

FINANCIAL STATEMENTS
For
PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS
For the period from the date of incorporation,
DECEMBER 15, 2016 TO DECEMBER 31, 2017
(expressed in U.S. Dollars)

INDEPENDENT AUDITOR'S REPORT

To the directors of

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

We have audited the accompanying financial statements of Prospera International Network of Women's Funds, which comprise the statement of financial position as at December 31, 2017 and the statements of operations and net assets and cash flows for the period from the date of incorporation, December 15, 2016 to December 31, 2017, 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

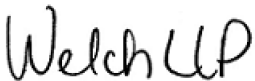
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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.

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 Prospera International Network of Women's Funds as at December 31, 2017 and the results of its operations and its cash flows for the period from the date of incorporation, December 15, 2016 to December 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
March 20, 2018.

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(expressed in U.S. dollars)

ASSETS

CURRENT ASSETS

Cash	\$ 1,943,770
Short term investments	25,973
Prepaid expenses	<u>702</u>
	<u>\$ 1,970,445</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 18,680
Deferred contributions (note 4)	1,887,200
Deferred membership dues	<u>3,900</u>
	<u>1,909,780</u>

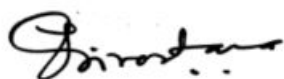
NET ASSETS

Unrestricted	<u>60,665</u>
	<u>\$ 1,970,445</u>

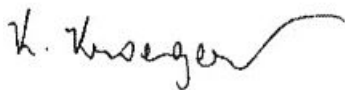
Approved by the Board:



.....Co-chair



.....Co-chair



.....Treasurer

(See accompanying notes)

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PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE PERIOD FROM THE DATE OF INCORPORATION,
DECEMBER 15, 2016 TO DECEMBER 31, 2017

(expressed in U.S. dollars)

Revenue

Restricted grants (note 4)	<u>\$ 1,008,942</u>
Unrestricted revenue	
Biennial registration fees	36,597
Membership dues	21,441
Other revenue	<u>8,519</u>
	<u>66,557</u>
	<u>1,075,499</u>

Expenses

Communication	36,264
Direct program	517,447
General operations	140,284
Governance	9,744
Staffing	<u>311,095</u>
	<u>1,014,834</u>

Excess of revenue over expenses and net assets at end of period	<u>\$ 60,665</u>
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(See accompanying notes)

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PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM THE DATE OF INCORPORATION,
DECEMBER 15, 2016 TO DECEMBER 31, 2017

(expressed in U.S. dollars)

CASH PROVIDED (USED FOR)

Operating activities

Excess of revenue over expenses	\$ 60,665
Changes in level of:	
Prepaid expenses	(702)
Accounts payable and accrued liabilities	18,680
Deferred contributions	1,887,200
Deferred membership dues	<u>3,900</u>
	<u>1,969,743</u>

Investing activities

Purchase of short term investments	<u>(25,973)</u>
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INCREASE IN CASH 1,943,770

CASH AT BEGINNING OF PERIOD -

CASH AT END OF PERIOD \$ 1,943,770

(See accompanying notes)

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PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM THE DATE OF INCORPORATION,
DECEMBER 15, 2016 TO DECEMBER 31, 2017

1. PURPOSE OF THE ORGANIZATION

Prospera International Network of Women's Funds ("Prospera" or "the organization") is the global hub of women's funds. It seeks to create opportunities for greater collaboration between its members and across sectors, develop technical skills and knowledge, and mobilize resources to strengthen and support women's funds to realize women's rights. It was incorporated under the Canada Not-for-profit Corporations Act on December 15, 2016 and is not subject to income taxes. Prospera's operations commenced on March 1, 2017. Activities prior to this date were reflected within a different entity, the Global Fund for Women.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Foreign exchange

Prospera's functional currency and its reporting currency is the United States (U.S.) dollar as it best meets the needs of the financial statement users. Accordingly, monetary items are translated at the exchange rates prevailing at the date of the statement of financial position. Non-monetary items are translated at historic exchange rates and revenue and expenses are translated at average rates of exchange during the period. The resultant gains or losses are credited or charged to operations.

Financial instruments

i) Measurement of financial instruments

All financial assets and liabilities are initially recognized at fair value and are subsequently measured at cost or amortized cost.

ii) Transaction costs

Transaction costs associated with the acquisition and disposal of investments are included in the carrying amount of the investments, where applicable.

Revenue recognition

Prospera follows the deferral method of accounting for contributions which includes donations and grants. 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.

The principal sources of unrestricted revenue and their respective recognition policies are as follows:

- Membership revenue is recognized in the fiscal year to which the membership relates, and
- Biennial registration fees revenue is recognized when the event takes place;

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

FOR THE PERIOD FROM THE DATE OF INCORPORATION,
DECEMBER 15, 2016 TO DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Contributed services and materials

Contributed services and materials are recognized in the financial statements only when the fair market value of the related materials and services can be determined and would have otherwise been purchased. During the year, \$Nil of contributed materials were included in revenue. Volunteers contribute hundreds of hours per year to assist in the operations of the organization. Because of the difficulty in determining their fair value, contributed volunteer service is not recognized in the financial statements.

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 at December 31, 2017.

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 is the sum of the carrying value of its cash and its short term investments. Since the organization's cash and investments are deposited with a Canadian chartered bank, management believes the risk of loss on these items to be remote.

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 flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash, and by establishing budgets and cash estimates to ensure it has funds necessary to fulfil its obligations.

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

FOR THE PERIOD FROM THE DATE OF INCORPORATION,
DECEMBER 15, 2016 TO DECEMBER 31, 2017

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 U.S. dollar due to changes in foreign exchange rates. The organization's financial instruments are all denominated in U.S. dollars. It incurs some expenses in foreign currency denominations and, as such, is exposed to the fluctuations of foreign currencies and the U.S. dollar.

As at December 31, 2017, the statement of financial position included the following amount that is denominated or to be settled in a currency other than the U.S. dollar:

Cash	\$ 6,932 US	\$ 8,714 CDN
Short term investments	\$ 7,955 US	\$ 10,000 CDN
Accounts payable and accrued liabilities	\$ 14,177 US	\$ 17,820 CDN

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 1.4% to 1.7% with maturity dates ranging from April 2018 to October 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 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 securities, it is not exposed to other price risk.

4. **DEFERRED CONTRIBUTIONS**

Deferred contributions represent program funding amounts received as restricted contributions prior to the related expenses having been incurred.

Transferred to the organization at beginning of operations	\$ 549,690
Restricted contributions received in the period	2,346,452
Restricted contributions recognized as revenue in the period	<u>(1,008,942)</u>
Balance, end of the period	<u>\$ 1,887,200</u>