

Soroptimist Foundation of Canada

Audited Financial Statements

June 30, 2012

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AUDITORS' REPORT

To the Directors of

Soroptimist Foundation of Canada

I have audited the balance sheet of Soroptimist Foundation of Canada as at June 30, 2012 and the statement of funding activities and fund balance and the statement of cash flows for the period then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Foundation and I was not able to determine whether any adjustments might be necessary to donations revenue, fundraising activities revenue, excess of revenue over expenditures (expenditures over revenue) and net assets (deficiency).

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2012 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Richmond Hill, Ontario
October 25, 2012

Chartered Accountant, LPA

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SOROPTIMIST FOUNDATION OF CANADA

BALANCE SHEET

AS AT JUNE 30, 2012

(With comparative figures as at June 30, 2011)

(AUDITED – See Audited Report dated October 25, 2012)

	Endowment		2012	2011
	Fund	General Fund		
ASSETS				
Cash and cash equivalents	\$ 585	\$ 1,367	\$ 1,952	\$ 4,747
Due from the endowment fund	-	3,832	3,832	-
Accrued interest receivable	-	7,186	7,186	4,956
GST recoverable	-	2,198	2,198	1,737
Investments	1,310,475	-	1,310,475	1,241,025
	<u>\$ 1,311,060</u>	<u>\$ 14,583</u>	<u>\$ 1,325,643</u>	<u>\$ 1,252,465</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
Due to the general fund	3,832	-	3,832	-
	<u>\$ 3,832</u>	<u>\$ 5,000</u>	<u>\$ 8,832</u>	<u>\$ 5,000</u>
FUND BALANCES				
Fund balances	<u>1,307,228</u>	<u>9,583</u>	<u>1,316,811</u>	<u>1,247,465</u>
	<u>\$ 1,311,060</u>	<u>\$ 14,583</u>	<u>\$ 1,325,643</u>	<u>\$ 1,252,465</u>

SOROPTIMIST FOUNDATION OF CANADA
STATEMENT OF FUNDING ACTIVITIES AND FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
(With comparative figures for the period ended June 30, 2011)

(AUDITED – See Audited Report dated October 25, 2012)

	Endowment Fund	General Fund	2012	2011
REVENUE				
Endowment Fund Interest	\$ -	\$ 33,399	\$ 33,399	\$ 39,473
Donations (note 2)	45,293		45,293	24,225
Unrealized gain on Endowment Fund Investments	29,075	-	29,075	42,079
Endowment Fund dividends	-	8,386	8,386	7,440
Gain (Loss) on disposal of investments	18,572	-	18,572	11,671
	<u>\$ 92,940</u>	<u>\$ 41,785</u>	<u>\$ 134,725</u>	<u>\$ 124,888</u>
EXPENSES				
Investment management fees and bank charges	\$ -	\$ 12,631	\$ 12,631	\$ 12,966
Travel	-	7,836	7,836	6,100
Audit and legal	-	5,881	5,881	5,432
Directors' liability Insurance	-	1,634	1,634	1,634
Meals and catering	-	1,307	1,307	4,881
Postage	-	822	822	517
Donor recognition	-	621	621	1,070
Telephone and fax	-	621	621	183
Supplies	-	326	326	841
Unrecovered GST	-	200	200	611
	<u>\$ -</u>	<u>\$ 31,879</u>	<u>\$ 31,879</u>	<u>\$ 34,621</u>
Excess of Revenue over Expense	\$ 92,940	\$ 9,906	\$ 102,846	\$ 90,267
Grants				
Club grants	\$ -	\$ 3,500	\$ 3,500	\$ 8,000
Grants for Women	30,000	-	30,000	30,000
	<u>\$ 30,000</u>	<u>\$ 3,500</u>	<u>\$ 33,500</u>	<u>\$ 38,510</u>
Net Fund Balance for the year	62,940	6,406	69,346	51,757
Opening Fund Balance	<u>1,244,288</u>	<u>3,177</u>	<u>1,247,465</u>	<u>1,195,708</u>
CLOSING FUND BALANCE	<u><u>\$ 1,307,228</u></u>	<u><u>\$ 9,583</u></u>	<u><u>\$ 1,316,811</u></u>	<u><u>\$ 1,247,465</u></u>

