

FINANCIAL STATEMENTS
For
PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS
For the year ended
DECEMBER 31, 2023
(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, 2023 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, 2023 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.

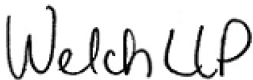
Auditor's Responsibilities for the Audit of the Financial Statements

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
June 10, 2024.

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

(expressed in U.S. dollars)

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash (note 4)	\$ 694,628	\$ 197,982
Short term investments	10,400,000	12,850,000
Investments held in trust (note 4)	8,774,983	6,799,983
Accounts receivable	683,616	237,799
GST/HST receivable	5,356	5,046
Prepaid expenses	<u>144,954</u>	<u>7,384</u>
	\$ 20,703,537	\$ 20,098,194
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 241,232	\$ 231,130
Deferred contributions (note 5)	1,469,286	1,810,338
Accrued severance	<u>440,284</u>	<u>272,210</u>
	2,150,802	2,313,678
MANAGED FUNDS (note 4)	<u>8,861,323</u>	<u>6,923,409</u>
	<u>11,012,125</u>	<u>9,237,087</u>
NET ASSETS		
Unrestricted	1,691,412	861,107
Internally Restricted Fund - Operating Reserve	2,000,000	2,000,000
Internally Restricted Fund - Board Designated Fund	<u>6,000,000</u>	<u>8,000,000</u>
	<u>9,691,412</u>	<u>10,861,107</u>
	\$ 20,703,537	\$ 20,098,194

Approved by the Board:

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Chair
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Signed by:

Treasurer
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(See accompanying notes)

Welch LLP®

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PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS**STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2023***(expressed in U.S. dollars)*

	<u>2023</u>	<u>2022</u>
Revenue		
Restricted grants (note 5)	\$ 3,195,382	\$ 3,926,611
Unrestricted revenue		
Membership dues	138,105	131,010
Gifts	-	10,000,000
Other revenue	<u>673,020</u>	<u>201,309</u>
	<u>4,006,507</u>	<u>14,258,930</u>
Expenses		
Communication	134,048	67,472
Direct program	4,083,988	3,269,337
General operations	383,125	262,336
Governance	82,140	58,420
Staffing	<u>492,901</u>	<u>734,186</u>
	<u>5,176,202</u>	<u>4,391,751</u>
Excess of revenue over expenses (expenses over revenue)	\$ (1,169,695)	\$ 9,867,179

(See accompanying notes)

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS**STATEMENT OF CHANGES IN NET ASSETS****YEAR ENDED DECEMBER 31, 2023***(expressed in U.S. dollars)*

	<u>2023</u>				<u>2022</u>
	<u>Unrestricted</u>	<u>Operating Reserve</u>	<u>Board Designated Fund</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 861,107	\$ 2,000,000	\$ 8,000,000	\$ 10,861,107	\$ 993,928
Revenues over expenses (expenses over revenue)	<u>830,305</u>	<u>-</u>	<u>(2,000,000)</u>	<u>(1,169,695)</u>	<u>9,867,179</u>
Balance, end of year	<u>\$ 1,691,412</u>	<u>\$ 2,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 9,691,412</u>	<u>\$ 10,861,107</u>

(See accompanying notes)

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

(expressed in U.S. dollars)

	<u>2023</u>	<u>2022</u>
CASH PROVIDED (USED FOR)		
Operating activities		
Excess of revenue over expenses (expenses over revenue)	\$ (1,169,695)	\$ 9,867,179
Changes in level of:		
Accounts receivable	(445,817)	(216,582)
GST/HST receivable	(310)	(876)
Prepaid expenses	(137,570)	3,867
Accounts payable and accrued liabilities	10,102	117,378
Deferred contributions	(341,052)	16,957
Accrued severance	168,074	272,210
Managed funds	<u>1,937,914</u>	<u>6,923,409</u>
	21,646	16,983,542
Investing activities		
Maturity (purchase) of short term investments and investments held in trust - net	<u>475,000</u>	<u>(17,498,935)</u>
INCREASE (DECREASE) IN CASH	496,646	(515,393)
CASH AT BEGINNING OF YEAR	<u>197,982</u>	<u>713,375</u>
CASH AT END OF YEAR	<u>\$ 694,628</u>	<u>\$ 197,982</u>

(See accompanying notes)

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2023***(expressed in U.S. dollars)***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. As at December 31, 2023, \$2,419 (2022 - \$63,703) was being held on behalf of the Ukrainian Women's Fund and \$4,264 (2022 - \$nil) was being held on behalf of Fondo Mujeres del Sur.

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, including gifts, 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.
- Biennial registration fees revenue is recognized when the event takes place.
- Gifts are recognized when the amount is received or deemed receivable.

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.****YEAR ENDED DECEMBER 31, 2023***(expressed in U.S. dollars)***2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.***Severance*

Employees are entitled to one month of severance per year of service. Since these amounts are payable when an employee resigns, they are accrued as each year of service is worked.

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 and severance. 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, 2023.

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 and its investments held in trust. 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. The Organization manages its credit risk by reviewing and following up with outstanding amounts regularly.

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.
YEAR ENDED DECEMBER 31, 2023
(expressed in U.S. dollars)

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, 2023, 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	\$ 43,586 US	\$ 57,645 CDN
Accounts receivable	\$ 4,615 US	\$ 6,104 CDN
GST/HST receivable	\$ 5,355 US	\$ 7,083 CDN
Accounts payable and accrued liabilities	\$ 150,461 US	\$ 198,996 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 5.10% to 5.75% with maturity dates ranging from January 2024 to December 2024.

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.

PROSPERA INTERNATIONAL NETWORK OF WOMEN'S FUNDS**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.****YEAR ENDED DECEMBER 31, 2023***(expressed in U.S. dollars)***4. MANAGED FUNDS**

Prospera holds funds on behalf of three of its members; Fondo Mujeres del Sur, Ukrainian Women's Fund, and ELAS. Prospera invests these funds on behalf of these members, but it is not entitled to an administration fee or the interest earned on the investments. Any interest earned on these investments will be subsequently provided to the respected member. As at December 31, 2023, \$8,774,983 (2022 - \$6,799,983) was managed and invested in GIC's, and in 2023, \$79,657 (2022 - \$59,723) of interest was accrued and included in accounts receivable and \$6,683 (2022 - \$63,703) was being held as cash on behalf of these organizations.

5. DEFERRED CONTRIBUTIONS

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

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 1,810,338	\$ 1,793,381
Restricted contributions received in the year	2,916,330	4,010,568
Restricted contributions recognized as revenue in the year	(3,195,382)	(3,926,611)
Restricted contributions recognized as unrestricted revenue in the year as contributions to the Organization's internally restricted reserve fund, presented in other revenue	<u>(62,000)</u>	<u>(67,000)</u>
Balance, end of the year	<u>\$ 1,469,286</u>	<u>\$ 1,810,338</u>