

Women in Capital Markets

Financial Statements
December 31, 2018



Independent auditor's report

To the Members of Women in Capital Markets

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Women in Capital Markets (the Company) as at December 31, 2018, 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.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2018;
- the statement of revenues and expenditures for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 16, 2019


Women in Capital Markets

Statement of Financial Position

As at December 31, 2018

	2018 \$	2017 \$
Assets		
Current assets		
Cash	219,494	138,966
Short-term investments (note 3)	504,872	109,105
Accounts receivable	119,346	91,846
Prepaid expenses (note 4)	22,641	48,781
Commodity tax recoverable	21,998	73,836
	<u>888,351</u>	<u>462,534</u>
Long-term investments (note 3)	100,000	416,022
Property and equipment (note 5)	5,202	9,817
Intangible asset (note 6)	51,605	-
	<u>1,045,158</u>	<u>888,373</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	73,436	151,255
Deferred revenue		
Membership	91,708	81,298
Fundraising and member events	269,239	119,827
	<u>434,383</u>	<u>352,380</u>
Net Assets		
Internally restricted (note 2)	150,000	450,000
Unrestricted	460,775	85,993
	<u>610,775</u>	<u>535,993</u>
	<u>1,045,158</u>	<u>888,373</u>
Commitments (note 9)		

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Women in Capital Markets
Statement of Revenues and Expenditures
For the year ended December 31, 2018

	2018	2017
	\$	\$
Revenues		
Sponsorships (note 7)	1,038,203	1,002,125
Memberships	182,698	171,976
Gala event	151,525	128,425
Member events	69,515	99,987
Investment income	5,164	6,970
Government grant	17,601	-
Leadership programs	48,900	48,000
Job postings	13,750	19,500
	<hr/>	<hr/>
	1,527,356	1,476,983
Expenditures		
Salary and consulting	822,951	706,765
Member events – direct costs	101,677	185,591
Gala event	156,447	145,410
Leadership programs	119,079	119,881
Occupancy	34,986	38,058
Marketing and public relations	55,234	154,508
General and administrative (note 8)	47,610	45,219
Education and outreach	47,343	95,399
Professional fees	16,200	139,907
AGM, Board and committee meetings	3,535	9,523
Mentorship and awards	10,451	42,478
Amortization of intangible assets	14,744	3,410
Amortization of property and equipment	4,615	3,898
Travel	17,702	45,567
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	1,452,574	1,735,614
Excess (deficiency) of revenues over expenditures for the year	<hr/>	<hr/>
	74,782	(258,631)

The accompanying notes are an integral part of these financial statements.

Women in Capital Markets

Statement of Changes in Net Assets

For the year ended December 31, 2018

			2018	2017
	Internally restricted \$	Unrestricted \$	Total \$	Total \$
Net assets – Beginning of year	450,000	85,993	535,993	794,624
Excess (deficiency) of revenues over expenditures for the year	-	74,782	74,782	(258,631)
Transfer to internally restricted net assets	(300,000)	300,000	-	-
Net assets – End of year	150,000	460,775	610,775	535,993

The accompanying notes are an integral part of these financial statements.

Women in Capital Markets

Statement of Cash Flows

For the year ended December 31, 2018

	2018 \$	2017 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenditures for the year	74,782	(258,631)
Items not affecting cash		
Amortization of property and equipment	4,615	3,898
Amortization of intangible assets	14,744	3,410
	<hr/>	<hr/>
	94,141	(251,323)
Changes in non-cash working capital items		
Accounts receivable	(26,393)	14,013
Prepaid expenses	26,140	(13,822)
Commodity tax recoverable	51,838	(35,050)
Accounts payable and accrued liabilities	(77,819)	1,551
Deferred revenue	159,822	(16,139)
	<hr/>	<hr/>
	227,729	(300,770)
Investing activities		
Purchase of investments	(500,000)	(300,000)
Maturity of investments	419,148	426,877
Purchase of intangible assets	(66,349)	(7,110)
	<hr/>	<hr/>
	(147,201)	119,767
Increase (decrease) in cash during the year	80,528	(181,003)
Cash – Beginning of year	<hr/>	<hr/>
	138,966	319,969
Cash – End of year	<hr/>	<hr/>
	219,494	138,966

The accompanying notes are an integral part of these financial statements.

Women in Capital Markets

Notes to Financial Statements

December 31, 2018

1 Mandate

Women in Capital Markets (the Organization) is a not-for-profit organization incorporated without share capital under the Canada Corporations Act by letters patent dated November 7, 1994. The Organization is a not-for-profit organization and as such is exempt from income taxes. The objectives of the Organization are to be an influential community of women and men focused on the personal and professional development and advancement of women in the Canadian financial services industry.

2 Summary of significant accounting policies

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Outlined below are those accounting policies considered particularly significant.

Revenue recognition

The Organization follows the deferral method of accounting for revenues generated through sponsorships, fundraising events, memberships, member events and job postings. These revenues are recognized when received or when the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from fundraising events and member events is recognized when the event occurs.

Revenue from membership is recognized in the year to which the revenue relates. Amounts received in advance of the related membership year are deferred at year-end. Membership revenue consists of annual dues.

