

**Kahnawà:ke Education Centre**  
**Financial Statements**  
*March 31, 2017*

# Kahnawà:ke Education Centre Contents

For the year ended March 31, 2017

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## Management's Responsibility

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To the Community Members and Kahnawà:ke Combined Schools Committee of Kahnawà:ke Education Centre:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Kahnawà:ke Combined Schools Committee is composed primarily of Committee Members who are neither management nor employees of the Organization. The Combined Schools Committee is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Committee fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Organization's external auditors.

MNP SENCRL, srl is appointed by the Committee to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

June 21, 2017



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Director of Finance and Operations

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## Independent Auditors' Report

To the Community Members and the Kahnawà:ke Combined Schools Committee of Kahnawà:ke Education Centre:

We have audited the accompanying financial statements of Kahnawà:ke Education Centre, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kahnawà:ke Education Centre as at March 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Montréal, Québec

June 21, 2017

*MNP* SENCRL, srl<sup>1</sup>

<sup>1</sup> CPA auditor, CA, public accountancy permit no. A124849

**Kahnawà:ke Education Centre**  
**Statement of Financial Position**

*As at March 31, 2017*

|                                      | 2017              | 2016       |
|--------------------------------------|-------------------|------------|
| <b>Financial assets</b>              |                   |            |
| Cash (Note 3)                        | 1,323,705         | 727,892    |
| Accounts receivable (Note 4)         | 2,179,518         | 595,368    |
| <b>Total financial assets</b>        | <b>3,503,223</b>  | 1,323,260  |
| <b>Liabilities</b>                   |                   |            |
| Deferred revenue (Note 6)            | 408,661           | 14,451     |
| Accounts payable and accruals        | 1,716,201         | 961,521    |
| <b>Total liabilities</b>             | <b>2,124,862</b>  | 975,972    |
| <b>Net financial assets</b>          | <b>1,378,361</b>  | 347,288    |
| <b>Contingencies (Note 7)</b>        |                   |            |
| <b>Non-financial assets</b>          |                   |            |
| Tangible capital assets (Note 8)     | 11,865,202        | 11,942,967 |
| Prepaid expenses                     | 223,424           | 186,619    |
| <b>Total non-financial assets</b>    | <b>12,088,626</b> | 12,129,586 |
| <b>Accumulated surplus (Note 11)</b> | <b>13,466,987</b> | 12,476,874 |

Approved on behalf of the Kahnawà:ke Combined Schools Committee

*Amelia Jekwatouti McKeegan*

Committee  
Member

*Carol Robins*

Committee  
Member

*Joseph Williams*

Grand Chief

The accompanying notes are an integral part of these financial statements

**Kahnawà:ke Education Centre**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

|  | <i>Schedules</i> | <b>2017<br/>Budget</b> | <b>2017</b>       | <b>2016</b>        |
|--|------------------|------------------------|-------------------|--------------------|
| <b>Revenue</b>                                     |                  |                        |                   |                    |
| Indigenous and Northern Affairs Canada             |                  | 11,810,686             | 12,841,801        | 11,637,091         |
| Canadian Heritage                                  |                  | 47,798                 | -                 | 52,068             |
| First Nations Education Council                    |                  | 3,913,350              | 4,621,077         | 2,776,723          |
| Kahnawà:ke Shakotiiia'Takehnhas Community Services |                  | 17,298                 | 89,500            | 84,692             |
| Other revenue                                      |                  | 97,432                 | 129,545           | 60,516             |
| Interest income                                    |                  | 23,814                 | 21,781            | 22,304             |
| Deferred revenue - current year                    |                  | -                      | (408,661)         | -                  |
|  |                  | <b>15,910,378</b>      | <b>17,295,043</b> | <b>14,633,394</b>  |
| <b>Expenses (Schedule 2)</b>                       |                  |                        |                   |                    |
| Indigenous and Northern Affairs Canada             | 4                | 11,353,732             | 9,842,332         | 10,620,783         |
| First Nations Education Council                    | 5                | 3,903,866              | 4,126,759         | 2,771,452          |
| Other education programs                           | 6                | 300,476                | 246,874           | 183,482            |
| Administration                                     | 7                | 949,762                | 722,036           | 820,590            |
| Capital  | 8                | 1,244,043              | 1,366,929         | 1,255,920          |
| <b>Total expenditures</b>                          |                  | <b>17,751,879</b>      | <b>16,304,930</b> | <b>15,652,227</b>  |
| <b>Surplus (deficit)</b>                           |                  | <b>(1,841,501)</b>     | <b>990,113</b>    | <b>(1,018,833)</b> |
| <b>Accumulated surplus, beginning of year</b>      |                  | <b>12,476,874</b>      | <b>12,476,874</b> | <b>13,495,707</b>  |
| <b>Accumulated surplus, end of year</b>            |                  | <b>10,635,373</b>      | <b>13,466,987</b> | <b>12,476,874</b>  |

