

**FINANCIAL STATEMENTS**

For

**MATCH INTERNATIONAL CENTRE**

For the year ended

**MARCH 31, 2018**

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**Welch LLP\***

An Independent Member of BKR International

## INDEPENDENT AUDITOR'S REPORT

To the directors of

### **MATCH INTERNATIONAL CENTRE**

We have audited the accompanying financial statements of MATCH International Centre, which comprise the statement of financial position as at March 31, 2018 and the statements of operations and 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.

#### *Auditor's 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of MATCH International Centre as at March 31, 2018 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Other Matter*

The financial statements of MATCH International Centre for the year ended March 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on June 14, 2017.

Welch LLP

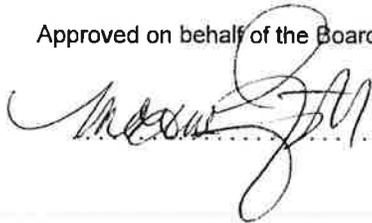
Chartered Professional Accountants  
Licensed Public Accountants

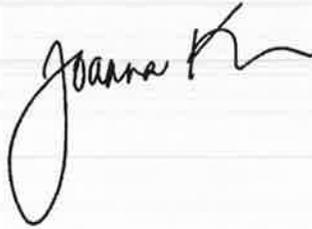
Ottawa, Ontario  
June 27, 2018.

**MATCH INTERNATIONAL CENTRE  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 77,507	\$ 383,726
Short term investments	1,212,149	-
Accounts receivable	95,750	22,214
Prepaid expenses	<u>4,115</u>	<u>4,618</u>
	1,389,521	410,558
<b>TANGIBLE CAPITAL ASSETS (note 4)</b>	<u>6,884</u>	<u>6,610</u>
	<u>\$ 1,396,405</u>	<u>\$ 417,168</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 119,735	\$ 99,944
Deferred revenue	<u>907,537</u>	<u>29,389</u>
	1,027,272	129,333
<b>NET ASSETS</b>		
Unrestricted net assets	<u>369,133</u>	<u>287,835</u>
	<u>\$ 1,396,405</u>	<u>\$ 417,168</u>

Approved on behalf of the Board:

.....Director & Treasurer

.....Director

(See accompanying notes)

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**MATCH INTERNATIONAL CENTRE**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Revenue</b>		
Bequests	\$ 29,344	\$ -
Donations	451,385	476,274
Events	29,900	35,661
Grants	1,078,642	433,940
Other income	17,790	659
Project management fees	<u>122,650</u>	<u>60,535</u>
	<u>1,729,711</u>	<u>1,007,069</u>
<b>Expenses</b>		
Administration (schedule 1)	189,605	115,788
Fundraising (note 6)	311,806	233,914
Governance	2,469	5,283
Management fee	-	135,000
Program expenses (note 5)	1,133,404	653,815
Publications	<u>11,129</u>	<u>11,606</u>
	<u>1,648,413</u>	<u>1,155,406</u>
<b>Excess of revenue over expenses (expenses over revenue)</b>	<b>\$ 81,298</b>	<b>\$ (148,337)</b>

(See accompanying notes)

**MATCH INTERNATIONAL CENTRE  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Net assets, beginning of year</b>	\$ 287,835	\$ 436,172
<b>Excess of revenue over expenses (expenses over revenue)</b>	<u>81,298</u>	<u>(148,337)</u>
<b>Net assets, end of year</b>	<u>\$ 369,133</u>	<u>\$ 287,835</u>

(See accompanying notes)

**Welch LLP<sup>o</sup>**

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**MATCH INTERNATIONAL CENTRE  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses (expenses over revenue)	\$ 81,298	\$ (148,337)
Add items not affecting cash:		
Amortization	5,396	-
	<u>86,694</u>	<u>(148,337)</u>
Change in non-cash operating working capital:		
Accounts receivable	(73,536)	(8,655)
Prepaid expenses	503	(29)
Accounts payable and accrued liabilities	19,791	12,524
Deferred revenue	878,148	4,212
	<u>911,600</u>	<u>(140,285)</u>
<b>Investing activities</b>		
Purchase of short-term investments	(1,212,149)	-
Purchase of tangible capital assets	(5,670)	(6,610)
	<u>(1,217,819)</u>	<u>(6,610)</u>
<b>DECREASE IN CASH</b>	(306,219)	(146,895)
<b>CASH, BEGINNING OF YEAR</b>	<u>383,726</u>	<u>530,621</u>
<b>CASH AT END OF PERIOD</b>	<u>\$ 77,507</u>	<u>\$ 383,726</u>

(See accompanying notes)

**Welch LLP<sup>®</sup>**

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**MATCH INTERNATIONAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

**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, 2018**

**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 museum'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. Due to the nature of the primary sources of revenue, accounts receivable is minimum. 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, 2018**

**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, 2018 approximately \$13,695 (2017 - \$114,711) of the Organization's cash, \$1,107,890 (2017 - \$nil) of its short-term investments and \$6,912 (2017 - \$nil) 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 1.44% to 1.56% (2017 - NA) with maturity dates ranging from April 2018 to May 2018.

*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 significant changes in the Organization's currency risk exposures from the prior year, as it has substantial financial assets denominated in a foreign currency.

**4. TANGIBLE CAPITAL ASSETS**

Tangible capital assets consist of the following:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ 11,692	\$ (5,175)	\$ 6,517	\$ 6,610
Furniture and fixtures	<u>587</u>	<u>(220)</u>	<u>367</u>	<u>-</u>
	<u>\$ 12,279</u>	<u>\$ 5,395</u>	<u>\$ 6,884</u>	<u>\$ 6,610</u>

**MATCH INTERNATIONAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2018**

**5. PROGRAM EXPENSES**

	<u>2018</u>	<u>2017</u>
Canadian programming:		
Salaries and benefits	\$ 317,802	\$ 140,879
Non-salary program	<u>151,514</u>	<u>94,218</u>
	<u>469,316</u>	<u>235,097</u>
International programming:		
Salaries and benefits	210,712	137,999
Non-salary program	<u>453,376</u>	<u>280,719</u>
	<u>664,088</u>	<u>418,718</u>
 Total program expenses	 <u>\$ 1,133,404</u>	 <u>\$ 653,815</u>

**6. FUNDRAISING**

	<u>2018</u>	<u>2017</u>
Salaries and benefits	\$ 280,078	\$ 131,737
Non-salary fundraising	<u>31,728</u>	<u>102,177</u>
	<u>\$ 311,806</u>	<u>\$ 233,914</u>

**7. LEASE COMMITMENT**

The Organization has entered into a long-term memo of understanding 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. Minimum annual payment for the next five years are as follows:

2019	\$ 46,800
2020	46,800
2021	46,800
2022	46,800
2023	46,800

**8. COMPARATIVE FIGURES**

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

**MATCH INTERNATIONAL CENTRE**  
**SCHEDULE 1 - ADMINISTRATION EXPENSES**  
**YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Amortization	\$ 5,395	\$ -
Communication	6,081	5,708
Exchange gain	(48,110)	-
Finance & compliance	28,435	9,561
General office expenses	4,771	-
IT expenses	16,483	-
Office rent	47,522	-
Personnel cost	87,862	70,398
Professional & membership fees	5,656	14,049
Staff development	15,188	7,481
Storage	1,774	1,007
Supplies	6,380	3,034
Travel & meetings	<u>12,168</u>	<u>4,550</u>
	<u>\$ 189,605</u>	<u>\$ 115,788</u>