	--	125,605	--
Community Buildings (Q3BK-001)	12,391	--	--	--	12,391	12,391
Maintenance Management (Q3BO-001)	20,200	--	--	--	20,200	20,200
FN School Kindergarten (Q24L-001)	--	--	--	--	--	288,983
FN School Protect Formula (Q24M-001)	--	--	--	--	--	193,253
FN School Protect Formula (Q24M-002)	--	--	--	--	--	10,041
Piikani Resource Development Ltd.:						
Economic Development Allocation (Q3IW)	214,565	--	--	--	214,565	214,565
	\$24,884,740	\$14,060,782	\$ 4,760	\$ 845,567	\$39,795,849	29,068,554

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

13. 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.

14. Chief and Council Member Honorariums and Travel:

Honorarium and travel expense paid to elected officials:

	Months	Self-funded		Total	Total
		Honorarium	Travel	2021	2020
Stanley Grier	12	\$ 145,090	\$ 41,075	\$ 186,165	\$ 150,633
Troy Knowlton	12	124,731	17,553	142,284	132,217
Brian Jackson	12	119,731	12,360	132,091	139,175
Doane Crow Shoe	12	88,669	5,234	93,903	96,819
Erwin Bastien	12	124,481	9,566	134,047	128,684
Wesley Crow Shoe	12	119,300	10,110	129,410	127,583
Riel Provost-Houle	12	135,231	10,244	145,475	128,427
Che Little Leaf-Matusiak	12	114,231	--	114,231	123,228
Theodore Provost	12	123,031	14,759	137,790	115,532
		\$ 1,094,495	\$ 120,901	\$ 1,215,396	\$ 1,142,298

15. 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.

16. 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, 2021

17. Budget information:

The budget information presented in these financial statements is based upon the 2021 operating and capital budgets prepared by management and/or approved by the Chief and Council and various Committees when possible.

18. 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.

19. Commitments:

The Entity has entered into various lease and contractual agreements with various third parties for the use of equipment or to provide services that will become liabilities in the future when the terms of the contract or agreements are met.

The Nation has entered into agreements with Utility Network & Partners Inc. 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.

The Entity entered into a contract with Vestas Canadian Wind Technology Inc., on November 21, 2019 for the provision of certain maintenance, diagnostic and repairs services and/or parts in connection with the Weather Dancer I wind turbine, expiring on November 22, 2025. The Entity is required to pay \$50,000 annually in equal quarterly instalments. The annual fee is adjusted on each anniversary of the effective date by the percentage change, if any, in the Consumer Price Index. The minimum annual payments over the next five years are approximately as follows: 2022 - \$50,000; 2023 - \$50,000; 2024 - \$50,000; 2025 - \$50,000; and 2026 - \$33,500.

20. 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.

PIIKANI NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

21. 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

Consolidated Schedule of Segmented Disclosures

Year ended March 31, 2021, with comparative information for 2020

	2021			2020		
	Revenues	Expenses	Excess (deficiency)	Revenues	Expenses	Excess (deficiency)
Piikani Administration	\$ 24,318,425	\$ 23,289,480	\$ 1,028,945	\$ 17,047,704	\$ 20,785,306	\$ (3,737,602)
Piikani Social Development	2,900,773	2,885,255	15,518	3,818,664	3,887,339	(68,675)
Piikani Housing Authority and Rentals	2,363,491	2,917,538	(554,047)	4,203,862	5,932,679	(1,728,817)
Ky-Naak-Ku-Kan Housing Corporation	1,348,334	1,849,846	(501,512)	1,428,524	1,816,662	(388,138)
Piikani Employment Services	1,215,485	1,208,125	7,360	1,356,685	1,348,468	8,217
Piikani Public Works	3,003,081	2,754,621	248,460	2,126,366	2,865,984	(739,618)
Peigan Board of Education	9,439,778	10,253,999	(814,221)	7,028,032	7,937,192	(909,160)
Piikani Child and Family Services	5,586,126	5,382,189	203,937	5,898,357	5,898,357	--
Piikani Resource Development Ltd.	1,916,673	904,932	1,011,741	1,075,779	873,169	202,610
Peigan Indian Rural Electrification Association	1,187,844	1,156,816	31,028	1,008,708	1,226,734	(218,026)
1559725 Alberta Ltd.	812,860	150,395	662,465	80,111	62,598	17,513
Piikani Investment Corporation	300,000	238,971	61,029	300,066	133,132	166,934
Piikani Nation Travel Plaza Ltd.	2,980,448	1,637,521	1,342,927	--	1,190,551	(1,190,551)
1656877 Alberta Ltd.	1,013,740	396,314	617,426	665,839	247,745	418,094
1792191 Alberta Ltd.	10,240	4,003	6,237	6,725	2,502	4,223
litai'taamapo'p Ltd.	323,500	109,278	214,222	--	--	--
	58,720,798	55,139,283	3,581,515	46,045,422	54,208,418	(8,162,996)
Net inter-departmental elimination	(2,358,715)	(2,358,715)	--	(857,660)	(857,660)	--
	\$ 56,362,083	\$ 52,780,568	\$ 3,581,515	\$ 45,187,762	\$ 53,350,758	\$ (8,162,996)