

**Grand River Post Secondary  
Education Office  
Financial Statements**  
*March 31, 2017*

# Independent Auditors' Report

To the Board of Directors of Grand River Post Secondary Education Office:

We have audited the accompanying financial statements of Grand River Post Secondary Education Office, 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 and cash flows 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 Grand River Post Secondary Education Office 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.

Cambridge, Ontario

June 7, 2017

**MNP LLP**

**Chartered Professional Accountants**

**Licensed Public Accountants**

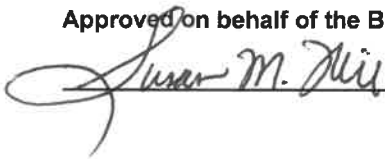
**MNP**

**Grand River Post Secondary Education Office**  
**Statement of Financial Position**

*As at March 31, 2017*

	2017	2016
<b>Financial assets</b>		
<b>Current</b>		
Cash (Note 3)	1,179,504	916,359
Accounts receivable	13,041	19,520
Due from Six Nations of The Grand River	11,448	12,747
Prepaid expenses	15,364	8,141
<b>Total financial assets</b>	<b>1,219,357</b>	<b>956,767</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued charges (Note 5)	207,182	155,410
Deferred revenue (Note 6)	341,754	337,649
<b>Total financial liabilities</b>	<b>548,936</b>	<b>493,059</b>
<b>Net financial assets</b>	<b>670,421</b>	<b>463,708</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 7)	-	2,454
<b>Accumulated surplus (Note 8)</b>	<b>670,421</b>	<b>466,162</b>

Approved on behalf of the Board

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Director

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Director

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

## Grand River Post Secondary Education Office Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2017*

	2017 Budget (Note 12)	2017	2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Administration	375,000	375,000	375,000
Post-secondary education	7,299,876	7,510,329	7,315,730
Other	74,862	216,094	111,813
	7,749,738	8,101,423	7,802,543
<b>Expenses</b>			
Advertising	4,000	2,808	4,475
Amortization	-	2,454	2,453
Books	420,000	398,250	409,900
Computer service and supplies	15,000	16,887	19,231
Education allowance	3,043,016	2,765,408	2,811,715
Honouraria and board expenses	45,000	56,718	45,245
Incentives	2,700	179,492	1,900
Insurance	7,500	6,656	9,931
Office costs	49,000	74,128	77,300
Other	6,500	13,193	14,934
Professional development	11,000	2,790	7,430
Professional fees	15,200	24,363	14,360
Residence	239,000	272,270	298,464
Special project	-	-	3,900
Staff travel	10,000	5,850	8,391
Student support	218,181	173,284	227,227
Telephone	18,000	17,465	17,583
Tuition and application fees	3,234,000	3,432,929	3,335,043
Utilities	20,000	14,324	13,624
Wages and salaries	391,641	432,752	450,927
	7,749,738	7,892,021	7,774,033
<b>Surplus</b>	-	209,402	28,510
<b>Accumulated surplus, beginning of year</b>	466,162	466,162	473,917
<b>Expenditures from the replacement reserve</b>	-	(5,143)	(36,265)
	466,162	670,421	466,162

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

**Grand River Post Secondary Education Office**  
**Statement of Change in Net Financial Assets**

*For the year ended March 31, 2017*

	<b>2017 Budget (Note 12)</b>	<b>2017</b>	<b>2016</b>
<b>Annual surplus</b>	-	209,402	28,510
Amortization of tangible capital assets	-	2,454	2,453
Expenditures from the replacement reserve	-	(5,143)	(36,265)
<b>Increase (decrease) in net financial assets</b>	-	<b>206,713</b>	<b>(5,302)</b>
<b>Net financial assets, beginning of year</b>	<b>463,708</b>	<b>463,708</b>	<b>469,010</b>
<b>Net financial assets, end of year</b>	<b>463,708</b>	<b>670,421</b>	<b>463,708</b>

