

**Northern Nishnawbe
Education Council
Financial Statements
For the year ended March 31, 2006**

Northern Nishnawbe Education Council
Financial Statements
For the year ended March 31, 2006

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Auditors' Report

**To the Board of Directors and Members of
Northern Nishnawbe Education Council**

We have audited the statement of financial position of Northern Nishnawbe Education Council as at March 31, 2006 and the statements of operations, changes in fund balances and changes in financial position for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2006 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Dryden, Ontario
May 11, 2006

**Northern Nishnawbe Education Council
Statement of Financial Position**

March 31

	Operating Fund	Capital Fund	Bursary Fund	Total 2006	Total 2005
Assets					
Current					
Cash and bank	\$ 495,182	\$ -	\$ -	\$ 495,182	\$ -
Short-term investments	-	-	74,785	74,785	24,384
Accounts receivable (Note 1)	601,360	-	-	601,360	1,628,069
Due from Indian and Northern Affairs Canada (Note 2)	551,651	-	-	551,651	897,781
Prepaid expenses	276,097	-	-	276,097	336,246
	1,924,290	-	74,785	1,999,075	2,886,480
Interfund balances	2,449	43,204	19,500	65,153	272,823
Capital assets (Note 3)	-	10,758,553	-	10,758,553	11,675,482
	\$ 1,926,739	\$ 10,801,757	\$ 94,285	\$ 12,822,781	\$ 14,834,785

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

**Northern Nishnawbe Education Council
Statement of Financial Position**

March 31

	Operating Fund	Capital Fund	Bursary Fund	Total 2006	Total 2005
Liabilities and Net Assets					
Current					
Bank indebtedness	\$ -	\$ -	\$ -	\$ -	\$ 1,636,794
Accounts payable	1,513,414	-	-	1,513,414	1,208,247
Deferred contributions (Note 4)	746,579	-	-	746,579	377,767
Current portion of long-term debt (Note 5)	-	88,072	-	88,072	88,072
	2,259,993	88,072	-	2,348,065	3,310,880
Interfund balances	62,704	-	2,449	65,153	272,823
Long-term debt (Note 5)	-	1,064,201	-	1,064,201	1,144,934
	2,322,697	1,152,273	2,449	3,477,419	4,728,637
Fund Balances					
Investment in capital assets	-	9,649,484	-	9,649,484	10,643,350
Internally restricted (Note 6)	-	-	91,836	91,836	91,435
Unrestricted	(395,958)	-	-	(395,958)	(628,637)
	(395,958)	9,649,484	91,836	9,345,362	10,106,148
	\$ 1,926,739	\$ 10,801,757	\$ 94,285	\$ 12,822,781	\$ 14,834,785

On behalf of the Board:

_____ Director

_____ Director

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

**Northern Nishnawbe Education Council
Statement of Operations**

For the year ended March 31

	Operating Fund	Capital Fund	Bursary Fund	Total 2006	Total 2005
Revenue					
First Nations Government of Canada	\$ 83,444	\$ -	\$ -	\$ 83,444	\$ 352,646
Indian and Northern Affairs Canada - contribution	6,917,477	-	-	6,917,477	6,704,758
Indian and Northern Affairs Canada - flexible transfer arrangement	20,476,078	-	-	20,476,078	19,110,882
Interest	-	-	401	401	300
Other	404,955	-	-	404,955	293,043
Transfers from deferred contributions	140,319	-	-	140,319	456,847
	28,022,273	-	401	28,022,674	26,918,476
Expenses					
Programs					
Provincial Tuition	2,538,607	-	-	2,538,607	2,171,234
Pelican Falls First Nations High School	1,898,992	-	-	1,898,992	1,743,946
Dennis Franklin Cromarty High School	2,361,184	-	-	2,361,184	2,355,787
WAHSA Distance Education	5,294,297	-	-	5,294,297	5,385,610
Post Secondary Support Services	5,678,440	-	-	5,678,440	5,999,634
Secondary Support Services	4,109,681	-	-	4,109,681	3,723,157
Pelican Falls Centre	1,850,137	-	-	1,850,137	1,911,044
Northern Eagle Centre	645,744	-	-	645,744	593,710
Continuing Projects	336,910	-	-	336,910	167,425
Academic Readiness Projects	933,884	-	-	933,884	1,049,232
Other					
Administration	(8,766)	-	-	(8,766)	221,040
Operations and Maintenance	791,896	-	-	791,896	814,163
Band Employee Benefits	825,551	-	-	825,551	774,471
Awards (Note 6)	-	-	-	-	1,850
Capital (Note 7)	-	1,400,089	-	1,400,089	1,455,106
Interest on debt	-	67,218	-	67,218	63,610
	27,256,557	1,467,307	-	28,723,864	28,431,019
Excess (deficiency) of revenue over expenditures before capital allocations	765,716	(1,467,307)	401	(701,190)	(1,512,543)
Capital allocations	(533,037)	533,037	-	-	-
Excess (deficiency) of revenue over expenditures for the year	\$ 232,679	\$ (934,270)	\$ 401	\$ (701,190)	\$ (1,512,543)

