

UpWithWomen

(incorporated without share capital under the laws of Canada)

Financial Statements

July 31, 2016

WILLIAM MOLSON CPA, CA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Up With Women

I have audited the accompanying financial statements of **Up With Women** which comprise the statement of financial position as at July 31, 2016 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.

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. These 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 of 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 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 controls. 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 in my audit is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives part of its revenue from voluntary contributions, which are not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, current assets and net assets, and the statement of financial position.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of **Up With Women** as at July 31, 2016 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.

Comparative information

Without modifying my opinion, I draw attention to Note 3 to the financial statements which describes that **Up With Women** adopted Canadian accounting standards for not-for-profit organizations on August 1, 2015 with a transition date of August 1, 2014. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at July 31, 2015 and August 1, 2014, and the statements of operations, changes in net assets and cash flows for the year ended July 31, 2015 and related disclosures. I was not engaged to report on the restated comparative information, and as such it is unaudited.

William Molson CPA, CA

Chartered Professional Accountant, Licensed Public Accountant

September 28, 2016
Toronto, Ontario

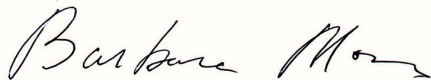
Up With Women

Statement of Financial Position

As at July 31, 2016

| | July 31, 2016 \$ | July 31, 2015 \$ (Unaudited) | August 1, 2014 \$ (Unaudited) |
|--|------------------------|---------------------------------------|--|
| Assets | | | |
| Current | | | |
| Cash and cash equivalents | 96,134 | 6,388 | 6,553 |
| Recoverable sales tax | 3,445 | - | - |
| Amounts receivable | 2,438 | - | 25,000 |
| Prepaid expense | 6,500 | - | - |
| Total cash and current assets and Total assets | <u>108,517</u> | <u>6,388</u> | <u>31,553</u> |
| Liabilities | | | |
| Current | | | |
| Accounts payable and accrued charges | 10,586 | 1,526 | 25,380 |
| Deferred revenue (note 5) | 87,902 | - | - |
| Total current liabilities and Total liabilities | <u>98,488</u> | <u>-</u> | <u>25,380</u> |
| Fund Balance | | | |
| General fund | 10,029 | 4,862 | 6,173 |
| | <u>108,517</u> | <u>6,388</u> | <u>31,553</u> |

Approved on behalf of the Board:



Director

Up With Women

Statement of Operations and Changes in Fund Balance
For the year ended July 31, 2016

| | 2016 | 2015 |
|--|---------------|---------------|
| | \$ | \$ |
| | | (Unaudited) |
| Revenues | | |
| Contributions | 38,000 | 16,407 |
| Foundation grants | 20,000 | 15,000 |
| Ontario Trillium Foundation grant | 26,998 | - |
| Other grants | <u>14,900</u> | <u>25,000</u> |
| | <u>99,898</u> | <u>56,407</u> |
| Expenditures | | |
| Program costs | | |
| Human resources | 42,914 | 31,043 |
| Other | - | 10,632 |
| Travel | 7,911 | 6,940 |
| Program evaluation | 8,231 | - |
| Technical | 3,310 | - |
| Food | 3,080 | - |
| Telephone and internet | 2,491 | - |
| Promotion | <u>1,772</u> | <u>-</u> |
| | 69,709 | 48,615 |
| Training | 11,861 | - |
| Professional fees | 11,040 | 7,848 |
| Contribution processing costs | 1,107 | - |
| Administrative costs | 1,014 | - |
| Other operating costs | - | 724 |
| Fees, dues and subscriptions | - | 475 |
| Interest paid | <u>-</u> | <u>56</u> |
| | <u>94,731</u> | <u>57,718</u> |
| Excess of expenditures over revenues | 5,167 | (1,311) |
| Fund balance at the beginning of the year | <u>4,862</u> | <u>6,173</u> |
| Fund balance at the end of the year | <u>10,029</u> | <u>4,862</u> |

Up With Women

Statement of Cash Flows

For the year ended July 31, 2016

| | 2016 \$ | 2015 \$ (Unaudited) |
|--|----------------------|---------------------------|
| Cash flows from operating activities | | |
| Cash received from contributions and grants | 186,693 | 65,747 |
| Cash paid to suppliers, staff and for sales taxes | (96,947) | (65,856) |
| Interest paid | <u>-</u> | <u>(56)</u> |
| | <u>89,746</u> | <u>(165)</u> |
| Net change in cash and cash equivalents during the year | 89,746 | (165) |
| Cash and cash equivalents at the beginning of the year | <u>6,388</u> | <u>6,553</u> |
| Cash and cash equivalents at the end of the year | <u><u>96,134</u></u> | <u><u>6,388</u></u> |

Up With Women

Notes to Financial Statements

July 31, 2016

1 Nature of operations

Up With Women was incorporated under the Canada Corporations Act on August 20, 2009 and continued under the Canada Not-for-profit Corporations Act on November 12, 2014. The organization's principal goal is the relief of poverty of homeless or at-risk or being homeless women, by providing job skills training and employment assistance.