*The accompanying notes are an integral part of these financial statements*

**Kahnawà:ke Education Centre**  
**Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2017*

|  | <i>2017<br/>Budget</i> | <i>2017</i>        | <i>2016</i>        |
|--|------------------------|--------------------|--------------------|
| <b>Annual surplus (deficit)</b>                | <b>(1,841,501)</b>     | <b>990,113</b>     | <b>(1,018,833)</b> |
| Purchases of tangible capital assets           | -                      | <b>(1,289,164)</b> | (33,885)           |
| Amortization of tangible capital assets        | <b>1,227,724</b>       | <b>1,366,929</b>   | 1,255,920          |
| Acquisition of prepaid expenses                | -                      | <b>(223,424)</b>   | (186,619)          |
| Use of prepaid expenses                        | -                      | <b>186,619</b>     | 184,872            |
| <b>Increase in net financial assets</b>        | <b>(613,777)</b>       | <b>1,031,073</b>   | <b>201,455</b>     |
| <b>Net financial assets, beginning of year</b> | <b>347,287</b>         | <b>347,288</b>     | <b>145,833</b>     |
| <b>Net financial assets, end of year</b>       | <b>(266,490)</b>       | <b>1,378,361</b>   | <b>347,288</b>     |

*The accompanying notes are an integral part of these financial statements*

**Kahnawà:ke Education Centre**  
**Statement of Cash Flows**  
*For the year ended March 31, 2017*

|  | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| <b>Cash provided by the following activities</b> |             |             |
| <b>Operating activities</b>                      |             |             |
| Cash receipts from contributors                  | 16,107,154  | 14,815,496  |
| Cash paid to suppliers                           | (5,443,174) | (6,416,286) |
| Cash paid to employees                           | (8,800,784) | (8,015,584) |
| Interest income                                  | 21,781      | 22,304      |
|  | 1,884,977   | 405,930     |
| <b>Capital activities</b>                        |             |             |
| Purchases of tangible capital assets             | (1,289,164) | (33,885)    |
|  | 595,813     | 372,045     |
| <b>Increase in cash resources</b>                |             |             |
|  | 595,813     | 372,045     |
| <b>Cash resources, beginning of year</b>         | 727,892     | 355,847     |
|  | 1,323,705   | 727,892     |
| <b>Cash resources, end of year</b>               |             |             |

*The accompanying notes are an integral part of these financial statements*



**1. Operations**

Kahnawà:ke Education Center is mandated by parents of students in the Kahnawà:ke community to operate elementary and secondary schools, and to provide quality education based upon Kanien'keha:ka beliefs, values, language and traditions.

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

***Basis of presentation***

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

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

***Cash and cash equivalents***

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

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution. Tangible capital assets include acquired, built, developed and improved tangible capital assets whose useful life extends beyond one year and which are intended to be used on an ongoing basis for delivering services.

***Amortization***

Tangible capital assets are amortized annually on the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

|                        | <b>Rates</b> |
|------------------------|--------------|
| Land improvements      | 20%          |
| Buildings              | 5%           |
| Roads                  | 20%          |
| Playground             | 20%          |
| Ventilation equipment  | 10%          |
| Maintenance equipment  | 20%          |
| Furniture and fixtures | 20%          |
| Computers              | 33%          |
| Fibre optic            | 20%          |
| Vehicles               | 20%          |

2. **Significant accounting policies** *(Continued from previous page)*

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in deficit for the year.

***Net financial assets***

The Organization's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Organization is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

***Segments***

The Organization conducts its business through 4 reportable segments. These operating segments are established by senior management to facilitate the achievement of the Organization's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 2, *Significant accounting policies*.

***Measurement uncertainty***

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 revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

***Revenue recognition***

**Government transfers**

The Organization recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Organization recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Externally restricted revenue**

The Organization recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Organization records externally restricted inflows in deferred revenue.

**Interest Income**

Interest revenue is recorded on the accrual basis as it is earned.

**Kahnawà:ke Education Centre**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

2. **Significant accounting policies** (Continued from previous page)

**Foreign currency translation**

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities reflect the exchange rates at the statement of financial position date. Translation gains and losses are included in current year surplus (deficit).

3. **Cash resources**

Included in cash is \$1,130,000 (2016 - \$530,000) which has been internally restricted as described in Note 12.

4. **Accounts receivable**

|   | 2017      | 2016    |
|---|-----------|---------|
| Indigenous and Northern Affairs Canada            | 1,386,755 | 73,414  |
| First Nations Education Council                   | 457,831   | 289,930 |
| Mohawk Council of Kahnawà:ke                      | 298,925   | 121,440 |
| Kahnawà:ke Shakotiià Takehnhas Community Services | -         | 87,833  |
| Other   | 26,821    | 12,215  |
| Employees   | 9,186     | 10,536  |
|   | 2,179,518 | 595,368 |

The amounts due from Mohawk Council of Kahnawà:ke and Kahnawà:ke Shakotiià Takehnhas Community Services are subject to normal trade terms.

