

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

Financial Statements

August 31, 2016



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, 2016** and the statements of revenue and expenses, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

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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, 2016 and 2015, current assets as at August 31, 2016 and 2015, and net assets as at September 1 and August 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended August 31, 2015 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 **Canadian Women's Foundation Fondation canadienne des femmes** as at **August 31, 2016** and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Clarkson Rouble LLP

**Mississauga, Ontario
February 23, 2017**

**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

	2016	2015
Assets		
Current		
Cash	\$ 91,961	\$ 40,834
Accounts receivable	328,434	345,496
GST/HST charity rebate receivable	74,018	83,619
Prepaid expenses	64,488	126,945
	<u>558,901</u>	<u>596,894</u>
Investments (Note 2)	20,605,983	22,140,511
Property, plant and equipment (Note 3)	15,746	26,105
	<u>\$21,180,630</u>	<u>\$22,763,510</u>

Liabilities

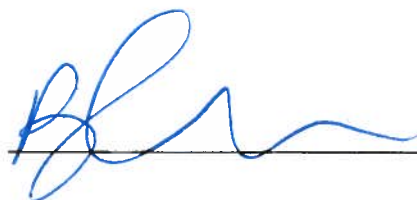
Current		
Accounts payable and accrued liabilities	\$ 46,137	\$ 75,365
Deferred revenue and contributions (Note 4)	382,040	596,860
	<u>428,177</u>	<u>672,225</u>

Net Assets

Endowment fund	218,407	5,661,596
Internally restricted fund	20,444,392	16,302,258
Unrestricted fund	89,654	127,431
	<u>20,752,453</u>	<u>22,091,285</u>
	<u>\$21,180,630</u>	<u>\$22,763,510</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 Fund	Internally Restricted Fund	Unrestricted Fund	2016 Total
Balance, beginning of year	\$ 5,661,596	\$ 16,302,258	\$ 127,431	\$ 22,091,285
Deficiency of revenue over expenses	-	-	(1,338,832)	(1,338,832)
Net transfer of funds for the year	3,660	(1,304,715)	1,301,055	-
Transfer of 10 year restricted gifts (Note 5)	(5,446,849)	5,446,849	-	-
Balance, end of year	\$ 218,407	\$ 20,444,392	\$ 89,654	\$ 20,752,453

	Endowment Fund	Internally Restricted Fund	Unrestricted Fund	2015 Total
Balance, beginning of year	\$ 5,642,889	\$ 16,172,508	\$ 107,924	\$ 21,923,321
Excess of revenue over expenses	-	-	167,964	167,964
Net transfer of funds for the year	18,707	129,750	(148,457)	-
Balance, end of year	\$ 5,661,596	\$ 16,302,258	\$ 127,431	\$ 22,091,285

See accompanying notes to financial statements

Canadian Women's Foundation
Fondation canadienne des femmes

Statement of Revenue and Expenses
Year Ended August 31

	2016	2015
Revenue (Page 15)	\$ 7,135,494	\$10,201,571
Grants and charitable program expenses		
Grants		
Stop the Violence/Violence Prevention	1,714,497	2,372,099
Empower Girls/Girls' Fund	988,316	1,497,299
End Poverty/Economic Development	334,284	631,675
End Trafficking of Women and Girls in Canada	182,795	104,978
Donor education and public awareness	10,000	-
Evaluation, research, skills training and program delivery		
Stop the Violence/Violence Prevention	610,912	521,731
Empower Girls/Girls' Fund	674,408	559,733
End Poverty/Economic Development	282,887	397,451
End Trafficking of Women and Girls in Canada	284,587	266,646
Capacity building and community development	24,097	126,297
Donor Education and public awareness	95,715	101,867
	5,202,498	6,579,776
Administrative expenses		
Office and general (Note 6)	360,155	349,305
Outside services	81,810	115,712
Salaries and benefits	1,080,482	1,355,344
Premises	92,441	91,048
	1,614,888	1,911,409
Fundraising expenses		
Salaries and benefits	1,054,638	792,371
Printing, postage, office and event costs	602,302	725,051
Outside services	-	25,000
	1,656,940	1,542,422
Total expenses	8,474,326	10,033,607
(Deficiency) excess of revenue over expenses for the year	\$ (1,338,832)	\$ 167,964
Net transfer of funds for the year	1,301,055	(148,457)
	\$ (37,777)	\$ 19,507