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

**Northern Nishnawbe Education Council
Statement of Changes in Fund Balances**

For the year ended March 31

	Operating Fund	Capital Fund	Bursary Fund	Total 2006	Total 2005
Fund balances, beginning of year	\$ (628,637)	\$ 10,643,350	\$ 91,435	\$ 10,106,148	\$ 11,670,200
Reconciliation amounts due to INAC	-	-	-	-	(51,509)
	(628,637)	10,643,350	91,435	10,106,148	11,618,691
Excess (deficiency) of revenue over expenditures for the year	232,679	(934,270)	401	(701,190)	(1,512,543)
Prior period correction (Note 11)	-	(59,596)	-	(59,596)	-
Fund balances, end of year	\$ (395,958)	\$ 9,649,484	\$ 91,836	\$ 9,345,362	\$ 10,106,148

Northern Nishnawbe Education Council Statement of Changes in Financial Position

For the year ended March 31	2006	2005
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenditures for the year	\$ (701,190)	\$ (1,512,543)
Item not involving cash		
Amortization of capital assets	1,326,116	1,410,807
	<u>624,926</u>	<u>(101,736)</u>
Changes in non-cash working capital balances		
Deferred contributions	368,812	(703,176)
Short-term investments	(50,401)	(300)
Due from Indian and Northern Affairs Canada	346,130	(353,580)
Accounts receivable	1,026,709	2,617,884
Due to/from related parties - surplus adjustment	-	(51,509)
Prepaid expenses	60,149	81,390
Accounts payable	305,167	563,532
	<u>2,681,492</u>	<u>2,052,505</u>
Investing activities		
Purchase of capital assets (net)	<u>(468,783)</u>	<u>(342,242)</u>
Financing activities		
Decrease in long-term debt	(80,733)	(584,593)
Decrease in bank indebtedness	<u>(1,636,794)</u>	<u>(1,125,670)</u>
	<u>(1,717,527)</u>	<u>(1,710,263)</u>
Increase in cash during the year	495,182	-
Cash, beginning of year	-	-
Cash, end of year	\$ 495,182	\$ -

Northern Nishnawbe Education Council Summary of Significant Accounting Policies

March 31, 2006

**Nature and Purpose of
Organization**

Northern Nishnawbe Education Council is a First Nations, band-empowered organization which operates secondary and post secondary education programs on behalf of its member First Nations. The Council receives its education funding by direct contribution from Indian and Northern Affairs Canada and through service arrangements with member First Nations. The Council is incorporated in Ontario as a not-for-profit organization.

Fund Accounting

The organization follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the organization's capital assets.

The Bursary Fund reports the assets, liabilities, revenues and expenses established to provide academic awards for students supported by the organization.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments

The organization's financial instruments consist of cash and bank, temporary investments, accounts receivable, bank indebtedness, accounts payable, amount due from related party and long-term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Northern Nishnawbe Education Council Summary of Significant Accounting Policies

March 31, 2006

Capital Assets

Purchased capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is calculated as follows:

Buildings	-	5	% diminishing balance basis
Leasehold improvements	-	10	% diminishing balance basis
Furniture and equipment	-	20	% diminishing balance basis
Automotive equipment	-	30	% diminishing balance basis
Software	-	50	% diminishing balance basis

Administration Overhead

Recovery of administration expenses is calculated as a per cent of revenue for most programs. Each program records the applicable expense while administration records an overhead recovery which is netted against total administrative expenses.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Government Transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements 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 amount can be made.

