

Minerva Foundation for BC Women

Financial Statements
December 31, 2010

May 31, 2011

Independent Auditor's Report

To the Members of Minerva Foundation for BC Women

We have audited the accompanying financial statements of Minerva Foundation for BC Women, which comprise the statement of financial position as at December 31, 2010 and the statements of operations and general fund balance, changes in net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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

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 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 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Minerva Foundation for BC Women as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

PricewaterhouseCoopers LLP

Chartered Accountants

Minerva Foundation for BC Women

Statement of Financial Position

As at December 31, 2010

	2010 \$	2009 \$
Assets		
Current assets		
Cash and cash equivalents	76,267	94,611
Accounts receivable	74,988	45,562
Prepaid expenses	5,364	5,520
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	156,619	145,693
Investments (note 3)	<hr/>	<hr/>
	1,559,599	1,265,798
	<hr/>	<hr/>
	1,716,218	1,411,491
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	26,878	19,404
Deferred revenue (note 4)	449,005	304,499
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	475,883	323,903
Fund Balances		
General Fund	274,885	178,004
Board Designated Fund	91,408	71,408
Externally Restricted Endowment Fund (note 7)	874,042	838,176
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	1,240,335	1,087,588
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	1,716,218	1,411,491
Commitments (note 6)		

Approved by the Board of Directors

_____ Director

_____ Director

Minerva Foundation for BC Women

Statement of Changes in Net Assets

For the year ended December 31, 2010

				2010	2009
	General Fund \$	Board Designated Fund \$	Externally Restricted Endowment Fund \$	Total \$	Total \$
Balance - Beginning of year	178,004	71,408	838,176	1,087,588	855,552
Excess of revenue over expenditures for the year	55,099	-	-	55,099	33,857
Transfer of funds	(20,000)	20,000	-	-	-
Endowment inflation adjustment (note 7)	-	-	-	-	15,563
Endowment contributions	-	-	35,866	35,866	88,469
Change in fair value of investments (note 3)	61,782	-	-	61,782	94,147
Balance - End of year	274,885	91,408	874,042	1,240,335	1,087,588

Minerva Foundation for BC Women

Statement of Operations and General Fund Balance

For the year ended December 31, 2010

	2010 \$	2009 \$
Revenue		
Program donations	377,048	392,506
Unrestricted donations	77,700	63,288
Special events	224,070	193,064
Government	169,521	158,426
Foundations and associations	118,893	60,732
Interest and investment income	35,954	20,871
Other	51,806	60,815
	<u>1,054,992</u>	<u>949,702</u>
Head office expenses		
Wages and benefits	70,076	75,158
Newsletter	1,011	698
Professional and consulting fees	2,807	3,280
Office	12,994	10,382
Fundraising	17,543	763
Travel	235	503
Investment fees and bank charges	2,978	2,308
Board of Directors and meetings	832	402
	<u>108,476</u>	<u>93,494</u>
Program expenses (note 8)		
Special events	130,575	168,801
Learning to Lead	59,828	56,342
Follow A Leader	36,623	16,921
Education Awards	138,981	128,764
Minerva Helping Women Work	75,868	60,536
Women Leading the Way	120,518	-
Combining Our Strength	270,653	321,663
Minerva Helping Women Work program expansion	46,133	58,402
Gaming expenditures	2,328	5,382
Other	9,910	5,540
	<u>891,417</u>	<u>822,351</u>
	<u>999,893</u>	<u>915,845</u>
Excess of revenue over expenditures for the year	55,099	33,857
General Fund balance - Beginning of year	178,004	50,000
Transfer from General Fund to Board Designated Fund	(20,000)	-
Change in fair value of investments	61,782	94,147
General Fund balance - End of year	<u>274,885</u>	<u>178,004</u>

Minerva Foundation for BC Women

Statement of Cash Flows

For the year ended December 31, 2010

	2010 \$	2009 \$
Cash flows from operating activities		
Excess of revenue over expenditures for the year	55,099	33,857
Changes in non-cash working capital items		
Increase in accounts receivable	(29,426)	(11,383)
Decrease in prepaid expenses	156	7,055
Increase in accounts payable and accrued liabilities	7,474	319
Increase (decrease) in deferred revenue	144,506	(20,350)
	<u>177,809</u>	<u>9,498</u>
Cash flows from investing activities		
Net increase in investments	(232,019)	(91,697)
Endowment contributions	35,866	88,469
	<u>(196,153)</u>	<u>(3,228)</u>
(Decrease) increase in cash and cash equivalents during the year	(18,344)	6,270
Cash and cash equivalents - Beginning of year	<u>94,611</u>	<u>88,341</u>
Cash and cash equivalents - End of year	<u>76,267</u>	<u>94,611</u>
Supplementary cash flow information		
Non-cash investing activities		
Increase in investments	<u>(61,782)</u>	<u>(109,710)</u>
Non-cash financing activities		
Change in fair value of investments	61,782	94,147
Endowment inflation adjustment	-	15,563
	<u>61,782</u>	<u>109,710</u>

