

**ASSOCIATION CANADIENNE DES SAGES-FEMMES
CANADIAN ASSOCIATION OF MIDWIVES
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Patricia McGovern CPA

COMPTABLE PROFESSIONNELLE AGRÉÉE
CHARTERED PROFESSIONAL ACCOUNTANT

310, ave. Victoria
Bureau 104
Westmount (Québec) H3Z 2M9

Téléphone (514) 487-5115
Télécopieur (514) 487-2626

INDEPENDENT AUDITOR'S REPORT

To the Members of
L'ASSOCIATION CANADIENNE DES SAGES FEMMES/CANADIAN ASSOCIATION OF
MIDWIVES

Opinion

I have audited the financial statements of ASSOCIATION CANADIENNE DES SAGES - FEMMES/CANADIAN ASSOCIATION OF MIDWIVES (the Association), which comprise the balance sheet as at December 31, 2023, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Robert McLean CPA

Westmount, Québec
June 6, 2024

**ASSOCIATION CANADIENNE DES SAGES - FEMMES/CANADIAN ASSOCIATION
OF MIDWIVES**

BALANCE SHEET

AS AT DECEMBER 31, 2023

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	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,161,927	\$ 2,013,922
Term deposits	25,000	25,000
Accounts receivable	993,648	145,762
Prepaid expenses	47,008	60,014
	<u>3,227,583</u>	<u>2,244,698</u>
CAPITAL (note 3)	<u>23,037</u>	<u>27,753</u>
	<u>\$ 3,250,620</u>	<u>\$ 2,272,451</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 546,244	\$ 383,939
Deferred contributions (note 4)	8,833	10,629
Deferred revenues	2,365,660	1,535,039
	<u>2,920,737</u>	<u>1,929,607</u>
NET ASSETS		
INTERNALLY RESTRICTED NET ASSETS - NACM	<u>9,689</u>	<u>9,689</u>
UNRESTRICTED NET ASSETS	<u>320,194</u>	<u>333,155</u>
	<u>329,883</u>	<u>342,844</u>
	<u>\$ 3,250,620</u>	<u>\$ 2,272,451</u>

On behalf of the Board,

_____, Director

_____, Director

ASSOCIATION CANADIENNE DES SAGES - FEMMES/CANADIAN ASSOCIATION OF MIDWIVES
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Internally Restricted NACM	Unrestricted	2023 Total	2022 Total
BALANCE, BEGINNING OF YEAR	\$ 9,689	\$ 333,155	\$ 342,844	\$ 224,975
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	-	(12,961)	(12,961)	117,869
BALANCE, END OF YEAR	\$ 9,689	\$ 320,194	\$ 329,883	\$ 342,844

ASSOCIATION CANADIENNE DES SAGES-FEMMES/ CANADIAN ASSOCIATION OF MIDWIVES

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

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	General Administration	Project	Membership Services	2023 Total	2022 Total
REVENUES					
Conferences	\$ -	\$ -	\$ 152,679	152,679	\$ 62,511
General	11,108	-	-	11,108	5,490
Journal & Merchandise	2,764	-	38,620	41,384	41,054
Membership Dues	637,901	-	-	637,901	612,647
Donor Funding	314,627	4,401,213	-	4,715,840	3,732,328
	966,400	4,401,213	191,299	5,558,912	4,454,030
EXPENSES (note 9)					
Wages	335,337	2,358,450	72,289	2,766,076	1,941,912
Meetings & Events	31,109	193,894	109,710	334,713	202,865
Consulting & Honoraria	101,237	872,823	59,229	1,033,289	922,575
Office Costs	173,580	326,187	38,860	538,627	463,703
Communications	25,434	184,304	73,737	283,475	346,230
Travel & Per Diem	61,793	465,555	41,620	568,968	452,139
Merchandise	4,270	-	19,958	24,228	22,625
	732,760	4,401,213	415,403	5,549,376	4,352,049
EXCESS (DEFICIENCY) OF REVENUES BEFORE UNREALIZED FOREIGN EXCHANGE (LOSS) GAIN					
	233,640	-	(224,104)	9,536	101,981
UNREALIZED FOREIGN EXCHANGE (LOSS) GAIN					
	(22,497)	-	-	(22,497)	15,888
EXCESS (DEFICIENCY) OF REVENUES					
	\$ 211,143	\$ -	\$ (224,104)	\$ (12,961)	\$ 117,869

