

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, 2016, 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.

Original signed by

Meena Ballantyne, Deputy Head
Status of Women Canada
Gatineau, Canada
August 17, 2016

Original signed by

Anik Lapointe, Chief Financial Officer
Status of Women Canada
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August 17, 2016

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

(in dollars)

	<u>2016</u>	<u>2015</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 1,375,522	\$ 5,135,217
Vacation pay and compensatory leave	329,118	297,027
Employee future benefits (Note 5)	451,328	451,247
Total liabilities	<u>2,155,968</u>	<u>5,883,491</u>
Financial assets		
Due from Consolidated Revenue Fund	1,347,715	5,006,454
Accounts receivable and advances (Note 6)	35,011	201,396
Net financial assets	<u>1,382,726</u>	<u>5,207,850</u>
Departmental net debt	<u>773,242</u>	<u>675,641</u>
Non-financial assets		
Tangible capital assets (Note 7)	491,603	526,492
Total non-financial assets	<u>491,603</u>	<u>526,492</u>
Departmental net financial position	<u>\$ (281,639)</u>	<u>\$ (149,149)</u>

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

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

(in dollars)

	<u>2016</u> Planned Results	<u>2016</u>	<u>2015</u>
Expenses			
Advancing equality for women	\$ 23,155,089	\$ 22,896,185	\$ 23,346,863
Leadership, expertise and advice	2,142,013	2,104,706	2,294,109
Internal services	4,245,975	5,913,185	5,857,268
Total expenses	<u>29,543,077</u>	<u>30,914,076</u>	<u>31,498,240</u>
Revenues			
Miscellaneous revenues	-	89	-
Total revenues	<u>-</u>	<u>89</u>	<u>-</u>
Net cost of operations before government funding	<u>\$ 29,543,077</u>	<u>30,913,987</u>	<u>31,498,240</u>
Government funding and transfers			
Net cash provided by Government		32,892,628	28,788,249
Change in due from Consolidated Revenue Fund		(3,658,739)	1,455,286
Services provided without charge from other government departments (Note 8)		1,550,276	1,487,124
Transfer of the transition payments for implementing salary payments in arrears (Note 9)		(2,668)	(280,729)
Net cost of operations after government funding		<u>132,490</u>	<u>48,310</u>
Departmental net financial position – Beginning of year		(149,149)	(100,839)
Departmental net financial position – End of year		<u>\$ (281,639)</u>	<u>\$ (149,149)</u>

Segmented information (note 10)

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>2016</u>	<u>2015</u>
Net cost of operations after government funding	\$ 132,490	\$ 48,310
Change due to tangible capital assets		
Acquisition of tangible capital assets	120,534	29,584
Amortization of tangible capital assets	(155,424)	(112,315)
Proceeds from disposal of tangible capital assets	(89)	-
Net gain on disposal of tangible capital assets including adjustments	90	-
Total change due to tangible capital assets	(34,889)	(82,731)
Net increase (decrease) in departmental net debt	97,601	(34,421)
Departmental net debt - Beginning of year	675,641	710,062
Departmental net debt – End of year	\$ <u>773,242</u>	\$ <u>675,641</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>2016</u>	<u>2015</u>
Operating activities		
Net cost of operations before government funding	\$ 30,913,987	\$ 31,498,240
Non-cash items		
Amortization of tangible capital assets	(155,424)	(112,315)
Gain (Loss) on disposal of tangible capital assets	90	
Services provided without charge by other government departments (Note 8)	(1,550,276)	(1,487,124)
Transfer of transition payments for implementing salary payments in arrears (Note 9)	2,668	280,729
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	(166,385)	135,183
Decrease (increase) in accounts payable and accrued liabilities	3,759,695	(1,466,292)
Decrease (increase) in vacation pay and compensatory leave	(32,091)	26,140
Decrease (increase) in future employee benefits	(81)	(115,896)
Cash used in operating activities	32,772,183	28,758,665
Capital investing activities		
Acquisition of tangible capital assets	120,534	29,584
Proceeds from disposal of tangible capital assets	(89)	-
Cash used in capital investing activities	120,445	29,584
Net cash provided by Government of Canada	\$ 32,892,628	\$ 28,788,249

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 between Women and Men is Promoted and Advanced in Canada.

