

**NATIONAL ASSOCIATION OF  
FRIENDSHIP CENTRES**

**FINANCIAL STATEMENTS**

**Year ended March 31, 2013**

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**ANDREWS & CO.**  
*Chartered Accountants*



## INDEPENDENT AUDITOR'S REPORT

To: The Members of National Association of Friendship Centres

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Professional *Strength*

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Personal *Services*

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Practical *Solutions*

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We have audited the accompanying financial statements of **National Association of Friendship Centres**, which comprise the statement of financial position as at **March 31, 2013**, and the statements of operations, changes in fund balances 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.

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### *Auditor's 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.

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540 LACOLLE WAY

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ORLEANS

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OTTAWA, ONTARIO

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Association'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 Association'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 qualified audit opinion.

## INDEPENDENT AUDITOR'S REPORT, continued

### *Basis for Qualified Opinion*

National Association of Friendship Centres expenses program specific property and equipment purchased in the year of acquisition to the specific programs to which it relates. This practice is outlined in the Significant Accounting Policies description in the notes to the financial statements. This practice is not in accordance with Canadian generally accepted accounting principles, and the effect of this departure on expenses, excess of revenues over expenses, assets and fund balances has not been quantified.

### *Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

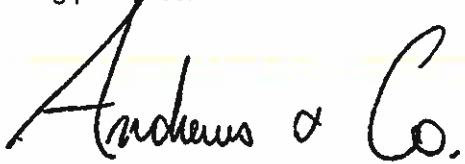
### *Comparative Information*

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that National Association of Friendship Centres adopted Canadian accounting standards for Not For Profit Organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at March 31, 2012 and April 1, 2011, and the statements of operations, changes in fund balances and cash flows for the year ended March 31, 2012 and related disclosures.

### *Other Matter*

The Supplementary Information included is presented for the purposes of additional analysis and is not required disclosure under Canadian generally accepted accounting principles.

Ottawa, Ontario  
May 25, 2013

  
CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

ANDREWS & CO.  
*Chartered Accountants*



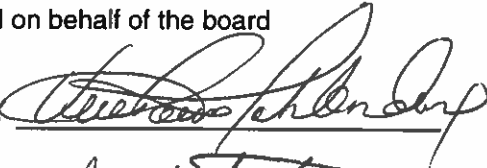
**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2013**  
(With comparative figures for 2012)

|   | <u>March 31,<br/>2013</u>  | <u>March 31,<br/>2012</u>  | <u>April 1,<br/>2011</u>   |
|---|----------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                       |                            |                            |                            |
| <b>CURRENT</b>                                      |                            |                            |                            |
| Cash  | \$ 4,072,963               | \$ 1,713,618               | \$ 1,161,547               |
| Accounts receivable                                 | 2,722,592                  | 3,104,271                  | 2,775,488                  |
| Prepaid expenses                                    | 35,732                     | 34,610                     | 51,809                     |
| HST receivable                                      | <u>57,460</u>              | <u>53,124</u>              | <u>21,074</u>              |
|   | <b>6,888,747</b>           | <b>4,905,623</b>           | <b>4,009,918</b>           |
| <b>PROPERTY AND EQUIPMENT - Note 4</b>              | <u><b>618,144</b></u>      | <u><b>640,853</b></u>      | <u><b>667,082</b></u>      |
|   | <u><b>\$ 7,506,891</b></u> | <u><b>\$ 5,546,476</b></u> | <u><b>\$ 4,677,000</b></u> |
| <b>LIABILITIES</b>                                  |                            |                            |                            |
| <b>CURRENT</b>                                      |                            |                            |                            |
| Accounts payable and accrued liabilities            | \$ 6,163,373               | \$ 4,106,917               | \$ 3,243,639               |
| Deferred contributions - Note 5                     | <u>406,146</u>             | <u>504,647</u>             | <u>485,234</u>             |
|   | <u><b>6,569,519</b></u>    | <u><b>4,611,564</b></u>    | <u><b>3,728,873</b></u>    |
| <b>OPERATING, BUILDING AND SPECIAL PROGRAM FUND</b> | <b>98,347</b>              | <b>73,456</b>              | <b>70,765</b>              |
| <b>PENSION RESERVE FUND</b>                         | <b>150,000</b>             | <b>150,000</b>             | <b>150,000</b>             |
| <b>PROPERTY &amp; EQUIPMENT FUND</b>                | <b>618,144</b>             | <b>640,853</b>             | <b>667,082</b>             |
| <b>REPLACEMENT RESERVE FUND</b>                     | <u><b>70,881</b></u>       | <u><b>70,603</b></u>       | <u><b>60,280</b></u>       |
|   | <u><b>937,372</b></u>      | <u><b>934,912</b></u>      | <u><b>948,127</b></u>      |
|   | <u><b>\$ 7,506,891</b></u> | <u><b>\$ 5,546,476</b></u> | <u><b>\$ 4,677,000</b></u> |