Up With Women registered effective November 13, 2015 as a tax-exempt charity under Section 149(1)(f) of the Income Tax Act (Canada) and as such is exempt from income taxes and is able to issue tax-deductible receipts to donors.

2 Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies followed in the preparation of these financial statements are outlined below.

Revenue recognition

Up With Women follows the deferral method of accounting for contributions.

Contributions including grants and donations, that are earmarked for particular programs are recognized as revenue when the related expenditure is incurred. Unrestricted contributions, sponsorship and fundraising revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Interest and other revenue are recognized on an accrual basis.

Contributed goods and services

Up With Women accepts donations in kind. The value of contributed goods is recognized when received if a fair value can be reasonably estimated and the goods are used in the normal course of operations and would otherwise have been purchased. Goods contributed for resale at fundraising events are not recognized in these statements, as the fundraising revenues are recognized. Volunteers are critical for the operations of Up With Women and contribute significantly to its activities; due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Cash and cash equivalents

Cash includes cash on hand, deposits with chartered banks, and short term money market instruments which are readily convertible into a known amount of cash, are subject to insignificant risk of changes in value, and with terms to maturity of three months or less at the date of purchase.

Financial instruments

Up With Women initially measures its financial assets and liabilities at fair value. Up With Women subsequently measures all its financial assets and financial liabilities at amortized cost, except for its cash and cash equivalents, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include amounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Up With Women recognizes its transaction costs in the excess of revenues over expenditures in the period incurred.

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Notes to Financial Statements
July 31, 2016

Deferred revenue

Deferred revenue includes amounts received in respect of programs to be delivered in future periods. Deferred revenue is recorded when the funds are received, and recognized as revenue in the year the related expenditure takes place.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Such estimates include the useful lives of the capital assets. Actual results could differ from those estimates.

3 Adoption of new accounting standards

The accounting standards for not-for-profit organizations – Part III of the CICA Handbook is mandatory for annual financial statements related to fiscal years beginning on or after January 1, 2012. Up With Women has adopted the not-for-profit standards in the current year. There were no changes to net assets required as a result of adopting the new not-for-profit standards.

4 Financial instruments

Up With Women is exposed to various risks through its financial instruments. The following analysis provides a measure of Up With Women's risk exposure and concentrations. The financial instruments and the nature of the risks to which they may be subject are as follows:

| Financial instrument | Risks | | | | |
|-------------------------------------|--------|-----------|-------------|---------------|-------------|
| | Credit | Liquidity | Market risk | | |
| | | | Currency | Interest rate | Other Price |
| Cash and cash equivalents | | | | X | |
| Amounts receivable | X | X | | | |
| Amounts payable and accrued charges | | X | | | |

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Up With Women is exposed to credit risk through amounts receivable. While amounts receivable are generally unsecured, Up With Women has management procedures in place to mitigate the risk of loss with respect to amounts receivable.

Liquidity risk

Liquidity risk is the risk that Up With Women will not be able to meet a demand for cash or fund its obligations as they come due. Up With Women meets its liquidity requirements by preparing and monitoring forecasts of cash flows from its activities, preparing budgets, anticipating investing and financing activities, and holding cash specifically reserved to meet liquidity requirements.

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.

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Notes to Financial Statements
August 31, 2015

Currency risk

Currency risk reflects the risks that Up With Women’s revenues will decline due to fluctuations in foreign currency exchange rates. Up With Women does not have assets or liabilities expressed in foreign currencies. As a result, Up With Women is not subject to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Up With Women does not hold interest-bearing assets and hence is not subject to interest rate risk.

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 in the market. Up With Women does not hold assets subject to other price risk.

It is the opinion of management that Up With Women is not exposed to significant risks arising from these financial instruments, and that there has been no significant change in risk exposure from the prior year.

5 Deferred revenue

Deferred revenue includes cash received from various sources specifically earmarked for projects that will be undertaken in future years.

| | <u>2016</u> | <u>2015</u> |
|--|------------------|-------------|
| Deferred revenue, beginning of year | \$ - | \$ - |
| Less: amounts recognized as revenue in the year | - | - |
| Add: amounts received relating to future year expenditures | 87,902 | - |
| Deferred revenue, end of year | <u>\$ 87,902</u> | <u>\$ -</u> |

6 Capital management

Up With Women’s objective, when managing capital, is to have sufficient liquid resources available for its program activities and to safeguard the entity’s ability to continue as a going concern, so that it can continue to achieve its main purpose (note 1 above). Up With Women defines its capital as cash and cash equivalents, and its fund balance.