

CFUW FINANCIAL STATEMENT WORKSHOP QUESTIONS from CHAT June 19th, 2021

Thank you to everyone who attended the Workshop on June 19, 2021 on Reading Financial Statements and This Year's Budget. We received many positive comments and we were asked that a similar workshop should be done every year.

*We have attempted to answer all the questions in the chat including any that we received via email before the workshop. This Q & A (along with the PowerPoint slides) is being sent to all registrants of the workshop. Thank you again for your participation and interest.
Beverley Rhodes, Susan Lane and Christine Tworo*

Questions regarding the financial statements:

Q. Note 7: What is covered under Project Costs:

A. The \$81,060 is for the Pay Equity Project which will last until early 2022. It includes funds for the salary of the Pay Equity Advocacy and Workshop Coordinator, costs for advertising, laptop purchase, internet, office supplies, postage, courier, printing, translation, telephone and a contribution to the office rent and a small amount of staff salaries. The project should break even.

Q. Note 9: Does the Ottawa-Carleton club members still do this?

A. Four volunteers from CFUW Ottawa used to work on opening fellowship applications and organizing them. Since we went to Fluid Review online, their services were not needed. However, in the last year, two of those volunteers have been helping Betty look for contact information for former Fellowship & Award winners. It is a project to build a database of winners who might either join CFUW and/or contribute financially.

Q. Page 11 – Currency Risk – Do we have a CHF bank account presently?

A. Yes.

Q. Page 13 – Schedule 2 Admin Expenses Breakdown:

a) the travel listed for staff, is that normally travel to AGMs to support the board and its activities there?

A. There is no staff travel listed on Schedule 2. In a more normal year, staff would travel to the AGM and the Advocacy Coordinator usually attends one or two of the Council meetings.

b) Are the salary and benefits, plus the ED & bookkeeper expenses

separate and not included in the Schedule 1 expenses for Salaries & Benefits?

A: The bookkeeper is in contract services. The bulk of the ED salary and benefits is included in the Salaries and Benefits line on schedule 1. A small portion is included in Schedule 2 for the time spent by the ED on fellowship and Charitable Trust matters.

Q: Why is the \$4000 for the GWI triennial meeting coming out of funds from all clubs, including the opt-out clubs?

A: The financial statements are for the past year. The budget is for the future year. So for 2020-2021, all clubs were considered opt-in. For 2022, GWI is planning a virtual triennial meeting.

Q: Why was the fellowship not given?

A: The Dr. A. Vibert Douglas Fellowship is not endowed and had not been given out in recent years. It was decided to do a one-time payout for our 100th Anniversary.

Questions from the Budget segment:

Q: Will there be some money coming in if the lease terms are not being met?

A: The landlord gave us notice and we obtained legal advice indicating that we were not entitled to recourse funds. However, that is still being negotiated with the landlord.

Q: I assume the CFUW Zoom platforms will be maintained, perhaps at a reduced number.

A: Yes.

Q: Why are dues from the E club separated out when it has been declared an opt in club

A: The E club and Canada GWI club do not belong to any particular province and are segregated out for information purposes.

Q: The Canada GWI club pays the full GWI dues for their full and dual members don't they? So more than the \$76 per member. Am I correct?

A: Dual members declare a home club to which they pay full dues of \$76 plus the club portion. As a dual member with a second club, they just pay that club's portion of its dues. So the National dues are only paid once by a member. When club report their membership numbers, they do not report dual members. All members of CFUW Canada GWI pay the full GWI dues.

Q: Would office insurance cover fire insurance?

A: Yes.

Q: Why is the 2020-21 Professional fees line number in the unaudited column

of the budget half of the Audited Financial Statement amount?

A. The unaudited column of the budget represents the cash paid out as of April 30, 2021. It does not include accruals at the end of the year, whereas the audited financial statements do. For example, the audit work was done after the year end, but because it relates to the year ended April 30, 2021, the audit fee must be accrued as part of the year just ended.

Q: Does this mean opt in clubs will be paying \$76 plus \$8.40 per capita for this coming year?

A. At this time, only the \$76 has been paid by all clubs. It is anticipated that Opt-in Clubs will be required to cover any shortfall for GWI per capita dues billed Jan. 1, 2022.

Q: What will happen re the GWI payment if the number of members increases this year (as we hope it will) or clubs decide to change their Opt-in/out status next November?

A. Changing status will not be an issue as payment will not be made to the opt-out clubs until after the GWI invoice has been received and paid. If numbers of members in the opt-in Clubs increase between May and November, then the invoice from GWI will reflect that and there will be a shortfall.

Q: Why would committees be meeting in person when members come from across the country?

A. Committees have budget amounts for things like teleconference costs, supplies, etc. They normally do not meet in person, unless they are already at an in-person event, such as an in-person AGM.

Q: In the International Advocacy line for Program Expenses, do most of the costs relate to the UNCSW meeting? Could we have a breakdown of the costs for the UNCSW meetings?

A. Of the \$558, \$428 relates to the UNCSW meetings. \$131 is registration for UNCSW parallel event registrations and \$267 is for payment for a virtual tour of the United Nations. At an in-person CSW, delegates pay their own expenses. The VP International and National President may use part of their allowance towards the cost of representing CFUW and leading the delegation.

