

**THE WHITE RIBBON
FOUNDATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
The White Ribbon Foundation

We have audited the accompanying financial statements of The White Ribbon Foundation, which comprise the statement of financial position as at December 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Foundation'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 Foundation'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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The White Ribbon Foundation derives revenue from 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 records of The White Ribbon Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended December 31, 2014 and December 31, 2013, current assets as at December 31, 2014 and December 31, 2013 and net assets as at January 1 and December 31 for both the 2014 and 2013 years.

INDEPENDENT AUDITORS' REPORT, continued*Qualified Opinion*

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

Other Matter

The financial statements of The White Ribbon Foundation for the year ended December 31, 2013 were audited by another auditor who expressed a qualified opinion, due to possible effects of a scope limitation for verification of revenues from donations and fundraising activities on those statements on June 23, 2014.

**Shimmerman Penn LLP**

Chartered Accountants

Licensed Public Accountants

Toronto, Canada

June 30, 2015

THE WHITE RIBBON FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	2014	2013 as restated (note 6)
ASSETS		
CURRENT		
Cash and due from broker	\$ 961,295	\$ 763,711
Accounts receivable	63,000	175,179
HST tax credits recoverable	32,047	14,033
Prepaid expenses	872	1,472
	1,057,214	954,395
Capital assets (note 4)	15,626	11,808
	\$ 1,072,840	\$ 966,203
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,975	\$ 17,798
Deferred contributions (note 5)	778,812	768,700
	801,787	786,498
COMMITMENTS (note 7)		
NET ASSETS		
OPERATING RESERVE (note 2c)	150,000	150,000
UNRESTRICTED	121,053	29,705
	271,053	179,705
	\$ 1,072,840	\$ 966,203

APPROVED ON BEHALF OF THE BOARD:

_____ *Director*

_____ *Director*

THE WHITE RIBBON FOUNDATION

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014

	2014	2013
REVENUES		
Government grants (note 5)	\$ 726,859	\$ 330,632
Barrick project (note 5)	441,029	570,000
Donations in kind	200,114	-
Third party consulting activities	60,362	31,538
Donations	50,538	62,935
Fundraising events	45,111	93,567
Educational materials	21,252	20,179
	1,545,265	1,108,851
EXPENDITURES		
Salaries and related benefits	727,191	528,101
Project costs	615,247	326,396
Administration	33,131	43,355
Professional fees	28,677	7,760
Fundraising costs	20,213	23,680
Travel and conferences	12,864	3,879
Telephone and internet	12,421	10,002
Amortization	4,173	2,513
	1,453,917	945,686
EXCESS OF REVENUES OVER EXPENDITURES	\$ 91,348	\$ 163,165

See accompanying notes

THE WHITE RIBBON FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2014

	2014	2013
BALANCE, beginning of year	\$ 29,705	\$ 16,540
Excess of revenues over expenditures	91,348	163,165
Transfer to Operating Reserve	-	(150,000)
BALANCE, end of year	\$ 121,053	\$ 29,705

See accompanying notes

THE WHITE RIBBON FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014

	2014	2013
CASH WAS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 91,348	\$ 163,165
Item not affecting cash		
Amortization	4,173	2,513
	95,521	165,678
Change in non-cash operating working capital items		
Accounts receivable	112,179	(172,711)
HST receivable	(18,014)	626
Prepaid expenses	600	-
Accounts payable and accrued liabilities	5,177	(46,231)
Deferred contributions	10,112	498,700
	110,054	280,384
	205,575	446,062
INVESTING ACTIVITY		
Purchase of capital assets	(7,991)	(9,646)
CHANGE IN CASH POSITION		
CASH, beginning of year	763,711	327,295
CASH, end of year	\$ 961,295	\$ 763,711

THE WHITE RIBBON FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

1. DESCRIPTION OF ORGANIZATION AND INCOME TAX STATUS

The White Ribbon Foundation is a Foundation whose objectives are to educate the public, particularly men and boys, about the prevention of and response to gender-based violence by:

- a) offering workshops and training seminars;
- b) hosting public speaking events;
- c) collecting and disseminating information on that topic;
- d) collaborating with stakeholders to develop and implement gender-based violence prevention programs.

The White Ribbon Foundation is incorporated under the Letters Patent of the Canada Corporations Act as a not-for-profit corporation without share capital. The Foundation is a registered charitable Foundation under the Income Tax Act of Canada, and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Donations are recognized as revenue upon receipt. Donations in kind are recorded at their estimated fair value based upon appraisal and other factors pertinent to the donation in circumstances where donation receipts have been issued.

