

# **Soroptimist Foundation of Canada**

## **Audited Financial Statements**

**June 30, 2009**

### **SUMMARY**

---

Auditor's Report	2
Balance Sheet	3
Statement of Funding Activities and Fund Balance	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9

## 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, 2009 and the statement of operations and changes in net assets and the statement of changes in cash flows for the period then ended. These financial statements are the responsibility of 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 Organization 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 Organization 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 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 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, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. .

Richmond Hill, Ontario  
October 19, 2009

  
Chartered Accountant, LPA

**SOROPTIMIST FOUNDATION OF CANADA****BALANCE SHEET**

AS AT JUNE 30, 2009

(With comparative figures as at June 30, 2008)

(AUDITED – See Audited Report dated October 19, 2009)

	<b>Endowment Fund</b>	<b>General Fund</b>	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 16,121	\$ 16,121	\$ 158,908
Due from the Endowment Fund	-	13,143	13,143	17,579
Accrued Interest Receivable	-	-	-	4,145
GST recoverable	-	654	654	545
Investments	<u>1,150,430</u>	<u>-</u>	<u>1,150,430</u>	<u>933,632</u>
	<u>\$ 1,150,430</u>	<u>\$ 29,918</u>	<u>\$ 1,180,348</u>	<u>\$ 1,114,809</u>
<b>LIABILITIES</b>				
Accounts Payable and accrued liabilities	\$ -	\$ 3,946	\$ 3,946	\$ 3,500
Due to the General Fund	<u>13,143</u>	<u>-</u>	<u>13,143</u>	<u>17,579</u>
	<u>\$ 13,143</u>	<u>\$ 3,946</u>	<u>\$ 17,089</u>	<u>\$ 21,079</u>
<b>FUND BALANCE</b>				
Fund Balances	<u>1,137,287</u>	<u>25,972</u>	<u>1,163,259</u>	<u>1,093,730</u>
	<u>\$ 1,150,430</u>	<u>\$ 29,918</u>	<u>\$ 1,180,348</u>	<u>\$ 1,114,809</u>

**SOROPTIMIST FOUNDATION OF CANADA**  
**STATEMENT OF FUNDING ACTIVITIES AND FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
(With comparative figures for the period ended June 30, 2008)

(AUDITED – See Audited Report dated October 19, 2009)

	<b>Endowment Fund</b>	<b>General Fund</b>	<b>2009</b>	<b>2008</b>
<b>REVENUE</b>				
Endowment Fund Interest	\$ -	\$ 57,569	\$ 57,569	\$ 48,367
Donations (note )	44,313	1,335	45,648	37,334
Unrealized gain on Endowment Fund Investments	22,190	-	22,190	11,280
General fund interest and other income	-	4,328	4,328	970
Endowment Fund dividends	-	2,209	2,209	1,641
Loss on disposal of investments	-	(2,082)	(2,082)	(843)
	<u>\$ 66,503</u>	<u>\$ 63,359</u>	<u>\$ 129,862</u>	<u>\$ 98,749</u>
<b>EXPENSES</b>				
Investment management fees and bank charges	-	12,783	12,783	9,483
Travel	-	5,593	5,593	3,971
Audit and legal	-	4,295	4,295	4,296
Meals and catering	-	1,135	1,135	842
Donor recognition	-	767	767	1,147
GST	-	655	655	545
Supplies	-	621	621	-
Postage	-	331	331	267
Printing and stationary	-	290	290	306
Translation expense	-	190	190	420
Advertising expense	-	119	119	-
Business registration fees	-	30	30	-
Fund raising expenses	-	24	24	401
Telephone and fax	-	-	-	234
Directors' liability Insurance	-	-	-	177
	<u>\$ -</u>	<u>\$ 26,833</u>	<u>\$ 26,833</u>	<u>\$ 22,089</u>
<b>Excess of Revenue over Expense</b>	<b>\$ 66,503</b>	<b>\$ 36,526</b>	<b>\$ 103,029</b>	<b>\$ 76,660</b>
<b>Grants</b>				
Club grants	\$ -	\$ 3,500	3,500	\$ 6,000
Grants for Women	-	30,000	30,000	30,000
	<u>\$ -</u>	<u>\$ 33,500</u>	<u>\$ 33,500</u>	<u>\$ 36,000</u>
<b>Net Fund Balance for the year</b>	<b>66,503</b>	<b>3,026</b>	<b>69,529</b>	<b>40,660</b>
<b>Opening Fund Balance</b>	<u>1,070,784</u>	<u>22,946</u>	<u>1,093,730</u>	<u>1,053,070</u>
<b>CLOSING FUND BALANCE</b>	<u><u>\$ 1,137,287</u></u>	<u><u>\$ 25,972</u></u>	<u><u>\$ 1,163,259</u></u>	<u><u>\$ 1,093,730</u></u>

