

Minerva Foundation for BC Women

Financial Statements
December 31, 2007

June 12, 2008

Auditors' Report

To the Members of Minerva Foundation for BC Women

We have audited the statement of financial position of **Minerva Foundation for BC Women** as at December 31, 2007 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Society Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

The financial statements as at December 31, 2006 and for the year then ended were not audited.

Chartered Accountants

Minerva Foundation for BC Women

Statement of Financial Position

As at December 31, 2007

	2007 \$	2006 \$ (Unaudited)
Assets		
Current assets		
Cash and cash equivalents	188,711	618,693
Accounts receivable	4,618	10,874
Prepaid expenses	10,245	3,380
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	203,574	632,947
Investments (note 4)	1,423,058	840,680
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	1,626,632	1,473,627
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	33,553	16,474
Deferred revenue (note 5)	413,350	406,750
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	446,903	423,224
Fund Balances		
General Fund	221,271	159,501
Board Designated Fund	298,334	298,334
Externally Restricted Endowment Fund (note 8)	660,124	592,568
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	1,179,729	1,050,403
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	1,626,632	1,473,627
Commitments (note 7)		

Approved by the Board of Directors

_____ Director

_____ Director

Minerva Foundation for BC Women

Statement of Changes in Net Assets For the year ended December 31, 2007

				2007	2006 (Unaudited)
	General Fund \$	Board Designated Fund \$	Externally Restricted Endowment Fund \$	Total \$	Total \$
Balance - Beginning of year	159,501	298,334	592,568	1,050,403	835,316
Adoption of financial instruments standards (note 3)	67,811	-	-	67,811	-
As restated	227,312	298,334	592,568	1,118,214	835,316
Excess of revenue over expenditures for the year	36,883		12,944	49,827	109,282
Endowment contributions	-	-	54,612	54,612	105,805
Change in unrealized gain on investments	(42,924)	-	-	(42,924)	-
Balance - End of year	221,271	298,334	660,124	1,179,729	1,050,403

Minerva Foundation for BC Women

Statement of Operations

For the year ended December 31, 2007

	2007 \$	2006 \$ (Unaudited)
Revenue		
Program donations	412,820	308,686
Unrestricted donations	80,248	66,254
Special events	268,252	210,889
Gaming revenue	36,000	57,000
Government - other	223,394	131,428
Foundations and associations	45,050	10,164
Interest and investment income	61,574	59,635
Impairment of investment	(2,478)	-
Other	10,845	17,396
	<u>1,135,705</u>	<u>861,452</u>
Expenditures - administration/head office and branches		
Wages and benefits	204,384	83,743
Newsletter	17,715	13,863
Professional and consulting fees	3,325	19,332
Office expenses	28,099	17,873
Fundraising	-	4,600
Travel	-	2,750
Investment fees and bank charges	12,431	2,824
Board of directors and meetings	7,527	3,777
	<u>273,481</u>	<u>148,762</u>
Expenditures - programs (note 9)		
Special Events	100,670	100,306
Learning to Lead	99,035	94,331
Follow A Leader	8,027	13,941
Education Awards	110,097	110,472
Minerva Helping Women Work	53,789	44,535
Community Grants	35,006	34,501
Combining Our Strength	288,431	43,624
Minerva Helping Women Work (MHWW) - Program Expansion	78,690	121,367
Other	6,963	-
Gaming expenditures		
Minerva Helping Women Work	1,553	12,305
Learning to Lead	22,304	21,027
Education Awards	12,402	15,238
Follow A Leader	8,374	3,949
	<u>825,341</u>	<u>615,596</u>
	<u>1,098,822</u>	<u>764,358</u>
Excess of revenue over expenditures for the year before Endowment Funds	36,883	97,094
Endowment Funds		
Endowment inflation adjustment (note 8)	12,944	12,188
Excess of revenue over expenditures for the year including Endowment Funds	<u>49,827</u>	<u>109,282</u>

Minerva Foundation for BC Women

Notes to Financial Statements

December 31, 2007

1 Mission statement

The mission of the Minerva Foundation for BC Women (the Foundation) is to inspire and empower women and girls to reach their full potential by creating opportunities and offering programs through trusted partnerships in the areas of education, leadership development, economic security and safety.

The Foundation was established to receive gifts, bequests, funds and property, and to hold, invest, administer and distribute funds and property to such other organizations as are qualified donees, under the provisions of the Income Tax Act.

2 Significant accounting policies

Funds

The General Fund reports the general operating activities of the Foundation.

The Board Designated Fund reports the Foundation's internally restricted funds approved by the Board of Directors for specified purposes. The Board's intention is to grow this fund and maintain it as an internal endowment fund.

The Externally Restricted Endowment Fund reports the Foundation's externally restricted endowment contributions including those subject to a direction that the donation be held for a period of not less than 10 years.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable except when the donor has specified that they are intended for use in a future period, in which case they are deferred. Contributions are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured. Government grants and contracts received in advance for services are accounted for using the deferral method, whereby such amounts are deferred and recorded as income in the period in which the service is provided. Endowment contributions are recognized as direct increases in net assets when received.

In-kind donations

As part of its programs and events, the Foundation received donations in-kind. Tax receipts are issued for the amount of fair market valuation. Contributions of service are also received but are not considered property and so tax receipts are not issued by the Foundation. Non-cash donations totalled \$77,800 (2006 - \$53,350 (unaudited)) and are not included in the financial statements.

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Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with banks and short-term investments with a maturity of less than 90 days.

Investments

Investments are recorded at fair value based on prices quoted in active markets.