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. Communications activities form a key aspect of this Program and commemorate important dates such as Women's History Month and Persons Day. 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. SWC plays a lead role in building the capacity of federal organizations to use Gender-based Analysis Plus (GBA+). SWC provides strategic policy analysis and advice on numerous issues, aligned with the three priority areas (e.g. ending violence against women and girls; increasing women's leadership and decision-making roles and promoting economic opportunities for women).
- ✓ **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 "Expenses" and "Revenues" section of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-Oriented Statement of Operations included in the 2015-16 *Report on Plans and Priorities*. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Department Net Financial Position and in the Statement of Change in Department Net Debt because these amounts were not included in the 2015-16 *Report on Plans and 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. Transfer payments that become repayable as a result of conditions specified in the contribution agreement that have come into being are recorded as a reduction to transfer payment expense and as receivable.
- ✓ 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
Motor vehicles	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

	2016	2015
	(in dollars)	
Net Cost of Operations before government funding	\$ 30,913,987	\$ 31,498,240
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments (Note 8)	(1,550,276)	(1,487,124)
(Increase) Decrease in employee future benefits	(81)	(115,896)
Amortization of tangible capital assets	(155,424)	(112,315)
Refund of previous year expenditures	242,994	6,385
Gain on disposal of tangible capital assets	90	-
Decrease in vacation pay and compensatory leave	(32,091)	26,140
Other	89	
Total items affecting net cost of operations but not affecting authorities	(1,494,699)	(1,682,810)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	120,534	29,584
Transition payments for implementing salary payments in arrears	2,668	280,729
Proceeds from disposal of tangible capital assets	(89)	
Total items not affecting net cost of operations but affecting authorities	123,113	310,313
Current year authorities used	\$ 29,542,401	\$ 30,125,743

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

b) Authorities provided and used

	2016	2015
	(in dollars)	
Authorities provided:		
Vote 1 - Operating expenditures	\$ 10,351,935	\$ 10,018,894
Vote 5 - Grants and Contributions	19,535,001	19,033,333
Statutory amounts	1,265,383	1,275,340
Less:		
Lapsed: Operating Expenditures	359,917	201,823
Lapsed: Grants & Contributions	1,250,001	1
Lapsed: Proceeds from disposal of tangible capital assets	-	-
Authorities available in future years	-	-
Current year authorities used	\$ 29,542,401	\$ 30,125,743

4. Accounts payable and accrued liabilities

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

	2016	2015
	(in dollars)	
Accounts payable - Other government departments and agencies	\$ 95,564	\$ 161,761
Accounts payable - External parties	356,190	2,840,744
Total accounts payable	451,754	3,002,505
Accrued liabilities	923,768	2,132,712
Total accounts payable and accrued liabilities	\$ 1,375,522	\$ 5,135,217

In *Canada's Economic Action Plan 2012*, the Government announced savings measures to be implemented by departments over the next three fiscal years starting in 2012–13. As a result, the Department has recorded at March 31, 2016, an obligation for termination benefits for an amount of \$451,328 (\$451,247 in 2014–15) as part of accrued liabilities to reflect the estimated workforce adjustment costs.

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 2015-16 expense amounts to \$872,229 (\$870,453 in 2014-15). For Group 1 members, the expense represents approximately 1.25 times (1.41 times in 2014-15) the employee contributions and, for Group 2 members, approximately 1.24 times (1.39 times in 2014-15) 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 presented below.

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.