Northern Nishnawbe Education Council Notes to Financial Statements

March 31, 2006

1. Accounts Receivable

	2006	2005
Government of Canada		
Indian and Northern Affairs Canada	\$ -	\$ 684,262
Canada Revenue Agency (GST)	178,244	105,648
First Nations		
Fort Hope First Nation	33,501	33,501
Taykwa Tagamou	16,887	9,860
Lac Seul First Nation	-	329,105
Gull Bay First Nation	162,638	237,861
Webequie First Nation	47,030	47,030
Wabauskang First Nation	-	142
Weenusk First Nation	4,756	4,756
Miscellaneous	170,779	223,347
	613,835	1,675,512
Less allowance for doubtful accounts	(12,475)	(47,443)
	\$ 601,360	\$ 1,628,069

2. Due from Indian and Northern Affairs Canada

	2006	2005
Provincial Tuition		
Balance, beginning of year	\$ 838,555	\$ 543,206
Deficit funded by Indian and Northern Affairs Canada	(806,204)	(246,329)
Deficit for the year	322,471	593,187
2003/2004 Deficit not funded by Indian and Northern Affairs Canada	-	(51,509)
Transfer to unrestricted surplus (deficit)	-	-
	354,822	838,555
Band Employee Benefits		
Balance, beginning of year	59,226	995
Deficit for the year	137,603	58,231
	196,829	59,226
Total due from Indian and Northern Affairs Canada	\$ 551,651	\$ 897,781

Northern Nishnawbe Education Council Notes to Financial Statements

March 31, 2006

3. Capital Assets

	2006		2005	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Artwork	\$ 29,236	\$ -	\$ 29,236	\$ -
Land	235,000	-	235,000	-
Buildings	2,450,991	771,576	2,431,852	683,187
Leasehold improvements	14,121,311	6,880,608	14,146,476	6,073,771
Furniture and equipment	3,782,758	2,432,505	3,530,476	2,114,270
Automotive equipment	892,638	694,703	795,740	626,826
Software	179,768	153,757	156,565	151,809
	\$ 21,691,702	\$ 10,933,149	\$ 21,325,345	\$ 9,649,863
Net book value		\$ 10,758,553		\$ 11,675,482

4. Deferred Contributions

Deferred contributions reported in the Operating Fund relate to restricted funding received prior to March 31 that is related to a subsequent period for which a specific fund has not been set up.

The balance is comprised as follows:

	2006	2005
INAC - New Paths - Academic Readiness Projects	\$ 200,584	\$ 120,645
INAC - Roof Repairs Project	33,120	-
INAC - Administration/Schools Review	188,035	-
INAC - Heating Loops and Crawl Space	21,999	-
Ministry of Health - CIAF Consultant	19,503	-
Ministry of Health - Sports for More	2,586	-
Department of Justice	-	19,674
Aboriginal Healing Foundation	43,304	-
Native Language Fluency Assessment Project	4,051	4,051
Native Language Oji-Cree Grammar Project	32,947	32,947
Native Language Pan-Ojibwe Dictionary Project	200,450	200,450
	\$ 746,579	\$ 377,767

Northern Nishnawbe Education Council Notes to Financial Statements

March 31, 2006

5. Long-term Debt

	2006	2005
Term loan with the Bank of Montreal repayable at \$7,339 monthly plus interest at prime plus 0.25%, secured by assignment of funding; maturing 2019	\$ 1,152,273	\$ 1,233,006
Less amounts due within one year included in current liabilities	88,072	88,072
	\$ 1,064,201	\$ 1,144,934

Principal repayments for the next five years and thereafter are as follows:

2007	\$	88,072
2008		88,072
2009		88,072
2010		88,072
2011		88,072
Thereafter		711,913
	\$	1,152,273

6. Bursary Fund

	2006	2005
General		
Balance, beginning of year	\$ 66,050	\$ 67,900
Donations	-	(1,850)
Balance, end of year	66,050	66,050
Harvey Sanderson Memorial Scholarship in Business Studies		
Balance, beginning of year	25,385	25,085
Contributions during the year	401	300
Balance, end of year	25,786	25,385
Total	\$ 91,836	\$ 91,435

Northern Nishnawbe Education Council Notes to Financial Statements

March 31, 2006

7. Capital Fund

	2006	2005
Balance, beginning of year	\$ 10,643,350	\$ 11,775,524
Transfers		
Purchase of capital assets	533,037	386,540
Principal repayments	80,733	584,593
To Operating Fund	(80,733)	(584,591)
Correction of a prior period error (Note 11)	(59,596)	-
	473,441	386,542
Expenditures	(1,467,307)	(1,518,716)
Balance, end of year	\$ 9,649,484	\$ 10,643,350

8. Capital Allocations and Internally Restricted Fund Balances

During the year, \$533,037 (2005 - \$386,540) was transferred from the Operating Fund to the Capital Fund to fund the cash outlays for capital asset acquisitions and construction.