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

# Grand River Post Secondary Education Office

## Statement of Cash Flows

For the year ended March 31, 2017

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	209,402	28,510
Non-cash item		
Amortization	2,454	2,453
	211,856	30,963
Changes in working capital accounts		
Accounts receivable	6,479	(8,026)
Due from Six Nations of The Grand River	1,299	(2,917)
Prepaid expenses	(7,223)	7,203
Accounts payable and accrued charges	51,772	52,491
Deferred revenue	4,105	(4,635)
	268,288	75,079
<b>Capital activities</b>		
Expenditures from the replacement reserve	(5,143)	(36,265)
<b>Increase in cash resources</b>	<b>263,145</b>	<b>38,814</b>
<b>Cash resources, beginning of year</b>	<b>916,359</b>	<b>877,545</b>
<b>Cash resources, end of year (Note 3)</b>	<b>1,179,504</b>	<b>916,359</b>
<b>Supplementary cash flow information</b>		
Interest received	17,101	23,101

The accompanying notes are an integral part of these financial statements

# Grand River Post Secondary Education Office

## Notes to the Financial Statements

For the year ended March 31, 2017

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### 1. Nature of organization

Grand River Post Secondary Education Office (the "Organization") is a non-profit organization which administers the post secondary student support program and provides education counselling support to eligible students from Six Nations of The Grand River.

The Organization claims exemption from income tax under S.149 of the Income Tax Act (Canada).

### 2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including 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.

#### ***Fund accounting***

The General Fund accounts for the operations of the Organization.

The Replacement Reserve Fund accounts for funds internally restricted by the Organization to fund future equipment and other needs as determined by the Board of Directors.

#### ***Cash resources***

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

#### ***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records for computer equipment and are amortized on a straight-line basis over an estimated three year useful life. Contributed tangible assets are recorded at their fair value at the date of contribution.

#### ***Revenue recognition***

##### ***Funding***

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

##### ***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.

##### ***Fundraising and other***

Fundraising and other revenue from donations are recorded as income on a cash basis.

##### ***Contributed materials and services***

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Organization's operations and would otherwise have been purchased.

##### ***Employee future benefits***

The Organization provides to substantially all of its employees a defined contribution pension plan. Contributions are expensed in the period incurred.

**Grand River Post Secondary Education Office**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

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

***Use of estimates***

The preparation of the Organization's financial statements in accordance 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 statement of financial position date and the reported amounts of revenue and expenses during the reporting period.

Significant items subject to such estimates and assumptions include the valuation of accounts receivable and accrued liabilities. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accrued liabilities are based on management's expectation of amounts payable for goods and services for which invoices were not received prior to the year end. Actual results may differ from such estimates.

These estimates are reviewed periodically and as adjustments become necessary, they are reported in surplus in the years in which they become known.

***Financial instruments***

Financial instruments consist of recorded amounts of accounts receivable and other like amounts that will result in future cash receipts, as well as accounts payable and accrued charges and other like amounts that will result in future cash outlays.

**3. Cash**

Restricted cash includes externally restricted and endowment funds for the funds described in Note 6, as well as internally designated funds for capital and other projects.

Cash is comprised of the following:

	<i>2017</i>	<i>2016</i>
Cash - unrestricted	610,328	439,186
Restricted cash	569,176	477,173
	1,179,504	916,359

Restricted cash is comprised of the following:

	<i>2017</i>	<i>2016</i>
Externally restricted endowments	341,754	337,649
Internally designated cash for capital and other projects	227,422	139,524
	569,176	477,173

**4. Line of credit**

The Organization has a \$500,000 (2016 - \$500,000) line of credit available of which \$nil (2016 - \$nil) was utilized at year end. The line of credit is at prime plus 1% (2016 - prime plus 1%) and is secured by a General Security Agreement covering all assets of the Organization.

**5. Accounts payable and accrued charges**

Government remittances payable included in accounts payable and accrued charges total \$1,119 (2016 - \$2,613).



**Grand River Post Secondary Education Office**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

**6. Deferred revenue**

The Organization tracks separately the following externally restricted revenue in accordance with internal management policies.

