

Financial Statements of

**PEIGAN BOARD OF
EDUCATION**

And Independent Auditors' Report thereon

Year ended March 31, 2022

PEIGAN BOARD OF EDUCATION
1805 12 AVE
BROCKET, ALBERTA T0K 0H0

KPMG LLP
3410 Fairway Plaza Road South
Lethbridge, AB T1K 7T5
Canada

July 15, 2022

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Peigan Board of Education ("the Entity") as at and for the period ended March 31, 2022.

We are *also* writing at your request to confirm our understanding that your audit of the component financial information was for the purpose of expressing an opinion on the financial information (hereinafter referred to as "financial statements prepared for consolidation purposes") of Piikani Nation ("the Entity"), as at and for the period ended March 31, 2022, for the sole purpose of reporting to the group auditor for consolidation.

GENERAL:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

All representations provided for in this letter equally apply for financial statements prepared for consolidation purposes.

RESPONSIBILITIES:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated May 1, 2020, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.

- e) providing you with additional information that you may request from us for the purpose of the engagement.
 - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
 - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
 - h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
 - i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.
- 2) We *also* understand our responsibilities, as set out in the terms of the audit engagement letter dated May 1, 2020 also apply to the financial statements prepared for consolidation purposes. We acknowledge that we have fulfilled such responsibilities.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- 3) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

- 4) We have disclosed to you:
- a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

SUBSEQUENT EVENTS:

- 5) All events subsequent to the date of the financial statements and through to the date of the review report for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

- 6) We have disclosed to you the identity of the Entity's related parties.
- 7) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 8) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

ESTIMATES:

- 9) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

GOING CONCERN:

- 10) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.

MISSTATEMENTS:

- 11) We approve the corrected misstatements identified by you during the audit described in Attachment II.

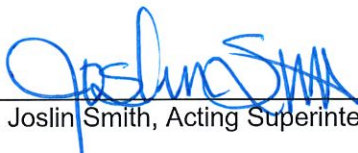
NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

APPROVAL OF FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS PREPARED FOR CONSOLIDATION PURPOSES

- 14) Joslin Smith has the recognized authority to take, and has taken, responsibility for the financial statements.

Yours very truly,



By: Ms. Joslin Smith, Acting Superintendent

cc: Audit Committee

Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II

Summary of corrected misstatements

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect				Cash Flo	
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities
					\$	\$	\$	\$	\$	\$	\$	\$
1	1700	Automotive	To move capital assets from expense to assets.	N/A	106,000			106,000	-	-	(106,000)	
	9100	Capital purchase- equipment Automotive			(106,000)	(106,000)					106,000	
	1700	Automotive			109,060			109,060	-	-	(109,060)	
	9100	Capital purchase- equipment			(109,060)	(109,060)					109,060	
	1500	Buildings			25,828			25,828	-	-	(25,828)	
	7510	ADMIN BLDG			(25,828)	(25,828)					25,828	
	1620	Maintenance			23,883			23,883	-	-	(23,883)	
	7510	Equipment-Facilities ADMIN BLDG			(23,883)	(23,883)					23,883	
	1620	Maintenance			12,745			12,745	-	-	(12,745)	
	7510	Equipment-Facilities ADMIN BLDG			(12,745)	(12,745)					12,745	
	1620	Maintenance			11,892			11,892	-	-	(11,892)	
	7510	Equipment-Facilities ADMIN BLDG			(11,892)	(11,892)					11,892	
	1620	Maintenance			11,769			11,769	-	-	(11,769)	
	7510	Equipment-Facilities ADMIN BLDG			(11,769)	(11,769)					11,769	
	1620	Maintenance			9,670			9,670	-	-	(9,670)	
	7510	Equipment-Facilities ADMIN BLDG			(9,670)	(9,670)					9,670	
	1500	Buildings			14,880			14,880	-	-	(14,880)	
	7510	ADMIN BLDG			(14,880)	(14,880)					14,880	
	1610	Maintenance			9,445			9,445	-	-	(9,445)	
	6235	Equipment Classroom Computer/IT Consultant			(9,445)	(9,445)					9,445	
2	1610	Equipment Classroom	To move capital assets from expense to assets. #2	N/A	1,350			1,350	-	-	(1,350)	
	6235	Computer/IT Consultant			(1,350)	(1,350)					1,350	
	1610	Equipment Classroom			7,185			7,185	-	-	(7,185)	
	6235	Computer/IT Consultant			(7,185)	(7,185)					7,185	
	1620	Equipment-Facilities			6,790			6,790	-	-	(6,790)	