	2006	2005
Total interfund allocations	\$ 533,037	\$ 386,540

Northern Nishnawbe Education Council Notes to Financial Statements

March 31, 2006

9. Band Employee Benefits

Employees are eligible to be members of the pension and extended health plans once certain requirements have been met. Funding for the employer's share of benefits is received from Indian and Northern Affairs Canada. The employer's revenues and expenses are summarized in a schedule included as part of these financial statements. The following information relates only to employees who are contributing members of the pension plan:

	2006	2005
Gross salaries	\$ 7,251,055	\$ 6,980,698
Total employee Canada Pension Plan contributions	\$ 277,295	\$ 251,899
Total employee Registered Pension Plan contributions	\$ 398,808	\$ 383,938

10. Indian and Northern Affairs Canada Funding Reconciliation

Funding per Indian and Northern Affairs Canada confirmation:		
Amounts paid during the year		\$ 27,938,055
Less:		
Prior years deficit	560,836	
Deferred revenue	443,738	
		(1,004,574)
		26,933,481
Additional contribution funding due from Indian and Northern Affairs Canada:		
Provincial tuition	322,471	
Employee benefits	137,603	
		460,074
Revenue per financial statements		\$ 27,393,555

Northern Nishnawbe Education Council Notes to Financial Statements

March 31, 2006

11. Prior Period Correction

In the prior year, monument costs of \$59,596 were included in the capital fund expenditures in error. Correction of this has reduced prior year Capital Assets and Investment in Capital Assets by this amount.

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Provincial Tuition**

For the year ended March 31

	Flexible Transfer Funding	Contribution Funding	Total 2006	Total 2005
Revenue				
Government of Canada				
Indian and Northern Affairs Canada - contribution	\$ -	\$ 1,817,736	\$ 1,817,736	\$ 1,591,137
Indian and Northern Affairs Canada - flexible transfer arrangement	1,412,900	-	1,412,900	65,904
Transfer to other programs	(1,038,042)	-	(1,038,042)	(47,961)
Due from Indian and Northern Affairs Canada (Note 2)	-	322,471	322,471	593,187
Student tuition agreements	23,542	-	23,542	-
	398,400	2,140,207	2,538,607	2,202,267
Expenditures				
Ancillary services	34,327	-	34,327	34,871
Professional	-	132,000	132,000	105,000
Salary enhancement	-	-	-	(37,000)
Special education	-	90,912	90,912	90,598
Tuition	364,073	1,917,295	2,281,368	1,977,765
	398,400	2,140,207	2,538,607	2,171,234
Excess of revenue over expenditures for the year	\$ -	\$ -	\$ -	\$ 31,033

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Pelican Falls First Nations High School**

For the year ended March 31

	Flexible Transfer Funding	Contribution Funding	Total 2006	Total 2005
Revenue				
First Nations Fees	\$ 41,138	\$ -	\$ 41,138	\$ 329,105
Government of Canada				
Indian and Northern Affairs Canada - contribution	-	1,307,000	1,307,000	1,306,996
Indian and Northern Affairs Canada - flexible transfer arrangement	53,872	-	53,872	265,780
Transfer from other programs	544,898	-	544,898	15,827
Other	10,633	-	10,633	4,169
	650,541	1,307,000	1,957,541	1,921,877
Expenditures				
Instruction				
Extra curricular	518	1,334	1,852	1,557
Graduation	5,908	15,190	21,098	19,860
Professional development	1,544	3,970	5,514	1,141
Public relations	1,891	4,864	6,755	3,075
Salaries and benefits	514,811	941,714	1,456,525	1,290,764
Supplies and support services	29,192	75,067	104,259	127,985
Transportation	29,233	75,173	104,406	95,321
	583,097	1,117,312	1,700,409	1,539,703

continued ...

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Pelican Falls First Nations High School**

For the year ended March 31

	Flexible Transfer Funding	Contribution Funding	Total 2006	Total 2005
Expenditures (continued)				
Administration				
Advertising	4,299	11,055	15,354	6,439
Insurance	7,584	19,500	27,084	20,316
Office	14,135	36,347	50,482	54,467
Overhead	21,790	72,291	94,081	114,055
Telephone	3,243	8,339	11,582	8,966
	51,051	147,532	198,583	204,243
	634,148	1,264,844	1,898,992	1,743,946
Excess of revenue over expenditures before capital allocations	16,393	42,156	58,549	177,931
Capital allocations	16,393	42,156	58,549	171,385
Excess of revenue over expenditures for the year	\$ -	\$ -	\$ -	\$ 6,546

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Dennis Franklin Cromarty High School**