See accompanying notes

Approved on behalf of the board

Members



Members



ANDREWS & CO.  
Chartered Accountants



# NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES

## STATEMENT OF OPERATIONS

Year ended March 31, 2013

(With comparative figures for 2012)

|   | 2013              | 2012               |
|---|-------------------|--------------------|
| <b>REVENUES</b>   |                   |                    |
| Government contributions                                    | \$ 29,388,291     | \$ 29,758,979      |
| Slippage  | (449,802)         | (515,432)          |
| Deferred contributions                                      | 97,803            | (11,822)           |
| Membership fees   | 36,675            | 36,350             |
| Interest  | 37,981            | 36,048             |
| Other   | 62,092            | 100,209            |
| Conferences   | 2,305             | 3,568              |
|   | <b>29,175,345</b> | <b>29,407,900</b>  |
| <b>EXPENDITURES</b>   |                   |                    |
| Advertising and promotion                                   | 5,745             | 936                |
| Amortization  | 22,709            | 26,229             |
| IT Equipment & Support                                      | 6,020             | -                  |
| Insurance   | 22,202            | 20,840             |
| Interest and bank charges                                   | 1,999             | 2,899              |
| SSHRC proposal  | -                 | 8,264              |
| Training  | 2,556             | 11,723             |
| Other   | 22,627            | 21,980             |
| Office supplies   | 66,206            | 92,554             |
| Program delivery and management                             | 27,062,353        | 26,638,664         |
| Translation   | 92,557            | 127,756            |
| Professional fees   | 481,820           | 799,443            |
| Repairs and maintenance - building                          | 20,907            | 13,777             |
| Building expenses   | 42,813            | 41,321             |
| Salaries and related benefits                               | 1,006,039         | 1,039,101          |
| Slippage  | (254,033)         | (194,030)          |
| Printing  | 9,520             | 53,051             |
| Telephone and utilities                                     | 50,114            | 43,362             |
| Travel  | 504,887           | 631,431            |
| Conferences and related fees                                | 5,844             | 5,523              |
|   | <b>29,172,885</b> | <b>29,384,824</b>  |
| <b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b> | <b>2,460</b>      | <b>23,076</b>      |
| <b>FUNDER ADJUSTMENTS</b>                                   | <b>-</b>          | <b>36,291</b>      |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>    | <b>\$ 2,460</b>   | <b>\$ (13,215)</b> |

See accompanying notes

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Chartered Accountants



**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**STATEMENT OF CHANGES IN FUND BALANCES**

Year ended March 31, 2013

(With comparative figures for 2012)

|  | Operating,<br>building and<br>special<br>program fund | Pension<br>reserve fund | Property &<br>equipment<br>fund | Replacement<br>reserve fund | Total<br>2013     | Total<br>2012     |
|--|---|-------------------------|---------------------------------|-----------------------------|-------------------|-------------------|
| <b>BALANCE, BEGINNING OF YEAR</b>                    | \$ 73,456   | \$ 150,000              | \$ 640,853                      | \$ 70,603                   | \$ 934,912        | \$ 948,127        |
| Excess (deficiency) of revenues over<br>expenditures | 25,169  | -                       | (22,709)                        | -                           | 2,460             | (13,215)          |
| Transfer to replacement reserve fund                 | (278)   | -                       | -                               | 278                         | -                 | -                 |
| <b>BALANCE, END OF YEAR</b>                          | <u>\$ 98,347</u>                                      | <u>\$ 150,000</u>       | <u>\$ 618,144</u>               | <u>\$ 70,881</u>            | <u>\$ 937,372</u> | <u>\$ 934,912</u> |

See accompanying notes



# NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES

## STATEMENT OF CASH FLOWS

Year ended March 31, 2013

(With comparative figures for 2012)

|  | <u>2013</u>                | <u>2012</u>                |
|--|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |                            |                            |
| Excess (deficiency) of revenues over expenditures    | \$ 2,460                   | \$ (13,215)                |
| Adjustment for<br>Amortization                       | <u>22,709</u>              | <u>26,229</u>              |
|  | <b>25,169</b>              | 13,014                     |
| Change in non-cash working capital items             |                            |                            |
| Decrease (increase) in accounts receivable           | 381,679                    | (328,783)                  |
| (Increase) decrease in prepaid expenses              | (1,122)                    | 17,199                     |
| Increase in HST receivable                           | (4,336)                    | (32,050)                   |
| Increase in accounts payable and accrued liabilities | 2,056,456                  | 863,278                    |
| (Decrease) increase in deferred contributions        | <u>(98,501)</u>            | <u>19,413</u>              |
| <b>INCREASE IN CASH</b>                              | <b>2,359,345</b>           | 552,071                    |
| <b>CASH, BEGINNING OF YEAR</b>                       | <u>1,713,618</u>           | <u>1,161,547</u>           |
| <b>CASH, END OF YEAR</b>                             | <u><b>\$ 4,072,963</b></u> | <u><b>\$ 1,713,618</b></u> |

See accompanying notes

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Chartered Accountants



**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2013**  
(With comparative figures for 2012)

**1. NATURE OF OPERATIONS**

National Association of Friendship Centres was incorporated under Part II of the Canada Business Corporations Act for the purpose of improving the quality of life Aboriginal people in an urban setting. The Association receives funding under various agreements with the Government of Canada and other contributors, which it distributes to its members across Canada and to other organizations that carry out the projects intended to fulfil this mandate. As a not-for-profit organization the Association is exempt from income tax.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Fund accounting**

The Association uses fund accounting for financial reporting purposes.

The operating, building and special program fund accounts for the Association's general funding and administrative activities, the operations of the land and building, and special program activities undertaken by the Association.