Attachment II

Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect				Cash Flo		
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities	Inves Activ
							\$	\$	\$	\$	\$	\$	
	6235	Computer/IT Consultant			(6,790)	(6,790)	(6,790)	-	-	-	-	6,790	
	1500 7510	Buildings ADMIN BLDG			6,681 (6,681)	(6,681)	(6,681)	-	6,681	-	-	(6,681)	6,681
	1500 7510	Maintenance Buildings ADMIN BLDG			6,681 (6,681)	(6,681)	(6,681)	-	6,681	-	-	(6,681)	6,681
	1600	Maintenance Equipment-Admn Office			4,785	(4,785)	-	-	4,785	-	-	(4,785)	
	8370	ADMINI. Office Supplies			(4,785)	(4,785)	(4,785)	-	-	-	-	4,785	
	1500 7510	Buildings ADMIN BLDG			1,650 (1,650)	(1,650)	(1,650)	-	1,650	-	-	(1,650)	1,650
	1620 7510	Maintenance Equipment-Facilities ADMIN BLDG			2,614 (2,614)	(2,614)	(2,614)	-	2,614	-	-	(2,614)	2,614
	1600	Maintenance Equipment-Admn Office			1,650	(1,650)	-	-	1,650	-	-	(1,650)	
	8360 1610	Computer Supplies Equipment Classroom			(1,650) 2,149	(1,650)	(1,650)	-	-	-	-	1,650	2,149
	8360	Computer Supplies			(2,149)	(2,149)	(2,149)	-	-	-	-	2,149	
3	1610	Equipment Classroom	To move capital assets from expense to assets. #3	N/A	2,149	(2,149)	-	-	2,149	-	-	(2,149)	
	6235	Computer/IT Consultant			(2,149)	(2,149)	(2,149)	-	-	-	-	2,149	
	1610	Equipment Classroom			2,284	(2,284)	(2,284)	-	2,284	-	-	(2,284)	
	8360 1610	Computer Supplies Equipment Classroom			(2,284) 1,495	(2,284)	(2,284)	-	-	-	-	2,284	1,495
	6235	Computer/IT Consultant			(1,495)	(1,495)	(1,495)	-	-	-	-	1,495	
	1610	Equipment Classroom			895	(895)	(895)	-	895	-	-	(895)	
	8360 1610	Computer Supplies Equipment Classroom			(895) 2,284	(895)	(895)	-	-	-	-	895	2,284
	8360	Computer Supplies			(2,284)	(2,284)	(2,284)	-	2,284	-	-	(2,284)	
	1500 6208	Computer Supplies Buildings Architect			13,080 (13,080)	(13,080)	(13,080)	-	-	-	-	13,080	(13,080)
	1610	Equipment Classroom			2,500	(2,500)	(2,500)	-	2,500	-	-	(2,500)	

Attachment II

Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect				Cash Flo		
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities	Inves Activ
						\$	\$	\$	\$	\$	\$	\$	
	8360	Computer Supplies			(2,500)	(2,500)	(2,500)					2,500	
4	1725	Accum Amortization - misc equip	To record current year amortization.	N/A	(25,038)		-	(25,038)	-	-	-	25,038	
	1605	Accum Amortization Admn office			(8,517)		-	(8,517)	-	-	-	8,517	
	1615	Accum Amortization- Classroom			(18,639)		-	(18,639)	-	-	-	18,639	
	1625	Accum Amortization Facilities			(36,241)		-	(36,241)	-	-	-	36,241	
	1710	Accum Amortization Automotive			(167,621)		-	(167,621)	-	-	-	167,621	
	1505	Accum Amortization Buildings			(8,536)		-	(8,536)	-	-	-	8,536	
5	30250	ADMINI Amortization			264,591	264,591	264,591					(264,591)	
	3100	Unrestricted Net Assets	To adjust opening net assets to actual.	N/A	(166)	166	-	-	-	-	-	166	
	7360	Vacation/Annual Leave Pay			166	166	166					(166)	
Total effect of corrected misstatements							(136,637)	(136,637)	136,802	-	(166)	-	1

Management's Responsibility for Financial Reporting

For the year ended March 31, 2022

Peigan Board of Education (the "Entity") management 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 Entity's financial position as at March 31, 2022 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 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.

