

Status of Women Canada Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2012, and all information contained in these statements rests with the management of Status of Women Canada. These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Status of Women Canada's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in Status of Women Canada's Departmental Performance Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout Status of Women Canada and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

Status of Women Canada is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board *Policy on Internal Control*.

A Core Control Audit was performed in 2011-2012 by the Office of the Comptroller General of Canada (OCG). The Audit Report and related Management Action Plan are posted on the departmental web site at <http://www.swc-cfc.gc.ca/account-resp/pr/cca-vmc/index-eng.html>.

The financial statements of Status of Women Canada have not been audited.

Suzanne Clément
Coordinator, Status of Women Canada
Ottawa, Canada
August 22, 2012

Johanne Tremblay
A/Chief Financial Officer

Status of Women Canada
Statement of Financial Position (Unaudited)
As at March 31
(in dollars)

	<u>2012</u>	<u>2011</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	4,870,903	4,536,572
Vacation pay and compensatory leave	350,132	324,254
Employee future benefits (Note 5)	649,869	1,368,757
Total Liabilities	5,870,904	6,229,583
Financial Assets		
Due from Consolidated Revenue Fund	4,329,333	4,100,917
Accounts receivable and advances (Note 6)	169,862	24,957
Net financial assets	4,499,195	4,125,874
Departmental net debt	1,371,709	2,103,709
Non-financial assets		
Tangible capital assets (Note 7)	160,663	226,354
Total non-financial assets	160,663	226,354
Departmental net financial position	(1,211,046)	(1,877,355)

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

Suzanne Clément
Coordinator, Status of Women Canada
Ottawa, Ontario
August 22, 2012

Johanne Tremblay
A/Chief Financial Officer

Status of Women Canada
Statement of Operations and Departmental Net Financial Position (Unaudited)
For the year ended March 31
(in dollars)

	<u>2012</u>	<u>2012</u>	<u>2011</u>
	Planned Results		Restated (Note 10)
Expenses			
Women's participation in Canadian society	24,526,000	22,054,423	23,226,299
Strategic policy analysis, planning and development	2,025,000	2,246,280	2,227,086
Internal Services	4,352,000	5,871,419	5,947,208
Total Expenses	30,903,000	30,172,122	31,400,593
Revenues			
Miscellaneous revenues	-	50	462
Total Revenues	-	50	462
Net cost of operations before government funding	30,903,000	30,172,072	31,400,131
Government funding			
Net cash provided by Government	29,473,000	29,162,739	29,026,942
Change in due from Consolidated revenue Fund	-	228,416	582,665
Services provided without charge by other government departments (Note 8)	1,394,000	1,447,226	1,454,365
Net cost of operations after government funding	36,000	(666,309)	336,159
Departmental net financial position – Beginning of year	(1,190,000)	(1,877,355)	(1,541,196)
Departmental net financial position – End of year	(1,226,000)	(1,211,046)	(1,877,355)

Segmented information (note 9)

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

Status of Women Canada
Statement of Change in Departmental Net Debt (Unaudited)
For the year ended March 31
(in dollars)

	<u>2012</u>	<u>2012</u>	<u>2011</u>
	Planned Results		
Net cost of operations after government funding	36,000	(666,309)	336,159
Change due to tangible capital assets			
Acquisition of tangible capital assets (Note 7)	81,000	18,940	44,985
Amortization of tangible capital assets (Note 7)	(82,000)	(84,631)	(69,257)
Proceeds from disposal of tangible capital assets	-	(50)	(20,032)
Net (loss) or gain on disposal of tangible capital assets including adjustments	-	50	(2,002)
Total change due to tangible capital assets	<u>(1,000)</u>	<u>(65,691)</u>	<u>(46,306)</u>
Net Increase/(decrease) in net debt	<u>35,000</u>	<u>(732,000)</u>	<u>289,853</u>
Departmental net debt - Beginning of year	1,320,000	2,103,709	1,813,856
Departmental net debt – End of year	<u>1,355,000</u>	<u>1,371,709</u>	<u>2,103,709</u>

Status of Women Canada
Statement of Cash Flow (Unaudited)
For the year ended March 31
(in dollars)

