

FINANCIAL STATEMENTS
For
MATCH INTERNATIONAL CENTRE
For the year ended
MARCH 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the directors of

MATCH INTERNATIONAL CENTRE

Opinion

We have audited the accompanying financial statements of MATCH International Centre (the "Organization"), which comprise the statement of financial position as at March 31, 2019 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of MATCH International Centre as at March 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Organization's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Organization's financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Organization's financial statements, including the disclosures, and whether the Organization's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Welch LLP

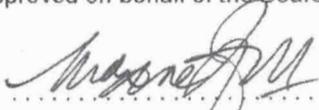
Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
June 21, 2019.

**MATCH INTERNATIONAL CENTRE
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,300,800	\$ 77,507
Short term investments	770,846	1,212,149
Accounts receivable	116,134	95,750
Prepaid expenses	<u>24,569</u>	<u>4,115</u>
	2,212,349	1,389,521
TANGIBLE CAPITAL ASSETS (note 4)	20,237	6,884
INTANGIBLE CAPITAL ASSETS (note 5)	<u>54,649</u>	<u>-</u>
	<u>\$ 2,287,235</u>	<u>\$ 1,396,405</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 164,933	\$ 119,735
Deferred contributions (note 6)	<u>1,462,763</u>	<u>907,537</u>
	1,627,696	1,027,272
NET ASSETS		
Unrestricted net assets	<u>659,539</u>	<u>369,133</u>
	<u>\$ 2,287,235</u>	<u>\$ 1,396,405</u>

Approved on behalf of the Board:

	M. Filic, Treasurer Director
	Joanna Kerr, Chair Director

(See accompanying notes)

Welch LLP

MATCH INTERNATIONAL CENTRE
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Revenue		
Bequests	\$ 17,485	\$ 29,344
Donations	468,173	451,385
Events	20,483	29,900
Grants	2,525,963	1,078,642
Other income	30,331	17,790
Project management fees and overhead	<u>346,891</u>	<u>122,650</u>
	<u>3,409,326</u>	<u>1,729,711</u>
Expenses		
Administration (schedule 1)	355,661	189,605
Fundraising (note 8)	398,184	311,806
Governance	7,651	2,469
Program expenses (note 7)	2,318,541	1,133,404
Publications	<u>38,883</u>	<u>11,129</u>
	<u>3,118,920</u>	<u>1,648,413</u>
Excess of revenue over expenses	<u>\$ 290,406</u>	<u>\$ 81,298</u>

(See accompanying notes)

MATCH INTERNATIONAL CENTRE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Net assets, beginning of year	\$ 369,133	\$ 287,835
Excess of revenue over expenses	<u>290,406</u>	<u>81,298</u>
Net assets, end of year	<u>\$ 659,539</u>	<u>\$ 369,133</u>

(See accompanying notes)

**MATCH INTERNATIONAL CENTRE
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess of revenue over expenses	\$ 290,406	\$ 81,298
Add items not affecting cash:		
Amortization	<u>11,445</u>	<u>5,396</u>
	301,851	86,694
Change in non-cash operating working capital:		
Accounts receivable	(20,384)	(73,536)
Prepaid expenses	(20,454)	503
Accounts payable and accrued liabilities	45,198	19,791
Deferred contributions	<u>555,226</u>	<u>878,148</u>
	<u>861,437</u>	<u>911,600</u>
Investing activities		
Redemption (purchase) of short term investments	441,303	(1,212,149)
Purchase of tangible capital assets	(24,798)	(5,670)
Purchase of intangible capital assets	<u>(54,649)</u>	<u>-</u>
	<u>361,856</u>	<u>(1,217,819)</u>
INCREASE (DECREASE) IN CASH	1,223,293	(306,219)
CASH, BEGINNING OF YEAR	<u>77,507</u>	<u>383,726</u>
CASH, END OF YEAR	<u>\$ 1,300,800</u>	<u>\$ 77,507</u>

(See accompanying notes)

MATCH INTERNATIONAL CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

1. PURPOSE OF THE ORGANIZATION

MATCH International Centre (the "Organization") was incorporated under the Canada Corporations Act in 1976. Effective July 8, 2014, the Organization continued its incorporation under the Canada Not-for-profit Corporations Act. It is a registered charity under Paragraph 149(1)(f) of the Income Tax Act (Canada) and as such, is exempt from income tax.

MATCH International Centre provides support to programs and organizations that work to address women's equality issues by addressing systematic barriers, policy gaps, programming initiatives and providing individual support to women, children and Trans* folks.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

The Organization follows the deferral method of accounting for contributions, including grants and donations. 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.

Fundraising revenue is recognized as revenue once the event is held.

Project management fee revenue is recognized when services are rendered.

All other revenue is recognized when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Expenses

In the statement of operations, the Organization presents its expenses by function. Expenses are recognized in the year incurred and are recorded in the function to which they are directly related. The Organization does not allocate expenses between functions after initial recognition.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is recorded on a straight-line basis over the estimated life of the assets. In the year of acquisition, amortization expense is recognized once the asset is put in use.

- Computer equipment: 2 years
- Furniture and fixtures: 2 years

Financial instruments

The Organization's financial instruments are measured at fair value on initial recognition. At the year end date, cash and investments are subsequently measured at fair value and all other financial instruments are subsequently measured at cost or amortized cost.