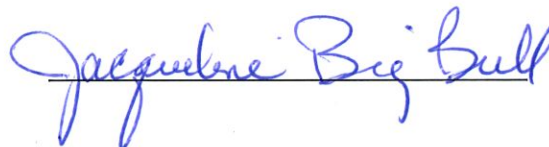
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions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

The Board carries out its responsibilities for review of the financial statements. The members of the Board are not officers or employees of the Entity. The Board 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 Board with and without the presence of management. The Board of the Entity has approved the financial statements.

The financial statements have been audited by the independent firm of KPMG LLP, Chartered Professional Accountants. Their report to the Board of Trustees of Peigan Board of Education and members of the Piikani Nation, stating the scope of their examination and opinion on the financial statements, follows.



July 15, 2022





KPMG LLP
3410 Fairway Plaza Road South
Lethbridge AB T1K 7T5
Canada
Tel 403-380-5700
Fax 403-380-5760

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Peigan Board of Education and members of the Piikani Nation

Opinion

We have audited the financial statements of Peigan Board of Education (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the 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 Entity as at March 31, 2022, and its results of operations, changes in net assets (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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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

July 15, 2022

PEIGAN BOARD OF EDUCATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash	\$ 5,764,956	\$ 5,980,356
Investments	2,780,014	1,429,743
Accounts receivable (note 3)	345,644	382,856
Due from other Piikani Nation entities (note 4)	110,980	13,941
Goods and services tax receivable	18,610	12,652
	<u>9,020,204</u>	<u>7,819,548</u>
Financial liabilities:		
Accounts payable and accruals (note 5)	698,191	2,155,266
Deferred revenue (note 6)	8,385,452	5,700,751
Long-term debt (note 7)	6,673	12,011
	<u>9,090,316</u>	<u>7,868,028</u>
Net financial assets (debt)	(70,112)	(48,480)
Non-financial assets:		
Tangible capital assets (note 8)	469,126	332,323
Prepaid expenses	102,970	104,637
	<u>572,096</u>	<u>436,960</u>
Commitments (note 14)		
Accumulated surplus (note 9)	\$ 501,984	\$ 388,480

See accompanying notes to financial statements.

On behalf of the Entity:

PEIGAN BOARD OF EDUCATION

Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	Budget (note 15)	2022	2021
Revenue:			
Indigenous Services Canada ("ISC") (note 10)	\$10,388,934	\$ 11,874,560	\$ 11,387,383
Government of Alberta	144,706	144,706	40,050
Government of Canada	170,050	215,070	62,323
Other program funding	40,000	40,000	235,000
Piikani Nation	125,000	160,610	553,510
First Nations Health Consortium	--	127,142	156,065
Other revenue	85,800	460,717	481,082
Transfers	(85,248)	27,041	--
	10,869,242	13,049,846	12,915,413
Deferred revenue – prior year	4,079,836	5,700,751	2,225,116
Deferred revenue – current year	--	(8,385,452)	(5,700,751)
	14,949,078	10,365,145	9,439,778
Expenses:			
Administration	972,327	1,099,858	1,319,266
Post-secondary	1,285,807	1,544,857	1,511,885
Schools	3,745,287	2,885,137	2,838,048
Transportation	807,844	711,241	739,045
Operation and maintenance	557,231	587,862	520,344
Board	80,000	68,989	45,750
Special programs	4,455,522	3,353,697	3,279,661
	11,904,018	10,251,641	10,253,999
Excess (deficit) of revenue over expenses	3,045,060	113,504	(814,221)
Accumulated surplus, beginning of year	388,480	388,480	1,202,701
Accumulated surplus, end of year	\$ 3,433,540	\$ 501,984	\$ 388,480

See accompanying notes to financial statements.

PEIGAN BOARD OF EDUCATION

Statement of Change in Net Financial Assets (Debt)

Year ended March 31, 2022, with comparative information for 2021

	Budget (note 15)	2022	2021
Excess (deficit) of revenue over expenses	\$ 3,045,060	\$ 113,504	\$ (814,221)
Acquisition of tangible capital assets	(106,000)	(401,394)	(118,617)
Amortization of tangible capital assets	--	264,591	583,772
Acquisition of prepaid expenses	--	1,667	(100,927)
	(106,000)	(135,136)	364,228
Change in net financial assets	2,939,060	(21,632)	(449,993)
Net financial assets, beginning of year	(48,480)	(48,480)	401,513
Net financial assets (debt), end of year	\$ 2,890,580	\$ (70,112)	\$ (48,480)

See accompanying notes to financial statements.