For the year ended March 31

	Flexible Transfer Funding	Contribution Funding	Total 2006	Total 2005
Revenue				
First Nations Fees	\$ 39,980	\$ -	\$ 39,980	\$ 18,806
Government of Canada				
Indian and Northern Affairs Canada - contribution	-	1,824,200	1,824,200	1,776,200
Indian and Northern Affairs Canada - flexible transfer arrangement	46,628	-	46,628	480,520
Transfer from other programs	493,144	-	493,144	32,134
Other	15,963	-	15,963	25,702
Transfer from deferred contributions	-	-	-	-
	595,715	1,824,200	2,419,915	2,333,362
Expenditures				
Instruction				
Extra curricular	8,420	26,665	35,085	40,546
Graduation	5,167	16,361	21,528	23,355
Professional development	991	3,140	4,131	3,154
Public relations	3,813	12,076	15,889	3,225
Salaries and benefits	418,887	1,234,871	1,653,758	1,666,514
Supplies and support services	36,140	114,445	150,585	148,540
Transportation	7,274	23,035	30,309	19,697
	480,692	1,430,593	1,911,285	1,905,031

continued ...

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Dennis Franklin Cromarty High School**

For the year ended March 31

	Flexible Transfer Funding	Contribution Funding	Total 2006	Total 2005
Expenditures (continued)				
Buildings				
Repairs and maintenance	25,797	81,691	107,488	133,393
Utilities, taxes and rent	25,288	80,080	105,368	100,979
	51,085	161,771	212,856	234,372
Administration				
Advertising	1,728	5,473	7,201	1,357
Consultants	-	-	-	1,110
Insurance	5,971	18,908	24,879	18,716
Office	9,092	28,794	37,886	32,543
Overhead	28,177	118,587	146,764	138,228
Telephone	4,875	15,438	20,313	24,430
	49,843	187,200	237,043	216,384
	581,620	1,779,564	2,361,184	2,355,787
Excess (deficiency) of revenue over expenditures before capital allocations	14,095	44,636	58,731	(22,425)
Capital allocations	14,095	44,636	58,731	4,439
Excess (deficiency) of revenue over expenditures for the year	\$ -	\$ -	\$ -	(26,864)

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
WAHSA Distance Education**

For the year ended March 31	2006	2005
Revenue		
Government of Canada		
Indian and Northern Affairs Canada - flexible transfer arrangement \$	7,024,800	\$ 6,584,296
Other	5,190	14,440
	7,029,990	6,598,736
Expenditures		
Instruction		
Broadcasting	46,658	42,428
Graduation	47,819	43,738
Learning centre distributions	2,576,772	2,495,567
Professional development	50,542	84,366
Public relations	36,026	17,794
Salaries and benefits	1,413,722	1,501,679
Supplies and support services	402,403	488,052
Transportation	101,175	87,031
Tutoring and marking	1,020	2,108
	4,676,137	4,762,763
Buildings		
Repairs and maintenance	33,073	33,231
Utilities, taxes and rent	22,388	27,306
	55,461	60,537
Administration		
Advertising	3,790	-
Consultants	3,559	2,009
Insurance	21,219	16,428
Office	48,103	93,752
Overhead	462,654	427,656
Telephone	23,374	22,465
	562,699	562,310
	5,294,297	5,385,610
Excess of revenue over expenditures before capital allocations	1,735,693	1,213,126
Capital allocations	55,183	79,800
Excess of revenue over expenditures for the year	\$ 1,680,510	\$ 1,133,326

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Post Secondary Support Service Programs**

For the year ended March 31

2006

2005

Revenue

Government of Canada		
Indian and Northern Affairs Canada - flexible transfer arrangement	\$ 6,078,200	\$ 6,078,200
Other	10,957	-
	<u>6,089,157</u>	<u>6,078,200</u>

Expenditures

Student Services		
Allowances	2,182,683	2,550,558
Awards and incentives	-	800
Books and supplies	282,504	291,634
Community based projects	387,257	294,242
Extra curricular	8,138	7,474
Graduation	23,418	14,989
Salaries and benefits	335,961	369,209
Staff travel	47,607	44,339
Transportation	584,813	556,279
Tuition	1,269,009	1,285,467
	<u>5,121,390</u>	<u>5,414,991</u>

Buildings

Repairs and maintenance	233	7,884
Utilities, taxes and rent	31,467	30,942
	<u>31,700</u>	<u>38,826</u>

Administration

Advertising	3,513	485
Consultants	1,656	4,237
Office	86,574	61,924
Overhead	394,455	387,840
Telephone	17,138	24,404
Travel	22,014	66,927
	<u>525,350</u>	<u>545,817</u>