The pension reserve fund was established to ensure the pension plan is able to meet its obligations in the future.

The property and equipment fund accounts for the Association's investment in property and equipment net of accumulated amortization

The replacement reserve fund was established to fund the major repairs and replacements of the Association's assets.

**(b) Revenue recognition**

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenues such as conference fees are recognized when the service is performed or when the activity has taken place.

Expenses made by members and other organizations may be subject to audit to ensure compliance with the agreements. Such audits may result in adjustments to amounts to which the Association is entitled and therefore result in a portion of amounts recognized as revenue to be repaid to the funder. Any potential adjustments to the financial statements as a result of these audits will be recorded in the future period in which they become known.

ANDREWS & CO.  
*Chartered Accountants*





**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2013**  
(With comparative figures for 2012)

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(c) Accounting 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Areas of significant estimates include the estimated useful life for property and equipment.

**(d) Property and equipment**

Property and equipment are accounted for at cost. Amortization is based on their estimated useful life using the following methods and rates:

|           |          |                   |
|-----------|----------|-------------------|
| Buildings | 40 years | Straight-line     |
| Equipment | 20 %     | Declining balance |

Property and equipment purchased and funded under the terms of program agreements are expensed in the year of acquisition. Capital asset purchases expensed during the year totalled \$4,750 (2012 - \$33,732)

**(e) Program administration revenues and expenses**

The Association charges its programs for office rent, meeting costs, office supplies and equipment and administrative support where such charges are specifically provided for in the program funding agreements. These internal charges are recorded as revenues in the operating and building fund, and as expenses in the individual program statements, but are eliminated in the statement of revenues and expenses.

**(f) Financial instruments**

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value. Subsequently, financial assets and liabilities are measured and recognized as follows:

*Held-for-trading financial assets and liabilities*

Cash is classified as held-for-trading financial assets. It is measured at fair value and changes in fair value are recognized in the revenues and expenses.

*Loans and receivables and other financial liabilities*

Accounts receivable, accounts payable and accrued liabilities are measured at amortized cost using the effective interest method.

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2013**  
(With comparative figures for 2012)

**3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING**

The Association has elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian accounting standards for non-profit organizations.

These financial statements are the first financial statements for which the entity has applied Canadian accounting standards for not-for-profit organizations (Part III).

The financial statements for the year ended March 31, 2013 were prepared in accordance with the accounting principles and provisions set out in FIRST-TIME ADOPTION BY NOT-FOR-PROFIT ORGANIZATIONS, Section 1501, for first-time adopters of this basis of accounting.

The impact of adopting these standards has not resulted in any material changes to the opening financial statements for the current or previous year end.

The rules for transition to Canadian Accounting Standards for Not-for-profit organizations normally require that an enterprise prepare its opening balance sheet using the standards that will be followed thereafter. However, certain elective exemptions from this rule are available. In preparing the opening balance sheet shown above, the Association used none of the elective exemptions.

**4. PROPERTY AND EQUIPMENT**

|                              | <u>2013</u>       |                                     | <u>2012</u>       |                   |
|------------------------------|-------------------|-------------------------------------|-------------------|-------------------|
|                              | <u>Cost</u>       | <u>Accumulated<br/>amortization</u> | <u>Net</u>        | <u>Net</u>        |
| Land                         | \$ 338,838        | \$ -                                | \$ 338,838        | \$ 338,838        |
| Buildings                    | 345,162           | 122,178                             | 222,984           | 231,613           |
| Equipment                    | <u>309,646</u>    | <u>253,324</u>                      | <u>56,322</u>     | <u>70,402</u>     |
| Total property and equipment | <u>\$ 993,646</u> | <u>\$ 375,502</u>                   | <u>\$ 618,144</u> | <u>\$ 640,853</u> |

ANDREWS & CO.  
Chartered Accountants



# NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2013

(With comparative figures for 2012)

### 5. DEFERRED CONTRIBUTIONS

|   | 2013       | 2012       |
|---|------------|------------|
| Balance, beginning of year                              | \$ 504,647 | \$ 485,234 |
| Recognized as revenues during the year                  | (130,616)  | (129,841)  |
| Received during the year relating to the following year | 32,115     | 141,663    |
| Net adjustments from funders                            | -          | 7,591      |
| Balance, end of year                                    | \$ 406,146 | \$ 504,647 |

### 6. GOVERNMENT CONTRIBUTIONS

|   | 2013          | 2012          |
|---|---------------|---------------|
| Aboriginal Affairs and Northern Development Canada          | \$ 28,619,475 | \$ -          |
| Canadian Association for the Advancement of Women and Sport | 4,000         | -             |
| Canadian Heritage   | -             | 28,007,964    |
| Elections Canada  | 18,367        | -             |
| Health Canada   | -             | 333,367       |
| Human Resources Skills Development Canada                   | 179,865       | 438,520       |
| Indian and Northern Affairs Canada                          | 311,262       | 967,513       |
| Physical and Health Education                               | 55,322        | -             |
| Public Safety Canada  | 200,000       | -             |
| Statistics Canada   | -             | 11,615        |
| Total   | \$ 29,388,291 | \$ 29,758,979 |

### 7. FUNDER ADJUSTMENTS

In 2011, Canadian Heritage audited and adjusted the Association's expense claims for the 2006 to 2009 years by \$36,291. This amount was paid in full to avoid interest charges, and since the timing and final outcome of the resolution could not be reasonably estimated, the entire amount was expensed in the 2011-2012 year.