5. **Bank loan**

The organization has an unused and unsecured \$100,000 line of credit facility to finance its operations. All advances bear interest at the bank's prime rate plus 3% and are repayable on demand. The facility is subject to review on an annual basis.

6. **Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

|                             | Balance,<br>beginning of<br>year | Contributions<br>received | Amount<br>recognized as<br>revenue | Balance, end<br>of year |
|-----------------------------|----------------------------------|---------------------------|------------------------------------|-------------------------|
| Other educational programs  | 14,451                           | -                         | 14,451                             | -                       |
| Special education           | -                                | 2,555,338                 | 2,390,375                          | 164,963                 |
| Capital upgrades            | -                                | 988,669                   | 751,416                            | 237,253                 |
| National Indian Brotherhood | -                                | 34,704                    | 28,259                             | 6,445                   |
|                             | 14,451                           | 3,578,711                 | 3,184,501                          | 408,661                 |

**Kahnawà:ke Education Centre**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

**7. Contingencies**

The Organization has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the organization fails to comply with the terms and conditions of the agreements.

**8. Tangible capital assets**

The tangible capital assets reconciliation is included in Schedule 1.

Land and land improvements include land with a carrying value of \$614,952 (2016 - \$614,952). No amortization has been recorded on the land.

**9. Government transfers**

***Federal government transfers:***

|  | <i>Operating</i>  | <i>Capital</i>   | <i>2017</i>       | <i>2016</i>       |
|--|-------------------|------------------|-------------------|-------------------|
| Indigenous and Northern Affairs Canada | 11,705,643        | 1,136,158        | 12,841,801        | 11,637,091        |
| First Nations Education Council        | 4,420,344         | 200,733          | 4,621,077         | 2,776,723         |
| Canadian Heritage                      | -                 | -                | -                 | 52,068            |
|  | <b>16,125,987</b> | <b>1,366,891</b> | <b>17,462,878</b> | <b>14,465,882</b> |

**10. Related party transactions**

During the year, the Organization conducted transactions with related entities. These organizations are related by virtue of being part of the Mohawk Council of Kahnawà:ke government reporting unit. All transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Balances in accounts payable and accounts receivable are subject to normal trade terms. Transactions and balances are summarized as follows:

|   | <i>2017</i> | <i>2016</i> |
|---|-------------|-------------|
| <b>Included in other revenues:</b>                |             |             |
| KSCS - Brighter Futures                           | 119,500     | 104,692     |
| <b>Included in revenues:</b>                      |             |             |
| Tewatohnhi'saktha - Summer Youth Program salaries | 50,915      | 57,755      |
| Tewatohnhi'saktha - Administration fees           | 2,546       | 1,516       |
| <b>Included in accounts receivable:</b>           |             |             |
| Mohawk Council of Kahnawà:ke                      | 298,924     | 121,440     |
| KSCS  | -           | 87,833      |
| Tewatohnhi'saktha                                 | 966         | -           |
| <b>Included in accounts payable:</b>              |             |             |
| Mohawk Council of Kahnawà:ke                      | 86,145      | 183,262     |

**Kahnawà:ke Education Centre**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

**11. Accumulated surplus**

Accumulated surplus consists of the following:

|  | 2017        | 2016        |
|--|-------------|-------------|
| <b>Capital asset fund</b>              |             |             |
| Balance, beginning of year             | 11,942,967  | 13,165,002  |
| Purchase of capital assets             | 1,289,164   | 33,885      |
| Amortization                           | (1,366,929) | (1,255,920) |
|  | 11,865,202  | 11,942,967  |
| <b>Operating fund</b>                  |             |             |
| Balance, beginning of year             | 3,907       | 30,705      |
| Operating surplus                      | 2,357,042   | 237,087     |
| Transfer to capital asset fund         | (1,289,164) | (33,885)    |
| Transfer to internally restricted fund | (600,000)   | (230,000)   |
|  | 471,785     | 3,907       |
| <b>Internally restricted fund</b>      |             |             |
| Balance, beginning of year             | 530,000     | 300,000     |
| Transfer from operating fund           | 600,000     | 230,000     |
|  | 1,130,000   | 530,000     |
|  | 13,466,987  | 12,476,874  |

**12. Internally Restricted Funds**

Internally restricted funds are comprised of the following:

|                          | 2017      | 2016    |
|--------------------------|-----------|---------|
| Vacation reserve         | 300,000   | -       |
| Post-secondary education | 300,000   | 230,000 |
| Special education        | 240,000   | 240,000 |
| Strategic plan           | 180,000   | 60,000  |
| Capital projects         | 110,000   | -       |
|                          | 1,130,000 | 530,000 |

**13. Annual surplus (deficit)**

Annual surplus (deficit) is comprised of the following:

|                   | 2017        | 2016        |
|-------------------|-------------|-------------|
| Operating surplus | 2,357,042   | 237,087     |
| Capital deficit   | (1,366,929) | (1,255,920) |
|                   | 990,113     | (1,018,833) |

**Kahnawà:ke Education Centre**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

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**14. Economic dependence**

Kahnawà:ke Education Centre receives a significant portion, 73% (2016 - 79%), of its revenue from Indigenous and Northern Affairs Canada (INAC). The ability of the Organization to continue operations is dependent upon the Government of Canada's continued financial support.