	<u>5,678,440</u>	<u>5,999,634</u>
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Excess of revenue over expenditures before capital allocations	410,717	78,566
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Capital allocations	227,861	1,868
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Excess of revenue over expenditures for the year	\$ 182,856	\$ 76,698
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**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Secondary Support Service Programs**

For the year ended March 31

2006

2005

Revenue

First Nations Fees	\$ 2,326	\$ 4,735
Government of Canada		
Indian and Northern Affairs Canada - flexible transfer arrangement	5,136,178	4,917,986
Transfers to other programs	(1,921,500)	(1,974,000)
Other	64,062	20,000
	<u>3,281,066</u>	<u>2,968,721</u>

Expenditures

Student Services		
Allowances	138,454	143,674
Extra curricular	124,457	121,703
Graduation	36,416	14,789
Room and board	1,331,025	1,308,180
Salaries and benefits	514,367	526,363
Staff travel	110,466	95,444
Transportation	1,538,224	1,315,776
	<u>3,793,409</u>	<u>3,525,929</u>

Buildings

Repairs and maintenance	3,697	8,179
Utilities, taxes and rent	17,171	17,901
	<u>20,868</u>	<u>26,080</u>

Administration

Advertising	15,598	4,995
Consultants	12,361	14,160
Insurance	7,782	13,857
Office	31,897	38,193
Overhead	188,946	48,006
Telephone	38,820	51,937
	<u>295,404</u>	<u>171,148</u>

	<u>4,109,681</u>	<u>3,723,157</u>
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Deficiency of revenue over expenditures before capital allocations

(828,615)	(754,436)
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Capital allocations

13,295	5,477
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Deficiency of revenue over expenditures for the year

\$ (841,910)	\$ (759,913)
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**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Pelican Falls Centre Student Homes Programs**

For the year ended March 31	2006	2005
Revenue		
Indian and Northern Affairs Canada		
Transfers from other programs	\$ 1,459,500	\$ 1,498,350
Other	500	2,229
	<u>1,460,000</u>	<u>1,500,579</u>
Expenditures		
Student Care and Supervision		
Extra curricular	21,752	26,535
Food and supplies	269,692	271,615
Professional development	4,350	-
Salaries and benefits	1,319,940	1,474,649
Transportation	66,077	49,334
	<u>1,681,811</u>	<u>1,822,133</u>
Administration		
Insurance	12,201	10,459
Office	32,794	16,795
Overhead	96,752	22,455
Telephone	26,579	39,202
	<u>168,326</u>	<u>88,911</u>
	<u>1,850,137</u>	<u>1,911,044</u>
Deficiency of revenue over expenditures before capital allocations	(390,137)	(410,465)
Capital allocations	38,603	19,719
Deficiency of revenue over expenditures for the year	\$ (428,740)	\$ (430,184)

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Northern Eagle Centre Student Homes Programs**

For the year ended March 31	2006	2005
Revenue		
Indian and Northern Affairs Canada		
Transfers from other programs	\$ 462,000	\$ 475,650
Other	-	3,755
	462,000	479,405
Expenditures		
Student Care and Supervision		
Extra curricular	12,667	11,147
Food and supplies	86,504	68,273
Salaries and benefits	370,338	367,262
Transportation	27,146	25,209
	496,655	471,891
Buildings		
Repairs and maintenance	4,021	5,768
Utilities, taxes and rent	71,383	69,975
	75,404	75,743
Administration		
Insurance	5,096	5,831
Office	4,264	5,727
Overhead	32,340	6,809
Telephone	13,722	12,696
Travel	18,263	15,013
	73,685	46,076
	645,744	593,710
Deficiency of revenue over expenditures before capital allocations	(183,744)	(114,305)
Capital allocations	(33,093)	2,670
Deficiency of revenue over expenditures for the year	\$ (150,651)	\$ (116,975)