The Association's management is of the opinion that the adjustment should not have been made by the funder and attempts are still being made to have these funds returned to the Association. Recent changes to funders from Canadian Heritage (PCH) to Aboriginal Affairs Northern Development Canada (AANDC) has made this more difficult. The Association is currently engaging senior officials at AANDC to rectify the situation.

### 8. REPLACEMENT RESERVE

The replacement reserve fund was established to accumulate funds for future property and equipment repair and replacement costs. The limit for the current year reserve has been set at the lesser of the annual building fund surplus and \$12,000.

ANDREWS & CO.  
Chartered Accountants



# NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES

## NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2013

(With comparative figures for 2012)

### 9. ECONOMIC DEPENDENCE

The operations of the Association are funded at 97% (2012 - 95% by Canadian Heritage) by Aboriginal Affairs and Northern Development Canada. Should this funding not be continued or it cannot be replaced, the Association would not be able to continue its operations at the current level. However, if program delivery contributions are excluded, the percentage of Canadian Heritage funding contributed to the Association's operating expenses are 43% (2012 - 49% by Canadian Heritage).

### 10. PENSION PLAN EXPENSE

Effective July 1, 2007, the Association enrolled into a defined contribution pension plan. Enrolment into the pension plan is mandatory for all employees. For employees hired on or after July 1, 2007, the Association will match employee contributions to their pension plan for an amount equal to 6% of their income. For employees hired prior to July 1, 2007, the Association will match employee contributions from 1% to 6% of earnings.

|   | <u>2013</u>      | <u>2012</u>      |
|---|------------------|------------------|
| Pension plan contributions made during the year,<br>included in salaries and benefits | <u>\$ 45,898</u> | <u>\$ 43,643</u> |

### 11. CAPITAL MANAGEMENT

The Association considers its capital to be the amounts retained in the different fund balances, which is generally the difference between its assets and its liabilities as reported on the statement of financial position. The Association receives contribution funding from Aboriginal Affairs and Northern Development Canada, Canadian Association for the Advancement of Women and Sport, Canadian Heritage, Elections Canada, Human Resources Skills Development Canada, Indian and Northern Affairs Canada, Physical and Health Education Canada, and Public Safety Canada for the delivery of programs that respect the nature of business of the Association as defined in the Summary of Significant Accounting Policies. These contributions are maintained and disbursed under the terms of the relevant funding agreements and management is responsible for adhering to the provisions of these agreements.

The Association's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its services to its members.

Management maintains its capital by ensuring that annual operating budgets are developed and approved by the Board of Directors and the different funding agencies for specific programs, based on known or estimated sources of funding available each year. These budgets are shared with all management and staff of the Association to ensure that the capital of the Association is maintained. The Association was in compliance with all of its capital requirements during the year.

ANDREWS & CO.  
Chartered Accountants



**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2013**  
(With comparative figures for 2012)

**12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS**

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency and credit risks arising from its financial instruments. All transactions related to the financial instruments are recorded on a settlement-date basis. The fair values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values, unless otherwise noted, due to the short-term maturity of these instruments.

ANDREWS & CO.  
*Chartered Accountants*



**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE A - OPERATING FUND**  
Year ended March 31, 2013

|   | <b>2013</b>     | <b>2012</b>        |
|---|-----------------|--------------------|
| <b>REVENUES</b>   |                 |                    |
| Other   | 16,914          | \$ 330,269         |
| Membership Fees   | 36,675          | 36,350             |
| Deferred revenue  | 45,187          | (70,444)           |
| Earned revenues   | 43,710          | 14,037             |
| Interest  | 37,984          | 36,048             |
| Government Contributions  | (8)             | -                  |
| Revenue, prior years  | -               | (8,736)            |
| Revenue transfers   | 172,942         | 172,942            |
|   | <b>353,404</b>  | <b>510,466</b>     |
| <b>EXPENDITURES</b>   |                 |                    |
| Advertising and promotion   | -               | -                  |
| Amortization  | 14,080          | 17,600             |
| Communications  | 1,684           | 6,194              |
| Conferences and related fees  | 3,982           | 5,377              |
| Contracts, prof. fees and honoraria                                 | 23,783          | 9,218              |
| Insurance   | -               | 2,709              |
| Interest and bank charges   | 763             | 976                |
| Office supplies   | 17,508          | 27,066             |
| Other   | 22,463          | 21,364             |
| Permits, taxes and licenses   | -               | 30                 |
| Printing  | 745             | 19,361             |
| Professional fees   | 1,957           | 4,780              |
| Program delivery and management                                     | -               | -                  |
| Rent  | 5,307           | -                  |
| Salaries and related benefits                                       | 18,179          | 36,101             |
| Training  | -               | 535                |
| Translation   | 9,733           | 32,858             |
| Travel  | 230,798         | 309,269            |
| Utilities   | -               | 1,203              |
|   | <b>350,984</b>  | <b>494,645</b>     |
| <b>EXCESS OF REVENUES OVER EXPENDITURES FROM FUNDER ADJUSTMENTS</b> | <b>2,421</b>    | <b>15,822</b>      |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES</b>            | <b>\$ 2,421</b> | <b>\$ (20,469)</b> |