PEIGAN BOARD OF EDUCATION

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (deficit) of revenue over expenses	\$ 113,504	\$ (814,221)
Items not involving cash:		
Amortization of tangible capital assets	264,591	583,772
	378,095	(230,449)
Change in non-cash operating assets and liabilities:		
Accounts receivable	37,212	(46,716)
Due from other Piikani entities	(97,039)	67,169
Goods and services tax	(5,958)	7,687
Accounts payable and accrued liabilities	(1,457,075)	1,773,698
Deferred revenue	2,684,701	3,475,635
Prepaid expenses and deposits	1,667	(100,927)
	1,163,508	5,176,546
Capital activities:		
Acquisition of tangible capital assets	(401,394)	(118,617)
	(401,394)	(118,617)
Financing activities:		
Payment on long-term debt	(5,338)	(13,514)
	(5,338)	(13,514)
Investing activities:		
Increase in investments	(1,350,271)	(1,405,431)
	(1,350,271)	(1,405,431)
Increase (decrease) in cash	(215,400)	3,408,535
Cash, beginning of year	5,980,356	2,571,821
Cash, end of year	\$ 5,764,956	\$ 5,980,356

See accompanying notes to financial statements.

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

Peigan Board of Education (the "Entity") is located in the province of Alberta, and its principal activity is to provide for the educational needs of the families of the Piikani Nation. The Entity is exempt from tax under section 149 of the Income Tax Act.

1. Significant accounting policies:

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

(a) Reporting entity:

These financial statements include the assets, liabilities, accumulated surplus, revenues and expenses of all the Entity's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

(b) Basis of accounting:

The Entity follows the accrual method of accounting for revenues and expenses. Revenues are 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) Government transfers:

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

Government transfers are recognized in the financial statements as revenues 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 made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(d) Revenue recognition:

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.

(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) Investments:

Investments are recorded at cost, unless there is evidence of impairment. If evidence of impairment exists, investments are written down to net realizable value.

(g) Employee future benefits:

The Entity and its employees participate in a multi-employer defined benefit pension plan. These contributions are expensed as incurred.

(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:

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(i) Tangible capital assets (continued):

Asset	Method	Rate
Buildings	Straight line	4%
Equipment	Straight line	20%
Automotive	Straight line	30%

Annual amortization is charged in the year of acquisition. 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 Entity 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.

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(i) 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.

(j) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and deposits, cheques issued in excess of funds on deposit and deposits with original maturities of less than three months at the date of acquisition.

2. Recent accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2023, 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.

i. PS 3430 – 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.

ii. 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.

iii. PS 3160 – Public Private Partnerships:

This section establishes standards on how to account for public private partnerships arrangements. This standard is effective for fiscal years beginning on or after April 1, 2023.

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.

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

3. Accounts receivable:

	2022	2021
Government of Canada	\$ 243,186	\$ 156,065
Indigenous Knowledge & Wisdom Centre Ltd.	40,000	--
Livingstone Range School Division	--	206,974
Other	62,458	19,817
	<u>\$ 345,644</u>	<u>\$ 382,856</u>

4. Due from other Piikani Nation entities:

	2022	2021
Piikani Social Development	\$ 110,000	\$ --
Piikani Nation	--	12,911
Aakom-Kiyii Health Services	480	1,030
Piikani Employment Services	500	--
	<u>\$ 110,980</u>	<u>\$ 13,941</u>

5. Accounts payable and accrued liabilities:

	2022	2021
Trade accounts payable	\$ 464,709	\$ 1,935,870
Payroll payable	233,482	219,396
	<u>\$ 698,191</u>	<u>\$ 2,155,266</u>

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

6. Deferred revenue:

Deferred revenue consists of funding received for programs as follows:

	2022	2021
Balance, beginning of year	\$ 5,700,751	\$ 2,225,116
Add amount received in year	11,048,585	9,882,043
Less amount recognized as revenue in the year	(8,363,884)	(6,406,408)
Balance, end of year	\$ 8,385,452	\$ 5,700,751

Deferred revenue is comprised of:

	2022	2021
Government of Alberta	\$ 102,212	\$ 94,482
Government of Canada	164,537	619,434
Indigenous Services Canada	6,361,255	4,153,932
Other	1,757,448	832,903
Balance, end of year	\$ 8,385,452	\$ 5,700,751

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

7. Long-term debt:

	2022	2021
John Deere Equipment loan with an interest rate of nil%, payable in monthly installments of \$445, having a net book value of \$43,185 due June 2023	\$ 6,673	\$ 12,011
	\$ 6,673	\$ 12,011