Deferred revenue consists of the following:

	<i>2017</i>	<i>2016</i>
<b>William and Sara Smith Scholarship</b>		
Opening balance	290,747	291,747
Scholarships and awards granted	(1,000)	(1,000)
Ending balance	289,747	290,747
<b>Isaac Durham - First Scholarship</b>		
Opening balance	29,667	29,667
Ending balance	29,667	29,667
<b>Imperial Oil Scholarship</b>		
Opening balance	10,500	10,500
Ending balance	10,500	10,500
<b>Other scholarships and awards</b>		
Opening balance	6,735	10,370
Additional funds contributed	9,835	-
Scholarships and awards granted	(4,730)	(3,635)
Ending balance	11,840	6,735
Total deferred revenue	341,754	337,649

The William and Sara Smith Scholarship is an externally restricted endowment contribution established to provide scholarships to successful applicants that are pursuing post-secondary programs in the areas of chemistry, medicine, biology or law.

The Isaac Durham Scholarship is an externally restricted endowment contribution established to provide scholarships to successful applicants that are pursuing post-secondary programs in indigenous studies.

Imperial Oil Scholarship is an externally restricted scholarship granted to student applying to fields related to the oil industry and recipients are selected by Imperial Oil.

Other scholarships and awards include various externally restricted scholarship and awards funds to be granted subject to various criteria.

**Grand River Post Secondary Education Office**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

**7. Tangible capital assets**

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2017 Net book value</i>
Computer equipment	49,233	-	-	49,233	-
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	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2016 Net book value</i>
Computer equipment	49,233	-	-	46,779	2,454

Amortization expense of \$2,454 (2016 - \$2,453) was recorded in the statement of operations and accumulated surplus.

**8. Accumulated surplus**

The Organization designates and tracks separately the following funds and reserves in accordance with internal management policies. The internally restricted replacement reserve was set aside to fund future equipment and other needs as determined by the Board of Directors. These funds are designated to assist with department management.

Accumulated surplus consists of the following:

	<i>2017</i>	<i>2016</i>
General fund, beginning of year	371,900	343,390
Operating surplus for the year	209,402	28,510
Transfer to replacement reserve	(28,510)	-
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General fund, end of year	552,792	371,900
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Replacement reserve, beginning of year	94,262	130,527
Transfer from accumulated surplus	28,510	-
Expenditures during the year	(5,143)	(36,265)
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Replacement reserve, end of year	117,629	94,262
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	<b>670,421</b>	<b>466,162</b>

**9. Economic dependence**

Grand River Post Secondary Education Office receives a significant portion of its revenue from Indigenous and Northern Affairs Canada (INAC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the Organization to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**10. Pension plan**

The Organization has a defined contribution pension plan covering all employees. The plan is a contributory plan with funding of benefits based on the related employee's earnings. Contributions vest after two years of service with the Organization. Once the contributions vest, employees may receive benefits upon retirement or termination of their employment. The Organization recognized an expense during the year relating to its portion of the contributions totaling \$25,375 (2016 - \$24,394).

# Grand River Post Secondary Education Office

## Notes to the Financial Statements

For the year ended March 31, 2017

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### 11. Financial instruments

Financial instruments consist of recorded amounts of accounts receivable and other like amounts that will result in future cash receipts, as well as accounts payable and accrued charges, borrowing and other amounts that will result in future cash outlays.

#### *Fair value of financial instruments*

The carrying amount of accounts receivable and accounts payable and accrued charges is approximated by their fair value due to their short-term nature.

The Organization as part of its operations carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, foreign currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### *(i) Credit risk*

Credit risk arises from the potential that the funders and members will fail to perform its obligations. The Organization's financial instruments that are exposed to concentration of credit risk consist primarily of accounts receivable. Concentration of credit risk with respect to accounts receivable is limited due to the fact that the majority of the funders are governmental agencies.

#### *(ii) Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization does not use derivatives to manage its exposure to foreign currency risk.

The Organization operates internationally, which gives rise to a risk that its earnings and cash flows may be adversely impacted by fluctuations in foreign exchange conversion rates. The exchange rates of 1.3310 (2016 - 1.2971) have been used to translate the U.S. dollar amounts at year end into equivalent Canadian dollars and are as follows:

	<i>2017</i>	<i>2016</i>
<b>U.S. Dollar</b>		
Cash	9,830	17,051

### 12. Budget information

The disclosed budget information was approved by the Board of Directors of the Grand River Post Secondary Education Office at the board meeting held on February 10, 2016.