**15. Budget information**

The disclosed budget information has been approved by the Kahnawà:ke Combined Schools Committee (KCSC) and presented to the members of the Kahnawà:ke Education Centre at the KCSC's meeting held on February 3, 2016.

**16. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**Kahnawà:ke Education Centre**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

|  | Land and land improvements | Buildings  | Road    | Playground | Ventilation equipment | Maintenance equipment | Subtotal   |
|--|----------------------------|------------|---------|------------|-----------------------|-----------------------|------------|
| <b>Cost</b>                                      |                            |            |         |            |                       |                       |            |
| Balance, beginning of year                       | 773,877                    | 22,082,365 | 457,981 | 52,015     | 818,287               | 256,258               | 24,440,783 |
| Acquisition of tangible capital assets           | -                          | 677,420    | -       | 43,628     | 18,196                | 78,348                | 817,592    |
| Disposal of tangible capital assets              | -                          | -          | -       | -          | -                     | -                     | -          |
| Balance, end of year                             | 773,877                    | 22,759,785 | 457,981 | 95,643     | 836,483               | 334,606               | 25,258,375 |
| <b>Accumulated amortization</b>                  |                            |            |         |            |                       |                       |            |
| Balance, beginning of year                       | 151,112                    | 10,936,097 | 444,462 | 52,015     | 764,832               | 246,022               | 12,594,540 |
| Annual amortization                              | 7,814                      | 1,121,055  | 13,519  | 4,363      | 54,365                | 18,071                | 1,219,187  |
| Accumulated amortization on disposals            | -                          | -          | -       | -          | -                     | -                     | -          |
| Balance, end of year                             | 158,926                    | 12,057,152 | 457,981 | 56,378     | 819,197               | 264,093               | 13,813,727 |
| <b>Net book value of tangible capital assets</b> | 614,951                    | 10,702,633 | -       | 39,265     | 17,286                | 70,513                | 11,444,648 |
| 2016 Net book value of tangible capital assets   | 622,765                    | 11,146,268 | 13,519  | -          | 53,455                | 10,236                | 11,846,243 |

**Kahnawà:ke Education Centre**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

|  | Subtotal   | Furniture and<br>fixtures | Computers | Fibre Optics | Vehicles | 2017       | 2016       |
|--|------------|---------------------------|-----------|--------------|----------|------------|------------|
| <b>Cost</b>                                      |            |                           |           |              |          |            |            |
| Balance, beginning of year                       | 24,440,783 | 302,828                   | 168,958   | -            | 115,438  | 25,028,007 | 25,061,122 |
| Acquisition of tangible capital assets           | 817,592    | 56,993                    | 213,846   | 200,733      | -        | 1,289,164  | 33,885     |
| Disposal of tangible capital assets              | -          | -                         | -         | -            | -        | -          | (67,000)   |
| Balance, end of year                             | 25,258,375 | 359,821                   | 382,804   | 200,733      | 115,438  | 26,317,171 | 25,028,007 |
| <b>Accumulated amortization</b>                  |            |                           |           |              |          |            |            |
| Balance, beginning of year                       | 12,594,540 | 260,709                   | 131,329   | -            | 98,462   | 13,085,040 | 11,896,120 |
| Annual amortization                              | 1,219,187  | 47,817                    | 72,913    | 10,036       | 16,976   | 1,366,929  | 1,255,920  |
| Accumulated amortization on disposals            | -          | -                         | -         | -            | -        | -          | (67,000)   |
| Balance, end of year                             | 13,813,727 | 308,526                   | 204,242   | 10,036       | 115,438  | 14,451,969 | 13,085,040 |
| <b>Net book value of tangible capital assets</b> | 11,444,648 | 51,295                    | 178,562   | 190,697      | -        | 11,865,202 | 11,942,967 |
| 2016 Net book value of tangible capital assets   | 11,846,243 | 42,119                    | 37,629    | -            | 16,976   | 11,942,967 |            |