ANDREWS & CO.  
Chartered Accountants



**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE B - BUILDING FUND**  
Year ended March 31, 2013

|  | 2013          | 2012             |
|--|---------------|------------------|
| <b>REVENUES</b>  |               |                  |
| Other  | \$ -          | \$ 1,404         |
| Earned revenues  | -             | 6,430            |
| Deferred revenue   | 1,404         | -                |
| Revenue transfers  | <u>83,405</u> | <u>75,958</u>    |
|  | <u>84,809</u> | <u>83,792</u>    |
| <b>EXPENDITURES</b>                                      |               |                  |
| Amortization   | 8,629         | 8,629            |
| Insurance  | 11,681        | 10,803           |
| Office supplies  | 338           | 172              |
| Permits, taxes and licenses                              | 29,051        | 27,921           |
| Repairs and maintenance                                  | 20,873        | 13,777           |
| Utilities  | 13,761        | 12,167           |
| Other miscellaneous                                      | 163           | -                |
| Building expense   | 33            | -                |
|  | <u>84,529</u> | <u>73,469</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <u>\$ 280</u> | <u>\$ 10,323</u> |

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE C - SPECIAL PROGRAM FUND**  
Year ended March 31, 2013

|  | <u>AFCP - Prior<br/>Years</u> | <u>Aboriginal<br/>Friendship Centre<br/>Programs (AFCP)</u> | <u>CCAY - Previous<br/>Years</u> |
|--|-------------------------------|---|----------------------------------|
| <b>REVENUES</b>  |                               |   |                                  |
| Government contributions                                     | \$ -                          | \$ 16,173,194   | \$ -                             |
| Other  | -                             | -   | -                                |
| Deferred revenue   | 10,174                        | -   | -                                |
| Earned revenues  | -                             | -   | -                                |
| Slippage   | -                             | -   | (254,034)                        |
|  | <u>10,174</u>                 | <u>16,173,194</u>   | <u>(254,034)</u>                 |
| <b>EXPENDITURES</b>  |                               |   |                                  |
| Administration expense                                       | -                             | -   | -                                |
| Advertising and promotion                                    | -                             | -   | -                                |
| Annual general meeting                                       | -                             | 90,137  | -                                |
| Audit fees   | -                             | 3,250   | -                                |
| AYAC Monitoring  | -                             | -   | -                                |
| Board meetings   | -                             | 72,174  | -                                |
| Communications   | -                             | 7,921   | -                                |
| Conferences and related fees                                 | -                             | -   | -                                |
| Contracts, prof. fees and honoraria                          | -                             | 2,417   | -                                |
| Insurance  | -                             | 3,745   | -                                |
| Interest and bank charges                                    | -                             | 697   | -                                |
| IT equipment and support                                     | -                             | -   | -                                |
| Legal Fees   | 10,174                        | -   | -                                |
| Office supplies  | -                             | 7,393   | -                                |
| Other  | -                             | -   | -                                |
| Permits, taxes and licenses                                  | -                             | -   | -                                |
| Presidents and coordinators meetings                         | -                             | 10,631  | -                                |
| Printing   | -                             | -   | -                                |
| Program delivery and management                              | -                             | 15,455,115  | -                                |
| Program del.and mgmt., prior yrs                             | -                             | -   | (254,033)                        |
| Rent   | -                             | 12,270  | -                                |
| Salaries and related benefits                                | -                             | 400,778   | -                                |
| Slippage   | -                             | -   | -                                |
| SSHRC proposal   | -                             | -   | -                                |
| Training   | -                             | 787   | -                                |
| Translation  | -                             | 76,096  | -                                |
| Travel   | -                             | 29,782  | -                                |
| Utilities  | -                             | -   | -                                |
|  | <u>10,174</u>                 | <u>16,173,194</u>   | <u>(254,033)</u>                 |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>\$ -</u>                   | <u>\$ -</u>   | <u>\$ -</u>                      |

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE C - SPECIAL PROGRAM FUND**  
**Year ended March 31, 2013**