**ASSOCIATION CANADIENNE DES SAGES - FEMMES/CANADIAN ASSOCIATION
OF MIDWIVES**

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2023

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	2023	2022
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (12,961)	\$ 117,869
Non-cash item:		
Amortization of intangible assets	11,478	10,478
	<u>(1,483)</u>	<u>128,347</u>
Net change in non-cash items related to operating activities:		
Accounts receivable	(847,886)	(95,452)
Prepaid expenses	13,006	(16,161)
Accounts payable and accrued liabilities	162,305	152,491
Deferred contributions	(1,796)	(453)
Deferred revenues	830,621	938,349
	<u>156,250</u>	<u>978,774</u>
	154,767	1,107,121
INVESTING ACTIVITY		
Acquisition of capital assets	(6,762)	(23,172)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	148,005	1,083,949
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,038,922	954,973
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,186,927	\$ 2,038,922
CASH AND CASH EQUIVALENTS		
Cash	\$ 2,161,927	\$ 2,013,922
Term deposits	25,000	25,000
	<u>\$ 2,186,927</u>	<u>\$ 2,038,922</u>

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

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1. INCORPORATION AND NATURE OF ACTIVITIES

The professional organization was incorporated under Part II of the Canada Corporations Act on January 10, 2001 and commenced operations on April 1, 2001. The Association represents individual midwives, provincial/territorial midwifery associations and the profession of midwifery in Canada. As the Association is a non-profit organization, it is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association applies the Canadian accounting standards for not-for-profit organizations.

REVENUE RECOGNITION

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount received can be reasonably estimated and collection is assured.

Conference, courses, grant and publication revenues are recognized as revenue when conferences and courses are presented or held or when the service is rendered. The liability for the portion of services invoiced but not yet provided is recorded as deferred revenue.

Membership dues are recognized as revenue proportionately over the fiscal year to which they relate.

CAPITAL

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the straight-line method at the following rates:

	Period
Equipment, furniture and fixtures	5 years
Computer	3 years
Leasehold improvements	5 years

FINANCIAL INSTRUMENTS

Initial measurement

The Association initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Association is in the capacity of management, are initially measured at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of a financial asset or liability in a related party transaction that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, its cost is determined using the consideration transferred or received by the Association in the transaction.

Subsequent measurement

The Association subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost using the straight-line method include cash, term deposits, trade and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there are, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND ITEMS

The Association uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the Statement of Income.

ALLOCATION OF COSTS

The Association records its expenses by function: General Administration, Project and Membership services. Office and communication expenses are prorated on the basis of the time spent and resources utilized.

**ASSOCIATION CANADIENNE DES SAGES - FEMMES/CANADIAN ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the provision for doubtful accounts, and the useful lives of property, plant and equipment subject to amortization.

3. CAPITAL

	2023			2022	
	Cost	Accumulated amortization	Net book value	Net book value	
Equipment, furniture and fixtures	\$ 41,629	\$ 40,285	\$ 1,344	\$ 879	
Computer	66,629	49,190	17,439	20,224	
Leasehold improvements	31,710	27,456	4,254	6,650	
	\$ 139,968	\$ 116,931	\$ 23,037	\$ 27,753	

ASSOCIATION CANADIENNE DES SAGES - FEMMES/CANADIAN ASSOCIATION OF MIDWIVES

NOTES TO FINANCIAL STATEMENTS

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4. DEFERRED CONTRIBUTIONS

During 2009, the board approved the creation of The Ghislaine Francoeur Fund, to support midwifery projects and education in Haïti in partnership with the Canadian Foundation for Women's Health (CFWH) a registered charity which funds research for women's sexual and reproductive health in Canada and around the world. Donors who require a charitable tax receipt for donations of \$50 or more to the Ghislaine Francoeur Fund, donate directly to CFWH.

