

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, 2014, 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 2011-12 by the Office of the Comptroller General of Canada . 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.

Meena Ballantyne, Deputy Head
Status of Women Canada
Gatineau, Canada
August 5, 2014

Anik Lapointe, Chief Financial Officer
Status of Women Canada

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

(in dollars)

	<u>2014</u>	<u>2013</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 3,668,925	\$ 2,884,795
Vacation pay and compensatory leave	323,167	395,133
Employee future benefits (Note 5)	335,351	460,828
Total liabilities	4,327,443	3,740,756
Financial assets		
Due from Consolidated Revenue Fund	3,551,168	2,641,380
Accounts receivable and advances (Note 6)	66,213	14,251
Net financial assets	3,617,381	2,655,631
Departmental net debt	710,062	1,085,125
Non-financial assets		
Tangible capital assets (Note 7)	609,223	90,917
Total non-financial assets	609,223	90,917
Departmental net financial position	\$ (100,839)	\$ (994,208)

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

Meena Ballantyne, Deputy Head
Status of Women Canada
Gatineau, Canada

Anik Lapointe, Chief Financial Officer
Status of Women Canada

August 5, 2014

Status of Women Canada
Statement of Operations and Departmental Net Financial Position (*Unaudited*)
For the Year Ended March 31

(in dollars)

	<u>2014</u> Planned Results	<u>2014</u>	<u>2013</u>
Expenses			
Women's participation in Canadian society			\$ 22,979,644
Strategic policy analysis, planning and development			2,446,185
Advancing equality for women	\$ 24,484,000	\$ 23,181,897	
Leadership, expertise and advice	2,520,000	2,482,054	
Internal services	4,112,000	6,371,020	5,681,383
Total expenses	31,116,000	32,034,971	31,107,212
Revenues			
Miscellaneous revenues	-	2,004	125
Total revenues	-	2,004	125
Net cost of operations before government funding	31,116,000	32,032,967	31,107,087
Government funding			
Net cash provided by Government	29,635,000	30,568,533	31,498,853
Change in due from Consolidated Revenue Fund	(17,000)	909,788	(1,687,953)
Services provided without charge from other government departments (Note 8)	1,434,000	1,448,015	1,513,025
Net cost of operations after government funding	64,000	(893,369)	(216,838)
Departmental net financial position – Beginning of year	(927,000)	(994,208)	(1,211,046)
Departmental net financial position – End of year	\$ (991,000)	\$ (100,839)	\$ (994,208)

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>2014</u> Planned Results	<u>2014</u>	<u>2013</u>
Net cost of operations after government funding	\$ 64,000	\$ (893,369)	\$ (216,838)
Change due to tangible capital assets			
Acquisition of tangible capital assets	46,000	583,890	18,963
Amortization of tangible capital assets	(78,000)	(65,584)	(88,709)
Proceeds from disposal of tangible capital assets	-	(2,004)	-
Net gain on disposal of tangible capital assets including adjustments	-	2,004	-
Total change due to tangible capital assets	<u>(33,000)</u>	<u>518,306</u>	<u>(69,746)</u>
Net increase (decrease) in departmental net debt	<u>31,000</u>	<u>(375,063)</u>	<u>(286,584)</u>
Departmental net debt - Beginning of year	1,044,000	1,085,125	1,371,709
Departmental net debt – End of year	<u>\$ 1,075,000</u>	<u>\$ 710,062</u>	<u>\$ 1,085,125</u>

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

**Status of Women Canada
Statement of Cash Flow (*Unaudited*)
For the Year Ended March 31**

(in dollars)

	<u>2014</u>	<u>2013</u>
Operating activities		
Net cost of operations before government funding	\$ 32,032,967	\$ 31,107,087
Non-cash items		
Amortization of tangible capital assets	(65,584)	(88,709)
Gain (Loss) on disposal of tangible capital assets	2,004	-
Services provided without charge by other government departments (Note 8)	(1,448,015)	(1,513,025)
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	51,962	(155,611)
Decrease (increase) in accounts payable and accrued liabilities	(784,130)	1,986,108
Decrease (increase) in vacation pay and compensatory leave	71,966	(45,001)
Decrease in future employee benefits	125,477	189,041
Cash used in operating activities	<u>29,986,647</u>	<u>31,479,890</u>
Capital investing activities		
Acquisition of tangible capital assets	583,890	18,963
Proceeds from disposal of tangible capital assets	(2,004)	-
Cash used in capital investing activities	<u>581,886</u>	<u>18,963</u>
Net cash provided by Government of Canada	<u><u>\$ 30,568,533</u></u>	<u><u>\$ 31,498,853</u></u>

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.

Programs

- ✓ **Advancing equality for women:** SWC supports action and innovation by investing in initiatives that work to bring about equality between women and men. The Program provides grant and contribution funding to organizations to support community-based action by carrying out projects that will lead to equality in communities across Canada. Funded projects occur at the national, regional, and local levels and work to help create conditions for success for women in Canada.
- ✓ **Leadership, expertise and advice:** SWC promotes public understanding about the status of women in Canada and encourages Canadians to engage in efforts to advance equality between women and men. SWC also provides strategic policy analysis and advice and acts as a knowledge broker to support federal organizations and other stakeholders in advancing equality for women and girls. Communications activities form a key aspect of this Program and commemorate important dates such as Women's History Month and Persons Day.
- ✓ **Internal services:** 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; Material Services; Acquisition Services; and 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 2013-14 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.

Status of Women Canada

Notes to the Financial Statements (*Unaudited*)

For the Year Ended March 31

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 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. 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.

