

**Friends of the Six Nations
Public Library Foundation
Financial Statements**
March 31, 2017

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, 2017 and the statements of operations and changes in net 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 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 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 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 and donations, 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 Friends of the Six Nations Public Library Foundation as at March 31, 2017 and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cambridge, Ontario

June 12, 2017

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

**Friends of the Six Nations
Public Library Foundation
Statement of Financial Position**
As at March 31, 2017

	2017	2016
Assets		
Current		
Cash	4,117	15,257
Restricted cash	1,659	830
Accounts receivable	1,493	205
Prepaid expenses	-	484
	7,269	16,776
Marketable securities (Note 3)	35,000	35,000
Restricted marketable securities (Note 3)	100,000	100,000
	142,269	151,776
Liability		
Current		
Accounts payable and accrued charges	3,833	1,500
Net Assets		
Internally restricted	104,625	104,625
Unrestricted	33,811	45,651
	138,436	150,276
	142,269	151,776

Approved on behalf of the Board


Director


Director

The accompanying notes are an integral part of these financial statements

**Friends of the Six Nations
Public Library Foundation
Statement of Operations**
For the year ended March 31, 2017

	2017	2016
Revenues		
Government of Canada	3,019	2,957
Other grants	5,569	4,659
Donations	1,741	933
Fundraising and other	16,028	33,111
Donations from other charities	2,600	10,000
Donations received from companies	4,300	20,360
Interest	1,958	-
	35,215	72,020
Expenses		
Consulting	-	2,025
Gala expenses	-	13,042
Golf tournament costs	6,864	9,737
Honouraria	100	126
Insurance	1,968	1,050
Interest and bank charges	827	716
Salaries and benefits	17,622	100
Office and promotion	14,104	8,027
Operational support	-	2,893
Professional fees	5,570	2,935
Program support	-	10,000
	47,055	50,651
Excess (deficiency) of revenues over expenses	(11,840)	21,369

The accompanying notes are an integral part of these financial statements

**Friends of the Six Nations
Public Library Foundation**
Statement of Changes in Net Assets
For the year ended March 31, 2017

	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>2017</i>	<i>2016</i>
Net assets, beginning of year	104,625	45,651	150,276	128,907
Excess (deficiency) of revenues over expenses	-	(11,840)	(11,840)	21,369
Net assets, end of year	104,625	33,811	138,436	150,276

The accompanying notes are an integral part of these financial statements

**Friends of the Six Nations
Public Library Foundation
Statement of Cash Flows**
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenues over expenses	(11,840)	21,369
Changes in working capital accounts		
Accounts receivable	(1,288)	849
Prepaid expenses	484	1,017
Accounts payable and accrued charges	2,333	-
	(10,311)	23,235
Investing		
Investments purchased	-	(135,000)
Net increase (decrease) in restricted cash	(829)	78,681
	(829)	(56,319)
Decrease in cash resources	(11,140)	(33,084)
Cash resources, beginning of year	15,257	48,341
Cash resources, end of year	4,117	15,257

The accompanying notes are an integral part of these financial statements

**Friends of the Six Nations
Public Library Foundation**
Notes to the Financial Statements
For the year ended March 31, 2017

1. Organization

The Friends of the Six Nations Public Library Foundation (the "Organization") is a not-for-profit charitable organization. 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. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Basis of accounting

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

Fund accounting

Internally restricted net assets

The Organization has conducted fundraising towards a capital campaign and has internally restricted these funds for a new library building and interiors. These funds are restricted to library specific purchases towards the interior needs of the library including furniture, technology, shelving, and expansion of collections. These funds may be used in the proposed new Six Nations Public Library & Archival Repository or the expansion of the current building. Funds received not specifically designated towards these purposes are reported as unrestricted net assets.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Contributed materials

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials 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 Section 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 cost or amortized cost.

The Organization has initially measured the following financial liability at fair value and carries them at cost: accounts payable and accrued charges.

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

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 CPA Canada 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. See Note 4 for details of the type and amount of capital assets expensed during the year.

Collections

The value of the collection of historic and archival manuscripts and documents, cultural related artifacts and arts, and published books significant to the Six Nations peoples has been excluded from the statement of financial position. Purchases of collection items are expensed in the period acquired. Purchased collections are recorded as an expense when incurred. Contributed collections are not recorded as an expense or asset.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

3. Marketable securities

The Organization holds four stepped-rate GIC investments maturing in November 2018 with interest rates ranging from 0.95% to 1.30% over the term. These GIC's are redeemable only on the annual anniversary date or at maturity.

4. Capital assets

Capital assets expensed for the year, which are comprised of computer equipment totalled \$2,459 (2016 - nil) and are recorded in the office and promotion expense lines.

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.