

**Canadian Women's Foundation
Fondation canadienne des femmes**

Financial Statements

August 31, 2015



Independent Auditors' Report

To the Members of
Canadian Women's Foundation
Fondation canadienne des femmes

Report on the Financial Statements

We have audited the accompanying financial statements of **Canadian Women's Foundation** **Fondation canadienne des femmes** which comprise the statement of financial position as at **August 31, 2015** and the statements of operations, 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.

Auditor's 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 auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**Canadian Women's Foundation
Fondation canadienne des femmes**

**Independent Auditor's Report
Page 2**

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the organization's records. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2015 and 2014, current assets as at August 31, 2015 and 2014, and net assets as at September 1 and August 31 for both the 2015 and 2014 years. Our audit opinion on the financial statements for the year ended August 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at **August 31, 2015** and the results of its operations and the changes in its financial position for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Clarkson Rouble LLP

**Mississauga, Ontario
November 24, 2015**

**Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants**



Canadian Women's Foundation
Fondation canadienne des femmes

Statement of Financial Position
As at August 31

	2015	2014
Assets		
Current		
Cash	\$ 40,834	\$ 110,674
Accounts receivable	345,496	129,649
GST/HST charity rebate receivable	83,619	111,335
Prepaid expenses	126,945	170,316
	<u>596,894</u>	<u>521,974</u>
Investments (Note 2)	22,140,511	22,085,394
Equipment (Note 1)	26,105	32,449
	<u>\$22,763,510</u>	<u>\$22,639,817</u>

Liabilities


Current		
Accounts payable and accrued liabilities	\$ 75,365	\$ 147,390
Deferred revenue (Note 3)	596,860	569,106
	<u>672,225</u>	<u>716,496</u>

Net Assets


Endowment reserve (Note 4)	21,963,854	21,815,397
Operating reserve	127,431	107,924
	<u>22,091,285</u>	<u>21,923,321</u>
	<u>\$22,763,510</u>	<u>\$22,639,817</u>

See accompanying notes to financial statements

On behalf of the Board:



 Director



 Director

Canadian Women's Foundation
Fondation canadienne des femmes

Statement of Changes in Net Assets
Year Ended August 31

	Endowment Reserve	Operating Reserve	2015 Total	2014 Total
Opening balance	\$21,815,397	\$ 107,924	\$21,923,321	\$19,895,526
Excess of revenue over expenses	148,457	19,507	167,964	2,027,795
Closing balance	\$21,963,854	\$ 127,431	\$22,091,285	\$21,923,321

See accompanying notes to financial statements

Canadian Women's Foundation
Fondation canadienne des femmes

Statement of Revenue and Expenses
Year Ended August 31

	2015	2014
Revenue (Page 12)	\$10,201,571	\$13,203,873
Net allocation to Endowment Fund	148,457	2,026,484
Revenue after allocation to Endowment Fund	10,053,114	11,177,389
Grants and charitable program expenses		
Grants		
Stop the Violence/Violence Prevention	2,372,099	2,509,442
Empower Girls/Girls' Fund	1,497,299	1,357,435
End Poverty/Economic Development	631,675	419,550
End Trafficking of Women and Girls in Canada	104,978	191,614
Capacity building and community development	-	20,747
Evaluation, research, skills training and program delivery		
Stop the Violence/Violence Prevention	521,731	478,348
Empower Girls/Girls' Fund	559,733	830,794
End Poverty/Economic Development	397,451	556,591
End Trafficking of Women and Girls in Canada	266,646	783,855
Capacity building and community development	126,297	198,388
Donor Education and public awareness	101,867	95,918
	6,579,776	7,442,682
Administrative expenses		
Office and general (Note 5)	349,305	441,004
Outside services	115,712	74,939
Salaries and benefits	1,355,344	1,142,671
Salaries and benefits - non-recurring (Note 8)	-	323,103
Premises	91,048	68,846
	1,911,409	2,050,563
Fundraising expenses		
Salaries and benefits	792,371	975,504
Printing, postage, office and event costs	725,051	707,329
Outside services	25,000	-
	1,542,422	1,682,833
Total expenses	10,033,607	11,176,078
Excess of revenue over expenses for the year	\$ 19,507	\$ 1,311

