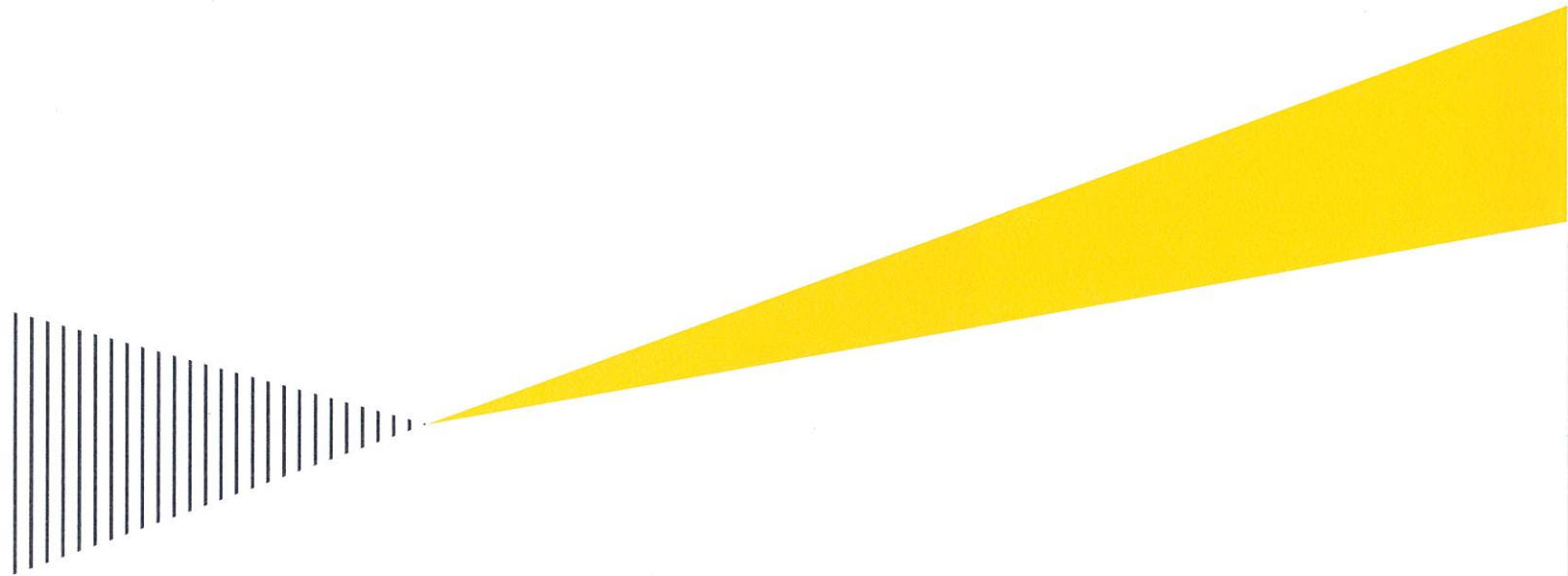


Financial Statements

Canadian UNICEF Committee

December 31, 2014



Building a better
working world

INDEPENDENT AUDITORS' REPORT

To the Members of the
Canadian UNICEF Committee

We have audited the accompanying financial statements of the **Canadian UNICEF Committee**, which comprise the balance sheet as at December 31, 2014, and the statements of revenue and expenses, changes in net assets and cash flows for year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

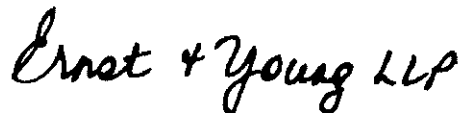
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Canadian UNICEF Committee** as at December 31, 2014, 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.

