

**FINANCIAL STATEMENTS**  
**For**  
**PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS**  
**For the year ended**  
**DECEMBER 31, 2021**  
**(expressed in U.S. Dollars)**

**INDEPENDENT AUDITOR'S REPORT**

To the directors of

**PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS***Opinion*

We have audited the financial statements of Prospera International Network of Women's Funds (the Organization), which comprise the statement of financial position as at December 31, 2021 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021 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.

*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.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

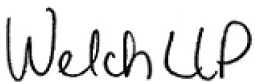
## *Auditor's Responsibilities for the Audit of the Financial Statements*

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 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 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 financial statements, including the disclosures, and whether the 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.



Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
April 7, 2022.

# STATEMENT OF FINANCIAL POSITION

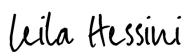
DECEMBER 31, 2021

(expressed in U.S. dollars)

|                                          | <u>2021</u>         | <u>2020</u>         |
|------------------------------------------|---------------------|---------------------|
| <b><u>ASSETS</u></b>                     |                     |                     |
| <b>CURRENT ASSETS</b>                    |                     |                     |
| Cash                                     | \$ 713,375          | \$ 1,225,209        |
| Short term investments                   | 2,151,047           | 1,301,047           |
| Accounts receivable                      | 21,217              | 3,135               |
| GST/HST receivable                       | 4,170               | 6,229               |
| Prepaid expenses                         | <u>11,251</u>       | <u>6,499</u>        |
|                                          | <u>\$ 2,901,060</u> | <u>\$ 2,542,119</u> |
| <b><u>LIABILITIES AND NET ASSETS</u></b> |                     |                     |
| <b>CURRENT LIABILITIES</b>               |                     |                     |
| Accounts payable and accrued liabilities | \$ 113,751          | \$ 74,576           |
| Deferred contributions (note 4)          | 1,793,381           | 1,727,585           |
| Other liability                          | <u>-</u>            | <u>1,848</u>        |
|                                          | <u>1,907,132</u>    | <u>1,804,009</u>    |
| <b>NET ASSETS</b>                        |                     |                     |
| Unrestricted                             | <u>993,928</u>      | <u>738,110</u>      |
|                                          | <u>\$ 2,901,060</u> | <u>\$ 2,542,119</u> |

Approved by the Board:

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 .....F6AB4E3396CA456.....Chair

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(See accompanying notes)

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2021**  
*(expressed in U.S. dollars)*

|                                        | <u>2021</u>       | <u>2020</u>       |
|----------------------------------------|-------------------|-------------------|
| <b>Revenue</b>                         |                   |                   |
| Restricted grants (note 4)             | \$ 2,916,495      | \$ 2,446,345      |
| Unrestricted revenue                   |                   |                   |
| Membership dues                        | 97,845            | 92,250            |
| Other revenue                          | <u>165,029</u>    | <u>126,822</u>    |
|                                        | <u>3,179,369</u>  | <u>2,665,417</u>  |
| <b>Expenses</b>                        |                   |                   |
| Communication                          | 26,986            | 16,140            |
| Direct program                         | 2,134,766         | 1,581,611         |
| General operations                     | 226,618           | 303,288           |
| Governance                             | 35,589            | 485               |
| Staffing                               | <u>499,592</u>    | <u>546,283</u>    |
|                                        | <u>2,923,551</u>  | <u>2,447,807</u>  |
| <b>Excess of revenue over expenses</b> | 255,818           | 217,610           |
| <b>Net assets, beginning of year</b>   | <u>738,110</u>    | <u>520,500</u>    |
| <b>Net assets, end of year</b>         | <u>\$ 993,928</u> | <u>\$ 738,110</u> |

(See accompanying notes)

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**  
*(expressed in U.S. dollars)*

|                                                            | <u>2021</u>       | <u>2020</u>         |
|------------------------------------------------------------|-------------------|---------------------|
| <b>CASH PROVIDED (USED FOR)</b>                            |                   |                     |
| <b>Operating activities</b>                                |                   |                     |
| Excess of revenue over expenses                            | \$ 255,818        | \$ 217,610          |
| Changes in level of:                                       |                   |                     |
| Accounts receivable                                        | (18,082)          | (3,106)             |
| GST/HST receivable                                         | 2,059             | 159                 |
| Prepaid expenses                                           | (4,752)           | 73,238              |
| Accounts payable and accrued liabilities                   | 39,175            | (43,929)            |
| Deferred contributions                                     | 65,796            | (14,357)            |
| Other liability                                            | <u>(1,848)</u>    | <u>(116)</u>        |
|                                                            | <u>338,166</u>    | <u>229,499</u>      |
| <b>Investing activities</b>                                |                   |                     |
| (Purchase of) proceeds from sale of short term investments | <u>(850,000)</u>  | <u>948,953</u>      |
| <b>(DECREASE) INCREASE IN CASH</b>                         | (511,834)         | 1,178,452           |
| <b>CASH AT BEGINNING OF YEAR</b>                           | <u>1,225,209</u>  | <u>46,757</u>       |
| <b>CASH AT END OF YEAR</b>                                 | <u>\$ 713,375</u> | <u>\$ 1,225,209</u> |

(See accompanying notes)

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**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.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of presentation*

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

*Cash and cash equivalents*

Cash and cash equivalents are considered restricted when they are subject to contingent rights of a third party under performance related contracts that the Organization is unable to revoke. No restricted cash was held at December 31, 2021.

*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 year. 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.

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2021**

**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, no 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, 2021.

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, accounts receivable 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.

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2021**

**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, 2021, the statement of financial position included the following amounts that are denominated or to be settled in a currency other than the U.S. dollar:

|                                          |              |                |
|------------------------------------------|--------------|----------------|
| Cash                                     | \$ 87,944 US | \$ 111,501 CDN |
| Accounts receivable                      | \$ 9,369 US  | \$ 11,879 CDN  |
| GST/HST receivable                       | \$ 4,170 US  | \$ 5,287 CDN   |
| Accounts payable and accrued liabilities | \$ 15,137 US | \$ 19,192 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 of 0.13% to 0.19% with maturity dates ranging from January 18, 2022 to March 14, 2022.

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.

*Changes in risk*

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

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2021**

**4. DEFERRED CONTRIBUTIONS**

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

|                                                                                                                                                   | <u>2021</u>         | <u>2020</u>         |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Balance, beginning of the year                                                                                                                    | \$ 1,727,585        | \$ 1,741,942        |
| Restricted contributions received in the year                                                                                                     | 3,133,598           | 2,544,017           |
| Restricted contributions recognized as revenue in the year                                                                                        | (2,916,495)         | (2,446,345)         |
| Restricted contributions recognized as unrestricted revenue in the year as contributions to the Organization's internally restricted reserve fund | <u>(151,307)</u>    | <u>(112,029)</u>    |
| Balance, end of the year                                                                                                                          | <u>\$ 1,793,381</u> | <u>\$ 1,727,585</u> |

**5. COVID-19**

In mid-March of 2020, and continuing throughout 2021, the Government of Canada declared a state of emergency in response to the public health concerns originating from the spread of COVID-19.

A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the virus makes it difficult to determine the length of time that the Organization's operations may be impacted. The Organization has secured 90% of funding in place throughout 2023 indicated by current Grant Agreements with its funders. In addition, management believes that the Organization's operations, assets, and revenues for the next 24 months are fully secured although the amount of liabilities and expenses are not yet known.