Investment income

Investment income includes interest and dividends which are recorded on an accruals basis, and realized gains and losses on disposal of investments. Unrealized gains and losses are recognized in the statement of changes in net assets except, where in the judgement of management there has been an impairment in value, in which case, the loss is recognized in the statement of operations. An inflation adjustment is made to the Externally Restricted Endowment Fund annually, as an allocation of investment income earned.

Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates relate to the valuation of investments. Actual results could differ from those estimates.

3 Accounting changes - Financial instruments

In 2005, the Canadian Institute of Chartered Accountants (CICA) issued new accounting standards comprising handbook section 3855, "Financial Instruments - Recognition and Measurement", 3865, "Hedges", and 3251, "Equity", which become effective for the Foundation beginning January 1, 2007.

The standards require that organizations elect to designate each financial asset as trading, available-for-sale, held-to-maturity or loans and receivables. In addition, the standards require that all financial assets be measured at fair value on the balance sheet with the exception of loans, receivables, and investments classified as held-to-maturity, which will be measured at amortized cost. Changes in the fair value of available-for-sale securities will be reported as a separate component within the statement of changes in net assets, until the financial asset is disposed of or becomes impaired. Changes in the fair value of assets held-for-trading will be reported in the statement of operations.

Similarly, the standards require that all financial liabilities be measured at fair value on the statement of financial position when they are held-for-trading. Other financial liabilities should be measured at amortized cost.

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The Foundation has designated its cash and cash equivalents as held-for-trading, measured at amortized cost, investments as available-for-sale, accounts receivable, accounts payable and accrued liabilities as other liabilities, measured at amortized cost. The adjustment of previous carrying amounts to comply with the new standards amounting to \$67,811 has been recognized as an adjustment to net assets at January 1, 2007. The fair value of all financial instruments approximates their carrying values. The comparative financial statements have not been restated as a result of the adoption of these standards.

Future accounting changes

The following recently issued standards will be implemented by the Foundation on January 1, 2008:

Section 3862, Financial instruments - Disclosures and Section 3863, Financial Instruments - Presentation

CICA Handbook Section 3862, Financial Instruments - Disclosures and Section 3863, Financial Instruments - Presentation, both issued in December 2006, revise the current standards on financial instrument disclosure and presentation, and place an increased emphasis on disclosures regarding the risks associated with both recognized and unrecognized financial instruments and how these risks are managed. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives and provides additional guidance with classification of financial instruments, from the perspective of the issuer, between liabilities and equity.

Section 1535, Capital Disclosure

Section 1535, Capital Disclosures, issued in December 2006, establishes guidelines for the disclosure of information regarding an entity's capital and how it is managed. Under this section enhanced disclosure with respect to the objectives, policies and processes for managing capital will be provided.

4 Investments

Long-term investments consist of a portfolio of various equity, bond and fixed income funds that are managed separately by two investment firms.

	2007		2006 (Unaudited)	
	Fair value \$	Book value \$	Fair value \$	Book value \$
T-bills (Canadian and US\$)	19,261	19,261	-	-
Asset backed commercial papers	27,393	29,871	-	-
Bonds	822,913	831,629	382,698	384,775
Equities				
International	300,338	272,680	300,226	230,939
Canadian	253,153	247,208	225,567	224,966
	<u>1,423,058</u>	<u>1,400,649</u>	<u>908,491</u>	<u>840,680</u>

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5 Deferred revenue

Deferred revenue represents cash received for projects and services that are to be provided in the following year:

	2007 \$	2006 \$ (Unaudited)
Programs		
Education Awards	26,800	8,100
Minerva Helping Women Work	30,000	113,400
Community grants	-	1,000
Victoria seniors	-	7,750
Projects		
Combining Our Strength	245,000	208,500
MHWW Program Expansion	110,500	35,000
Learning to Lead	-	7,000
Events	1,050	26,000
	<hr/> 413,350	<hr/> 406,750

6 Non-cash matching funds

As part of its Education Awards programs, funds generated by the Foundation are often matched by educational institutions, corporations, individuals and others. These matching funds are not received directly by the Foundation and as a result, are not recognized as a revenue or expense in the financial statements. During 2007, non-cash matching funds of \$87,000 were received (2006 - \$75,000 (unaudited)).

7 Commitments

The Foundation has a lease for office equipment. Future minimum lease payments are as follows:

	\$
2008	4,411
2009	4,411
2010	4,411
2011	4,411
2012	2,573

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8 Externally Restricted Endowment Fund

The fund is made up of several endowments donated to the Foundation since 2001. An inflation adjustment of 2% (CPI) (2006 - 2.1% (unaudited)) on these funds is recorded annually to maintain the capital of the funds. This is presented as an endowment inflation adjustment \$12,944 (2006 - \$12,188 (unaudited)) on the statement of operations. The Endowment Funds are comprised of the following:

	2007 \$	2006 \$ (Unaudited)
Education Award Endowment Funds	490,899	452,124
Other Endowment Funds	169,225	140,444
	<u>660,124</u>	<u>592,568</u>

9 Expenditures - programs

Included within expenditures is an allocation of administration expenses to individual programs. This includes an accrual for audit fees for \$15,000 (2006 - \$nil (unaudited)).

10 Credit, interest rate, and currency risk management

Market and credit risk

The investment portfolio is exposed to market and credit risk due to changing market conditions for notes, bonds and debentures, marketable equity securities, and asset backed commercial papers. These market and credit risks are managed by establishing and monitoring asset allocation strategies and minimum credit criteria, and by diversifying investments within the various asset pools held by the Foundation.

Interest rate risk

The Foundation is not exposed to significant interest rate risk.

Foreign exchange risk

The Foundation is exposed to foreign exchange risk through its investment in international equities as disclosed in note 4.

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11 Statement of cash flows

A separate statement of cash flows has not been presented since cash flows from the Foundation's activities are readily apparent elsewhere in the financial statements.