|  | Cultural<br>Connections<br>Aboriginal Youth | CCAY - Atlantic<br>RD | CCAY - North RD |
|--|---|-----------------------|-----------------|
| <b>REVENUES</b>  |   |                       |                 |
| Government contributions                                     | \$ 10,622,620                               | \$ 84,084             | \$ 96,731       |
| Other  | -   | -                     | -               |
| Deferred revenue   | -   | -                     | -               |
| Earned revenues  | -   | -                     | -               |
| Slippage   | (12,360)                                    | (18,335)              | (27,710)        |
|  | <u>10,610,260</u>                           | <u>65,748</u>         | <u>69,021</u>   |
| <b>EXPENDITURES</b>  |   |                       |                 |
| Administration expense                                       | -   | -                     | -               |
| Advertising and promotion                                    | -   | -                     | -               |
| Annual general meeting                                       | -   | -                     | -               |
| Audit fees   | 2,000                                       | 2,000                 | 2,000           |
| AYAC Monitoring  | -   | 25,948                | 25,948          |
| Board meetings   | -   | -                     | -               |
| Communications   | 8,057                                       | 2,878                 | 2,878           |
| Conferences and related fees                                 | -   | -                     | -               |
| Contracts, prof. fees and honoraria                          | 42,992                                      | 1,193                 | 1,193           |
| Insurance  | 5,349                                       | 213                   | 213             |
| Interest and bank charges                                    | 150   | -                     | -               |
| IT equipment and support                                     | -   | -                     | -               |
| Legal Fees   | -   | -                     | -               |
| Office supplies  | 7,644                                       | 2,186                 | 2,184           |
| Other  | -   | -                     | -               |
| Permits, taxes and licenses                                  | -   | -                     | -               |
| Presidents and coordinators meetings                         | -   | -                     | -               |
| Printing   | -   | -                     | -               |
| Program delivery and management                              | 10,354,425                                  | -                     | -               |
| Program del. and mgmt., prior yrs                            | -   | -                     | -               |
| Rent   | 12,270                                      | 3,150                 | 3,150           |
| Salaries and related benefits                                | 151,528                                     | 25,188                | 25,189          |
| Slippage   | -   | -                     | -               |
| SSHRC proposal   | -   | -                     | -               |
| Training   | 1,576                                       | -                     | -               |
| Translation  | -   | -                     | -               |
| Travel   | 24,268                                      | 2,992                 | 6,265           |
| Utilities  | -   | -                     | -               |
|  | <u>10,610,260</u>                           | <u>65,748</u>         | <u>69,021</u>   |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>\$ -</u>                                 | <u>\$ -</u>           | <u>\$ -</u>     |

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE C - SPECIAL PROGRAM FUND**  
**Year ended March 31, 2013**

|  | <u>Young Canada<br/>Works (YCW)</u> | <u>YCW Website<br/>Interface</u> | <u>Canadian Active<br/>After School Partner<br/>(CAASP)</u> |
|--|-------------------------------------|----------------------------------|---|
| <b>REVENUES</b>  |                                     |                                  |   |
| Government contributions                                     | \$ 1,480,000                        | \$ 65,000                        | \$ 55,322   |
| Other  | -                                   | -                                | -   |
| Deferred revenue   | -                                   | -                                | (3,541)   |
| Earned revenues  | -                                   | -                                | -   |
| Slippage   | (100,398)                           | -                                | -   |
|  | <u>1,379,602</u>                    | <u>65,000</u>                    | <u>51,781</u>   |
| <b>EXPENDITURES</b>  |                                     |                                  |   |
| Administration expense                                       | -                                   | 7,500                            | -   |
| Advertising and promotion                                    | -                                   | -                                | -   |
| Annual general meeting                                       | -                                   | -                                | -   |
| Audit fees   | 2,000                               | -                                | -   |
| AYAC Monitoring  | 0                                   | -                                | -   |
| Board meetings   | -                                   | -                                | -   |
| Communications   | 8,076                               | -                                | 1,000   |
| Conferences and related fees                                 | -                                   | -                                | -   |
| Contracts, prof. fees and honoraria                          | 3,874                               | 49,500                           | 30,904  |
| Insurance  | 1,000                               | -                                | -   |
| Interest and bank charges                                    | 389                                 | -                                | -   |
| IT equipment and support                                     | -                                   | -                                | -   |
| Legal Fees   | -                                   | -                                | -   |
| Office supplies  | 6,808                               | 8,000                            | 2,951   |
| Other  | -                                   | -                                | -   |
| Permits, taxes and licenses                                  | -                                   | -                                | -   |
| Presidents and coordinators meetings                         | -                                   | -                                | -   |
| Printing   | -                                   | -                                | -   |
| Program delivery and management                              | 1,222,360                           | -                                | 2,000   |
| Program del. and mgmt., prior yrs                            | -                                   | -                                | -   |
| Rent   | 12,270                              | -                                | 500   |
| Salaries and related benefits                                | 120,984                             | -                                | -   |
| Slippage   | -                                   | -                                | -   |
| SSHRC proposal   | -                                   | -                                | -   |
| Training   | 192                                 | -                                | -   |
| Translation  | -                                   | -                                | 401   |
| Travel   | 1,649                               | -                                | 14,024  |
| Utilities  | -                                   | -                                | -   |
|  | <u>1,379,602</u>                    | <u>65,000</u>                    | <u>51,781</u>   |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>\$ -</u>                         | <u>\$ -</u>                      | <u>\$ -</u>   |

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE C - SPECIAL PROGRAM FUND**  
**Year ended March 31, 2013**