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

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 of the asset as follows:

Asset Class	Amortization Period
Computer hardware	3-5 years
Computer software	3-5 years
Other equipment, including furniture	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

	2014	2013
	(in dollars)	
Net Cost of Operations before government funding	\$ 32,032,967	\$ 31,107,087
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments (Note 8)	(1,448,015)	(1,513,025)
Decrease in employee future benefits	125,477	189,041
Amortization of tangible capital assets	(65,584)	(88,709)
Refund of previous year expenditures	119,575	59,706
Gain on disposal of tangible capital assets	2,004	-
Decrease (increase) in vacation pay and compensatory leave	71,966	(45,001)
Other	3	125
	(1,194,574)	(1,397,863)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	583,890	18,963
Current year authorities used	\$ 31,422,283	\$ 29,728,187

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

(b) Authorities provided and used

	2014	2013
	(in dollars)	
Authorities provided:		
Vote 25 - Operating expenditures	\$ 11,625,969	\$ 10,310,751
Vote 30 - Grants and Contributions	19,033,333	19,033,334
Statutory amounts	1,327,619	1,262,449
Less:		
Lapsed: Operating Expenditures	(562,509)	(732,009)
Lapsed: Grants & Contributions	-	(146,288)
Lapsed: Proceeds from disposal of tangible capital assets	125	(50)
Authorities available in future years	(2,004)	-
Current year authorities used	\$ 31,422,283	\$ 29,728,187

4. Accounts payable and accrued liabilities

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

	2014	2013
	(in dollars)	
Accounts payable - Other government departments and agencies	\$ 136,300	\$ 46,906
Accounts payable - External parties	2,617,971	2,113,670
Total accounts payable	2,754,271	2,160,576
Accrued liabilities	914,654	724,219
Total accounts payable and accrued liabilities	\$ 3,668,925	\$ 2,884,795

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 (the "Plan"), which is sponsored and administered by the Government of Canada. 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 Plan benefits and they are indexed to inflation.

Both the employees and the Department contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to *Canada's Economic Action Plan 2012*, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2013-14 expense amounts to \$931,952 (\$901,353 in 2012-13). For Group 1 members, the expense represents approximately 1.6 times (1.7 times in 2012-13) the employee contributions and, for Group 2 members, approximately 1.5 times (1.6 times in 2012-13) the employee contributions.

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 of employment. 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.

	2014	2013
	(in dollars)	
Accrued benefit obligation - Beginning of year	\$ 460,828	\$ 649,869
Expense for the year	308,778	136,375
Benefits paid during the year	(434,255)	(325,416)
Accrued benefit obligation - End of year	\$ 335,351	\$ 460,828

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:

	2014	2013
	(in dollars)	
Receivables - Other government departments and agencies	\$ 10,255	\$ 8,495
Receivables - External parties	54,558	4,356
Employee advances	1,400	1,400
Net accounts receivable	\$ 66,213	\$ 14,251

7. Tangible capital assets

Capital Asset Class	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Acquisitions	Closing Balance	Opening Balance	Amortization	Closing Balance	2014	2013
Computer hardware	\$ 602,388	\$ 338,730	\$ 941,118	\$ 548,935	\$ 41,115	\$ 590,050	\$ 351,068	\$ 53,453
Computer software	189,393		189,393	170,499	14,685	185,184	4,209	18,894
Other equipment, including furniture	277,322	245,160	522,482	258,752	9,784	268,536	253,946	18,570
Total	\$ 1,069,103	\$ 583,890	\$ 1,652,993	\$ 978,186	\$ 65,584	\$ 1,043,770	\$ 609,223	\$ 90,917

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 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:

	<u>2014</u>	<u>2013</u>
	(in dollars)	
Accommodation	\$ 799,331	\$ 839,258
Employer's contribution to the health and dental insurance plans	648,684	673,767
Total	\$ 1,448,015	\$ 1,513,025

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

	<u>2014</u>	<u>2013</u>
	(in dollars)	
Expenses – Other Government departments and agencies	\$ 2,258,484	\$ 1,558,938
Revenues - Other Government departments and agencies	2,004	125

Expenses and revenues disclosed in (b) exclude common services provided without charge, which is 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 alignment 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 programs, by major object of expense and by major type of revenue. The segment results for the period are as follows:

				2014	2013
				(in dollars)	
	Advancing equality for women	Leadership, expertise and advice	Internal Services	Total	Total
Transfer Payments to Organizations, Including Crown Corporations and Non-Profit Organizations	\$ 19,033,333	\$ -	\$ -	\$ 19,033,333	\$ 18,887,046
Operating expenses					
Salaries and employee benefits	3,524,706	2,052,725	4,460,220	10,037,651	9,787,073
Accommodation	278,035	161,684	359,612	799,331	839,258
Professional and special services	148,698	115,076	905,378	1,169,152	557,566
Information	6,097	7,586	84,086	97,769	298,518
Travel and relocation	129,738	83,557	91,427	304,722	232,151
Communication	84,661	50,398	107,444	242,503	158,522
Rentals	20,310	8,830	105,101	134,241	124,834
Machinery and equipment	16,945	87	150,381	167,413	93,981
Amortization of tangible capital assets	-	-	65,584	65,584	88,709
Utilities, material and supplies	10,315	2,109	21,964	34,388	29,630
Repair and maintenance	1,116	-	43,605	44,721	9,170
Other	(72,057)	2	(23,782)	(95,837)	754
Total Operating expenses	4,148,564	2,482,054	6,371,020	13,001,638	12,220,166
Total Expenses	23,181,897	2,482,054	6,371,020	32,034,971	31,107,212
Revenues					
Miscellaneous revenues	-	-	2,004	2,004	125
Total Revenues	-	-	2,004	2,004	125
Net cost of operations before government funding	\$ 23,181,897	\$ 2,482,054	\$ 6,369,016	\$ 32,032,967	\$ 31,107,087