MATCH INTERNATIONAL CENTRE
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

Contributed services and materials

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

The Organization does not recognize contributed materials in the financial statements. There was no such items received in the year.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the determination of accrued liabilities. Actual results could differ from these estimates and adjustments are made to the statement of operations as appropriate in the year they become known.

3. **FINANCIAL INSTRUMENTS**

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

The Organization does not use derivative financial instruments to manage its risks.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Organization's maximum exposure to credit risk represents the sum of the carrying value of its cash, short-term investments and its accounts receivable. The Organization's cash and short term investments are deposited with a Canadian chartered bank and as a result, management believes the risk of loss on these items to be remote. The Organization manages its credit risk by reviewing accounts receivable aging monthly and following up on outstanding amounts. Management believes that all accounts receivable at year end will be collected and that a provision for uncollectable amounts is not considered necessary.

Liquidity risk

Liquidity risk is the risk that the Organization cannot meet a demand for cash or fund its obligations as they become due. The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipated investing and financing activities and holding assets that can be readily converted into cash.

MATCH INTERNATIONAL CENTRE
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

3. FINANCIAL INSTRUMENTS - Cont'd.

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 is comprised of currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Organization's financial instruments are mostly denominated in Canadian dollars and it transacts primarily in Canadian dollars. As at March 31, 2019 approximately \$385,436 (2018 - \$13,695) of the Organization's cash, \$67,186 (2018 - \$nil) of its accounts receivable, \$667,500 (2018 - \$1,107,890) of its short term investments and \$42,762 (2018 - \$6,912) of its accounts payable are exposed to fluctuations in the US dollar. The Organization uses forecasting techniques to mitigate this currency risk and has chosen not to enter into derivatives.

ii) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Organization's exposure to interest rate risk arises from its short-term investments which include amounts invested in guaranteed investment certificates (GICs) that earn interest at market rates. These GICs bear interest rates ranging from 2.10% to 2.24% (2018 - 1.44% to 1.56%) with maturity dates ranging from April 2019 to December 2019.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of the changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Since the Organization does not have investments in publicly traded marketable securities, it is not exposed to other price risk.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ 31,095	\$ (10,858)	\$ 20,237	\$ 6,517
Furniture and fixtures	<u>587</u>	<u>(587)</u>	<u>-</u>	<u>367</u>
	<u>\$ 31,682</u>	<u>\$ 11,445</u>	<u>\$ 20,237</u>	<u>\$ 6,884</u>

MATCH INTERNATIONAL CENTRE
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

5. INTANGIBLE CAPITAL ASSETS

As at March 31, 2019, the Organization has incurred costs of \$54,649 for the development and implementation of a new Enterprise Resource Planning (ERP) software system. Since the project is not yet complete, these costs have not been amortized over its estimated useful life.

6. DEFERRED CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>
Balance, beginning of the year	\$ 907,537	\$ 29,389
Contributions received in the year	3,081,189	1,956,790
Contributions recognized as revenue in the year	<u>(2,525,963)</u>	<u>(1,078,642)</u>
Balance, end of the year	<u>\$ 1,462,763</u>	<u>\$ 907,537</u>

7. PROGRAM EXPENSES

	<u>2019</u>	<u>2018</u>
Canadian programming:		
Salaries and benefits	\$ 816,099	\$ 317,802
Non-salary program	<u>474,308</u>	<u>151,514</u>
	<u>1,290,407</u>	<u>469,316</u>
International programming:		
Salaries and benefits	369,567	210,712
Non-salary program	<u>658,567</u>	<u>453,376</u>
	<u>1,028,134</u>	<u>664,088</u>
Total program expenses	<u>\$ 2,318,541</u>	<u>\$ 1,133,404</u>

8. FUNDRAISING

	<u>2019</u>	<u>2018</u>
Salaries and benefits	\$ 326,876	\$ 280,078
Non-salary fundraising	<u>71,308</u>	<u>31,728</u>
	<u>\$ 398,184</u>	<u>\$ 311,806</u>

9. LEASE COMMITMENT

In April 2017, the Organization entered into a long-term Memo of Understanding (MOU) regarding shared space for its premises and parking expiring in March 2027 which requires monthly payments totaling \$46,800 annually and remaining aggregate lease payments of \$421,200.

On October 24, 2018, the Organization entered a new sublease agreement with the same leaseholder by adding additional shared space for its premises with the term beginning on March 1, 2019 and ending February 29, 2022. The basic rent for the three years are: \$72,000 (Year 1), \$73,150 (Year 2) and \$74,350 (Year 3).

Minimum annual payment for the next five years for the MOU and the new sublease combined are as follows:

2020	\$ 118,896
2021	120,050
2022	114,954
2023	46,800
2024 and beyond	187,200

MATCH INTERNATIONAL CENTRE
SCHEDULE 1 - ADMINISTRATION EXPENSES
YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Amortization	\$ 11,445	\$ 5,395
Communication	9,255	6,081
Exchange gain	10,719	(48,110)
Finance & compliance	23,382	28,435
General office expenses	4,348	4,771
IT expenses	54,619	16,483
Office rent	72,117	47,522
Personnel cost	110,133	87,862
Professional & membership fees	14,217	5,656
Staff development	20,478	15,188
Storage	2,228	1,774
Supplies	14,670	6,380
Travel & meetings	<u>8,050</u>	<u>12,168</u>
	<u>\$ 355,661</u>	<u>\$ 189,605</u>