Toronto, Canada
April 24, 2015



Chartered Professional Accountants
Licensed Public Accountants

Canadian UNICEF Committee

BALANCE SHEET

As at December 31

	2014	2013
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	7,554,361	7,965,939
Accounts receivable <i>[note 6]</i>	661,209	596,524
Prepaid expenses	170,889	136,618
Total current assets	8,386,459	8,699,081
Capital assets, net <i>[note 4]</i>	568,066	394,670
	8,954,525	9,093,751
LIABILITIES AND NET ASSETS		
Current		
Payable to UNICEF <i>[notes 1 and 3]</i>	6,247,550	6,116,709
Accounts payable and accrued liabilities	786,623	1,235,586
Deferred revenue	15,000	9,500
Total current liabilities	7,049,173	7,361,795
Net assets		
Unrestricted <i>[note 5]</i>	568,066	394,670
Internally restricted <i>[note 7]</i>	1,337,286	1,337,286
	1,905,352	1,731,956
	8,954,525	9,093,751

Commitments *[note 8]*

See accompanying notes

On behalf of the Board:



Director



Director

Canadian UNICEF Committee

STATEMENT OF REVENUE AND EXPENSES

	Year ended December 31, 2014 \$	Nine-month period ended December 31, 2013 \$
REVENUE		
Fundraising		
Donations	26,976,846	24,958,246
Product sales	709,707	311,267
Government and other grants <i>[note 9]</i>	—	3,000,000
Other income	72,263	79,638
Total revenue	27,758,816	28,349,151
EXPENSES <i>[note 11]</i>		
Programmes		
International contributions <i>[note 1]</i>	14,451,202	17,744,557
Public advocacy and Canadian programs <i>[note 10]</i>	3,605,467	2,680,886
	18,056,669	20,425,443
Product <i>[note 10]</i>	122,034	85,032
Fundraising and administration <i>[note 10]</i>		
Fundraising	6,884,377	6,024,636
Administration	2,522,340	1,845,867
	9,406,717	7,870,503
Total expenses	27,585,420	28,380,978
Excess (deficiency) of revenue over expenses for the period	173,396	(31,827)

See accompanying notes

Canadian UNICEF Committee

STATEMENT OF CASH FLOWS

	Year ended December 31, 2014 \$	Nine-month period ended December 31, 2013 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the period	173,396	(31,827)
Add item not affecting cash		
Amortization	144,463	117,676
	<u>317,859</u>	<u>85,849</u>
Changes in non-cash working capital balances related to operations	(411,578)	1,480,927
Cash (used in) provided by operating activities	<u>(93,719)</u>	<u>1,566,776</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(317,859)	(85,849)
Cash used in investing activities	<u>(317,859)</u>	<u>(85,849)</u>
Net (decrease) increase in cash and cash equivalents during the period	(411,578)	1,480,927
Cash and cash equivalents, beginning of period	7,965,939	6,485,012
Cash and cash equivalents, end of period	<u>7,554,361</u>	<u>7,965,939</u>

See accompanying notes

Canadian UNICEF Committee

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1. NATURE OF ORGANIZATION AND RELATIONSHIP WITH UNICEF

The Canadian UNICEF Committee [“UNICEF Canada”] is the official partner in Canada for the United Nations Children’s Fund [“UNICEF”]. UNICEF Canada is a corporation incorporated without share capital under the Canada Corporations Act by Letters Patent dated September 22, 1969 and has members comprising the directors of UNICEF Canada and others, as approved by the UNICEF Canada Board. UNICEF Canada transitioned to the new Canada Corporations Act in 2013. UNICEF Canada is a registered charity, is able to issue donation receipts for income tax purposes under registration number 122680572RR001 and, accordingly, is exempt from income taxes provided certain requirements of the *Income Tax Act* (Canada) are met.

The objectives of UNICEF Canada include:

- to raise and receive funds for the work of UNICEF; and
- to stimulate interest, provide information and to involve Canadians and their governments in protecting the rights of children throughout the world in meeting these needs.

UNICEF Canada is party to a co-operation agreement with UNICEF that establishes, among other things, that the net funds raised after expenditures relating to public advocacy and Canadian programs will be transferred to UNICEF for the funding of programs approved by the UNICEF Executive Board.