See accompanying notes to financial statements

Canadian Women's Foundation
Fondation canadienne des femmes

Statement of Cash Flows
Year Ended August 31

	2015	2014
Cash provided by operating activities		
Excess of revenue over expenses for the year including the Endowment Fund	\$ 167,964	\$ 2,027,795
Items not requiring an outlay of cash		
Amortization	10,807	10,103
	<u>178,771</u>	<u>2,037,898</u>
Changes in working capital		
Accounts receivable	(215,847)	170,361
Sales taxes receivable	27,716	(30,517)
Prepaid expenses	43,371	3,094
Accounts payable and accrued liabilities	(72,025)	98,981
Deferred revenue	27,754	4,396
	<u>(10,260)</u>	<u>2,284,213</u>
(Decrease) increase from operating activities		
Investing activities		
Investments	(55,117)	(2,602,313)
Additions to capital assets	(4,463)	(25,121)
	<u>(59,580)</u>	<u>(2,627,434)</u>
Decrease from investing operating activities		
	<u>(69,840)</u>	<u>(343,221)</u>
Decrease increase in cash		
	<u>110,674</u>	<u>453,895</u>
Cash, beginning of year		
	<u>110,674</u>	<u>453,895</u>
Cash, end of year		
	<u>\$ 40,834</u>	<u>\$ 110,674</u>

See accompanying notes to financial statements

Canadian Women's Foundation

Fondation canadienne des femmes

Notes to Financial Statements

August 31, 2015

The Canadian Women's Foundation is Canada's public foundation for women and girls. We raise money and invest in community programs across Canada that are ending poverty, stopping violence against women, ending the trafficking of women and girls for the purpose of sexual exploitation, and empowering girls. The organization is a registered public foundation and as such is exempt from income tax.

1. Significant accounting policies

These financial statements are prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CICA Handbook.

a) Revenue recognition

The Foundation 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.

b) Investments

Equities, bonds and other securities held in the investment portfolio are initially and subsequently recorded at fair value, with the unrealized gain (loss) recorded in the statement of revenue and expenses. Transaction costs associated with the acquisition and disposal of investments are also expensed in the statement of revenue and expenses.

c) Allocation of expenditures

The Foundation incurs a number of general support expenditures that are common to the operation of its fundraising and charitable activities, as well as administrative. Certain expenditures benefit more than one activity and accordingly have been attributed to the relevant activity. Salary allocations are based on the percentage of the employees' time spent supporting each activity. Such allocations are reviewed annually.

d) Measurement uncertainty

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Canadian Women's Foundation
Fondation canadienne des femmes

Notes to Financial Statements
August 31, 2015

1. Significant accounting policies (continued)

e) Equipment

Equipment is recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

- Computer and office equipment - 20% straight line.

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer and office equipment	\$ 120,583	\$ 94,478	\$ 26,105	\$ 32,449

f) Measurement of financial instruments

The Foundation's financial instruments consist of cash and long-term investments, accounts receivable, accounts payable, accrued liabilities and deferred revenue.

The carrying value of the long term investments approximates the fair value of these investments.

The carrying values of all other financial instruments approximates their fair values because they are receivable or payable on demand.

2. Investments

	2015	2014
Cash & cash equivalents	\$ 1,539,475	\$ 629,624
Bond portfolio	9,224,008	8,713,181
Equities	11,377,028	12,742,589
	\$22,140,511	\$22,085,394

Canadian Women's Foundation
Fondation canadienne des femmes

Notes to Financial Statements
August 31, 2015

3. Deferred revenue

Deferred revenue represents funds received in respect of future periods. This is primarily composed of funds received for events to be held after August 31, and multi-year funding and donations collected in advance but designated and intended to meet future expenses.

	2015	2014
Deferred revenue	596,860	569,106

4. Endowment fund

	2015	2014
Donor restricted	\$ 5,661,596	\$ 5,642,889
Board restricted	16,302,258	16,172,508
	\$21,963,854	\$21,815,397

Donor restricted funds are 10 year gifts received from donors. While income generated from the funds is immediately available to the Foundation, the principal amount cannot be used within 10 years of its receipt.

The Board restricted endowment fund results from general bequests, in memorial donations, and funds moved from Donor restricted to Board restricted because the 10 year restrictions when these gifts were originally made have now been completed. The Board nominated to restrict the use of this principal for an undefined period in order to build the Foundation's capital or endowment. The Board restriction of these funds was in keeping with the wish of the donors or families of the deceased. Income generated from the Board restricted funds is immediately available to the Foundation.

5. Office and general

	2015	2014
Meeting expenses and volunteer support	\$ 37,994	\$ 62,007
Office and general	89,952	130,634
Communications	191,585	216,057
Community relations	10,699	16,539
Amortization	10,807	10,103
Professional development	8,268	5,664
	\$ 349,305	\$ 441,004

Canadian Women's Foundation

Fondation canadienne des femmes

Notes to Financial Statements
August 31, 2015

6. Lease commitments

The Foundation's total obligations, under operating leases for equipment and for the occupied premises inclusive of estimated realty taxes and other operating charges, are as follows:

2016	341,262
2017	346,410
2018	344,839
2019	122,669

7. Donations in kind

The organization derives a significant benefit from its supporters. During the year, individuals, businesses and corporations contribute in-kind services and gifts. Since these services are not normally purchased by the organization and due to the difficulty in determining their fair market value, the value of these services and gifts is not recognized in these financial statements except for those gifts for which charitable receipts were issued.

The Foundation gratefully acknowledges the contribution from all supporters for their in-kind donations valued at \$1,580,315 with special thanks to Osler Hoskin & Harcourt for pro bono legal work, NEWAD Media Inc., OneStop and Rogers Media for media and print advertising.

The Foundation is a volunteer driven organization. During the year, management has estimated that 391 volunteers donated approximately 4,545 hours of time. As a group, the Foundation's volunteers are highly skilled. Using a conservative hourly rate of \$50 per hour, the estimated value of volunteer time during the year is approximately \$227,250. The Foundation depends on and is guided by our volunteers' skills, experience and commitment. This volunteer time is not recorded in the financial statements.

8. Donations and funds received

The organization receives donations and funding from various sources and in its capacity as a registered public foundation issues donation receipts. During the year, the foundation issued donation receipts in the amount of \$4,129,539 (2014 - \$4,437,782). The organization also received \$2,605,085 (2014 - \$2,825,767) from other foundations for which tax receipts are not required. In the prior year, an anonymous donor provided a specific donation which was designated to offset non-recurring salaries and benefits expenses.

Canadian Women's Foundation

Fondation canadienne des femmes

Notes to Financial Statements
August 31, 2015

9. Financial Assets and Liabilities

The primary risks that affect the foundation are set out below. The list does not cover all risks to the foundation. This audit does not include assessments to assure that the strategy of management to mitigate the risks is sufficient to eliminate the risks below.

- a) **Cash flow risk:** Canadian Women's Foundation is exposed to cash flow risk resulting from the possibility that future cash flows associated with monetary financial instruments will fluctuate in amount. The organization's cash includes amount deposited with financial institutions that earn interest at market rates. Canadian Women's Foundation manages its exposure to cash flow risk by generating interest income earned on excess funds while minimizing the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have significant impact on Canadian Women's Foundation results of operations.
- b) **Credit risk:** The company's cash and cash equivalents are held in accounts at one of the major Canadian chartered banks. Management perceives the credit risk to be low. Management believes that credit risk with respect to accounts receivable is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The organization has not had issues with these collections over the past several years.
- c) **Interest rate risk:** Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The exposure of Canadian Women's Foundation to interest rate risk arises from its interest bearing investments. The organization has no interest bearing liabilities.

The primary objective of Canadian Women's Foundation with respect to its investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving satisfactory investment return. As such, the Foundation maintains a balanced portfolio which mitigates some exposure to interest rate risk.

- d) **Market Risk:** Market risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in market prices whether those changes are caused by factors to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The investment policy for funds provides for an asset mix and the risk and volatility of investment returns are mitigated through diversification.

Canadian Women's Foundation
Fondation canadienne des femmes

Revenue
Year Ended August 31

	2015	2014
Revenue		
Donations - corporate, corporate foundation and partnerships	\$ 2,011,627	\$ 2,861,463
Annual Campaign to End Violence		
Corporate donations	1,758,924	1,721,279
Individual donations	189,196	299,117
Individual donations	1,434,309	1,685,038
Ann Southam bequest	1,582,290	-
Special events	516,070	447,812
Foundations and associations	1,908,737	1,797,349
Investment income	1,266,395	596,561
Unrealized investment (loss) income	(452,541)	2,608,754
Endowment contribution	10,200	1,161,094
National Skills Institute Participant fees and other	4,118	29,802
Total revenue received in fiscal year	10,229,325	13,208,269
Add: prior year deferred revenue	569,106	564,710
Deduct: current year deferred revenue	(596,860)	(569,106)
Revenue	\$10,201,571	\$13,203,873

See accompanying notes to financial statements