	<u>2012</u>	<u>2011</u>
Operating activities		
Net Cost of Operations before government funding	30,172,072	31,400,131
Non-cash items		
Amortization of tangible capital assets (Note 7)	(84,631)	(69,257)
Gain (Loss) on disposal of tangible capital assets	50	(2,002)
Services provided without charge by other government departments (Note 8)	(1,447,226)	(1,454,365)
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	144,905	4,215
Decrease (increase) in accounts payable and accrued liabilities	(334,331)	(862,171)
Decrease (increase) in vacation pay and compensatory leave	(25,878)	51,394
Decrease (increase) in future employee benefits	718,888	(65,956)
Cash used in operating activities	29,143,849	29,001,989
Capital investing activities		
Acquisitions of tangible capital assets (Note 7)	18,940	44,985
Proceeds from disposal of tangible capital assets	(50)	(20,032)
Cash used in capital investing activities	18,890	24,953
Net cash provided by Government of Canada	29,162,739	29,026,942

The accompanying notes form an integral part of these financial statements

Status of Women Canada

Notes to the Financial Statements (Unaudited)

For the Year Ended March 31

1. Authority and Objectives

Status of Women Canada (SWC) was established by the Government of Canada in 1976 to "co-ordinate policy with respect to the status of women and administer related program" (Order in Council 1976-779). The mandate of SWC is further guided by the *Canadian Charter of Rights and Freedoms*, as well as by Canada's adherence to the *Convention on the Elimination of all Forms of Discrimination against Women*. SWC plays a key role in fulfilling the Government of Canada's commitment to building a society that is inclusive and respectful of all Canadians by promoting equality and the full participation of women in Canada.

Strategic Outcome: Equality for women and their full participation in the economic, social, and democratic life of Canada. To achieve real progress on gender equality, SWC is firmly committed to consulting and acting in partnership with non-government organizations, provincial and territorial governments, the private and voluntary sectors and international organizations.

Program Activities

- ✓ **Women's Participation in Canadian Society:** This activity strengthens women's full participation by addressing their economic and social situations and their participation in democratic life through financial and professional assistance for projects and through strategic partnerships that leverage resources involving public institutions and non-governmental organizations.
- ✓ **Strategic Policy Analysis, Planning and Development:** SWC develops strategic policy analysis, advice, and tools to support federal departments and central agencies in identification of policy priorities and in integrating gender-based analysis in existing and proposed policies, programs and initiatives. This is done through collaboration with other federal departments, provincial-territorial governments, civil society, and key international partners.
- ✓ **Internal Services:** are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

2. Summary of Significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) *Parliamentary authorities*

The Department is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Department do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented financial statements included in the 2011-12 Report on Plans Priorities.

(b) *Net Cash Provided by Government*

The Department operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Department is deposited to the CRF and all cash disbursements made by the Department are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the government.

(c) *Amounts due from/to the Consolidated Revenue Fund*

Amounts due from/to the Consolidated Revenue Fund (CRF) are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Department is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) *Revenues*

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) *Expenses*

Expenses are recorded on the accrual basis:

- ✓ Transfer payments are recorded as expenses when authorization for the payment exists and the recipient has met the eligibility criteria or the entitlements established for the transfer payment program. In situations where payments do not form part of an existing program,

transfer payments are recorded as expenses when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements.

- ✓ Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- ✓ Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans and legal are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

i. **Pension benefits:** Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government. The Department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

ii. **Severance benefits:** Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivable

Accounts receivable are stated at the lower of cost and net recoverable value; a valuation allowance is recorded for receivables where recovery is considered uncertain.