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Continuing Projects**

For the year ended March 31

	Other Programs	New Paths Reviews	Teacher Recruitment/ Retention	Department of Justice	Aboriginal Healing - Health	Total 2006	Total 2005
Revenue							
Government of Canada							
Indian and Northern Affairs Canada - contribution	\$ -	\$ 11,965	\$ 38,600	\$ -	\$ -	\$ 50,565	\$ -
Other	1,745	-	-	-	-	1,745	-
Aboriginal Healing Foundation	-	-	-	-	167,184	167,184	150,670
Ministry of Health - Sports Promotions	497	-	-	-	-	497	-
Ministry of Health - CIAF Promotions	72,413	-	-	-	-	72,413	-
Mattawa First Nations Management	24,200	-	-	-	-	24,200	-
Transfer from deferred contributions	-	-	-	19,674	-	19,674	3,106
	98,855	11,965	38,600	19,674	167,184	336,278	153,776
Expenditures							
Administration overhead	9,444	5,491	-	17,948	12,216	45,099	11,196
Advertising	-	-	-	-	-	-	1,841
Ceremony and gathering	-	-	-	-	-	-	27,283
Counselling	16,650	-	-	-	-	16,650	-
Honoraria	-	-	-	-	250	250	2,093
Professional fees	497	2,073	-	-	-	2,570	-
Project materials	67,760	1,938	-	80	10,210	79,988	16,499
Recruitment/retention	-	-	39,178	-	-	39,178	-
Salary	-	-	-	-	129,608	129,608	96,486
Travel	4,558	2,463	-	1,646	14,900	23,567	12,027
	98,909	11,965	39,178	19,674	167,184	336,910	167,425
Excess (deficiency) of revenue over expenditures before capital allocations	(54)	-	(578)	-	-	(632)	(13,649)
Capital allocations	-	-	-	-	-	-	62,519
Excess (deficiency) of revenue over expenditures for the year	\$ (54)	\$ -	\$ (578)	\$ -	\$ -	\$ (632)	\$ (76,168)

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Academic Readiness Projects**

For the year ended March 31

	Flexible Transfer Funding	Contribution Funding	Total 2006	Total 2005
Revenue				
Government of Canada				
Indian and Northern Affairs Canada - contribution	\$ -	\$ 864,521	\$ 864,521	\$ 561,400
Other	-	-	-	40,028
Transfer from deferred contributions	-	120,645	120,645	453,741
	-	985,166	985,166	1,055,169
Expenditures				
Administration overhead	-	84,131	84,131	39,768
Planning	-	111,798	111,798	374,860
Project materials	-	90,640	90,640	143,246
Publishing and distributing	-	7,644	7,644	26,451
Resource materials	-	111,400	111,400	9,281
Salary	-	426,947	426,947	390,059
Special education	-	-	-	-
Travel	-	101,324	101,324	65,567
	-	933,884	933,884	1,049,232
Excess of revenue over expenditures before capital allocations	-	51,282	51,282	5,937
Capital allocations	-	51,282	51,282	5,937
Excess of revenue over expenditures for the year	\$ -	\$ -	\$ -	\$ -

Northern Nishnawbe Education Council Schedule of Revenue and Expenditures Administration

For the year ended March 31	2006	2005
Revenue		
Indian and Northern Affairs Canada - contribution	\$ -	\$ 240,000
Interest	50	11,247
Other	6,315	2,196
	<u>6,365</u>	<u>253,443</u>
Expenditures		
General		
Advertising	6,076	7,460
Board of directors	282,717	201,247
Interest and bank charges	14,020	32,412
Professional fees	27,449	79,698
Public relations	20,034	17,223
Salaries and benefits	788,785	768,258
Travel and professional development	133,468	149,207
	<u>1,272,549</u>	<u>1,255,505</u>
Buildings		
Repairs and maintenance	26,404	9,808
Utilities, taxes and rent	47,540	29,076
	<u>73,944</u>	<u>38,884</u>
Administration		
Bad debts	12,475	-
Consultants	74,506	90,798
Insurance	834	1,510
Office	79,957	51,961
Telephone	42,552	22,639
	<u>210,324</u>	<u>166,908</u>
	<u>1,556,817</u>	<u>1,461,297</u>
Deficiency of revenue over expenditures before program overhead recoveries and capital allocations	(1,550,452)	(1,207,854)
Program overhead recoveries	1,565,583	1,240,257
Excess of revenue over expenditures before capital allocations	15,131	32,403
Capital allocations	15,131	32,403
Excess of revenue over expenditures for the year	\$ -	\$ -

Northern Nishnawbe Education Council Schedule of Revenue and Expenditures Operations and Maintenance

For the year ended March 31	2006	2005
Revenue		
Sioux Lookout Area Aboriginal Management Board	\$ 1,704	\$ 18,607
Indian and Northern Affairs Canada - contribution	54,881	-
Indian and Northern Affairs Canada - flexible transfer arrangement	595,300	590,000
	<u>651,885</u>	<u>608,607</u>
Expenditures		
General		
Professional development	100	687
Salaries and benefits	229,105	240,551
Travel	109	109
	<u>229,314</u>	<u>241,347</u>
Buildings		
Repairs and maintenance	217,995	234,668
Utilities, taxes and rent	210,784	219,317
Water distribution and treatment	87,430	72,026
	<u>516,209</u>	<u>526,011</u>
Administration		
Insurance	5,065	5,407
Overhead	37,919	38,352
Telephone	3,389	3,046
	<u>46,373</u>	<u>46,805</u>
	<u>791,896</u>	<u>814,163</u>
Deficiency of revenue over expenditures before capital allocations	(140,011)	(205,556)
Capital allocations	47,495	323
Deficiency of revenue over expenditures for the year	\$ (187,506)	\$ (205,879)

