

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Financial Statements**

**Year Ended August 31, 2014**

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Index to Financial Statements**

**Year Ended August 31, 2014**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 12

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Canadian Women for Women in Afghanistan Inc.

I have audited the accompanying financial statements of Canadian Women for Women in Afghanistan Inc., which comprise the statement of financial position as at August 31, 2014 and the statements of operations, changes in net assets and cash flow 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*(continues)*

Independent Auditor's Report to the Members of Canadian Women for Women in Afghanistan Inc.  
(continued)

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Women for Women in Afghanistan Inc. as at August 31, 2014 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
February 25, 2015



CERTIFIED GENERAL ACCOUNTANT

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Statement of Financial Position**

**August 31, 2014**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,392,381	\$ 956,313
Accounts receivable	-	24,468
Sales tax payable (recoverable)	2,001	3,033
Inventory	11,196	27,308
Prepaid expenses	1,487	4,244
	<u>1,407,065</u>	1,015,366
EQUIPMENT (Note 5)	<u>3,200</u>	16,592
	<u>\$ 1,410,265</u>	<u>\$ 1,031,958</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 9,162	\$ 9,757
Income taxes payable	-	16,588
Deferred Contributions	1,198,464	826,576
	<u>1,207,626</u>	852,921
<b>NET ASSETS</b>		
Unrestricted	179,037	153,311
Net income (Loss)	23,602	25,726
	<u>202,639</u>	179,037
	<u>\$ 1,410,265</u>	<u>\$ 1,031,958</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.****Statement of Operations  
Year Ended August 31, 2014**

	2014	2013
<b>REVENUE</b>		
Donations	\$ 785,696	\$ 317,716
CIDA Grants	-	292,450
Product sales	17,577	17,313
Membership fees	835	750
Investment revenue	1,542	1,513
Afghanistan rental income	20,334	40,122
Fundraising activities	84,173	93,018
	<u>910,157</u>	<u>762,882</u>
<b>DIRECT COSTS</b>		
Overseas projects	792,381	337,818
CIDA Projects	-	292,450
Conferences	78,423	76,832
Printing and Marketing	3,521	5,083
Village Library and Literacy	-	10,560
Cost of goods sold	17,577	17,313
	<u>891,902</u>	<u>740,056</u>
<b>GROSS PROFIT (2%; 2013 - 3%)</b>	<u>18,255</u>	<u>22,826</u>
<b>EXPENSES</b>		
Bank charges	1,461	1,683
Office, telephone and postage	6,658	6,089
Professional fees	9,300	9,225
	<u>17,419</u>	<u>16,997</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	836	5,829
<b>OTHER INCOME</b>	<u>22,766</u>	<u>19,897</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 23,602</u>	<u>\$ 25,726</u>

See notes to financial statements

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Statement of Changes in Net Assets**

**Year Ended August 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 179,037</b>	<b>\$ 153,311</b>
Excess of revenue over expenses	<u>23,602</u>	<u>25,726</u>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 202,639</b>	<b>\$ 179,037</b>

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.****Statement of Cash Flow  
Year Ended August 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 23,602	\$ 25,726
Item not affecting cash:		
Amortization of property and equipment	5,593	2,522
	<u>29,195</u>	<u>28,248</u>
Changes in non-cash working capital:		
Accounts receivable	24,468	(24,468)
Inventory	16,112	(2,146)
Accounts payable	(593)	(1,713)
Income taxes payable	(16,588)	16,588
Deferred Contributions	371,888	116,450
Prepaid expenses	2,757	38,658
Goods and services tax payable	1,032	609
	<u>399,076</u>	<u>143,978</u>
Cash flow from operating activities	<u>428,271</u>	<u>172,226</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(19,113)
Loss or gain on value of vehicle	7,797	-
	<u>7,797</u>	<u>(19,113)</u>
Cash flow from (used by) investing activities	<u>7,797</u>	<u>(19,113)</u>
<b>INCREASE IN CASH FLOW</b>	<b>436,068</b>	<b>153,113</b>
Cash - beginning of year	<u>956,313</u>	<u>803,200</u>
<b>CASH - END OF YEAR</b>	<b>\$ 1,392,381</b>	<b>\$ 956,313</b>



**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Notes to Financial Statements**

**Year Ended August 31, 2014**

---

1. PURPOSE OF ORGANIZATION

Canadian Women for Women in Afghanistan Inc. (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Incorporation and operations

Canadian Women for Women in Afghanistan Inc., "the organization", pursuant to section 297 of the Not-for-profit Corporation Act (NFP Act), has got approval Form 4031 Articles of Continuance. Its operating bylaws have been amended in order to apply for the Certificate of Continuance. Certificate of approval is available upon request from Management.