|  | <u>CAASP - Mental<br/>Health</u> | <u>Canada Summer<br/>Jobs</u> | <u>Strategic<br/>Partnership<br/>Agreement</u> |
|--|----------------------------------|-------------------------------|--|
| <b>REVENUES</b>  |                                  |                               |  |
| Government contributions                                     | \$ 4,000                         | \$ 4,865                      | \$ 175,000                                     |
| Other  | -                                | -                             | -  |
| Deferred revenue   | -                                | 2,300                         | -  |
| Earned revenues  | -                                | -                             | -  |
| Slippage   | -                                | -                             | (6,386)  |
|  | <u>4,000</u>                     | <u>7,165</u>                  | <u>168,614</u>                                 |
| <b>EXPENDITURES</b>  |                                  |                               |  |
| Administration expense                                       | -                                | -                             | -  |
| Advertising and promotion                                    | -                                | -                             | -  |
| Annual general meeting                                       | -                                | -                             | -  |
| Audit fees   | -                                | -                             | -  |
| AYAC Monitoring  | -                                | -                             | -  |
| Board meetings   | -                                | -                             | -  |
| Communications   | -                                | -                             | 3,955  |
| Conferences and related fees                                 | -                                | -                             | -  |
| Contracts, prof. fees and honoraria                          | 2,999                            | -                             | 17,361   |
| Insurance  | -                                | -                             | -  |
| Interest and bank charges                                    | -                                | -                             | -  |
| IT equipment and support                                     | -                                | -                             | -  |
| Legal Fees   | -                                | -                             | -  |
| Office supplies  | -                                | -                             | 4,368  |
| Other  | -                                | -                             | -  |
| Permits, taxes and licenses                                  | -                                | -                             | -  |
| Presidents and coordinators meetings                         | -                                | -                             | -  |
| Printing   | -                                | -                             | -  |
| Program delivery and management                              | 1,001                            | -                             | -  |
| Program del.and mgmt., prior yrs                             | -                                | -                             | -  |
| Rent   | -                                | 0                             | 8,496  |
| Salaries and related benefits                                | -                                | 7,165                         | 83,782   |
| Slippage   | -                                | -                             | -  |
| SSHRC proposal   | -                                | -                             | -  |
| Training   | -                                | -                             | -  |
| Translation  | -                                | -                             | 93   |
| Travel   | -                                | -                             | 50,559   |
| Utilities  | -                                | -                             | -  |
|  | <u>4,000</u>                     | <u>7,165</u>                  | <u>168,614</u>                                 |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>\$ -</u>                      | <u>\$ -</u>                   | <u>\$ -</u>                                    |

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE C - SPECIAL PROGRAM FUND**  
Year ended March 31, 2013

|  | <u>Urban Aboriginal<br/>Knowledge<br/>Network</u> | <u>Exploratory<br/>Process</u> | <u>Matrimonial Real<br/>Property</u> |
|--|---|--------------------------------|--------------------------------------|
| <b>REVENUES</b>  |   |                                |                                      |
| Government contributions                                     | \$ 300,000  | \$ -                           | \$ 85,353                            |
| Other  | -   | -                              | -                                    |
| Deferred revenue   | -   | 61,271                         | (19,001)                             |
| Earned revenues  | -   | -                              | -                                    |
| Slippage   | (19,633)  | -                              | -                                    |
|  | <u>280,367</u>                                    | <u>61,271</u>                  | <u>66,352</u>                        |
| <b>EXPENDITURES</b>  |   |                                |                                      |
| Administration expense                                       | -   | -                              | -                                    |
| Advertising and promotion                                    | 5,745   | -                              | -                                    |
| Annual general meeting                                       | -   | -                              | -                                    |
| Audit fees   | 3,000   | -                              | -                                    |
| AYAC Monitoring  | -   | -                              | -                                    |
| Board meetings   | -   | -                              | -                                    |
| Communications   | 8,569   | 970                            | -                                    |
| Conferences and related fees                                 | -   | 2,559                          | -                                    |
| Contracts, prof. fees and honoraria                          | 45,559  | -                              | 40,964                               |
| Insurance  | -   | -                              | -                                    |
| Interest and bank charges                                    | -   | -                              | -                                    |
| IT equipment and support                                     | 6,020   | -                              | 598                                  |
| Legal Fees   | -   | -                              | -                                    |
| Office supplies  | 6,218   | -                              | -                                    |
| Other  | -   | -                              | -                                    |
| Permits, taxes and licenses                                  | -   | -                              | -                                    |
| Presidents and coordinators meetings                         | -   | -                              | -                                    |
| Printing   | 8,775   | -                              | -                                    |
| Program delivery and management                              | -   | 4,218                          | 11,133                               |
| Program del.and mgmt., prior yrs                             | -   | -                              | -                                    |
| Rent   | 25,992  | -                              | -                                    |
| Salaries and related benefits                                | 146,165   | -                              | 11,836                               |
| Slippage   | -   | -                              | -                                    |
| SSHRC proposal   | -   | -                              | -                                    |
| Training   | -   | -                              | -                                    |
| Translation  | 4,413   | -                              | 1,820                                |
| Travel   | 19,912  | 53,525                         | -                                    |
| Utilities  | -   | -                              | -                                    |
|  | <u>280,367</u>                                    | <u>61,271</u>                  | <u>66,352</u>                        |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>\$ -</u>                                       | <u>\$ -</u>                    | <u>\$ -</u>                          |