**Kahnawà:ke Education Centre**  
**Schedule 2 - Schedule of Expenses by Object**  
*For the year ended March 31, 2017*

|                                  | <i>2017<br/>Budget</i> | <i>2017</i>       | <i>2016</i>       |
|----------------------------------|------------------------|-------------------|-------------------|
| <b>Expenses by object</b>        |                        |                   |                   |
| Administration fees              | 199,258                | 1,305             | -                 |
| Advertising                      | 27,689                 | 47,972            | 27,147            |
| Amortization                     | 1,227,724              | 1,366,929         | 1,255,920         |
| Bank charges and interest        | 40,059                 | 1,389             | 39,325            |
| Capitalization of expenses       | 67,276                 | -                 | -                 |
| Child care and shelter           | 105,940                | 36,980            | 82,255            |
| Consultants in education         | 117,800                | 179,230           | 92,348            |
| Equipment purchases              | 16,319                 | 42,599            | 53,924            |
| Furniture and equipment          | 14,631                 | 33,119            | 17,065            |
| Honoraria                        | 41,541                 | 85,391            | 49,324            |
| IT software and license fees     | 10,532                 | 9,382             | 7,085             |
| Insurance                        | 49,103                 | 46,309            | 48,912            |
| Meeting                          | 6,037                  | 6,967             | 5,918             |
| Miscellaneous                    | 2,391                  | 2,815             | 1,796             |
| Office equipment lease           | 35,387                 | 38,206            | 34,492            |
| Products, tools and materials    | 684,826                | 567,276           | 388,759           |
| Professional development         | 228,500                | 236,754           | 74,854            |
| Professional fees                | 432,487                | 434,849           | 451,963           |
| Provision for loss               | (10,461)               | (23,832)          | (10,675)          |
| Registration fees                | 12,579                 | 1,646             | 12,332            |
| Rent                             | 17,500                 | 22,114            | -                 |
| Repairs and maintenance          | 613,442                | 282,767           | 232,190           |
| Salaries and benefits            | 8,829,533              | 8,800,784         | 8,015,584         |
| Special projects                 | 13,558                 | 5,759             | 13,239            |
| Sports and cultural activities   | 28,431                 | 33,677            | 28,591            |
| Student allowances               | 1,211,760              | 1,110,256         | 1,187,273         |
| Substitutes                      | 96,020                 | 119,734           | 94,137            |
| Summer school and tutorial costs | 11,885                 | 7,428             | 11,653            |
| Supplies                         | 177,145                | 45,144            | 109,826           |
| Telephone and internet           | 24,692                 | 27,375            | 24,846            |
| Training                         | 12,000                 | 5,600             | 5,000             |
| Transportation                   | 10,650                 | 2,750             | 10,440            |
| Travel and transportation        | 122,927                | 156,015           | 78,105            |
| Tuition fees                     | 2,995,776              | 2,275,661         | 2,937,770         |
| Utilities                        | 276,942                | 294,580           | 270,829           |
|                                  | <b>17,751,879</b>      | <b>16,304,930</b> | <b>15,652,227</b> |

**Kahnawà:ke Education Centre**  
**Schedule 3 - Schedule of Revenue and Expenses and Accumulated Surplus**  
*For the year ended March 31, 2017*

| Schedule #  | INAC Revenue      | Other Revenue    | Deferred Revenue | Total Revenue     | Total Expenses    | Adjustments/<br>Transfers<br>From (To) | Current<br>Surplus<br>(Deficit) | Prior Year<br>Surplus (Deficit) |
|-------------|-------------------|------------------|------------------|-------------------|-------------------|--|---------------------------------|---------------------------------|
| 4           | 12,698,826        | -                | (237,253)        | 12,461,573        | 9,842,332         | (1,474,585)                            | 1,144,656                       | 634,438                         |
| 5           | -                 | 4,420,344        | (164,963)        | 4,255,381         | 4,126,759         | (171,212)                              | (42,590)                        | (16,582)                        |
| 6           | -                 | 404,265          | (6,445)          | 397,820           | 246,874           | (200,733)                              | (49,787)                        | (3,846)                         |
| 7           | 142,975           | 37,294           | -                | 180,269           | 722,036           | (42,634)                               | (584,401)                       | (640,808)                       |
| 8           | -                 | -                | -                | -                 | 1,366,929         | 1,289,164                              | (77,765)                        | (1,222,035)                     |
| 9           | -                 | -                | -                | -                 | -                 | 600,000                                | 600,000                         | 230,000                         |
|             | <b>12,841,801</b> | <b>4,861,903</b> | <b>(408,661)</b> | <b>17,295,043</b> | <b>16,304,930</b> | <b>-</b>                               | <b>990,113</b>                  | <b>(1,018,833)</b>              |
| <b>year</b> |                   |                  |                  |                   |                   |  | <b>12,476,874</b>               | <b>13,495,707</b>               |
|             |                   |                  |                  |                   |                   |  | <b>13,466,987</b>               | <b>12,476,874</b>               |

