

# **Dress for Success Canada Foundation**



## **Financial Statements** For the year ended December 31, 2022



**Dress for Success Canada Foundation**  
**Financial Statements**  
For the year ended December 31, 2022

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## Independent Auditor's Report

### To the Members of the Dress For Success Canada Foundation

#### Opinion

We have audited the financial statements of the Dress for Success Canada Foundation, (the "Foundation"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022, and its 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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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.

We 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 we identify during our audit.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
June 29, 2023  
Ottawa, Ontario

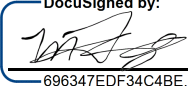
## Dress for Success Canada Foundation Statement of Financial Position

December 31	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 1,171,918	\$ 581,399
Short term investment (Note 3)	10,000	10,000
Government rebate receivable	12,018	1,040
Government subsidies and contribution receivable (Note 7)	36,420	3,387
Prepaid expenses	14,298	-
	1,244,654	595,826
<b>Tangible capital assets (Note 4)</b>	<b>1,573</b>	<b>274</b>
	<b>\$ 1,246,227</b>	<b>\$ 596,100</b>

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 26,092	\$ 93,484
Deferred contributions (Note 5)	852,604	177,500
	878,696	270,984
<b>Unrestricted net assets</b>	<b>367,531</b>	<b>325,116</b>
	<b>\$ 1,246,227</b>	<b>\$ 596,100</b>

Approved on behalf of the board:

DocuSigned by:  
  
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 Marlene Floyd  
 Member  
 Chair

DocuSigned by:  
  
 EE1075DC88C9414...  
 Mary Tersigni-Paltrinieri  
 Member  
 Treasurer

## Dress for Success Canada Foundation Statement of Operations and Changes in Net Assets

For the year ended December 31	2022	2021
<b>Revenue</b>		
Direct public support - corporate contributions	\$ 1,022,841	\$ 1,180,369
Direct public support - individual contributions	12,357	4,765
Government grants (Note 6)	1,693,279	157,707
Government subsidies (Note 7)	1,694	10,352
Interest income	50	10
Other contributions	22,061	28,750
	<u>2,752,282</u>	<u>1,381,953</u>
<b>Expenditures</b>		
Advertising and promotion	44,224	3,958
Amortization of tangible capital assets	572	334
Bank charges	1,072	649
Contract services	87,902	969
Fundraising	3,085	1,237
Grants	2,340,722	1,157,736
Insurance	1,571	1,863
Office	13,389	384
Professional fees	21,905	17,408
Salaries and related benefits	191,659	102,047
Travel	3,766	-
Website	-	1,871
	<u>2,709,867</u>	<u>1,288,456</u>
<b>Excess of revenue over expenditures for the year</b>	<b>42,415</b>	<b>93,497</b>
<b>Net assets, beginning of year</b>	<u><b>325,116</b></u>	<u><b>231,619</b></u>
<b>Net assets, end of year</b>	<u><b>\$ 367,531</b></u>	<u><b>\$ 325,116</b></u>

## Dress for Success Canada Foundation Statement of Cash Flows

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from (used in) operating activities</b>		
Excess of revenue over expenditures for the year	\$ 42,415	\$ 93,497
Adjustment for non-cash item		
Amortization of tangible capital assets	572	334
	<b>42,987</b>	93,831
Change in non-cash working capital items		
Government rebate receivable	(10,978)	7,371
Government subsidies and contribution receivable	(33,033)	396,613
Prepaid expenses	(14,298)	-
Accounts payable and accrued liabilities	(67,392)	(290,105)
Deferred contributions	675,104	177,500
	<b>592,390</b>	385,210
<b>Cash flows from (used in) investing activities</b>		
Purchase of short term investment - cost	(10,000)	(10,000)
Proceed on maturity of short-term investments - cost	10,000	10,000
Acquisition of tangible capital assets	(1,871)	-
	<b>(1,871)</b>	-
<b>Increase in cash during the year</b>	<b>590,519</b>	385,210
<b>Cash, beginning of year</b>	<b>581,399</b>	196,189
<b>Cash, end of year</b>	<b>\$ 1,171,918</b>	\$ 581,399

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## Dress for Success Canada Foundation Notes to the Financial Statements

**December 31, 2022**

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### Nature of Operations

The Dress for Success Canada Foundation (the "Foundation") is incorporated without share capital under the Not-for-profit Corporations Act of Canada. The Foundation is a registered charitable organization within the meaning of the Income Tax Act of Canada and as such is exempt from income taxes. The Foundation was formed to receive and maintain funds for the use and support of charitable organizations that are also registered charities under the Income Tax Act of Canada.

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### 1. Significant Accounting Policies

**Basis of Presentation** These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

**Use of Estimates** The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Significant estimates include assumptions used in estimating the collectibility of amounts receivable, the provisions for accrued liabilities, and the portion of revenue earned and deferred.

**Financial Instruments** Financial instruments are financial assets or liabilities of the Foundation where, in general, the Foundation has the right to receive cash or another financial asset from another party or the Foundation has the obligation to pay another party cash or other financial assets.

*Measurement of financial instruments*

The Foundation initially measures its arm's length financial assets and liabilities at fair value.

The Foundation subsequently measures all its arm's length financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, if any, which are measured at fair value. Changes in fair value are recognized in operations.