See accompanying notes to financial statements

Canadian Women's Foundation
Fondation canadienne des femmes

Statement of Cash Flows
Year Ended August 31

	2016	2015
Cash provided by operating activities		
(Deficiency) excess of revenue over expenses for the year	\$ (1,338,832)	\$ 167,964
Items not requiring an outlay of cash		
Amortization	10,359	10,807
	(1,328,473)	178,771
Changes in working capital		
Accounts receivable	17,062	(215,847)
Sales taxes receivable	9,601	27,716
Prepaid expenses	62,457	43,371
Accounts payable and accrued liabilities	(29,228)	(72,025)
Deferred revenue	(214,820)	27,754
Decrease from operating activities	(1,483,401)	(10,260)
Investing activities		
Investments	1,534,528	(55,117)
Additions to capital assets	-	(4,463)
Increase (decrease) from investing operating activities	1,534,528	(59,580)
Increase (decrease) in cash	51,127	(69,840)
Cash, beginning of year	40,834	110,674
Cash, end of year	\$ 91,961	\$ 40,834

See accompanying notes to financial statements

Canadian Women's Foundation

Fondation canadienne des femmes

Notes to Financial Statements

August 31, 2016

Canadian Women's Foundation fondation canadienne des femmes was incorporated without share capital under the laws of Canada in 1989 and is registered with the Canada Revenue Agency as a charitable organization and is exempt from income taxes under Section 149 of the Income Tax Act. The organization is Canada's public foundation for women and girls. It raises money and invests 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.

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 CPA Canada Handbook.

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents held in investment portfolio accounts have been included with investments as the purpose of this cash is for investment rather than meeting short term cash commitments.

b) 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.

Investment income is recognized on an accrual basis. Changes in fair value of investments subsequently measured at fair value are included in investment income in the statement of revenue and expenses.

Special events revenue is recognized on completion of the event.

c) Property, plant and equipment

Property, plant and 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.

Canadian Women's Foundation

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Notes to Financial Statements
August 31, 2016

1. Significant accounting policies (continued)

c) Property, plant and equipment (continued)

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. There were no impairment indicators in 2016.

d) Financial instruments

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for long term investments, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include long term investments. The portion of long term investments in equity instruments that are quoted in an active market are measured at fair value. The Foundation has elected to carry bonds and other securities held in the investment portfolio at fair value.

The Foundation does not have any financial liabilities measured at fair value and has not elected to recognize any financial liabilities at fair value.

Transaction costs

The Foundation recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

e) Prepaid expenses

Prepaid expenses consist primarily of deposits and travel costs incurred prior to special events and meetings held subsequent to year. The remaining balance consists of prepaid rent, future event deposits and prepaid insurance.

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Notes to Financial Statements
August 31, 2016

1. Significant accounting policies (continued)

f) Internally and externally restricted net assets

Endowment fund

The Endowment fund consists of gifts received from donors which cannot be used in perpetuity and gifts received which cannot be used for a period of 10 years. 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 income generated from this fund is recognized in the Unrestricted fund. In the current year, the gifts received with the 10 year restriction which have not expired have been transferred to the Internally restricted fund.

Internally restricted fund

This Board restricted fund results from general bequests, in memorial donations, and amounts moved in prior years from the Endowment fund because the 10 year holding restriction from the date the gifts were originally received expired. In the current year, the gifts received with the 10 year restriction which have not expired have been transferred from the Endowment fund. The Board nominated to restrict the use of this principal for an undefined period in order to build the Foundation's capital. This fund also includes transfers from the Unrestricted fund consisting of the annual unrealized investment gains and losses for the year and amounts deemed by the Board necessary for the capital preservation of the organization. Income generated from this fund is immediately available to the Foundation and recorded in the Unrestricted fund.

g) 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.

h) Contributed material and services

Donated materials and capital assets are recognized in the accounts when the fair market value of the materials is readily determinable and has been received by the organization.

Volunteers contribute many hours per year to assist the Canadian Women's Foundation in carrying out its mandate. Contributed services are not recognized in the financial statements.

Canadian Women's Foundation

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Notes to Financial Statements
August 31, 2016

1. Significant accounting policies (continued)

i) 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. Estimated life of capital assets, valuation of accounts receivable, and valuation of accrued liabilities are the most significant items that involve use of estimates.

j) Foreign currency transactions

Monetary assets and liabilities of the Foundation, which are denominated in foreign currencies are translated at year end exchange rates. Revenue and expenses are translated throughout the year at the prevailing exchange rate on the date of the transaction. The resulting gains and losses are recorded in the statement of revenue and expenses.