**Northern Nishnawbe Education Council
Schedule of Revenue and Expenditures
Band Employee Benefits**

For the year ended March 31

	Flexible Transfer Funding	Contribution Funding	Total 2006	Total 2005
Revenue				
Government of Canada				
Indian and Northern Affairs Canada - contribution	\$ -	\$ 538,500	\$ 538,500	\$ 577,607
Indian and Northern Affairs Canada - flexible transfer arrangement	128,200	-	128,200	128,200
Due from Indian and Northern Affairs Canada (Note 2)	-	137,603	137,603	58,231
	128,200	676,103	804,303	764,038
Expenditures				
Administration	4,404	-	4,404	4,404
Canada pension plan	-	277,295	277,295	251,899
Comprehensible employee benefits	145,044	-	145,044	134,229
Registered pension plan	-	398,808	398,808	383,939
	149,448	676,103	825,551	774,471
Excess (deficiency) of revenue over expenditures for the year	\$ (21,248)	\$ -	\$ (21,248)	\$ (10,433)

Review Engagement Report

To the Members
Northern Nishnawbe Education Council

At the request of Northern Nishnawbe Education Council, we have reviewed the Schedule of Federal Government Funding for the organization for the year ended March 31, 2006, calculated pursuant to the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated November, 2003. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on this Schedule of Federal Government Funding.

Based on our review, nothing has come to our attention that causes us to believe that this Schedule of Federal Government Funding is not, in all material respects, in accordance with the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated November, 2003.

BDO Dunwoody LLP

Chartered Accountants

Dryden, Ontario
May 11, 2006

Northern Nishnawbe Education Council
Schedule of Federal Government Funding
(Unaudited)

March 31, 2006

Federally Funded Programs and Services Directly Funded by the Government of Canada	Federal Funding Received (a)	Unexpended Funding Beginning of Year (b)	Adjustments (c)	Total Funding Available (a) + (b) + (c) = (d)	Funding Expended (e) (Option 1) Total Expenditures from all Sources (Option 2)	Unexpected Funding End of Year (d) - (e) (Option 1) Unexpended Funding End of Year (Option 2)
INAC						
Provincial Schools						
- Secondary	6,784,807	-	-	6,784,807	6,784,807	-
Distance Education						
- Post-Secondary	7,024,800	1,118,886	-	8,143,686	5,378,550	2,765,136
Education						
- Support Services	9,292,878	-	-	9,292,878	9,292,878	-
Education						
- Student Homes	1,921,500	-	-	1,921,500	1,921,500	-
Education						
- Reform	864,521	-	-	864,521	864,521	-
- Communities at risk	-	-	-	-	-	-
Education						
- Administration	50,565	-	-	50,565	50,565	-
- Operation and						
Maintenance	650,181	-	-	650,181	650,181	-
- Employee benefits	804,303	-	-	804,303	804,303	-
- Capital	-	-	-	-	-	-
- Debt repayment	-	-	-	-	-	-
Total INAC	27,393,555	1,118,886	-	28,512,441	25,747,305	2,765,136
Industry Canada	-	-	-	-	-	-
Health Canada	-	-	-	-	-	-
Justice	-	-	-	-	-	-
Total	27,393,555	1,118,886	-	28,512,441	25,747,305	2,765,136

Review Engagement Report

To the Members
Northern Nishnawbe Education Council

At the request of Northern Nishnawbe Education Council, we have reviewed the Schedules of Honoraria, Salaries and Travel Expenses of the organization for the year ended March 31, 2006, calculated pursuant to the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated November, 2003. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these Schedules of Honoraria, Salaries and Travel Expenses paid to Elected and Unelected Officials.

As a result of the uncertainty as to the definition of Travel Expenses, we are unable to complete our review of Travel Expenses and, therefore, the amounts included in these Schedules are based solely on the information provided by the organization. Had we been able to complete our review based on a clear definition of what constitutes Travel Expenses, we might have determined that adjustments were necessary to Travel Expenses.

Except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of Travel Expenses, as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these Schedules of Honoraria, Salaries and Travel Expenses paid to Elected and Unelected Officials are not, in all material respects, in accordance with the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated November, 2003.

BDO Dunwoody LLP

Chartered Accountants

Dryden, Ontario
May 11, 2006