As of December 31, 2023 CFWH is holding on behalf of the Association a total of \$4,683 (2022 - \$4,683) which is available for disbursements in accordance with the purpose of the Ghislaine Francoeur Fund.

The Association has organized fund raising activities to support the Canadian Black midwifery students and Afghan Midwifery. During the year, the Association had collected a total of \$1,819 for Canadian Black midwifery students and disbursed \$3,615 to Afghan Refugee Midwifery students from previous years' fundraising activities. The remaining funds on hand as of December 31, 2023 are to be distributed in the following year.

The amounts of the Ghislaine Francoeur Fund and fund raising to support black midwifery students and Afghan midwifery recognized in these financial statements represent the balance of unspent resources received from the Association from these fund raising activities.

Changes in the deferred contributions balances are as follows:

	Balance December 31, 2022		Receipts		Disbursements		Balance December 31, 2023
Fund raising activities							
The Ghislaine Francoeur Fund	\$ 4,448	\$	-	\$	-	\$	4,448
Black Midwifery Students Fund	2,566		1,819		-		4,385
Afghan Midwife Fund	3,615		-		3,615		-
	<u>\$ 10,629</u>	<u>\$</u>	<u>1,819</u>	<u>\$</u>	<u>3,615</u>	<u>\$</u>	<u>8,833</u>

5. RESTRICTIONS ON MEMBERS EQUITY

During previous years the board approved the use of funds for travel bursaries. Total restrictions at the end of the year amounted to \$9,689 of funds raised by NACM (National Aboriginal Council of Midwives).

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NOTES TO FINANCIAL STATEMENTS

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6. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

a) LIQUIDITY RISK

Liquidity risk is the risk that the Association will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Association's cash requirements. The Association controls liquidity risk by management of working capital and cash flows.

b) CREDIT RISK

The Association is exposed to credit risk from the possibility that parties may default on their financial obligations. The Association provides credit to credit worthy parties in the normal course of its operations. The Association is not exposed to significant credit risk on its accounts receivable given the relative size of individual amounts owed to the Association.

c) CURRENCY RISK

The Association receives project grants in foreign currencies giving rise to exposure to market risks from changes in foreign exchange rates from the date of receipt of funding until the date of recognition as revenue. As of December 31, 2023 the Association had deferred revenue originally received in US dollars converted into Canadian dollars of \$138,944 (2022 - \$415,396), US dollar cash holdings converted into Canadian dollars of \$831,396 (2022 - \$956,002), US dollar cash advances to project partners of \$117,463 (2022 - \$126,174) and US dollar accounts payable converted into Canadian dollars of \$51,065 (2022 - \$66,757)

7. COMMITMENTS

The commitments of the Association under lease agreements aggregate to \$153,234. The instalments over the next four years are the following:

2024	\$	38,484
2025	\$	36,750
2026	\$	39,000
2027	\$	39,000

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8. CONTINGENT LIABILITIES AND GUARANTEES

The Association received contributions from the United Nations Population Fund (UNFPA), Global Affairs Canada (GAC), Public Health Agency of Canada (PHAC), Health Canada, the Department of Indigenous Services Canada (DISC), Canadian Institutes of Health Research (CIHR) and the Johnson & Johnson Foundation that are subject to restrictions as to the use of the funds. The Association's accounting records are subject to audit by these organizations to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

In the normal course of operations, the Association provides indemnification agreements with funding agencies. Under these agreements, the Association agrees to indemnify the funding agency against loss or liability arising from the acts or omissions of the Association in relation to the agreement. The nature of the indemnification agreements prevents the Association from making a reasonable estimate of the maximum potential amount that the Association would be required to pay to such counterparties.

9. OTHER INFORMATION ON THE STATEMENT OF OPERATIONS

The amortization of capital assets presented under office costs amounted to \$11,478 for the year (\$10,478 in 2022).

10. COMPARATIVE FIGURES

Certain figures for 2022 have been reclassified to conform to the presentation adopted in 2023.