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE C - SPECIAL PROGRAM FUND**  
Year ended March 31, 2013

|  | INAC -<br>Summer<br>Student | Electorial<br>Education | Human Trafficking | World Youth<br>Forum |
|--|-----------------------------|-------------------------|-------------------|----------------------|
| <b>REVENUES</b>  |                             |                         |                   |                      |
| Government contributions                                     | \$ 11,262                   | \$ 18,367               | \$ 200,000        | \$ 12,500            |
| Other  | -                           | -                       | -                 | -                    |
| Deferred revenue   | 9                           | -                       | -                 | -                    |
| Earned revenues  | -                           | -                       | -                 | -                    |
| Slippage   | (36)                        | -                       | (10,909)          | -                    |
|  | <u>11,236</u>               | <u>18,367</u>           | <u>189,091</u>    | <u>12,500</u>        |
| <b>EXPENDITURES</b>  |                             |                         |                   |                      |
| Administration expense                                       | -                           | -                       | 16,029            | -                    |
| Advertising and promotion                                    | -                           | -                       | -                 | -                    |
| Annual general meeting                                       | -                           | -                       | -                 | -                    |
| Audit fees   | -                           | -                       | -                 | -                    |
| AYAC Monitoring  | -                           | -                       | -                 | -                    |
| Board meetings   | -                           | -                       | -                 | -                    |
| Communications   | -                           | -                       | 4,125             | -                    |
| Conferences and related fees                                 | -                           | 911                     | -                 | -                    |
| Contracts, prof. fees and honoraria                          | -                           | 2,287                   | 114,988           | -                    |
| Insurance  | -                           | -                       | -                 | -                    |
| Interest and bank charges                                    | -                           | -                       | -                 | -                    |
| IT equipment and support                                     | -                           | -                       | -                 | -                    |
| Legal Fees   | -                           | -                       | -                 | -                    |
| Office supplies  | -                           | 11                      | -                 | -                    |
| Other  | -                           | -                       | -                 | -                    |
| Permits, taxes and licenses                                  | -                           | -                       | -                 | -                    |
| Presidents and coordinators meetings                         | -                           | -                       | -                 | -                    |
| Printing   | -                           | -                       | -                 | -                    |
| Program delivery and management                              | -                           | 2,100                   | 10,000            | -                    |
| Program del.and mgmt., prior yrs                             | -                           | -                       | -                 | -                    |
| Rent   | -                           | -                       | -                 | -                    |
| Salaries and related benefits                                | 11,236                      | -                       | -                 | -                    |
| Slippage   | -                           | -                       | -                 | -                    |
| SSHRC proposal   | -                           | -                       | -                 | -                    |
| Training   | -                           | -                       | -                 | -                    |
| Translation  | -                           | -                       | -                 | -                    |
| Travel   | -                           | 13,059                  | 43,949            | 12,500               |
| Utilities  | -                           | -                       | -                 | -                    |
|  | <u>11,236</u>               | <u>18,367</u>           | <u>189,091</u>    | <u>12,500</u>        |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>\$ -</u>                 | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ -</u>          |

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**NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES**  
**SUPPLEMENTARY INFORMATION - SCHEDULE C - SPECIAL PROGRAM FUND**  
Year ended March 31, 2013

|  | <u>Kagita Mikum</u> | <u>Total 2013</u> | <u>Total 2012</u> |
|--|---------------------|-------------------|-------------------|
| <b>REVENUES</b>  |                     |                   |                   |
| Government contributions                                 | \$ -                | \$ 29,388,298     | 29,758,978        |
| Other  | 3,770               | 3,770             | 41,418            |
| Deferred revenue   | -                   | 41,038            | 57,218            |
| Earned revenues  | -                   | -                 | 9,284             |
| Slippage   | -                   | (449,802)         | (515,432)         |
|  | <u>3,770</u>        | <u>28,983,304</u> | <u>29,351,466</u> |
| <b>EXPENDITURES</b>                                      |                     |                   |                   |
| Administration expense                                   | -                   | 23,529            | -                 |
| Advertising and promotion                                | -                   | 5,745             | 936               |
| Annual general meeting                                   | -                   | 90,137            | 90,137            |
| Audit fees   | -                   | 14,250            | 9,485             |
| AYAC Monitoring  | -                   | 51,896            | -                 |
| Board meetings   | -                   | 72,174            | 72,174            |
| Communications   | -                   | 48,430            | 37,168            |
| Conferences and related fees                             | -                   | 3,469             | 146               |
| Contracts, prof. fees and honoraria                      | -                   | 356,231           | 775,960           |
| Insurance  | -                   | 10,521            | 7,328             |
| Interest and bank charges                                | -                   | 1,236             | 1,923             |
| IT equipment and support                                 | -                   | 6,618             | 30,000            |
| Legal Fees   | -                   | 0                 | -                 |
| Office supplies  | -                   | 47,762            | 67,415            |
| Other  | -                   | -                 | 616               |
| Permits, taxes and licenses                              | -                   | -                 | 18,000            |
| Presidents and coordinators meetings                     | -                   | 10,631            | 10,631            |
| Printing   | -                   | 8,775             | 33,690            |
| Program delivery and management                          | -                   | 27,062,353        | 26,895,487        |
| Program del.and mgmt., prior yrs                         | -                   | (254,033)         | (194,030)         |
| Rent   | -                   | 78,098            | 48,960            |
| Salaries and related benefits                            | 4,009               | 987,860           | 1,003,000         |
| Slippage   | -                   | -                 | -                 |
| SSHRC proposal   | -                   | -                 | 8,264             |
| Training   | -                   | 2,556             | 11,187            |
| Translation  | -                   | 82,824            | 94,898            |
| Travel   | -                   | 272,482           | 322,161           |
| Utilities  | -                   | -                 | 9,000             |
|  | <u>4,009</u>        | <u>28,983,543</u> | <u>29,354,536</u> |
| <b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>\$ (239)</b>     | <b>\$ (239)</b>   | <b>\$ (3,070)</b> |

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