2. Investments

Investments are held in portfolio accounts with TD Wealth Private Investment Counsel and C.A Delaney Capital Management LTD. The investments are classified at fair value and comprised of the following:

	2016	2015
Cash & cash equivalents	\$ 1,281,950	\$ 1,539,475
Bond portfolio	8,236,779	9,224,008
Equities		
Canadian	6,521,338	6,197,553
Foreign - US and others	4,565,916	5,179,475
	\$20,605,983	\$22,140,511

Investment income is comprised of:

	2016	2015
Interest and dividends	\$ 650,185	\$ 653,493
Realized capital gains	416,015	808,744
Less: Investment management fees	(182,450)	(195,842)
Investment income, net of management fees (page 15)	883,750	1,266,395
Unrealized capital gains (losses) (page 15)	195,285	(452,541)
	\$ 1,079,035	\$ 813,854

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Notes to Financial Statements
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3. Property, plant and equipment

Property, plant and equipment consist of the following:

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer and office equipment	\$ 120,583	\$ 104,836	\$ 15,747	\$ 26,105

4. Deferred revenue and contributions

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 funding collected in advance but designated and intended for specific program expenses.

	2016	2015
Deferred program contributions	\$ 119,340	\$ 461,760
Deferred government grant	77,525	-
Deferred events revenue	185,175	135,100
	\$ 382,040	\$ 596,860

5. Transfer of 10 year restricted gifts

The Foundation has transferred the 10 year restricted gifts which have not expired to the Internally restricted fund to ensure the Endowment fund consists solely of gifts which cannot be used in perpetuity.

Canadian Women's Foundation

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Notes to Financial Statements
August 31, 2016

6. Office and general

	2016	2015
Meeting expenses and volunteer support	\$ 52,123	\$ 37,994
Office and general	80,987	89,952
Communications	205,025	191,585
Community relations	6,380	10,699
Amortization	10,359	10,807
Professional development	5,281	8,268
	<hr/>	<hr/>
	\$ 360,155	\$ 349,305

7. 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:

2017	\$ 345,107
2018	344,839
2019	122,669
	<hr/>
	\$ 812,615

8. Donations in kind

The Foundation 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 Foundation 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 \$1,530,341 with special thanks to Osler Hoskin & Harcourt for pro bono legal work, OneStop, Havas Worldwide Canada, Edelman Canada and Rogers Media for media and print advertising.

The Foundation is a volunteer driven organization. During the year, management has estimated that 235 volunteers donated approximately 4,722 hours of time. As a group, the Foundation's volunteers are highly skilled. The Foundation depends on and is guided by our volunteers' skills, experience and commitment. This volunteer time is not recorded in the financial statements.

Canadian Women's Foundation

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Notes to Financial Statements
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9. Donations and funds received

The Foundation 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 \$1,944,196 (2015 - \$4,129,539). The organization also received \$1,275,143 (2015 - \$2,605,085) from other foundations for which tax receipts are not required.

10. Financial instruments risk exposure

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risks relate to accounts receivable, however the risk is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The Foundation has not had issues with these collections over the past several years. The allowance for doubtful accounts is \$Nil (2015 - \$Nil)

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable. The Foundation expects to meet these obligations as they come due through sufficient cash flow from operations. The Foundation has not had issues with meeting obligations in previous years.

There has been no change in risk assessment from the prior period.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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10. Financial instruments risk exposure (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation's exposure arises from holdings of foreign currency denominated investments. As at August 31, 2016, 22% (2015 - 23%) of the investments are invested in non-Canadian equities. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value of investments. The Foundation does not hedge its foreign currency risk on these equity investments. The philosophy of the Foundation is that since the portfolio is managed such that individual equities are held for the long term and equities are held in multiple currencies, residual foreign exchange risk is considered acceptable in the long term without the need for a hedging strategy to be implemented. There has been no change in risk assessment from the prior period.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate because of 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.

Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk), whether those changes are caused by factors to the individual instrument or its issuer, or factors affecting all instruments traded in the market. The Foundation is exposed to other price risk through a portion of its long term investments. The investment policy for funds provides for an asset mix and the risk and volatility of investment returns are mitigated through diversification.

11. Comparative Figures

Certain comparative figures for 2015 have been reclassified to conform with the presentation adopted for 2016.

Canadian Women's Foundation
Fondation canadienne des femmes

Revenue
Year Ended August 31

	2016	2015
Revenue		
Donations - corporate, corporate foundation and partnerships	\$ 1,758,892	\$ 2,011,627
Annual Campaign to End Violence		
Corporate donations	1,574,174	1,758,924
Individual donations	62,531	189,196
Individual donations	899,034	1,434,309
Ann Southam bequest	191,173	1,582,290
Special events	429,487	516,070
Foundations and associations	684,556	1,908,737
Investment income, net of management fees	883,750	1,266,395
Unrealized investment income (loss)	195,285	(452,541)
Endowment contribution	-	10,200
Government grants	217,602	-
National Skills Institute Participant fees and other	24,190	4,118
Total revenue received in fiscal year	6,920,674	10,229,325
Add: prior year deferred revenue	596,860	569,106
Deduct: current year deferred revenue	(382,040)	(596,860)
Revenue	\$ 7,135,494	\$10,201,571

See accompanying notes to financial statements