Minerva Foundation for BC Women

Notes to Financial Statements

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1 Mission statement

The mission of the Minerva Foundation for BC Women (the Foundation) is to inspire and empower women and girls to reach their full potential by creating opportunities and offering programs through trusted partnerships in the areas of education, leadership development, economic security and safety.

The Foundation was established to receive gifts, bequests, funds and property, and to hold, invest, administer and distribute funds and property to such other organizations as are qualified donees, under the provisions of the Income Tax Act.

2 Significant accounting policies

Funds

The General Fund reports the general operating activities of the Foundation.

The Board Designated Fund reports the Foundation's internally restricted funds approved by the Board of Directors for specified purposes. The Board's intention is to grow this fund and maintain it as an internal endowment fund.

The Externally Restricted Endowment Fund reports the Foundation's externally restricted endowment contributions including those subject to a direction that the donation be held for a period of not less than 10 years.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable except when the donor has specified that they are intended for use in a future period, in which case they are deferred. Contributions are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured; therefore, donations are recognized as revenue when received. Government grants and contracts received in advance for services are accounted for using the deferral method, whereby such amounts are deferred and recorded as income in the period in which the service is provided. Endowment contributions are recognized as direct increases in net assets when received.

In-kind donations

As part of its programs and events, the Foundation receives donations in-kind. Tax receipts are issued for the amount of fair market valuation. Contributions of service are also received but are not considered property and so tax receipts are not issued by the Foundation. Non-cash donations including donated fixed assets totalled \$36,499 (2009 - \$38,553) and are not included in the financial statements.

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Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with banks and short-term investments with a maturity of less than 90 days.

Investments

Investments are recorded at fair value based on prices quoted in active markets.

Investment income

Investment income includes interest and dividends, which are recorded on an accrual basis, and realized gains and losses on disposal of investments. Unrealized gains and losses are recognized in the statement of changes in net assets, except where in the judgement of management there has been an impairment in value, in which case the loss is recognized in the statement of operations.

Allocation of expenses

The Foundation engages in education, leadership development, economic security and safety programs. The costs of each program include direct costs as well as the costs of wages and benefits, administration and fundraising expenses related to providing the programs. The Foundation identifies the appropriate basis to allocate each component, and applies that basis consistently each year. Expenses are allocated on the following basis:

- Wages and benefits are allocated to individual programs based on the percentage of time spent by each staff member working on a specific program.
- Administration and fundraising expenses are allocated to each program based on the allocated wage expense for the program.

Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates relate to the valuation of investments and allocation of expenses. Actual results could differ from those estimates.

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Financial instruments

The Foundation applies Sections 3855, *Financial Instruments - Recognition and Measurement*, and 3861 *Financial Instruments - Disclosure and Presentation*, of the Canadian Institute of Chartered Accountants (CICA) Handbook. As permitted by the CICA, the Foundation has elected not to adopt the standards 3862 and 3863 and continues to apply Section 3861 on disclosure and presentation of financial instruments. All financial assets have been classified as available for sale, held to maturity, held for trading, or loans and receivables. Financial liabilities were classified as held for trading or other liabilities.

These standards require that all financial assets and liabilities be measured at fair value with the exception of investments held to maturity, loans and receivables and other liabilities that are measured at amortized cost using the effective interest rate method. Changes in the fair value of available-for-sale securities will be reported as a separate component within the statement of changes in net assets, until the financial asset is disposed of or becomes impaired. Changes in the fair value of assets held for trading will be reported in the statement of operations.

The Foundation has measured its cash and cash equivalents at fair value and its accounts receivable, and accounts payable and accrued liabilities at amortized cost using the effective interest rate method. Long-term investments have been designated as available for sale, with unrealized gains and losses recognized in the statement of changes in net assets. The fair value of all financial instruments approximates their carrying amount.

3 Investments

Long-term investments consist of a portfolio of various equity, bond and fixed income funds that are managed separately by two investment firms.

	2010		2009	
	Fair value \$	Book value \$	Fair value \$	Book value \$
T-bills	96,527	96,527	35,170	35,170
Asset-backed commercial papers	13,505	17,055	13,846	19,681
Bonds	763,818	750,141	606,459	603,743
Equities				
International	366,556	396,150	330,128	375,659
Canadian	319,193	322,451	280,195	315,698
	1,559,599	1,582,324	1,265,798	1,349,951

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4 Deferred revenue

Deferred revenue represents cash received for projects and services that are to be provided in the following year.