Other revenues such as fundraising events, third party consulting and sales of educational materials are recognized when the services are provided, materials are delivered or when the expenditures relating to the specific projects are incurred.

(b) Contributed services

A substantial number of volunteers contribute a significant amount of their time each year to assist the Foundation in the conduct of its mission. Contributed services are generally not recognized in the financial statements because of the difficulty of determining the fair value of the contributed services.

THE WHITE RIBBON FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

(c) Operating Reserve

The Operating Reserve is comprised of funds that are internally restricted for general operating contingencies and are not available for use by the Foundation without prior approval of the Board of Directors. There was no transfer to the Operating Reserve in the current year.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and investments maturing in less than 90 days. As at December 31, 2014 there were no cash equivalents.

(e) Capital assets

Capital assets are recorded at cost. The Foundation provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Office equipment	20%
Computer	33%

An impairment loss is recognized when the carrying amount of these assets is not recoverable and exceeds their fair value.

(f) Foreign exchange

Monetary assets and liabilities of the Foundation which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

(g) Impairment of long-lived assets

The Foundation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

THE WHITE RIBBON FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

(h) Financial instruments

(i) Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for derivative and equity instruments of private companies for which there is no quoted market price in an active market. These financial instruments are subsequently measured at the initial fair value less any reduction for impairment.

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

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

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

THE WHITE RIBBON FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(i) **Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit foundations 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Items requiring the use of significant estimates include the useful lives of capital assets and the calculation of deferred revenue.

(j) **Pledges**

Pledges are not recognized in the financial statements.

(k) **Cash flows**

The Foundation uses the indirect method of reporting cash flows from operating activities.

3. CHANGE IN ACCOUNTING POLICY

During the year, management changed the accounting policy for the recognition of contributions of the Foundation from the restricted fund method to the deferral method. This was done in order to better reflect the operations of the Foundation. This change was applied retrospectively to the prior years and did not result in a change to the net assets and earnings in the prior year.

4. CAPITAL ASSETS

			2014		2013	
	Cost	Accumulated amortization	Net	Net	Net	Net
Computer	\$ 17,000	\$ 10,073	\$ 6,927	\$ 5,751		
Office furniture	11,011	2,312	8,699	6,057		
	\$ 28,011	\$ 12,385	\$ 15,626	\$ 11,808		

THE WHITE RIBBON FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

5. DEFERRED CONTRIBUTIONS

During the year, the Foundation received grants from various sources to support education and related activities. Revenue is deferred until the Foundation undertakes specific education programs for which the grants were received. Deferred contributions consists of the following:

Projects	January 1, 2014 as restated (note 6)	Amounts received	Amounts recognized as revenue	December 31, 2014
Government Grants				
Ontario Women's Directorate	\$ 96,943	\$ 338,000	\$ 393,673	\$ 41,270
Status of Women Canada	251,757	200,000	333,186	118,571
	348,700	538,000	726,859	159,841
Social Enterprise Projects				
Barrick Gold Corporation	420,000	640,000	441,029	618,971
	\$ 768,700	\$ 1,178,000	\$ 1,167,888	\$ 778,812

6. PRIOR PERIOD ADJUSTMENT

During the year, management determined that accounts receivable and deferred contributions as at December 31, 2013 were understated due to the Foundation not accounting for a restricted grant contribution that was receivable. The comparative figures have been retroactively restated to reflect this adjustment. As a result, accounts receivable and deferred revenues as at December 31, 2013 have increased by \$175,000.

THE WHITE RIBBON FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

7. COMMITMENTS

The Foundation is committed to minimum lease payments for the rental of premises, exclusive of additional amounts for realty taxes and other occupancy charges as follows:

2015	\$	22,717
2016		34,075
2017		34,075
2018		35,097
2019		35,438
2020		8,860
		<hr/>
	\$	170,262

8. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentration as at December 31, 2014.

(a) **Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from various parties, many of which are governmental organizations, who have provided funds to support the Foundation in its education and related activities. The Foundation minimizes its credit risk by routinely assessing the financial strength of these parties, as well as evaluating their commitment to continue funding the programs.

(b) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of accounts payable and accrued liabilities. The Foundation expects to meet these obligations as they come due by generating sufficient cash flows from operations.

(c) **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. The Foundation is not exposed to interest rate risk or other price risk.

THE WHITE RIBBON FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

8. **FINANCIAL INSTRUMENTS, continued**

(d) **Currency risk**

Currency risk is the risk to the Foundation's excess of revenues over expenditures that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. A portion of the Foundation's expenses are denominated in US dollars. At December 31, 2014, cash and due from broker included an amount of \$128,470 denominated in US dollars (December 31, 2013 - \$54,569).

9. **COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenditures.