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

2023	\$ 5,338
2024	1,335
	\$ 6,673

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

8. Tangible capital assets:

Cost	2021	Additions	Disposals	2022
Buildings and improvements	\$ 9,470,754	\$ 68,799	\$ --	\$ 9,539,553
Equipment	1,902,674	117,535	--	2,020,209
Automotive	1,019,374	215,060	--	1,234,434
	\$12,392,802	\$ 401,394	\$ --	\$ 12,794,196

Accumulated amortization	2021	Amortization expense	Disposals	2022
Building and improvements	\$ 9,443,531	\$ 8,535	\$ --	\$ 9,452,066
Equipment	1,729,436	88,435	--	1,817,871
Automotive	887,512	167,621	--	1,055,133
Total	\$12,060,479	\$ 264,591	\$ --	\$ 12,325,070

Net book value	2022	2021
Buildings and improvements	\$ 87,487	\$ 27,223
Equipment	202,338	173,238
Automotive	179,301	131,862
	\$ 469,126	\$ 332,323

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

9. Accumulated surplus:

	Unrestricted	Equity in tangible capital assets ⁽¹⁾	Total 2022	Total 2021
Beginning balance	\$ 68,168	\$ 320,312	\$ 388,480	\$ 1,202,701
Excess (deficit) of revenue over expenses	113,504	--	113,504	(814,221)
Amortization of tangible capital assets	264,591	(264,591)	--	--
Acquisition of tangible capital assets	(401,394)	401,394	--	--
Principal payments on long-term debt related to tangible capital assets	(5,338)	5,338	--	--
	\$ 39,531	\$ 462,453	\$ 501,984	\$ 388,480

⁽¹⁾ Equity in tangible capital assets:

	2022	2021
Tangible capital assets	\$ 12,794,196	\$ 12,392,802
Accumulated amortization	(12,325,070)	(12,060,479)
Debt	(6,673)	(12,011)
	\$ 462,453	\$ 320,312

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2021

10. Indigenous Services Canada Funding ("ISC"):

	2022	2021
ISC Funding:		
Fixed funding:		
FN School Formula (Q24F-001)	\$ 5,091,694	\$ 4,142,436
FN School Second Level (Q24K-001)	771,537	632,317
FNS and Inuit-Skills link program (Q26G-001)	74,719	79,088
FNS and Inuit-Skills link program (Q26G-002)	--	112,261
EPP-Structural Readiness (Q274-001)	130,518	140,780
Reg Education Agreements (Q275-001)	182,172	--
FN Sch Targeted HCSE (Q28N-001)	246,289	324,321
Post Secondary student support program (Q29A-001)	1,624,253	1,587,304
Post Secondary student support program (Q29A-002)	276,948	274,596
Prov School Tuition (Q2EG-001)	1,922,761	2,568,053
Prov School Transport (Q2EL-001)	607,069	627,551
Prov/Private Administration 2 nd Lev (Q2EO-001)	136,652	128,403
Prov/Private Student Support (Q2EP-001)	90,090	101,500
COVID 19 Safe Re Elementary/Secondary (Q2JB-001)	335,678	293,264
Pension Plan Admin & Non-Stat (Q31U-001)	1,588	1,509
CPP/QPP & Pension-Other Employer (Q31X-001)	4,022	3,805
Fit Up of Education Facilities (Q36M-001)	18,640	13,960
Fit Up of Education Facilities (Q36M-002)	--	48,097
Capital Planning Project Education (Q36N-001)	--	10,000
Edu Plan Design & Construction (Q36P-001)	306,500	--
Reno/Additions (Q36R-001)	20,000	--
Reno/Additions (Q36R-002)	--	25,000
Reno/Additions (Q36R-003)	--	40,000
Reno/Additions (Q36R-004)	--	26,738
Reno/Additions (Q36R-005)	--	125,605
Community Buildings (Q3BK-001)	13,230	12,391
Maintenance Management (Q3BO-001)	20,200	20,200
COVID-19 School Reopening	--	48,204
Total ISC funding	\$ 11,874,560	\$ 11,387,383

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

11. Economic dependence:

Peigan Board of Education receives a significant portion of its revenue pursuant to funding agreements with Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Entity to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

12. Pension Plan:

The Entity has a defined contribution pension plan covering substantially all full-time employees. The pension plan expense is \$207,694 (2021 - \$189,809). Contributions are based on 7.50% of all status employee salaries and 5.50% of all non-status employee salaries. There were no changes to the pension plan during the year.