SOROPTIMIST FOUNDATION OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012
(With comparative figures as at June 30, 2011)

(AUDITED – See Audited Report dated October 25, 2012)

	2012	2011
Cash provided by (used in)		
Operating activities		
Net income for year	\$ 69,346	\$ 51,757
Grants Funded in year	<u>30,000</u>	<u>3,500</u>
	99,346	55,257
CHANGES IN WORKING CAPITAL BALANCES		
(Increase) decrease in Accrued interest receivable	(2,230)	(189)
Increase (decrease) in Accounts payable	-	(431)
(Increase) decrease in GST recoverable	<u>(461)</u>	<u>(1,404)</u>
	(2,691)	(2,024)
	96,655	53,233
FUNDING ACTIVITIES		
Grants	<u>(30,000)</u>	<u>(3,500)</u>
FINANCING ACTIVITIES		
Net Sale (Purchase) of Bonds	(33,064)	18,235
Net Sale (Purchase) of Equities	(2,355)	(27,590)
Other changes to Investments	<u>(34,031)</u>	<u>(41,891)</u>
	(69,450)	(51,246)
Increase (Decrease) in cash and cash equivalents	(2,795)	(1,513)
Cash and cash equivalents, beginning of year	<u>4,747</u>	<u>6,260</u>
Cash and cash equivalents, end of year	<u>\$ 1,952</u>	<u>\$ 4,747</u>

(AUDITED – See Audited Report dated October 25, 2012)

ORGANIZATION AND OPERATION

The Foundation was chartered in 1963 to solicit, attract and manage charitable donations in order to provide educational funding for the advancement of human rights and the status of women.

Donations come from individual Canadian members of the Soroptimist International of the Americas ("S.I.A.") and its Canadian clubs. S.I.A is one of four federations in Soroptimist International, a volunteer Foundation for women.

The foundation is formally registered with Canada Customs and Revenue Agency as a charitable foundation and as such the foundation qualifies for tax-exempt status as a registered charity under paragraph 149 (1) (f) of the Income Tax Act.

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the standards set out in Canadian generally accepted accounting principles for not-for-profit Foundations and are presented in Canadian dollars.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

ACCOUNTING POLICIES

Capital Disclosures (Section 1535)

This section establishes criteria for disclosure of i) an entity's objectives, policies and processes for managing capital; ii) quantitative data about what the entity regards as capital; iii) whether the entity has complied with any capital requirements; and iv) if it has not complied, the consequences of such non-compliance. See the disclosures in note 4 of these financial statements.

Financial Instruments -Disclosure and Presentation (Section 3862 and 3863)

The sections "Financial Instruments -Disclosures" ("Section 3862") and "Financial Instruments -Presentation" ("Section 3863") replace Section 3861, "Financial Instruments, Disclosure and Presentation". The new disclosure standard increases the emphasis on the risk associated with financial instruments and how those risks are managed. The standards are implemented into the current period financial statements. (See note 5) The impact is to the Foundation's disclosures, with no impact on the Foundation's results of operations or financial position.

CICA Financial Statement Concepts

Handbook Section 1000, Financial Statement Concepts focuses on the capitalization of costs that truly meet the definition of an asset and de-emphasize the matching principle. The Foundation is currently not impacted by this requirement as it has no capital costs as at June 30, 2012.

Disclosure of Related Party Transactions by not for Profit Foundations

There are no related party transactions during the year except for donations from various members of the board totalling \$ 1,540.

SOROPTIMIST FOUNDATION OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

(AUDITED – See Audited Report dated October 25, 2012)

Disclosure of Allocated Expenses by Not for Profit Foundations

Section 4470 establishes disclosure standards for not-for-profit foundations that choose to classify their expenses by function and allocate expenses from one function to another. The Foundation does not present expenses by function.