Membership categories in place were:

- Full members – Individuals who are engaged in capital market activities, are employed by a firm whose principal business is capital market activities or are engaged in the provision of any services or products in support of capital market activities or have been engaged or employed in any of the foregoing at any time within the preceding 12-month period will be eligible to become full members. Full members will be entitled to attend and vote at all meetings of the members to the extent provided in the bylaws.
- Ally members – Individuals who are not employed in any business described above, yet who are interested in furthering the objectives of the Organization, will be eligible to become ally members. Ally members will pay a reduced membership fee, will be entitled to attend each annual meeting of members but will not be entitled to vote at any meetings of the members.
- Student members – Individuals enrolled as full-time students from grade 9 and up, including university students, will be eligible to become student members. Student members will pay a reduced membership fee, will be entitled to attend each annual meeting of members but will not be entitled to vote at any meetings of the members.

Revenue from government grants is recognized when the eligible expenditures have occurred and the grant is received or receivable.

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Contributed materials and services

Volunteers and other interested parties contribute materials and significant time each year to the Organization. Due to the difficulty in determining the fair value, these contributed materials and services are not recognized in the financial statements.

Cash

Cash represents cash in the bank. There are no restrictions on the cash balances held at the financial institution.

Internally restricted net assets

The internally restricted net assets represent funds that have been restricted by the Organization's Board of Directors. In the current year, \$300,000 (2017 – \$150,000) was transferred from the internally restricted fund to the unrestricted fund.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Subsequently, the Organization records cash, accounts receivable, commodity tax recoverable, accounts payable and accrued liabilities and deferred revenue at amortized cost. Amortization is recorded on a straight-line basis. Equity instruments that are quoted in an active market are measured at fair value. Changes in fair value are recognized in the statement of revenues and expenditures.

Financial assets are tested for impairment at the end of each reporting period when there are indications the assets may be impaired.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer hardware	3 to 5 years
Office equipment and furniture	5 years

Intangible assets

Intangible assets with limited useful lives are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Website	3 years
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Impairment of long-lived assets

The Organization reviews the carrying amount, amortization and useful lives of its long-lived assets regularly. If the long-lived asset no longer has any long-term service potential to the Organization, the excess of the net

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December 31, 2018

carrying amount over any residual value is recognized as an expense in the statement of revenues and expenditures.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Estimates are primarily used in determining certain accrued liabilities. Actual results could differ from those estimates.

3 Investments

The Organization has established an investment policy (the policy). The objective of the policy is to ensure sufficient funds are available to manage the Organization's operations and to ensure continuity of the Organization. It also ensures preservation of capital, maintenance of liquidity and aims to generate a positive nominal return on investments. Investment decisions made by the Organization are in line with the policy. In the current year, short-term investments of \$504,872 (2017 – \$109,105) consist of guaranteed investment certificates held with Bank of Montreal. In the current year, long-term investment of \$100,000 (2017 – \$416,022) consists of a guaranteed investment certificate held with Bank of Montreal. Maturity dates range from July 9, 2019 to March 22, 2020, with interest rates from 1.10% to 1.50% (2017 – 0.75% to 1.50%). During the year, investment income of \$5,129 (2017 – \$6,970) was earned and recorded in the statement of revenues and expenditures.

4 Prepaid expenses

Prepaid expenses include deposits and event management costs incurred for the following activities:

	2018	2017
	\$	\$
Insurance	1,776	1,729
Event deposits	12,500	5,000
IT services	2,867	2,709
Other	5,498	39,343
	<hr/>	<hr/>
	22,641	48,781
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5 Property and equipment

			2018	2017
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer hardware	12,837	9,690	3,147	5,339
Office equipment	3,634	3,593	41	769
Office furniture	8,477	6,463	2,014	3,709
	24,948	19,746	5,202	9,817

In the current year, capital asset purchases of \$nil (2017 – \$7,110) were made for computer hardware and office equipment and furniture.

6 Intangible assets

			2018	2017
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Website	66,349	14,744	51,605	-

In the current year, website costs capitalized were \$66,349 (2017 – \$nil).

7 Sponsorships

The Organization has entered into long-term sponsorship arrangements with certain corporations to support the long-term sustainability of the Organization. Sponsorships vary in term and dollar amount, depending on the specific arrangement. Sponsorships recognized in the statements of revenues and expenditures and changes in net assets represent only the current year's portion of the long-term sponsorships.

8 General and administrative expenditures

General and administrative expenditures include, but are not limited to, office supplies and technology services, couriers, insurance and credit card fees.

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9 Commitments

Future minimum lease payments for the Organization's office space are as follows:

	\$
2019	35,004
2020	<u>14,585</u>
	<u>49,589</u>

10 Risk management

The main risks the Organization's financial instruments are exposed to include the following.

Credit risk

The Organization is exposed to a low level of credit risk with respect to the collection of its accounts receivable. The Organization minimizes this risk by recording revenues only when collection is reasonably assured and by monitoring outstanding balances.

Interest rate risk

Investments are subject to interest rate risk. The Organization manages its investment portfolio in accordance with its Board approved investment policy. Investments are recorded at fair values. Fair value estimates are made at a specific point in time and may not be reflective of future value.

Liquidity risk

Liquidity risk is the risk the Organization will not be able to meet its financial obligations as they fall due. Liquidity risk is considered low due to the strategic direction, leadership and management of the Organization's funds.