	2010	2009
	\$	\$
Programs		
Education Awards	31,072	42,853
Minerva Helping Women Work	46,362	32,810
Women Leading the Way	86,232	-
Projects		
Combining Our Strength	259,127	210,123
Learning to Lead	22,112	14,052
Follow A Leader		1,624
Events	3,600	-
Head office	500	3,037
	<hr/>	<hr/>
	449,005	304,499
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5 Non-cash matching funds

As part of its Education Awards programs, funds generated by the Foundation are often matched by educational institutions, corporations, individuals and others. These matching funds are not received directly by the Foundation and, as a result, are not recognized as a revenue or expenditure in the financial statements. During the year ended December 31, 2010, non-cash matching funds of \$76,500 were provided (2009 - \$86,500).

6 Commitments

The Foundation has a lease for office equipment and a rent agreement with the City of Vancouver. Future minimum lease payments and rent payments are as follows:

	Lease	Rent
	payments	payments
	\$	\$
2011	4,411	12,921
2012	2,573	12,921
2013	-	12,921
2014	-	12,921
2015	-	10,767

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Under the terms of the lease with the City of Vancouver, rent payments are for building expenses only. Base rent is provided at no charge to the Foundation.

7 Externally Restricted Endowment Fund

The fund is made up of several endowments donated to the Foundation since 2001. To maintain the capital of the funds, an inflation adjustment based on the Consumer Price Index is recorded at the Board's discretion (0% for 2010 and 2% for 2009). This amount is presented as an endowment inflation adjustment of \$nil (2009 - \$15,563) on the statement of changes in net assets. The fund comprises the following:

	2010 \$	2009 \$
Education Award endowment funds	634,381	631,579
Other endowment funds	239,661	206,597
	874,042	838,176

8 Allocation of expenses

Included in program expenses is the following allocation of expenses:

Program				2010	2009
	Fundraising wages and benefits \$	Administration expenses \$	Other wages and benefits \$	Total \$	Total \$
Special events	22,306	13,633	23,129	59,068	90,710
Learning to Lead	4,746	6,627	17,344	28,717	23,712
Follow A Leader	3,797	6,386	22,330	32,513	21,348
Education Awards	2,373	7,743	23,434	33,550	26,333
Women Leading the Way	2,250	3,967	20,250	26,467	-
Minerva Helping Women Work	3,322	4,607	11,491	19,420	12,452
Combining Our Strength	3,797	35,904	115,548	155,249	156,952
Minerva Helping Women Work program expansion	-	1,104	3,742	4,846	22,720
Other	2,373	1,971	4,058	8,402	-
	44,964	81,942	241,326	368,232	354,227

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9 Financial instruments

Market and credit risk

Market risk is the risk that the fair value of an investment will fluctuate as a result of changes in market conditions. Credit risk is the risk of loss associated with the inability of a counterparty to fulfill its obligations under the terms of a financial instrument.

The investment portfolio is exposed to market and credit risk due to changing market conditions for notes, bonds, marketable equity securities, and asset-backed commercial papers. These market and credit risks are managed by establishing and monitoring asset allocation strategies and minimum credit criteria, and by diversifying investments within the various asset pools held by the Foundation.

Interest rate risk

Interest rate risk is the risk that the market value of the Foundation's interest-bearing financial instruments will fluctuate due to changes in the prevailing interest rates.

The Foundation is exposed to interest rate risk on its fixed income bonds as disclosed in note 3.

Foreign exchange risk

Foreign exchange risk is the risk that the market value of the Foundation's international investments will fluctuate due to changes in the prevailing foreign exchange rates.

The Foundation is exposed to foreign exchange risk through its investment in international equities as disclosed in note 3.

Liquidity risk

Liquidity risk is the risk that the Foundation cannot meet the demand for cash or fund its obligations as they become due.

Management minimizes its exposure to liquidity risk by regularly monitoring cash flows.

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10 Capital management

The Foundation defines its capital as the amounts included in its fund balances and deferred revenue. The Foundation's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to fulfill its mission as set out in note 1. The Foundation has certain external restrictions on its fund balances as set out in note 7. A portion of the fund balances has been internally restricted in its use by the Board. The Board has the discretion to utilize the internally restricted reserves to support the operations of the Foundation if required. The Foundation also holds significant deferred revenue that represents external contributions received for a specified purpose.

The Foundation has internal control processes to ensure that these restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.