Financial Statements of

# MATCH INTERNATIONAL

Year ended March 31, 2013

# INDEPENDENT AUDITORS' REPORT

To the Directors of Match International

## Report on Financial Statements

We have audited the accompanying financial statements of Match International, which comprise the statement of financial position as at March 31, 2013, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

*Auditors' 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 our 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, we consider internal control relevant to the Organization'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 Organization'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 in our audit 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 as at March 31, 2013, and its results of operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Comparative Information*

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes that Match International adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

## Report on Other Legal Requirements

As required by the Canada Corporations Act, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

May 28, 2013

Ottawa, Canada

# MATCH INTERNATIONAL

Statement of Financial Position

March 31, 2013, with comparative figures for March 31, 2012 and April 1, 2011

| | March 31, 2013 | March 31, 2012 | April 1, 2011 |
|---|---|---|---|
| | | (unaudited) | (unaudited) |
| **Assets** | | | |
| Current assets: | | | |
| Cash | $ 419,670 | $ 333,945 | $ 64,557 |
| Accounts receivable | – | 4,510 | – |
| Advances to projects | 501 | 20,461 | – |
| Prepaid expenses | 22,500 | – | – |
| | $ 442,671 | $ 358,916 | $ 64,557 |
| **Liabilities and Net Assets** | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities (note 2) | $ 110,878 | $ 92,752 | $ 15,261 |
| Deferred revenue | 9,791 | 23,185 | – |
| | 120,669 | 115,937 | 15,261 |
| Unrestricted net assets | 322,002 | 242,979 | 49,296 |
| | $ 442,671 | $ 358,916 | $ 64,557 |

See accompanying notes to financial statements.

# MATCH INTERNATIONAL

Statement of Operations

Year ended March 31, 2013, with comparative figures for 2012

| | 2013 | 2012 |
|---|---|---|
| | | (unaudited) |
| Revenue: | | |
| Donations | $ 79,088 | $ 69,076 |
| Bequests | 205,000 | 200,000 |
| Grants | 24,460 | – |
| Other | – | 17 |
| | 308,548 | 269,093 |
| Expenses: | | |
| Administration (schedule 1) | 175,344 | 53,129 |
| Fundraising | 11,289 | 10,281 |
| Governance | 5,329 | – |
| Program expenses | 37,563 | 12,000 |
| | 229,525 | 75,410 |
| Excess of revenue over expenses | $ 79,023 | $ 193,683 |

See accompanying notes to financial statements.

# MATCH INTERNATIONAL

Statement of Changes in Net Assets

Year ended March 31, 2013, with comparative figures for 2012

| | 2013 | 2012 (unaudited) |
|---|---|---|
| Balance, beginning of year | $ 242,979 | $ 49,296 |
| Excess of revenue over expenses | 79,023 | 193,683 |
| Balance, end of year | $ 322,002 | $ 242,979 |

See accompanying notes to financial statements.

# MATCH INTERNATIONAL

Statement of Cash Flows

Year ended March 31, 2013, with comparative figures for 2012

| | 2013 | 2012 |
|---|---|---|
| | | (unaudited) |
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess of revenue over expenses | $ 79,023 | $ 193,683 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | 4,510 | (4,510) |
| Advances to projects | 19,960 | (20,461) |
| Prepaid expenses | (22,500) | – |
| Accounts payable and accrued liabilities | 18,126 | 77,491 |
| Deferred revenue | (13,394) | 23,185 |
| Increase in cash | 85,725 | 269,388 |
| Cash, beginning of year | 333,945 | 64,557 |
| Cash, end of year | $ 419,670 | $ 333,945 |

See accompanying notes to financial statements.

Match International (the “Organization”) was incorporated under the Canada Corporations Act in 1976. It is a registered charity under section 149 1(f) of the Income Tax Act and as such, is exempt from income tax.

Match International 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 families.

On April 1, 2012, the Organization adopted Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook. These are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations.

In accordance with the transitional provisions in not-for-profit organizations, the Organization has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is April 1, 2011 and all comparative information provided has been presented by applying not-for-profit standards.

There were no adjustments to net assets as at April 1, 2011 or excess of revenue over expenses for the year ended March 31, 2012 as a result of the transition to the not-for-profit standards.

**1. Significant accounting policies:**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Basis of presentation:

The Organization follows the deferral method of accounting for contributions for not-for-profit organizations.

(b) Revenue recognition:

*Unrestricted:*

Other revenue are recognized as revenue when received.

Registration fees, grants and sponsorship revenue are recognized in the period of the event.

*Restricted:*

Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

**1. Significant accounting policies (continued):**

(c) 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.

(d) Contributed services:

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.

(e) Financial instruments

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight line method.

Financial assets are assessed for indicators of impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

**1. Significant accounting policies (continued):**

(f) 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

**2. Accounts payable and accrued liabilities:**

As at year end, the Organization had no amounts payable for government remittances.

**3. Net assets:**

The Organization considers its capital to consist of its net assets. The objective of the organization with respect to its net assets is to provide funds for operating cash flow requirements and continuing the Organizations mandate.

The Organization is not subject to externally imposed capital requirements or restrictions and its overall strategy with respect to capital remains unchanged from prior years.

**4. Financial risks:**

The Organization believes it is not subject to significant foreign currency, market, interest rate or credit risks arising from its financial instruments.

# MATCH INTERNATIONAL

Schedule 1 – Administration Expenses

Year ended March 31, 2013, with comparative figures for 2012

| | 2013 | 2012 |
|---|---|---|
| Salaries and benefits | $ 117,302 | $ 34,775 |
| Management fee | 29,117 | – |
| Administration travel | 4,772 | 156 |
| Professional fees | 4,625 | 3,548 |
| Bad debts (note) | 4,510 | – |
| Insurance | 3,132 | 313 |
| Staff training | 2,402 | 350 |
| Meetings | 1,718 | 599 |
| Other | 1,543 | 4,196 |
| Bank charges | 1,354 | 4,250 |
| Postage | 1,288 | 1,279 |
| Printing | 1,092 | – |
| Storage | 1,076 | 672 |
| Annual report | 1,000 | 322 |
| Office supplies | 413 | 2,669 |
| | $ 175,344 | $ 53,129 |

Note: The bad debt expense relates to an amount recorded in 2010 for government remittances which has been determined to not be collectable.