**SOROPTIMIST FOUNDATION OF CANADA**

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

(With comparative figures as at June 30, 2008)

(AUDITED – See Audited Report dated October 19, 2009)

	2009	2008
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for year	\$ 69,529	\$ 40,660
Grants Funded in year	33,500	36,000
	<u>103,029</u>	<u>76,660</u>
<b>CHANGES IN WORKING CAPITAL BALANCES</b>		
(Increase) decrease in Accrued interest receivable	4,145	1,718
Increase (decrease) in Accounts payable	446	2,700
(Increase) decrease in GST receivable	(109)	(72)
	<u>4,482</u>	<u>4,346</u>
	107,511	81,006
<b>FUNDING ACTIVITIES</b>	<u>(33,500)</u>	<u>(36,000)</u>
<b>FINANCING ACTIVITIES</b>		
Sale of Bonds	119,090	-
Purchase of Mutual Funds	(296,200)	-
Other changes to Investments	(39,688)	22,833
	<u>(216,798)</u>	<u>22,833</u>
Increase (Decrease) in cash and cash equivalents	(142,787)	67,839
Cash and cash equivalents, beginning of year	<u>158,908</u>	<u>91,069</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 16,121</u>	<u>\$ 158,908</u>

**SOROPTIMIST FOUNDATION OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

(AUDITED – See Audited Report dated October 19, 2009)

---

**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 organization 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 organizations 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.

**NEW ACCOUNTING POLICIES**

**Going Concern**

In June 2007, the CICA issued amendments to Section 1400, "General Standards of Financial Statement ~ Presentation" to include requirements to assess and disclose an entity's ability to continue as a going concern. The amendments are effective for interim and annual financial statements beginning on or after January 1, 2008. Company has applied the new amendments at the beginning of its fiscal year. The implementation did not have a significant impact on the Company's results of operations, financial position or disclosures.

**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. Section 1535 applies to interim and annual financial statements for year ends beginning on or after October 1, 2007. The new disclosures have been included in these financial statements in note 4.

**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 new presentation standard carries forward the former presentation requirements under the existing Section 3861. The standards are implemented into the current period financial statements. (See note 5) The impact is to the Company's disclosures, with no impact on the Company's results of operations or financial position.

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the Organization are as follows:

**SOROPTIMIST FOUNDATION OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

(AUDITED – See Audited Report dated October 19, 2009)

---

**CICA Financial Statement Concepts**

Handbook Section 1000, Financial Statement Concepts, has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasize the matching principle. The revised requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The Organization is currently not impacted by this requirement as it has no capital costs as at June 30, 2009.

**Financial Statement Presentation by Not for Profit Organizations**

Section 4400 has been amended for the treatment of net assets invested in capital assets and for the presentation of revenues and expenses. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The Organization is currently assessing the impact of the new standard.

**Disclosure of Related Party Transactions by not for Profit Organizations**

Section 4460 has been amended to make the language in Section 4460 consistent with Related party Transactions, Section 3840. The changes are effective for interim and annual financial statements beginning on or after January 1, 2009. The Organization is currently assessing the impact of the new standard.

**Disclosure of Allocated Expenses by Not for Profit Organizations**

This new Section 4470 establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. The changes are effective for interim and annual financial statements beginning on or after January 1, 2009. The Organization is currently assessing the impact of the new standard.

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Revenue recognition**

The foundation follows the restricted fund method of accounting for contributions. The foundation raises funds through events, grants and sponsorships.

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 organization activities.

(a) General Fund:

The purpose of the Operating Fund is to record the day-to-day operations of the organization 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 shares of a Canadian chartered bank and other shares of a Canadian corporation received as a donation in kind. 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.

**SOROPTIMIST FOUNDATION OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

(AUDITED – See Audited Report dated October 19, 2009)

**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 organization 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 organization 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.

**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 Company's financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	Category	Measurement
Cash	Held for Trading	Fair Value
Accounts Receivable	Loans and Receivable	Fair Value
GST Receivable	Loans and Receivable	Fair Value
Accounts Payable and accrued liabilities	Other liabilities	Fair Value

**2. DONATIONS**

Endowment Fund donations

	<b>2009</b>	<b>2008</b>
Eastern Canada Region	38,308	19,640
Western Canada Region	7,340	17,694
	<u>45,648</u>	<u>37,334</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.

**SOROPTIMIST FOUNDATION OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

(AUDITED – See Audited Report dated October 19, 2009)

---

**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, accounts receivable, GST receivable and accounts payable as presented in the balance sheet approximate their carrying amounts due to the short period to maturity of these financial instruments.

**6. COMPARATIVE FIGURES**

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