	2016	2015
	(in dollars)	
Accrued benefit obligation - Beginning of year	\$ 451,247	\$ 335,351
Expense for the year	183,942	183,223
Benefits paid during the year	(183,861)	(67,327)
Accrued benefit obligation - End of year	\$ 451,328	\$ 451,247

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:

	2016	2015
	(in dollars)	
Receivables - Other government departments and agencies	\$ 22,666	\$ 19,678
Receivables - External parties	12,345	181,718
Employee advances		-
Net accounts receivable	\$ 35,011	\$ 201,396

7. Tangible capital assets

Cost	Opening Balance	Acquisitions	Disposals and Write-Offs	Closing Balance
(in dollars)				
Informatics hardware	\$ 440,064	\$ 24,709	\$ -	\$ 464,773
Informatics purchased and developed software	19,930	-	-	19,930
Other equipment, including furniture	399,514	70,155	-	469,669
Motor vehicles		25,670		25,670
Total	\$ 859,508	\$ 120,534	\$ -	\$ 980,042

Accumulated Amortization	Opening Balance	Amortization	Disposals and Write-Offs	Closing Balance
(in dollars)				
Informatics hardware	\$ 133,558	81,398	-	214,956
Informatics purchased and developed software	6,210	4,760	-	10,970
Other equipment, including furniture	193,248	69,266	-	262,514
Motor vehicles	-	-	-	-
Total	\$ 333,016	\$ 155,424	\$ -	\$ 488,440

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

Net book value (in dollars)	2016	2015
Informatics hardware	\$ 249,817	\$ 306,506
Informatics purchased and developed software	8,960	13,720
Other equipment, including furniture	207,156	206,266
Motor vehicles	25,670	-
Total	\$ 491,603	\$ 526,492

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:

	2016	2015
	(in dollars)	
Accommodation	\$ 867,003	\$ 848,923
Employer's contribution to the health and dental insurance plans	683,273	638,201
Total	\$ 1,550,276	\$ 1,487,124

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.

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

(b) Other transactions with related parties

	2016	2015
	(in dollars)	
Expenses – Other Government departments and agencies	\$ 1,976,422	\$ 1,781,343
Revenues - Other Government departments and agencies	(89)	-

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

9. Transfer of the transition payments for implementing salary payments in arrears

The Government of Canada implemented salary payments in arrears in 2014-15. As a result, a one-time payment was issued to employees and will be recovered from them in the future. The transition to salary payments in arrears forms part of the transformation initiative that replaces the pay system and also streamlines and modernizes the pay processes. This change to the pay system had no impact on the expenses of the Department. However, it did result in the use of additional spending authorities by the Department. Prior to year end, the transition payments for implementing salary payments in arrears were transferred to a central account administered by Public Services and Procurement Canada, who is responsible for the administration of the Government pay system.

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

10. 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:

				2016	2015
				(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	\$ 18,285,000	\$ -	\$ -	\$ 18,285,000	\$ 19,033,332
Operating expenses					
Salaries and employee benefits	3,930,850	1,681,243	4,421,107	10,033,200	9,976,109
Accommodation	342,407	141,225	383,371	867,003	848,923
Professional and special services	237,362	157,983	607,190	1,002,535	693,155
Information	7,620	20,673	94,738	123,031	109,852
Travel and relocation	-	-	30,104	30,104	370,714
Communication	179,804	88,993	162,412	431,209	142,123
Rentals	31,564	11,058	82,916	125,538	146,871
Machinery and equipment	8,681	1,784	37,306	47,771	36,977
Amortization of tangible capital assets	-	-	155,424	155,424	112,315
Utilities, material and supplies	4,068	1,747	15,558	21,373	26,662
Repair and maintenance	1,606	-	2,937	4,543	1,832
Other	(132,777)	-	(79,878)	(212,655)	(625)
Total Operating expenses	4,611,185	2,104,706	5,913,185	12,629,076	12,464,908
Total Expenses	22,896,185	2,104,706	5,913,185	30,914,076	31,498,240
Revenues					
Miscellaneous revenues	-	-	89	89	-
Total Revenues	-	-	-	-	-
Net cost of operations before government funding	\$ 22,896,185	\$ 2,104,706	\$ 5,913,096	\$ 30,913,987	\$ 31,498,240