13. Financial instruments:

Management is of the opinion that the Entity is not exposed to significant market, interest, currency, liquidity or credit risk arising from its financial instruments.

14. 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.

15. Budget information:

The disclosed budget information has been approved by the Peigan Board of Education's Board of Trustees at a meeting held March 30, 2021.

16. Comparative information:

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

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

17. Consolidated expenses by object:

	Budget	2022	2021
Amortization	\$ --	\$ 264,591	\$ 583,772
Advertising and promotion	8,000	2,202	1,287
Awards, scholarships and grants	43,000	32,220	41,354
Bank charges	3,600	4,389	6,712
Books	66,542	89,780	70,070
Contractors	4,049,815	2,836,111	2,910,314
Conferences and workshops	86,000	12,638	20,941
Covid-19	3,000	276,948	325,439
Cultural protocol	31,168	36,870	11,106
Drug testing/medical	5,000	3,942	4,613
Elders	64,804	72,416	34,925
Entertainment	13,500	3,731	1,990
Exchange gain/loss	--	1,355	--
Extracurricular activities	32,600	19,455	750
Food and groceries	245,113	144,342	27,719
Gifts and donations	58,025	95,321	61,557
GST on expenses	15,000	3,195	2,554
Honorariums	87,700	45,835	32,375
Inspections	2,775	2,250	2,535
Insurance	20,000	20,007	14,158
Late charges and penalties	1,000	8,028	2,180
Lease interest	--	--	105
Licenses, permits and fees	3,072	3,033	3,649
Maintenance	248,845	111,279	59,070
Meeting costs	17,729	25,299	10,060
Memberships	15,100	6,462	2,425
Office	92,111	81,796	77,956
Post secondary	1,202,720	1,193,443	1,263,656
Professional development	57,090	20,501	4,237
Rentals	7,300	6,268	4,307
Salaries and benefits	4,739,448	4,266,568	4,125,156
Sports programs	15,000	9,500	1,169
Supplies	213,711	185,206	307,486
Travel	188,555	90,647	39,502
Utilities	85,000	145,352	98,794
Vehicle expenses	181,695	103,620	100,076
	\$ 11,904,018	\$ 10,224,600	\$10,253,999

PEIGAN BOARD OF EDUCATION

Notes to Financial Statements

Year ended March 31, 2022

18. Contractual Rights:

Contractual rights are rights of the Entity 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. The Entity has entered into 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.

PEIGAN BOARD OF EDUCATION

Schedule of Salaries, Honoraria, Travel & Other Remuneration For Elected or Appointed Officials

March 31, 2022, with comparative information for 2021

Elected or Appointed Official	Position	Number of Months	Board Honorarium	Travel	Total 2022	Total 2021
Beatrice Little Mustache	Chairperson	12	\$ 8,075	\$ 234	\$ 8,309	\$ 6,210
Margaret Potts	Vice-Chair	12	7,375	725	8,100	6,185
Jacqueline Big Bull	Trustee	12	6,950	234	7,184	6,920
Linda Yellow Face	Trustee	12	7,375	402	7,777	2,936
Franklin Wolf Tail	Trustee	12	7,375	234	7,609	2,936
Roberta Yellowhorn	Trustee	8	4,875	--	4,875	6,896
Gayle Strikes With A Gun	Trustee	4	2,550	234	2,784	--
Total			\$ 44,575	\$ 2,063	\$ 46,638	\$ 32,083

PEIGAN BOARD OF EDUCATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash	\$ 5,764,956	\$ 5,980,356
Investments	2,780,014	1,429,743
Accounts receivable (note 3)	345,644	382,856
Due from other Piikani Nation entities (note 4)	110,980	13,941
Goods and services tax receivable	18,610	12,652
	<u>9,020,204</u>	<u>7,819,548</u>
Financial liabilities:		
Accounts payable and accruals (note 5)	698,191	2,155,266
Deferred revenue (note 6)	8,385,452	5,700,751
Long-term debt (note 7)	6,673	12,011
	<u>9,090,316</u>	<u>7,868,028</u>
Net financial assets (debt)	(70,112)	(48,480)
Non-financial assets:		
Tangible capital assets (note 8)	469,126	332,323
Prepaid expenses	102,970	104,637
	<u>572,096</u>	<u>436,960</u>
Commitments (note 14)		
Accumulated surplus (note 9)	\$ 501,984	\$ 388,480

See accompanying notes to financial statements.

On behalf of the Entity:

