

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

**Financial Statements**

**August 31, 2014**



## **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, 2014** 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**

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**Basis for Qualified Opinion**

In common with many charitable organizations, the Foundation derives a portion of its income from the general public in the form of donation revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenue over expenses, assets and operating reserve.

**Opinion**

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donation revenue, referred to in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the Foundation as at **August 31, 2014** and the results of its operations and the changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Clarkson Rouble LLP*

**Mississauga, Ontario**  
**January 29, 2015**

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



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

**Statement of Financial Position**  
**As at August 31**

	2014	2013
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 110,674	\$ 453,895
Accounts receivable	129,649	300,010
GST/HST charity rebate receivable	111,335	80,818
Prepaid expenses	170,316	173,410
	<u>521,974</u>	<u>1,008,133</u>
Investments (Note 2)	22,085,394	19,483,081
Equipment (Note 1)	32,449	17,431
	<u>\$22,639,817</u>	<u>\$20,508,645</u>

**Liabilities**

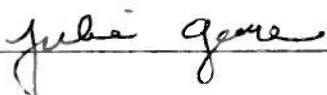
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 147,390	\$ 48,409
Deferred revenue (Note 3)	569,106	564,710
	<u>716,496</u>	<u>613,119</u>


**Net Assets**

Endowment reserve (Note 4)	21,815,397	19,788,913
Operating reserve	107,924	106,613
	<u>21,923,321</u>	<u>19,895,526</u>
	<u>\$22,639,817</u>	<u>\$20,508,645</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**

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	<b>Endowment Reserve</b>	<b>Operating Reserve</b>	<b>2014 Total</b>	<b>2013 Total</b>
<b>Opening balance</b>	\$19,788,913	\$ 106,613	\$19,895,526	\$19,732,085
<b>Excess of revenue over expenses</b>	2,026,484	1,311	2,027,795	163,441
<b>Closing balance</b>	<b>\$21,815,397</b>	<b>\$ 107,924</b>	<b>\$21,923,321</b>	<b>\$19,895,526</b>

*See accompanying notes to financial statements*

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

**Statement of Revenue and Expenses**  
**Year Ended August 31**

	2014	2013
Revenue (Page 12)	\$13,203,873	\$10,882,811
<b>Net allocation to Endowment Fund</b>	<b>2,026,484</b>	<b>155,183</b>
<b>Revenue after allocation to Endowment Fund</b>	<b>11,177,389</b>	<b>10,727,628</b>
<b>Grants and charitable program expenses</b>		
Grants		
Stop the Violence/Violence Prevention	2,509,442	2,546,833
Empower Girls/Girls' Fund	1,357,435	1,504,469
End Poverty/Economic Development	419,550	1,113,106
End Trafficking of Women and Girls in Canada	191,614	202,300
Capacity building and community development	20,747	40,900
Evaluation, research, skills training and program delivery		
Stop the Violence/Violence Prevention	478,348	336,806
Empower Girls/Girls' Fund	830,794	606,239
End Poverty/Economic Development	556,591	540,869
End Trafficking of Women and Girls in Canada	783,855	474,993
Capacity building and community development	198,388	111,502
Donor Education and public awareness	95,918	93,278
	<b>7,442,682</b>	<b>7,571,295</b>
<b>Administrative expenses</b>		
Office and general (Note 5)	441,004	462,535
Outside services	74,939	64,776
Salaries and benefits	1,142,671	782,268
Salaries and benefits - non-recurring (Note 8)	323,103	-
Premises	68,846	89,160
	<b>2,050,563</b>	<b>1,398,739</b>
<b>Fundraising expenses</b>		
Salaries and benefits	975,504	1,085,886
Printing, postage, office and event costs	707,329	636,998
Outside services	-	26,452
	<b>1,682,833</b>	<b>1,749,336</b>
<b>Total expenses</b>	<b>11,176,078</b>	<b>10,719,370</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 1,311</b>	<b>\$ 8,258</b>

*See accompanying notes to financial statements*

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

**Statement of Cash Flows**  
**Year Ended August 31**

	2014	2013
<b>Cash provided by operating activities</b>		
Excess of revenue over expenses for the year including the Endowment Fund	\$ 2,027,795	\$ 163,441
Items not requiring an outlay of cash		
Amortization	10,103	12,739
	<u>2,037,898</u>	<u>176,180</u>
<b>Changes in working capital</b>		
Accounts receivable	170,361	(152,267)
Sales taxes receivable	(30,517)	(36,537)
Prepaid expenses	3,094	(104,667)
Accounts payable and accrued liabilities	98,981	37,980
Deferred revenue	4,396	(54,640)
	<u>2,284,213</u>	<u>(133,951)</u>
<b>Investing activities</b>		
Investments	(2,602,313)	360,555
Additions to capital assets	(25,121)	(2,599)
	<u>(2,627,434)</u>	<u>357,956</u>
<b>(Decrease) increase from investing operating activities</b>	<b>(2,627,434)</b>	<b>357,956</b>
<b>(Decrease) increase in cash</b>	<b>(343,221)</b>	<b>224,005</b>
<b>Cash, beginning of year</b>	<b>453,895</b>	<b>229,890</b>
<b>Cash, end of year</b>	<b>\$ 110,674</b>	<b>\$ 453,895</b>

*See accompanying notes to financial statements*

# Canadian Women's Foundation

## Fondation canadienne des femmes

### Notes to Financial Statements

#### August 31, 2014

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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**  
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Notes to Financial Statements  
 August 31, 2014

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**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.

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer and office equipment	\$ 116,120	\$ 83,671	\$ 32,449	\$ 17,431

**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**

	2014	2013
Cash & cash equivalents	\$ 629,624	\$ 1,315,773
Bond portfolio	8,713,181	8,037,940
Equities	12,742,589	10,129,368
	<b>\$22,085,394</b>	<b>\$19,483,081</b>

**Canadian Women's Foundation**  
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**Notes to Financial Statements**  
**August 31, 2014**

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**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.

	<b>2014</b>	<b>2013</b>
Deferred revenue	569,106	564,710

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**4. Endowment fund**

	<b>2014</b>	<b>2013</b>
Donor restricted	\$ 5,642,889	\$ 4,479,228
Board restricted	16,172,508	15,309,685
	<b>\$21,815,397</b>	<b>\$19,788,913</b>

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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**

	<b>2014</b>	<b>2013</b>
Meeting expenses and volunteer support	\$ 62,007	\$ 78,782
Office and general	130,634	136,903
Communications	216,057	208,266
Community relations	16,539	23,281
Amortization	10,103	12,739
Professional development	5,664	2,564
	<b>\$ 441,004</b>	<b>\$ 462,535</b>

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# Canadian Women's Foundation

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#### 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:

2015	328,664
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 \$3,006,670 with special thanks to Osler Hoskin & Harcourt for pro bono legal work, DDB Canada for creative development and production of awareness campaign, NEWAD Media Inc., OneStop, Rogers Media, Adapt Media, Global/Shaw Media and Corus Entertainment for media and print advertising.

The Foundation is a volunteer driven organization. During the year, management has estimated that 355 volunteers donated approximately 7,437 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 \$371,850. 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 \$4,437,782 (2013 - \$4,256,951). The organization also received \$2,825,767 (2013 - \$2,770,179) from other foundations for which tax receipts are not required. An anonymous donor provided a specific donation during the year, which was designated to offset non-recurring salaries and benefits expenses.

# Canadian Women's Foundation

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### 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**

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Donations - corporate, corporate foundation and partnerships	\$ 2,861,463	\$ 2,249,445
Annual Campaign to End Violence		
Corporate donations	1,721,279	1,902,740
Individual donations	299,117	483,223
Individual donations	1,685,038	2,099,308
Ann Southam bequest	-	500,000
Special events	447,812	434,015
Foundations and associations	1,797,349	1,882,249
Investment income	596,561	782,017
Unrealized investment income	2,608,754	103,731
Endowment contribution	1,161,094	322,016
Government grants	-	63,127
National Skills Institute Participant fees and other	29,802	6,300
<b>Total revenue received in fiscal year</b>	<b>13,208,269</b>	<b>10,828,171</b>
<b>Add: prior year deferred revenue:</b>		
Canadian Women's Foundation's Canadian Centre for Women's Economic Development	-	110,000
Miscellaneous	564,710	509,350
<b>Deduct: current year deferred revenue:</b>		
Miscellaneous	(569,106)	(564,710)
<b>Revenue</b>	<b>\$13,203,873</b>	<b>\$10,882,811</b>

*See accompanying notes to financial statements*