As the obligation to transfer funds to UNICEF arises in the period in which the funds are raised, the amounts to be transferred are charged to expenses [international contributions] during that same period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada [“CPA Canada”] Accounting Handbook – which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below:

Revenue recognition

UNICEF Canada follows the deferral method of accounting for contributions, which include donations and grants. Donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Canadian UNICEF Committee

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are initially deferred and then recognized as revenue in the year in which the related expenses are incurred. Product sales are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated.

Financial instruments

Financial instruments, including accounts payable to UNICEF, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

Unless otherwise noted, it is management's opinion that UNICEF is not exposed to significant interest, currency, market or credit risks arising from financial instruments.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short term to maturity of approximately three months or less.

Capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is charged at annual rates on a straight-line basis designed to amortize the cost of the assets over their estimated useful lives as follows:

Tangible

Office furniture and equipment	10%
Computer equipment	20%
Leasehold improvements	Over the terms of the leases

Intangible

Software	20%
----------	-----

Employee pension plan

UNICEF Canada participates in a defined contribution pension plan. Contributions to this plan are expensed when due.

Canadian UNICEF Committee

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

Allocation of expenses

Salaries and benefits and other function costs for general support, such as finance, human resources and information technology and occupancy at head office included in administration expenses, are allocated to the other functions disclosed in the statement of revenue and expenses based on an estimate of the percentage of time spent by personnel in each department on activities related to each function.

3. RELATED PARTY TRANSACTIONS

The payable to UNICEF is due before June 30th 2015 and is non-interest bearing.

4. CAPITAL ASSETS

	December 31, 2014		
	Cost \$	Accumulated amortization \$	Net book value \$
Tangible			
Office furniture and equipment	590,136	532,036	58,100
Computer equipment	658,694	486,012	172,682
Leasehold improvements	520,106	422,403	97,703
Intangible			
Software	684,294	444,713	239,581
	2,453,230	1,885,164	568,066
	December 31, 2013		
	Cost \$	Accumulated amortization \$	Net book value \$
Tangible			
Office furniture and equipment	585,752	518,239	67,513
Computer equipment	580,059	424,106	155,953
Leasehold improvements	420,712	409,805	10,907
Intangible			
Software	548,848	388,551	160,297
	2,135,371	1,740,701	394,670

Canadian UNICEF Committee

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

5. UNRESTRICTED NET ASSETS

Unrestricted net assets are equal to the net book value of capital assets of UNICEF Canada.

6. GOVERNMENT REMITTANCES RECEIVABLE

As at December 31, 2014, accounts receivable include government remittances receivable of \$231,794 [2013 – \$258,581].

7. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets were set up with the proceeds from the sale of properties and are to be used for the future purchase of property, which must have prior approval from the Board of Directors.

8. COMMITMENTS

The future minimum annual operating lease payments for premises are as follows:

	\$
2015	467,476
2016	461,276
2017	453,026
2018	255,807
	<u>1,637,585</u>

In addition to minimum rental payments, leases for offices generally require the payment of various operating costs.

Canadian UNICEF Committee

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

9. GOVERNMENT AND OTHER GRANTS

	Year ended, December 31, 2014 \$	Nine-month period ended December 31, 2013 \$
Department of Foreign Affairs, Trade, and Development	—	3,000,000
	<u>—</u>	<u>3,000,000</u>

10. ALLOCATION OF EXPENSES

Certain administrative expenses are allocated to functions reported in the statement of revenue and expenses as follows:

	Year ended, December 31, 2014 \$	Nine-month period ended December 31, 2013 \$
Public advocacy and Canadian programs	877,778	752,821
Product	25,590	19,145
Fundraising	123,686	101,091
	<u>1,027,054</u>	<u>873,057</u>

11. PENSION PLAN

UNICEF Canada maintains a defined contribution pension plan for all permanent employees. Eligible employees can join the pension plan after completing at least six months of continuous service with UNICEF Canada. Employees contribute 5% of earnings to the plan and UNICEF Canada matches this contribution. The expense for the year recognized in the statement of revenue and expenses for the pension plan was \$196,411 [nine-month period ended December 31, 2013 – \$142,783].

