

**Friends of the Six Nations
Public Library Foundation
Financial Statements**
March 31, 2013

Independent Auditors' Report



To the Board of Directors of Friends of the Six Nations Public Library Foundation:

We have audited the accompanying financial statements of Friends of the Six Nations Public Library Foundation, which comprise the statement of financial position as at March 31, 2013, March 31, 2012 and March 28, 2011 and the statements of operations and changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012 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 accounting standards for not-for-profit organizations, 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 audits. We conducted our audits 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 statement.

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

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives part of its revenues from fundraising functions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records and we were not able to determine if any adjustments might be necessary to revenues, excess of revenues over expenses, assets or net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of the Friends of the Six Nations Public Library Foundation as at March 31, 2013, March 31, 2012 and March 28, 2011 and the results of its operations, changes in net assets and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with accounting standards for not-for-profit organizations.

Cambridge, Ontario

May 28, 2013

MNP LLP

Chartered Accountants

Licensed Public Accountants



ACCOUNTING > CONSULTING > TAX
600 - 73 WATER STREET N, CAMBRIDGE, ON N1R 7L6
P: 519.623.3820 F: 519.622.3144 mnp.ca

**Friends of the Six Nations
Public Library Foundation
Statement of Financial Position**


As at March 31, 2013

	<i>March 31 2013</i>	<i>March 31 2012</i>	<i>March 28 2011</i>
Assets			
Current			
Cash	14,570	426	-
Accounts receivable	1,014	-	-
Prepaid expenses	1,300	-	-
	16,884	426	-
Liabilities			
Current			
Accounts payable and accrued charges	1,500	2,751	-
Due to Six Nations Public Library (Note 4)	-	919	-
	1,500	3,670	-
Net Assets			
Unrestricted	15,384	(3,244)	-
	16,884	426	-

Approved on behalf of the Board



Director



Director

**Friends of the Six Nations
Public Library Foundation**
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2013

	2013	2012
Revenues:		
Donations	10,315	100
Fundraising and other	4,950	-
Donations from other charities	4,600	19
Donations received from companies	2,300	525
	22,165	644
Expenses:		
Administration	414	-
Building expenses	225	-
Honouraria	900	2,250
Interest and bank charges	2	219
Professional fees	1,630	700
Campaign expenses	366	719
	3,537	3,888
Excess (deficiency) of revenues over expenses	18,628	(3,244)
Net assets, beginning of year	(3,244)	-
Net assets, end of year	15,384	(3,244)

**Friends of the Six Nations
Public Library Foundation**
Statement of Cash Flows
For the year ended March 31, 2013

	2013	2012
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenues over expenses	18,628	(3,244)
Changes in working capital accounts		
Accounts receivable	(1,014)	-
Prepaid expenses	(1,300)	-
Accounts payable and accrued charges	(1,251)	2,751
	15,063	(493)
Financing		
Advances from (repayment of) Six Nations Public Library	(919)	919
Increase in cash resources	14,144	426
Cash resources, beginning of year	426	-
Cash resources, end of year	14,570	426

**Friends of the Six Nations
Public Library Foundation**
Notes to the Financial Statements
For the year ended March 31, 2013

1. Organization

The Friends of the Six Nations Public Library Foundation is a non-profit charitable organization that its core goal is to support and enhance the Six Nations Public Library's mission to enrich lives and build community while ensuring universal access to resources for life-long learning, research, culture and historical archives. The organization is exempt from harmonized sales tax and both Federal and Provincial income and capital taxes. It was incorporated as a not-for-profit organization on March 28, 2011.

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012, and the opening ASNPO balance sheet as at March 28, 2011 (the Organization's date of transition to ASNPO).

In preparing these financial statements, the Organization has not elected to apply any of the transitional provisions permitted by CICA 1501 *First-time adoption by not-for-profit organizations* at the date of transition to ASNPO.

The transition to ASNPO has not affected the statement of financial position, statement of operations or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Under this basis, revenues are recognized as they become available and measurable, and expenditures are recognized as they become measurable as a result of the receipt of goods or services and the creation of legal obligation to pay.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in the subsequent period. Donations are recorded as income on a cash basis.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CICA 3840 Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

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

The Organization has initially measured the following financial liabilities at fair value and carries them at cost: accounts payable and accrued charges and due to Six Nations Public Library.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. Management considers relevant criteria in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenues over expenses in the year the reversal occurs.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

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.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenues and expenses in the periods in which they become known.

Capital assets

In accordance with CICA Handbook Section 4431, the Organization has elected to expense capital assets as incurred as the average annual revenues of the organization are less than \$500,000.

4. Due to Six Nations Public Library

Advances from Six Nations Public Library are unsecured, non-interest bearing with no specific terms of repayment. The sole purpose of this Organization is to support Six Nations Public Library and this Organization has some board members in common with Six Nations Public Library, included one appointed representative.

5. Financial instruments

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, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.