**Kahnawà:ke Education Centre**  
**Indigenous and Northern Affairs Canada**  
**Schedule 4 - Schedule of Revenue and Expenses and Accumulated Surplus**  
*For the year ended March 31, 2017*

|   | <i>2017<br/>Budget</i> | <i>2017</i>        | <i>2016</i>       |
|---|------------------------|--------------------|-------------------|
| <b>Revenue</b>                                |                        |                    |                   |
| Indigenous and Northern Affairs Canada        | 11,668,051             | 12,698,826         | 11,497,253        |
| Deferred revenue - current year               | -                      | (237,253)          | -                 |
|   | <b>11,668,051</b>      | <b>12,461,573</b>  | <b>11,497,253</b> |
| <b>Expenses</b>                               |                        |                    |                   |
| Administration fees                           | 16,016                 | 14,560             | 15,057            |
| Advertising                                   | 2,337                  | 1,092              | 2,292             |
| Capitalization of expenses                    | 67,276                 | -                  | -                 |
| Child care and shelter                        | 83,940                 | 14,980             | 82,255            |
| Consultants in education                      | 52,507                 | 73,188             | 54,663            |
| Furniture and equipment                       | 11,079                 | 12,809             | 10,862            |
| Honoraria                                     | 8,262                  | 1,821              | 8,100             |
| Insurance                                     | 49,103                 | 45,805             | 48,912            |
| Miscellaneous                                 | 1,434                  | (121)              | 1,403             |
| Office equipment lease                        | 25,085                 | 25,880             | 24,392            |
| Products, tools and materials                 | 132,005                | 113,181            | 135,635           |
| Professional development                      | 3,740                  | 2,264              | 3,817             |
| Professional fees                             | -                      | 30,199             | -                 |
| Purchases                                     | -                      | 42,599             | 43,181            |
| Registration fees                             | 12,579                 | 1,646              | 12,332            |
| Repairs and maintenance                       | 606,412                | 275,586            | 225,298           |
| Salaries                                      | 5,111,339              | 4,958,805          | 4,884,910         |
| Special projects                              | 8,673                  | 5,471              | 8,457             |
| Sports and cultural activities                | 9,774                  | 9,816              | 10,300            |
| Student allowances                            | 1,211,760              | 1,110,256          | 1,187,273         |
| Substitutes                                   | 96,020                 | 119,734            | 94,137            |
| Summer school and tutorial costs              | 11,885                 | 7,428              | 11,653            |
| Supplies                                      | 112,145                | 35,103             | 109,826           |
| Teaching assistants and shadows               | 88,658                 | 49,887             | 87,023            |
| Telephone and internet                        | 19,195                 | 20,358             | 19,156            |
| Transportation                                | 10,650                 | 2,750              | 10,440            |
| Travel and transportation                     | 59,216                 | 54,217             | 51,827            |
| Tuition                                       | 2,995,776              | 2,261,150          | 2,937,770         |
| Utilities                                     | 276,942                | 294,569            | 270,829           |
| Wage levies and benefits                      | 269,924                | 257,299            | 268,983           |
|   | <b>11,353,732</b>      | <b>9,842,332</b>   | <b>10,620,783</b> |
| <b>Surplus before transfers</b>               | <b>314,319</b>         | <b>2,619,241</b>   | <b>876,470</b>    |
| <b>Transfers</b>                              |                        |                    |                   |
| Transfer to capital fund                      | -                      | (874,585)          | (12,032)          |
| Internally Restricted funds                   | -                      | (600,000)          | (230,000)         |
|   | -                      | <b>(1,474,585)</b> | <b>(242,032)</b>  |
| <b>Surplus</b>                                | <b>314,319</b>         | <b>1,144,656</b>   | <b>634,438</b>    |
| <b>Accumulated surplus, beginning of year</b> | <b>3,411,578</b>       | <b>3,411,578</b>   | <b>2,777,140</b>  |
| <b>Accumulated surplus, end of year</b>       | <b>3,725,897</b>       | <b>4,556,234</b>   | <b>3,411,578</b>  |

**Kahnawà:ke Education Centre**  
**First Nations Education Council**  
**Schedule 5 - Schedule of Revenue and Expenses and Accumulated Surplus**  
*For the year ended March 31, 2017*