Revenue recognition

The foundation follows the restricted fund method of accounting for contributions. The foundation raises funds through events, donation and sponsorships. For the current fiscal year there are no events or sponsorship revenues.

The Foundation accrues donation pledges when the amount is known and collection is reasonably assured.

Funds

For financial reporting purposes, the foundation maintains two funds to process all Foundation activities.

(a) General Fund:

The purpose of the Operating Fund is to record the day-to-day operations of the Foundation including the receipt and use of donations and legacies with no external restrictions, which includes income earned by the Endowment Fund. The primary objective for the general fund is safety of principal.

(b) Endowment Fund :

The endowment fund reports resources contributed for endowment. Endowment funds are invested in federal and provincial government bonds with minimal risk of capital loss and a portfolio of shares both domestic and foreign. The equity account is managed by a broker with specific instructions to invest in accordance with the bylaws of the Foundation. The primary objective for the endowment fund is to provide current income without eroding principal.

The income earned on the Endowment Fund is unrestricted revenue of the General Fund.

Contributed Services

Volunteers contribute volunteer hours during the current fiscal year. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

Expenditures

Certain expenditures common to each program are allowed to the various programs based on management's best estimate of the services provided or expenses incurred by the programs.

Accrual Basis of Accounting

These financial statements have been prepared using the accrual method of accounting whereby all revenues the Foundation is entitled to, and all expenses incurred relating to the current fiscal year, are recorded in the accounts for the current fiscal period.

Income Taxes

Soroptimist Foundation of Canada is a not-for-profit charitable foundation registered under section 149.1 of the Canadian Income Tax Act, and as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

(AUDITED – See Audited Report dated October 25, 2012)

Financial Instruments – Recognition and Measurement and Disclosure and Presentation

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. All financial assets and financial liabilities, including derivatives, are measured in the balance sheet at fair value, except for loans and receivables, investments held-to-maturity and other financial liabilities, which are measured at amortized cost. Measurement in subsequent periods depends on whether the financial instrument had been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

The Foundation's financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	Category	Measurement
Cash and cash equivalents	Held for Trading	Fair Value
Investments	Held for Trading	Fair Value
Due from/to endowment fund	Loans and Receivable	Fair Value
Due from/to general fund	Loans and Receivable	Fair Value
Accrued interest receivable	Loans and Receivable	Fair Value
GST recoverable	Loans and Receivable	Fair Value
Accounts payable and accrued liabilities	Other liabilities	Fair Value
Due to the endowment fund	Other liabilities	Fair Value
Due to the general fund	Other liabilities	Fair Value

2. DONATIONS

Endowment Fund donations

	2012	2011
Eastern Canada Region	23,383	9,453
Western Canada Region	21,910	14,772
	<u>45,293</u>	<u>24,225</u>

3. TRANSFER BETWEEN FUNDS

The only funds to be transferred from the Endowment Fund to the General Fund are income generated from investments and gains (net of losses) realized on the disposal of investments. At the end of the fiscal year, the endowment fund owes \$3,832 to the general fund in order to fund the surplus in the endowment fund to actual at year end.

4. CAPITAL DISCLOSURES

The Foundation considers its capital to be amounts, if any, accumulated in net assets. The Foundation's objective when managing capital is to ensure that the endowment fund is preserved and that sufficient funds are maintained to fund grants that meet the objectives for which it was formed and to maintain overheads. Deficiencies from operations are normally funded from annual contributions in future periods.

There have been no significant changes to the Foundation's capital management objectives, policies and processes in the year nor has there been any change in what the Foundation considers to be its capital.

5. FINANCIAL INSTRUMENTS

The fair values of short term financial assets and liabilities, including cash and cash equivalents, investments, accrued interest receivable, GST recoverable, and accounts payable and accrued liabilities as presented in the balance sheet approximate their carrying amounts due to the short period to maturity of these financial instruments.

(AUDITED – See Audited Report dated October 25, 2012)

6. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with the current year presentation.