(h) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$2,500 or more are recorded at their acquisition cost. The Department does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Acquisition Cost equal or greater than	Amortization Period
Machinery and equipment	\$2,500	3-5 years
Computer hardware	\$2,500	3-5 years
Computer software	\$2,500	3-5 years
Other equipment, including furniture	\$2,500	3-5 years

(i) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

3. Parliamentary Authorities

The Department receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Department has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

	2012	2011
	(in dollars)	
Net Cost of Operations before government funding	30,172,072	31,400,131
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
Services provided without charge by other government departments	(1,447,226)	(1,454,365)
Decrease (increase) in employee future benefits	718,888	(65,956)
Amortization of tangible capital assets	(84,631)	(69,257)
Refund of previous year expenditures	82,610	336,354
Gain (Loss) on disposal of tangible capital assets	50	(2,002)
Decrease (increase) in vacation pay and compensatory leave	(25,878)	51,394
Other	1	462
	(756,186)	(1,203,370)
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
Acquisitions of tangible capital assets	18,940	44,985
Current year authorities used	29,434,826	30,241,746

(b) Authorities provided and used

	2012	2011
	(in dollars)	
Authorities provided:		
Vote 26 - Operating expenditures	10,594,731	10,447,411
Vote 28 - Grants and Contributions	18,950,001	19,950,000
Statutory amounts	1,216,207	1,278,899
Less:		
Lapsed: Operating Expenditures ⁽¹⁾	660,895	1,029,791
Lapsed: Grants & Contributions	664,950	404,555
Lapsed: Proceeds from disposal of tangible capital assets	218	-
Authorities available in future years	50	218
Current year authorities used	<u>29,434,826</u>	<u>30,241,746</u>

Note 1: The \$660,895 lapse in Operating expenditures includes a frozen allotment of \$164,666 (funds withheld by the Treasury Board which can not be spent by Status of Women Canada), the planned carry forward of \$463,489 for 2012-2013 and \$32,740 as an additional carry forward for the liability from outstanding Collective Agreements.

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

4. Accounts payable and accrued liabilities

The following table presents details of the Department's accounts payable and accrued liabilities:

	2012	2011
	(in dollars)	
Accounts payable - Other government departments and agencies	6,407	137,032
Accounts payable - External parties	4,373,138	3,785,810
Total accounts payable	4,379,545	3,922,842
Accrued liabilities	491,358	613,730
Total accounts payable and accrued liabilities	4,870,903	4,536,572

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

5. Employee future benefits

(a) Pension benefits

The Department's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Department contribute to the cost of the Plan. The 2011-12 expense amounts to \$874,260 (\$897,597 in 2010-11) which represents approximately 1.8 times (1.9 in 2010-11) the contributions by employees.

The Department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The Department provides severance benefits to its employees based on eligibility, years of service and salary at termination. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, measured as at March 31, is as follows:

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

	2012	2011
	(in dollars)	
Accrued benefit obligation, beginning of year	1,368,757	1,302,801
Expense for the year	(533,369)	319,050
Benefits paid during the year	(185,519)	(253,094)
Accrued benefit obligation, end of year	649,869	1,368,757

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

6. Accounts receivable and advances

The following table presents details of the Department's accounts receivable and advance balances:

	2012	2011
	(in dollars)	
Receivables - Other government departments and agencies	62,602	16,022
Receivables - External parties	105,860	7,535
Employee advances	1,400	1,400
Net accounts receivable	169,862	24,957

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31
(in dollars)

7. Tangible capital assets

Capital Asset Class	Cost				
	Opening Balance	Acquisitions	Adjustments (1)	Disposals and write-offs	Closing Balance
Machinery and equipment	27,617	-	-	-	27,617
Computer hardware	551,638	-	(4,170)	-	547,468
Computer software	170,453	18,940	-	-	189,393
Other equipment, including furniture	281,492	-	4,170	-	285,662
Total	1,031,200	18,940	-	-	1,050,140

Accumulated Amortization			
Opening Balance	Amortization	Disposals and write-offs	Closing Balance
27,617	-	-	27,617
465,206	27,346	-	492,552
118,875	22,150	-	141,025
193,148	35,135	-	228,283
804,846	84,631	-	889,477

Net Book Value	
2012	2011
-	-
54,916	86,432
48,368	51,578
57,379	88,344
160,663	226,354

(1) Adjustments reflect changes to internal coding structure

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

8. Related party transactions

The Department is related as a result of common ownership to all government departments, agencies, and Crown corporations. The Department enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Department received common services which were obtained without charge from other Government departments as disclosed below.