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP and in management's opinion, have been properly prepared with reasonable limits of materiality and within the framework of the significant accounting policies summarizes below:

Revenue recognition

Canadian Women for Women in Afghanistan Inc. follows the deferral method of accounting for contributions.

Restricted contributions, including grants, 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.

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

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents include short term investment that are readily converted to cash and that have initial maturity dates of no more than ninety days.

*(continues)*

---

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Notes to Financial Statements**

**Year Ended August 31, 2014**

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Motor vehicles (Afghan)	3 years	straight-line method
-------------------------	---------	----------------------

The organization regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

The new estimate for the current year end has been done due to the intensive mileage use of the vehicle.

After the Year End the vehicle was sold for less than its net book value. Therefore a provision for obsolescence of \$ 7,797 has been recorded.

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.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

*(continues)*

---

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Notes to Financial Statements**

**Year Ended August 31, 2014**

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

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 revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

---

# CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.

## Notes to Financial Statements

Year Ended August 31, 2014

### 3. DEFERRED CONTRIBUTIONS

The deferred contribution amounts relate to a variety of fundraising efforts and grants received for specific purposes as described. As such, these are treated as restricted contributions with the revenues being recognized as the applicable expenses are included.

The deferred contribution balance under the heading "Educational Initiatives" is a combination of the prior year contributions: Breaking Bread, Parvana and Library.

1. Breaking Bread contributions come from individual supporters hosting potluck dinners or similar events to raise awareness and funds. These funds are used to pay for teacher's salaries, teacher training and educational resources in Afghanistan.
2. Parvana contributions come from the regular donation of the royalties related to sales of the books: "The Breadwinner", "Parvana's Journey" and "My name is Parvana and Kids of Kabul", written by Canadian author Deborah Ellis. These accounts are restricted to education and other related initiatives as designated by the board to advance the goals of the organization.
3. Library contributions are from donors who specify that their donations be used to purchase books and other resources for libraries in Afghanistan.
4. Other education initiatives represent donations received from various donors. These donations are restricted to use towards programs and projects in Afghanistan.

Fanoos is an ongoing teacher training program initially launched as a two year project funded in part by the Canadian International Development Agency (CIDA). The CIDA contract of \$499,968 was completed August 31, 2013. The program is designed to increase girls' access to education by focusing on increasing the number of trained secondary school teachers available to educate girls.

ROYA is a project set up to pay for Afghanistan girls who come to Canada to further their education.

Lantern is an ongoing fundraising initiative for the Fanoos teacher training program in Afghanistan.

The deferred contributions balances are represented by:

	Beginning	Additions	Utilizations	Ending
Educational initiatives	\$ 369,966	\$ 248,082	\$ 504,066	\$ 113,982
Afghan Reads	-	405,443	273,707	131,736
ROYA	34,348	10,655	21,864	23,139
Public Engagement	25,128	41,984	62,310	4,802
Lantern	282,090	400,663	400	682,353
Parvana	110,500	99,674	-	210,174
Other	4,544	74,709	46,975	32,278
	<u>\$ 826,576</u>	<u>\$ 1,281,210</u>	<u>\$ 909,322</u>	<u>\$ 1,198,464</u>

### 4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 31, 2014.

(continues)

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Notes to Financial Statements**

**Year Ended August 31, 2014**

---

4. FINANCIAL INSTRUMENTS *(continued)*

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.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investment in quoted shares.

The organization is mainly exposed to currency risk.

---

5. EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Motor Vehicle (Afghan)	\$ 19,114	\$ 8,117	\$ 10,997	\$ 16,592
Provision for obsolescence	(7,797)	-	(7,797)	-
	<u>\$ 11,317</u>	<u>\$ 8,117</u>	<u>\$ 3,200</u>	<u>\$ 16,592</u>

---

6. NET PRODUCT SALES

The organization also supports the efforts of women in Afghanistan by purchasing hand-crafted products and selected books for resale in Canada. The net amounts on the financial statement are represented as follows:

	2014	2013
Product sales	\$ 17,577	\$ 16,663
Book sales	-	650
Cost of goods sold	<u>(17,577)</u>	<u>(17,313)</u>
Net sales	<u>\$ -</u>	<u>\$ -</u>

---

**CANADIAN WOMEN FOR WOMEN IN AFGHANISTAN INC.**

**Notes to Financial Statements**

**Year Ended August 31, 2014**

---

7. CONTRACTUAL OBLIGATIONS

Contracts with overseas Implementing Partner organizations are undertaken annually in order to deliver their approved education projects. Each contract will set the terms and dates of advance payments to be remitted by the organization upon receipt and approval of narrative and financial reporting.

Service contract payment schedule:

2015	<u>\$ 94,011</u>
------	------------------

---

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

---