Q: When will CFUW National require payment from opt-in clubs of GWI Jan 2023 dues? Prior to May 2022 as per current practice?

Under the current practice, payment would be made to CFUW in May 2022.

A. This has not been determined yet.

Q: Is the pay equity project going to end up in a deficit when you deduct the salary of the new hire?

A. No. It is budgeted to break-even.

Q: Does the President's budget include the costs of attending the UNCSW costs (what costs)?

A. The President's budget is to meet expenses incurred as part of the role – travel to meetings in Canada and at CSW would be part of that.

Q: Registering for the parallel workshop would that for ones we sponsor or all of them for both the VP IR and the Pres?

A. There was no cost this year to register as a delegate at CSW. The costs referred to are to host a parallel event.

Q: Dues for GWI are collected each year in May for payment in Jan of the next year which is the same fiscal year of CFUW so why are they identified as prepaid and amt owing in our statements?

A. This is a requirement under Canadian Generally Accepted Accounting Principles to use accrual accounting. The GWI dues for the calendar year 2021 were paid out before year end (April 30, 2021) so the portion related to May to December must be reflected in the Statement of Financial Position as an asset called "Prepaid Expenses" and cannot be included in the Statement of Operations as an expense because the expense will be reflected in the next year's Statement of Operations. This is also known as the "matching principle" and is a fundamental principle of accounting standards.

Q: Important to remember that the GWI dues payment is always budgeted at an exchange rate of \$1.40 per Swiss franc whereas in reality the rate averages around \$1.37 or so.

A. This is not exactly true. The rate has been budgeted at 1.40 since the fiscal year ended April 30, 2018. During this time, the average exchange rate actually paid by CFUW ranged from 1.32 to 1.36. The actual exchange rate has fluctuated between 1.28 to 1.47 over this same period.

Q: Would we ever consider including all costs for the UNCSW meetings to be included in a grouping?

A. We could consider it but the current arrangement seems to work at the moment.

Q: Could you please clarify: Christine stated that the actual cost to CFUW re GWI is about \$184,000 per year. The amount that Bev covers in the 2021-22 budget for the GWI is \$89,000. Is there a \$100,000+ exposure to CFUW for 2021-22 as the Budget now stands?

A. No, the budget is for the GWI billing as of January 1, 2022 and the number of opt-in club per capita members.

Q If there is a regular cash outflow in the fellowships, does it need to be reviewed? Perhaps even the calculation for the allocation of the admin costs?

A. For the year ended April 30, 2019 there was an actual cash in-flow of \$3,198. However, because overall there has been a decline in applications (and related filing fees), the Charitable Trust board is currently exploring a different way of handling applications and administration. This is anticipated to be a transition year.

Q: I thought that the CT paid for some of CFUW's expenses for the Fellowships Program, so why is it still short 15,000 dollars?

A. The Charitable Trust does pay for some of CFUW's expenses for the Fellowship Program. However, revenue from filing fees (which goes to CFUW to help cover expenses) was down significantly in 2021 and is expected to continue to be down in the upcoming year. As a result, the Charitable Trust board is currently exploring a different way of handling applications and administration. This is anticipated to be a transition year.

Q: Are opt out clubs aware of the \$8.40 top up?

A. Clubs should be aware of the fact that there is a shortfall between the amount budgeted for GWI (\$21.70) and the actual dues which are approximately \$30. Clubs have also been informed of the cancellation of the in-kind allowance.

Q: Is the Net Cash In/Out \$ 95,459 from the unaudited column going into the Reserve Fund?

A. Please refer to the audited financial statements. The audited excess of revenue over expense for the year of \$130,971 does go into unrestricted reserves as per GAAP (Generally Accepted Accounting Principles). It is important to note that not all of this amount is actually cash. For example, it includes an "unrealized" or "paper" gain on the market value of investments held at April 30, 2021 of \$48,320.

Q: With 1000 fewer members than the previous year and the Opt-In Clubs paying the full dues for GWI including the "top up" or dues increase, and reduced costs due to reduced travel, what expenses were cut from the Budget to reflect that CFUW has diminishing revenue?

A. The budget reflects a year in transition. Head Office will be moving in January, 2022 and it is anticipated rent will be lower going forward. Governance costs and AGM costs have been reduced as well.

Q: From the May 17th non - binding poll of those Opt Out clubs who attended, to recommend to Finance Committee selected to receive the money back from the Reserved Opt Out Fund. But this must be voted on at the AGM before that actually happens. It is possible for other options to be presented and perhaps even be accepted by the AGM vote. Is this correct?

A. The return of funds to Opt-Out clubs is a line in the budget and an amendment can be presented at the AGM. However, it is hoped that "Opt-In" Clubs and "Opt-Out" Clubs respect the decisions of the other group. The return of funds to the Opt-Out clubs will happen only after the clubs confirm that they are either "opt-in" or "opt-out" this fall and if the proposed budget is approved.

Q. In the Finance Report, March 2021, line 20, there is a revenue of \$4,665 Member Contributions. Where does that show in this AGM budget document?

A. The amount was not included in the unaudited column of the budget document as no amount is budgeted for the upcoming year. Total contributions from members of \$6,964 is shown separately on the audited statement of operations.