|   | <i>2017<br/>Budget</i> | <i>2017</i>      | <i>2016</i>      |
|---|------------------------|------------------|------------------|
| <b>Revenue</b>                                |                        |                  |                  |
| First Nations Education Council               | 3,913,350              | 4,420,344        | 2,776,723        |
| Deferred revenue - current year               | -                      | (164,963)        | -                |
|   | <b>3,913,350</b>       | <b>4,255,381</b> | <b>2,776,723</b> |
| <b>Expenses</b>                               |                        |                  |                  |
| Administration fees                           | 183,242                | 175,225          | 36,117           |
| Elder and guest speakers                      | 29,474                 | 49,168           | 32,100           |
| Furnishings and supplies                      | -                      | 13,342           | -                |
| IT software purchases and licensing fees      | 3,000                  | 9,382            | -                |
| Insurance                                     | -                      | 504              | -                |
| Materials and supplies                        | 476,810                | 429,541          | 186,522          |
| Meeting                                       | -                      | 879              | -                |
| Professional development                      | 176,622                | 189,529          | 53,928           |
| Professional services                         | 230,197                | 270,488          | 298,639          |
| Rent  | -                      | 4,205            | -                |
| Salaries                                      | 1,971,522              | 2,006,703        | 1,584,266        |
| Teaching assistants and shadows               | 709,501                | 791,368          | 494,659          |
| Telephone and internet                        | -                      | 554              | 300              |
| Training                                      | 12,000                 | 5,600            | 5,000            |
| Transportation                                | 56,297                 | 99,913           | 20,274           |
| Tuition fees                                  | -                      | 14,511           | -                |
| Wage levies and benefits                      | 55,201                 | 65,847           | 59,647           |
|   | <b>3,903,866</b>       | <b>4,126,759</b> | <b>2,771,452</b> |
| <b>Surplus before transfers</b>               | <b>9,484</b>           | <b>128,622</b>   | <b>5,271</b>     |
| <b>Transfers</b>                              |                        |                  |                  |
| Transfer to capital fund                      | -                      | (171,212)        | (21,853)         |
| <b>Deficit</b>                                | <b>9,484</b>           | <b>(42,590)</b>  | <b>(16,582)</b>  |
| <b>Accumulated surplus, beginning of year</b> | <b>705,141</b>         | <b>705,141</b>   | <b>721,723</b>   |
| <b>Accumulated surplus, end of year</b>       | <b>714,625</b>         | <b>662,551</b>   | <b>705,141</b>   |

**Kahnawà:ke Education Centre**  
**Other education programs**  
**Schedule 6 - Schedule of Revenue and Expenses and Accumulated Deficit**  
*For the year ended March 31, 2017*

|  | <i>2017<br/>Budget</i> | <i>2017</i>      | <i>2016</i>      |
|--|------------------------|------------------|------------------|
| <b>Revenue</b>                                     |                        |                  |                  |
| Canadian Heritage                                  | 47,798                 | -                | 52,068           |
| First Nations Education Council                    | -                      | 200,733          | -                |
| Other revenue                                      | 23,334                 | 114,032          | 42,876           |
| Kahnawà:ke Shakotiiia'Takehnhas Community Services | 17,298                 | 89,500           | 84,692           |
| Deferred revenue - current year                    | -                      | (6,445)          | -                |
|  | <b>88,430</b>          | <b>397,820</b>   | <b>179,636</b>   |
| <b>Expenses</b>                                    |                        |                  |                  |
| Child care and shelter                             | 22,000                 | 22,000           | -                |
| Consultants in education                           | 26,000                 | 28,988           | 7,510            |
| Honoraria  | 2,989                  | 25,953           | 8,252            |
| Meeting  | -                      | 569              | -                |
| Products, tools and materials                      | 5,964                  | 13,183           | 18,507           |
| Professional development                           | 30,000                 | 30,000           | 10,000           |
| Professional fees                                  | 52,040                 | 31,098           | 6,020            |
| Salaries   | 68,564                 | 61,306           | 110,723          |
| Sports and cultural activities                     | 18,657                 | 23,861           | 18,291           |
| Supplies   | 65,000                 | -                | -                |
| Travel and transportation                          | 4,570                  | 93               | 618              |
| Wage levies and benefits                           | 4,692                  | 9,823            | 3,561            |
|  | <b>300,476</b>         | <b>246,874</b>   | <b>183,482</b>   |
| <b>Surplus (deficit) before transfers</b>          | <b>(212,046)</b>       | <b>150,946</b>   | <b>(3,846)</b>   |
| <b>Transfers</b>                                   |                        |                  |                  |
| Transfer to capital fund                           | -                      | (200,733)        | -                |
| <b>Deficit</b>                                     | <b>(212,046)</b>       | <b>(49,787)</b>  | <b>(3,846)</b>   |
| <b>Accumulated deficit, beginning of year</b>      | <b>(128,418)</b>       | <b>(128,418)</b> | <b>(124,572)</b> |
| <b>Accumulated deficit, end of year</b>            | <b>(340,464)</b>       | <b>(178,205)</b> | <b>(128,418)</b> |

