

Canadian Women for Women in Afghanistan Inc.
Financial Statements
August 31, 2015

Management's Responsibility

To the Members of Canadian Women for Women in Afghanistan Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who act as management of the Organization. The Board is responsible for overseeing the Organization's financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information and discussing relevant matters with external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with the Board to discuss their audit findings.



Janice Eisenhauer, Executive Director

To the Members of Canadian Women for Women in Afghanistan Inc.:

We have audited the accompanying financial statements of Canadian Women for Women in Afghanistan Inc., which comprise the statement of financial position as at August 31, 2015, and the statements of operations, 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.

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 the auditors' 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 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 entity'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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives a portion of its revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donations and fundraising activity revenue, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Women for Women in Afghanistan Inc. as at August 31, 2015 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.

Calgary, Alberta

February 25, 2016

MNP LLP

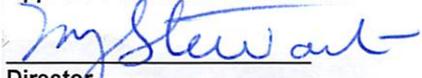
Chartered Professional Accountants

Canadian Women for Women in Afghanistan Inc.
Statement of Financial Position

As at August 31, 2015

	2015	2014
Assets		
Current		
Cash and cash equivalents	699,856	193,917
Sales tax recoverable	4,426	2,001
Prepaid expenses	1,464	1,487
Inventory	20,444	11,196
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Capital assets (Note 3)	726,190	208,601
	18,508	3,200
Restricted cash (Note 4)	941,112	1,198,464
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	1,685,810	1,410,265
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Liabilities		
Current		
Accounts payable and accruals	8,938	9,162
Deferred contributions (Note 4)	941,112	1,198,464
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	950,050	1,207,626
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Net Assets		
Unrestricted	225,120	202,639
Internally restricted	510,640	-
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	735,760	202,639
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	1,685,810	1,410,265

Approved on behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these financial statements

Canadian Women for Women in Afghanistan Inc.

Statement of Operations

For the year ended August 31, 2015

	2015	2014
Revenue		
Donations	1,336,822	785,696
Fundraising activities	40,244	84,173
Rental income	19,777	20,334
Product sales	7,948	17,577
Interest	1,315	1,542
Memberships fees	495	835
	1,406,601	910,157
Program expenses		
Overseas projects	935,065	792,381
Public Engagement	70,459	78,423
Cost of goods sold	7,626	17,577
Printing and marketing	2,396	3,521
	1,015,546	891,902
Excess of revenue over expenses before administration expenses and other items	391,055	18,255
Administration expenses		
Administrative	6,161	-
Bank charges and interest	2,342	1,461
Office, telephone and postage	4,978	6,658
Professional fees	9,000	9,300
Total administration expenses	22,481	17,419
Excess of revenue over expenses before other items	368,574	836
Other items		
Unrealized gain on foreign exchange	160,951	22,766
Gain on disposal of capital assets	3,596	-
Excess of revenue over expenses	533,121	23,602
Allocation of excess revenue over expenses within net assets		
Internally restricted (Note 7)	510,640	-
Unrestricted excess of revenue over expenses	22,481	23,602

The accompanying notes are an integral part of these financial statements

Canadian Women for Women in Afghanistan Inc.
Statement of Changes in Net Assets

For the year ended August 31, 2015

	<i>Unrestricted</i>	<i>Internally restricted</i>	2015	<i>2014</i>
Net assets beginning of year	202,639	-	202,639	179,037
Excess of revenue over expenses	22,481	510,640	533,121	23,602
Net assets, end of year	225,120	510,640	735,760	202,639

The accompanying notes are an integral part of these financial statements

Canadian Women for Women in Afghanistan Inc.

Statement of Cash Flows

For the year ended August 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	533,121	23,602
Amortization	12,106	5,593
Gain on disposal of capital assets	(11,804)	7,797
	533,423	36,992
Changes in working capital accounts		
Accounts receivable	-	24,468
Sales tax recoverable	(2,425)	1,032
Prepaid expenses and deposits	23	2,757
Inventory	(9,248)	16,110
Accounts payable and accruals	(224)	(594)
Deferred contributions	(257,352)	371,888
Income taxes payable	-	(16,588)
	264,197	436,065
Investing		
Purchase of vehicle	(19,206)	-
Proceeds on disposal of vehicle	3,596	-
	248,587	436,065
Increase in cash resources	248,587	436,065
Cash resources, beginning of year	1,392,381	956,316
Cash resources, end of year	1,640,968	1,392,381
Cash resources are composed of:		
Cash and cash equivalents	699,856	193,917
Restricted cash	941,112	1,198,464
	1,640,968	1,392,381

The accompanying notes are an integral part of these financial statements

Canadian Women for Women in Afghanistan Inc.

Notes to the Financial Statements

For the year ended August 31, 2015

1. Incorporation and nature of the organization

Canadian Women for Women in Afghanistan Inc. (the "Organization") is a federally incorporated not-for-profit entity under Industry Canada as at May 2003, and became a registered charity in February 2009 (Canada Revenue Agency BN # 887718203 RR0001). The stated purposes of the organization are to advance education and educational opportunities for Afghan women and their families, and to increase the understanding of Canadians about human rights in Afghanistan. Its mission statement is: "Canadians taking action, in partnership with Afghan women, towards improving conditions of human rights, ending women's oppression, and providing opportunities for Afghan women to live their lives with dignity, certainty and purpose." As a registered charity, the Organization is not subject to the payment of income tax under section 149 of the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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. Endowment contributions are recognized as direct increases in net assets.

Membership fees and other fundraising revenues are recognized as revenue when received or receivable.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Motor vehicles (Afghanistan)	straight-line	3 years

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Canadian Women for Women in Afghanistan Inc.

Notes to the Financial Statements

For the year ended August 31, 2015

2. Significant accounting policies (Continued from previous page)

Foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Organization's operations.

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. No such election has been made during the year.

The Organization subsequently measures all financial instruments at fair value, without any deduction for transaction costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in the statement of operations and changes in net assets. The fair value of the financial instruments approximate their carrying value due to the short-term nature of these investments.

Financial asset impairment:

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Measurement uncertainty (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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory as well as warranty and after sales service costs. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue and expenses in the periods in which they become known.

Canadian Women for Women in Afghanistan Inc.

Notes to the Financial Statements

For the year ended August 31, 2015

3. Capital assets

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Motor vehicles (Afghanistan)	46,440	27,932	18,508	3,200

Amortization expense for the current year is \$12,106 (2014 - \$5,593) and is included in overseas projects in the statement of operations.

4. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for various education and literacy programs executed in Afghanistan and post secondary education fees for Afghanistan women studying in Canada. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Cash received for these purposes is presented as restricted cash. Changes in the deferred contribution balance are as follows:

	2015	2014
Balance, beginning of year	1,198,464	826,576
Amount received during the year	1,119,714	1,281,210
Less: Amount recognized as revenue during the year	(1,377,066)	(909,322)
Balance, end of year	941,112	1,198,464

5. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

6. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed. The Organization is exposed to currency risk as it holds cash denominated in Afghani currency (2015 - \$38,856 CAD, 2014 - \$24,041 CAD) and in American dollars (2015 - \$244,781 CAD, 2014 - \$34,296 CAD). It also holds marketable securities (2015 - \$1,704, 2014 - \$1,700) denominated in USD.

7. Internally restricted net assets

During the year, the Organization's Board of Directors internally restricted \$510,640 (2014 - \$nil) of unrestricted net assets to be held for future programs and public engagement. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

8. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation. The prior year figures were prepared by another accountant.