(a) Common services provided without charge by other government departments

During the year, the Department received services without charge from certain common service organizations, related to accommodation, legal services and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the Department's Statement of Operations and Departmental Net Financial Position as follows:

	2012	2011
	(in dollars)	
Accommodation	820,893	798,471
Employer's contribution to the health and dental insurance plans	626,333	655,894
Total	1,447,226	1,454,365

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General, are not included in the Department's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with related parties

	2012	2011
	(in dollars)	
Expenses – Other Government departments and agencies	1,914,139	1,678,010
Revenues - Other Government departments and agencies	50	218

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a)

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

9. Segmented information

Presentation by segment is based on the Department's program activity architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main program activities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

				2012	2011
				(in dollars)	
	Women's Participation in Canadian Society	Strategic Policy Analysis, Planning and Development	Internal Services	Total	Total Restated (Note 11)
Transfer payments					
Payments to Provincial non-profit organizations	13,971,194	-	-	13,971,194	15,804,953
Payments to national organizations	4,313,857	-	-	4,313,857	3,740,492
Total transfer payments	18,285,051	-	-	18,285,051	19,545,445
Operating expenses					
Salaries and employee benefits	3,147,993	1,521,231	4,607,333	9,276,557	9,399,772
Professional and special services	126,935	410,731	341,082	878,748	730,233
Accommodation	294,341	142,237	384,315	820,893	798,470
Travel and relocation	116,549	87,724	85,569	289,842	293,648
Communication	29,136	706	130,971	160,813	188,126
Information	5,614	57,403	62,950	125,967	87,073
Machinery and equipment	13,130	12,846	63,202	89,178	104,441
Amortization of tangible capital assets	-	-	84,631	84,631	69,257
Repair and maintenance	3,710	-	55,554	59,264	80,835
Rentals	16,076	11,353	28,193	55,622	46,717
Utilities, material and supplies	15,468	2,049	27,614	45,131	53,276
Other	420	-	5	425	3,300
Total Operating expenses	3,769,372	2,246,280	5,871,419	11,887,071	11,855,148
Total Expenses	22,054,423	2,246,280	5,871,419	30,172,122	31,400,593
Revenues					
Miscellaneous revenues	-	-	50	50	462
Total Revenues	-	-	50	50	462
Net cost of operations before government funding	22,054,423	2,246,280	5,871,369	30,172,072	31,400,131

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

10. Accounting changes

During 2011, amendments were made to *Treasury Board Accounting Standard 1.2 - Departmental and Agency Financial Statements* to improve financial reporting by government departments and agencies. The amendments are effective for financial reporting of fiscal years ending March 31, 2012, and later. The significant changes to the Department's financial statements are described below. These changes have been applied retroactively, and comparative information for 2010-11 has been restated.

Net debt (calculated as liabilities less financial assets) is now presented in the Statement of Financial Position. Accompanying this change, the Department now presents a Statement of Change in Net Debt and no longer presents a Statement of Equity.

Government funding, as well as the credit related to services provided without charge by other government departments, are now recognized in the Statement of Operations and Departmental Net Financial Position below "Net cost of operations before government funding." In previous years, the Department recognized these transactions directly in the Statement of Equity of Canada. The effect of this change was to decrease the net cost of operations after government funding by \$30,838,381 for 2012 (\$31,063,972 for 2011).

(in dollars)	2011		2011
	As previously stated	Effect of change	Restated
Statement of Operations and Departmental Net Financial Position			
Government funding			
Net cash provided by Government	-	29,026,942	29,026,942
Change in due from Consolidated Revenue Fund	-	582,665	582,665
Services provided without charge by other government departments	-	1,454,365	1,454,365

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

11. Restatement of prior year figures

The results for Note 9 (Segmented information) for the year ended March 31, 2011 have been restated to reflect the correction of an error with respect to Transfer Payment spending.

(in dollars)	2011		2011
	As previously stated	Effect of change	Restated
Note 9. Segmented information			
Payments to Provincial non-profit organizations	3,740,492	12,064,461	15,804,953
Payments to national organizations	15,804,953	(12,064,461)	3,740,492
Total transfer payments	19,545,445	-	19,545,445

Status of Women Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

12. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.