**Kahnawà:ke Education Centre  
Administration**

**Schedule 7 - Schedule of Revenue and Expenses and Accumulated Deficit**

*For the year ended March 31, 2017*

|   | <i>2017<br/>Budget</i> | <i>2017</i>        | <i>2016</i>        |
|---|------------------------|--------------------|--------------------|
| <b>Revenue</b>                                |                        |                    |                    |
| Indigenous and Northern Affairs Canada        | 142,635                | 142,975            | 139,838            |
| Other revenue                                 | 74,098                 | 15,513             | 17,640             |
| Interest income                               | 23,814                 | 21,781             | 22,304             |
|   | <b>240,547</b>         | <b>180,269</b>     | <b>179,782</b>     |
| <b>Expenses</b>                               |                        |                    |                    |
| Advertising                                   | 25,352                 | 46,880             | 24,855             |
| Bank charges and interest                     | 40,059                 | 1,389              | 39,325             |
| Consultants in education                      | 39,293                 | 77,054             | 30,175             |
| Equipment purchases                           | -                      | -                  | 10,743             |
| Furniture and equipment                       | 3,552                  | 6,968              | 6,203              |
| Honoraria                                     | 816                    | 8,449              | 872                |
| IT software and license fees                  | 7,532                  | -                  | 7,085              |
| Meeting                                       | 6,037                  | 5,519              | 5,918              |
| Miscellaneous                                 | 957                    | 2,936              | 393                |
| Office equipment lease                        | 10,302                 | 12,326             | 10,100             |
| Products, tools and materials                 | 70,047                 | 11,371             | 48,095             |
| Professional development                      | 18,138                 | 14,961             | 7,109              |
| Professional fees                             | 150,250                | 103,064            | 147,304            |
| Provision for loss                            | (10,461)               | (23,832)           | (10,675)           |
| Recovery of administration fees               | -                      | (188,480)          | (51,174)           |
| Rent  | 17,500                 | 17,909             | -                  |
| Repairs and maintenance                       | 7,030                  | 7,181              | 6,892              |
| Salaries                                      | 529,576                | 579,976            | 506,442            |
| Special projects                              | 4,885                  | 288                | 4,782              |
| Supplies                                      | -                      | 10,041             | -                  |
| Telephone and internet                        | 5,497                  | 6,463              | 5,390              |
| Travel and transportation                     | 2,844                  | 1,792              | 5,386              |
| Utilities                                     | -                      | 11                 | -                  |
| Wage levies and benefits                      | 20,556                 | 19,770             | 15,370             |
|   | <b>949,762</b>         | <b>722,036</b>     | <b>820,590</b>     |
| <b>Deficit before transfers</b>               | <b>(709,215)</b>       | <b>(541,767)</b>   | <b>(640,808)</b>   |
| <b>Transfers</b>                              |                        |                    |                    |
| Transfer to capital fund                      | -                      | (42,634)           | -                  |
| <b>Deficit</b>                                | <b>(709,215)</b>       | <b>(584,401)</b>   | <b>(640,808)</b>   |
| <b>Accumulated deficit, beginning of year</b> | <b>(3,984,395)</b>     | <b>(3,984,395)</b> | <b>(3,343,587)</b> |
| <b>Accumulated deficit, end of year</b>       | <b>(4,693,610)</b>     | <b>(4,568,796)</b> | <b>(3,984,395)</b> |

**Kahnawà:ke Education Centre**  
**Capital**  
**Schedule 8 - Schedule of Expenses and Accumulated Surplus**  
*For the year ended March 31, 2017*

|   | <i>2017<br/>Budget</i> | <i>2017</i>        | <i>2016</i>        |
|---|------------------------|--------------------|--------------------|
| <b>Expenses</b>                               |                        |                    |                    |
| Amortization                                  | 1,227,724              | 1,366,929          | 1,255,920          |
| Equipment purchases                           | 16,319                 | -                  | -                  |
| <b>Deficit before transfers</b>               | <b>(1,244,043)</b>     | <b>(1,366,929)</b> | <b>(1,255,920)</b> |
| <b>Transfers</b>                              |                        |                    |                    |
| Transfer to capital fund                      | -                      | 1,289,164          | 33,885             |
| <b>Deficit</b>                                | <b>(1,244,043)</b>     | <b>(77,765)</b>    | <b>(1,222,035)</b> |
| <b>Accumulated surplus, beginning of year</b> | <b>11,942,967</b>      | <b>11,942,967</b>  | <b>13,165,002</b>  |
| <b>Accumulated surplus, end of year</b>       | <b>10,698,924</b>      | <b>11,865,202</b>  | <b>11,942,967</b>  |

**Kahnawà:ke Education Centre**  
**Internally Restricted Fund**  
**Schedule 9 - Schedule of Revenue and Expenses and Accumulated Surplus**  
*For the year ended March 31, 2017*

|   | <i>2017<br/>Budget</i> | <i>2017</i>      | <i>2016</i>    |
|---|------------------------|------------------|----------------|
| <b>Transfers</b>                              |                        |                  |                |
| Transfer from operating funds                 | -                      | 600,000          | 230,000        |
| <b>Accumulated surplus, beginning of year</b> | <b>530,000</b>         | <b>530,000</b>   | <b>300,000</b> |
| <b>Accumulated surplus, end of year</b>       | <b>530,000</b>         | <b>1,130,000</b> | <b>530,000</b> |