

**Canadian Women for Women in Afghanistan**  
**Financial Statements**  
*August 31, 2016*

**Canadian Women for Women in Afghanistan**  
**Statement of Financial Position**

*As at August 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	810,011	699,856
Sales tax recoverable	10,483	4,426
Prepaid expenses	1,649	1,464
Inventory	26,447	20,444
	848,590	726,190
Capital assets (Note 3)	9,889	18,508
Restricted cash (Note 4)	690,047	941,112
	1,548,526	1,685,810
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	22,132	8,938
Deferred contributions (Note 4)	690,047	941,112
	712,179	950,050
<b>Net Assets</b>		
Unrestricted	235,179	225,120
Internally restricted	601,168	510,640
	836,347	735,760
	1,548,526	1,685,810

Approved on behalf of the Board

*m. J. Stewart*  
 Director  
*J. Treasurer*

*J. Eisenhauer*  
 Director

The accompanying notes are an integral part of these financial statements

# Canadian Women for Women in Afghanistan

## Statement of Operations

*For the year ended August 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Donations	1,040,265	1,336,822
Fundraising activities	38,273	40,244
Product sales	17,775	7,948
Rental income	14,597	19,777
Membership fees	255	495
Interest	-	1,315
	<b>1,111,165</b>	<b>1,406,601</b>
<b>Program expenses</b>		
Overseas projects	829,533	933,864
Public Engagement	83,432	71,660
Cost of goods sold	26,543	7,626
Printing and marketing	-	2,396
	<b>939,508</b>	<b>1,015,546</b>
<b>Excess of revenue over expenses before administrative expenses and other items</b>	<b>171,657</b>	<b>391,055</b>
<b>Expenses</b>		
Administrative	2,273	6,161
Bank charges and interest	1,218	2,342
Office, telephone and postage	1,524	4,978
Professional fees	10,749	9,000
<b>Total administration expenses</b>	<b>15,764</b>	<b>22,481</b>
<b>Excess of revenue over expenses before other items</b>	<b>155,893</b>	<b>368,574</b>
<b>Other items</b>		
Unrealized (loss) gain on foreign exchange	(55,326)	160,951
Gain on disposal of investments	20	-
Gain on disposal of capital assets	-	3,596
	<b>(55,306)</b>	<b>164,547</b>
<b>Excess of revenue over expenses</b>	<b>100,587</b>	<b>533,121</b>
<b>Allocation of excess revenue over expenses within net assets</b>		
Internally restricted (Note 7)	90,528	510,640
Unrestricted excess of revenue over expenses	<b>10,059</b>	<b>22,481</b>

The accompanying notes are an integral part of these financial statements

## Canadian Women for Women in Afghanistan Statement of Changes in Net Assets

*For the year ended August 31, 2016*

	<i>Unrestricted</i>	<i>Internally restricted</i>	<b>2016</b>	<i>2015</i>
<b>Net assets, beginning of year</b>	<b>225,120</b>	<b>510,640</b>	<b>735,760</b>	202,639
<b>Excess of revenue over expenses</b>	<b>10,059</b>	<b>90,528</b>	<b>100,587</b>	533,121
<b>Net assets, end of year</b>	<b>235,179</b>	<b>601,168</b>	<b>836,347</b>	735,760

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**Canadian Women for Women in Afghanistan**  
**Statement of Cash Flows**  
*For the year ended August 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	100,587	533,121
Amortization	12,719	12,106
Gain on disposal of marketable securities	(20)	-
Gain on disposal of capital assets	-	(11,804)
	<b>113,286</b>	<b>533,423</b>
Changes in working capital accounts		
Accounts receivable	(6,057)	(2,425)
Inventory	(6,003)	(9,248)
Prepaid expenses	(185)	23
Accounts payable and accruals	13,194	(224)
Deferred contributions	(251,065)	(257,352)
	<b>(136,830)</b>	<b>264,197</b>
<b>Investing</b>		
Purchase of capital assets	(4,100)	(19,206)
Proceeds on disposal of vehicle	-	3,596
Proceeds on sale of marketable securities	20	-
	<b>(4,080)</b>	<b>(15,610)</b>
<b>(Decrease) increase in cash resources</b>	<b>(140,910)</b>	<b>248,587</b>
<b>Cash resources, beginning of year</b>	<b>1,640,968</b>	<b>1,392,381</b>
<b>Cash resources, end of year</b>	<b>1,500,058</b>	<b>1,640,968</b>
<b>Cash resources are composed of:</b>		
Cash and cash equivalents	810,011	699,856
Restricted cash	690,047	941,112
	<b>1,500,058</b>	<b>1,640,968</b>

The accompanying notes are an integral part of these financial statements

# Canadian Women for Women in Afghanistan

## Notes to the Financial Statements

For the year ended August 31, 2016

### 1. Incorporation and nature of the organization

Canadian Women for Women in Afghanistan (the "Organization") is a federally incorporated not-for-profit entity under Industry Canada as at May 2003, and became a registered charity in February 2009 (Canada Revenue Agency BN # 887718203 RR0001). The stated purposes of the organization are to advance education and educational opportunities for Afghan women and their families, and to increase the understanding of Canadians about human rights in Afghanistan. Its mission statement is: "Canadians taking action, in partnership with Afghan women, towards improving conditions of human rights, ending women's oppression, and providing opportunities for Afghan women to live their lives with dignity, certainty and purpose." As a registered charity, the Organization is not subject to the payment of income tax under section 149 of the Income Tax Act.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Motor vehicles (Afghanistan)	straight-line	3 years
Computer equipment	straight-line	3 years

#### **Revenue recognition**

The Organization 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Membership fees and other fundraising revenue are recognized as revenue when received or receivable.

#### **Contributed services**

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

# Canadian Women for Women in Afghanistan

## Notes to the Financial Statements

*For the year ended August 31, 2016*

### **Foreign currency translation**

These financial statements have been presented in Canadian dollars, the principal currency of the Organization's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

### **Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has made such an election during the year.

The Organization subsequently measures all financial instruments at fair value, without any deduction for transaction costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in the statement of operations and changes in net assets. The fair value of the financial instruments approximate their carrying value due to the short-term nature of these investments.

### **Financial asset impairment:**

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

### **Measurement uncertainty (use of estimates)**

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 the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

### **3. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2016 Net book value</i>	<i>2015 Net book value</i>
Motor vehicles (Afghanistan)	46,440	39,285	7,155	18,508
Computer equipment	4,100	1,366	2,734	-
	<b>50,540</b>	<b>40,651</b>	<b>9,889</b>	

# Canadian Women for Women in Afghanistan

## Notes to the Financial Statements

*For the year ended August 31, 2016*

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#### 4. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for various education and literacy programs executed in Afghanistan and post secondary education fees for Afghanistan women studying in Canada. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Cash received for these purposes is presented in restricted cash. Changes in the deferred contribution balance are as follows:

	<b>2016</b>	2015
Balance, beginning of year	<b>941,112</b>	1,198,464
Amount received during the year	<b>536,082</b>	1,119,714
Less: Amount recognized as revenue during the year	<b>(787,147)</b>	(1,377,066)
Balance, end of year	<b>690,047</b>	941,112

#### 5. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

#### 6. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### 7. Restrictions on net assets

##### ***Internally restricted net assets***

During the year, the Organization's Board of Directors internally restricted \$90,528 (2015 – \$510,640) of unrestricted net assets to be held for future programs and public engagement. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.