## Dress for Success Canada Foundation Notes to the Financial Statements

December 31, 2022

### 1. Significant Accounting Policies (continued)

#### Financial Instruments (continued)

Arm's length financial assets and financial liabilities measured at amortized cost include the government subsidies and contribution receivable, government rebate receivable, short term investment, and accounts payable and accrued liabilities.

There are no related party financial assets or liabilities.

There are no financial assets or financial liabilities measured a fair value.

#### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 operations.

#### Transaction costs

The Foundation recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

#### Tangible Capital Assets

Tangible capital assets are recorded at cost. The Foundation provides for amortization using the declining balance method at rates designed to amortize the cost of the assets over their estimated useful lives. The annual amortization rate is as follows:

Computer equipment	55%
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Intangible capital assets consist of website costs which are charged to operations as they are incurred.

#### Revenue Recognition

The Foundation 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 to be received can be reasonably estimated and collection is reasonably assured. Restricted endowments are recognized as direct increases in net assets.

## Dress for Success Canada Foundation Notes to the Financial Statements

**December 31, 2022**

### 1. Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

Contributions consist of corporate, individual, and other contributions, as well as government grants and subsidies.

Service revenue, if any, is recognized as services are performed. Amounts received for future services are deferred until the service is provided.

#### Contributed Materials and Services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

### 2. Cash

The Foundation's cash is held at one Canadian chartered bank and is non-interest bearing.

### 3. Short-term Investment

	2022	2021
Royal Bank of Canada, guaranteed investment certificate, one year cashable, interest at 1.75% (2021 - 0.50%), interest payable on maturity, maturing December 24, 2023 (2021 - December 23, 2022), at cost	<b>\$ 10,000</b>	<b>\$ 10,000</b>

### 4. Tangible Capital Assets

	2022		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	<b>\$ 3,733</b>	<b>\$ 2,160</b>	<b>\$ 1,573</b>

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## Dress for Success Canada Foundation Notes to the Financial Statements

**December 31, 2022**

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#### 4. Tangible Capital Assets (continued)

	2021		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 1,862	\$ 1,588	\$ 274

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#### 5. Deferred Contributions

Deferred contributions represent unused resources which, as a result of external restrictions, are to fund the related expenses to be occurring in a subsequent fiscal year.

The continuity of deferred contributions are as follows:

	2022	2021
Balance, beginning of the year	\$ 177,500	\$ -
Contributions received during the year	2,661,123	1,447,697
Recognized as revenue during the year	(1,986,019)	(1,270,197)
Balance, end of the year	\$ 852,604	\$ 177,500

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#### 6. Government Grants

Government funding agreements entered into by the Foundation are subject to conditions regarding the expenditures of the funds. The Foundation's accounting records may be subject to audit by the government funding agencies to identify instances, if any, in which the amounts claimed against contributions were not in compliance with the agreed terms and conditions, and which, therefore, would be refundable to the government funding agency.

Adjustments to the financial statements as a result of these audits would be recorded in the fiscal year in which they become known.

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## Dress for Success Canada Foundation Notes to the Financial Statements

**December 31, 2022**

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### 7. Government Subsidies

During the 2022 and 2021 years, the Foundation applied for funding under the Canada Emergency Wage Subsidy ("CEWS") relief program and Canada Recovery Hiring Program ("CRHP") established by the Federal Government of Canada. The subsidy programs are meant to assist businesses and organizations that saw large drops in revenue, in established periods, as a result of the impacts the COVID-19 pandemic. The purpose of the funding is to help organizations maintain the employment of their staff through covering payroll costs.

As at December 31, 2022, there were no amounts receivable (2021 - \$3,387) from these programs included in government subsidies and contributions receivable.

The Government of Canada maintains the right to audit the claims supporting these contributions. Request for repayment of contributions, if any, will be recorded in the year the government provides notification to the Foundation.

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### 8. Commitments

During the year, the Foundation entered into an agreement related to a future conference to be held during the 2023 fiscal year. Under the agreement, the Foundation is committed to estimated fees of \$26,787, excluding applicable sales taxes, for room rentals and food and beverage costs. As at December 31, 2022, the Foundation has paid deposits against this commitment in the amount of \$14,298, which are included in prepaid expenses. The agreement sets out termination penalties which increase as the event approaches. As at December 31, 2022, there would be no penalties for cancellation.

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### 9. Financial Instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations as at December 31, 2022.

The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments.

#### Liquidity risk

Liquidity risk is the risk the Foundation may not be able to meet its obligations. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and its deferred contributions set out in Note 5 to these financial statements.

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## Dress for Success Canada Foundation Notes to the Financial Statements

**December 31, 2022**

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### 9. Financial Instruments (continued)

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk mainly in relation to its government subsidies and contribution receivable, and government rebate receivable balances. Although not considered a significant credit risk, credit risk also exists in relation to the Foundation's cash and investment balances set out in Notes 2 and 3 to these financial statements.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is only exposed to interest rate risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is mainly exposed to fair value risk on its fixed rate short term investments as set out in Note 3 to these financial statements.

#### Change in risks

There have been no significant changes in the Foundation's risk exposures from the prior year.

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### 10. Corresponding Amounts

Certain of the comparative amounts have been reclassified to conform with the financial statement presentation adopted for the current year.

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