

FINANCIAL STATEMENTS

**NATIONAL ABORTION FEDERATION
CANADA**

December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
The National Abortion Federation Canada

Qualified Opinion

We have audited the financial statements of The National Abortion Federation Canada (the "Federation") which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation 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 Qualified Opinion

In common with many charitable organizations, the Federation derives revenue from donation and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Federation. Therefore, we were not able to determine whether any adjustments might be necessary to contribution - donation revenue, excess of revenue, and cash flows from operations for the year ended December 31, 2023.

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 Federation 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 qualified audit 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 Federation'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation'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:

INDEPENDENT AUDITOR'S REPORT

- 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 Federation'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 Federation'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 Federation 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada

Chartered Professional Accountants

National Abortion Federation Canada

STATEMENT OF FINANCIAL POSITION

As at December 31

	2023	2022
	\$	\$
ASSETS		
Current		
Cash	105,105	354,700
Accounts receivable [note 3]	373,844	22,958
Prepaid expenses	2,912	1,116
Total current assets	481,861	378,774
Capital assets [note 5]	7,137	12,571
	488,998	391,345
LIABILITIES		
Current liabilities		
Account payable and accruals [note 4]	39,013	33,163
Due to NAF	—	3,909
Deferred contributions [note 6]	189,354	249,695
Total current liabilities	228,367	286,767
Deferred contributions capital assets [note 7]	7,137	12,571
	235,504	299,338
NET ASSETS	253,494	92,007
	488,998	391,345

See accompanying notes to the financial statements

On behalf of the Board:

Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	Unrestricted \$	Internally Restricted \$	Total \$
2023			
Balance, beginning of year	88,099	3,908	92,007
Excess of revenue for the year	161,487	—	161,487
Balance, end of year	249,586	3,908	253,494
2022			
Balance, beginning of year	(61,359)	37,166	(24,193)
Excess of revenue for the year	116,200	—	116,200
Interfund transfer	33,258	(33,258)	—
Balance, end of year	88,099	3,908	92,007

See accompanying notes to the financial statements

National Abortion Federation Canada

STATEMENT OF OPERATIONS

Year ended December 31

	2023	2022
	\$	\$
REVENUE		
Contributions - grants <i>[note 6]</i>	885,089	575,682
Contributions - donations <i>[note 6]</i>	97,673	186,105
Education fees <i>[note 6]</i>	88,489	81,703
Other	10,540	4,275
Amortization of deferred contributions <i>[note 7]</i>	5,434	3,730
Contribution from NAF	—	57,962
	1,087,225	909,457
EXPENSES		
Wages and benefits	483,421	386,242
MPAF expense	208,063	183,466
Meeting and conferences	118,289	65,845
Professional fees	69,518	122,423
Office and other	21,438	15,524
Travel	12,756	7,916
Amortization	5,434	3,730
Bank charges	3,601	2,898
Educational courses	2,353	4,219
Miscellaneous	865	994
	925,738	793,257
Excess of revenue for the year	161,487	116,200

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue for the year	161,487	116,200
Item not affecting cash:		
Amortization of capital assets	5,434	3,730
	166,921	119,930
Changes in non-cash operating working capital items:		
Accounts receivable	(350,886)	(10,096)
Prepaid expenses	(1,796)	2,435
Accounts payable and accruals	5,850	16,900
Deferred contributions	(69,684)	184,058
Cash provided by (used in) operating activities	(249,595)	313,227
INVESTING ACTIVITIES		
Purchase of capital assets	—	(16,301)
Cash used in investing activities	—	(16,301)
Increase (decrease) in cash for the year	(249,595)	296,926
Cash, beginning of year	354,700	57,774
Cash, end of year	105,105	354,700

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. NATURE OF OPERATIONS

The National Abortion Federation Canada is a registered charitable organization. Its primary goal is to provide and maintain high standards for quality abortion care in Canada to ensure that abortion is among the safest and highest quality medical procedures. The National Abortion Federation Canada improves data collection and reporting of abortions in Canada for statistical and research purposes; provides accredited continuing medical education in all aspects of abortion care; conducts and participates in training, educational conferences, workshops and seminars that promote and enhance quality abortion care; improves women's access to abortion services by increasing the number of health care professionals educated and trained in providing abortion care; develops and maintains a website providing informative materials for the benefit of health care professionals and members of the general public; provides a hotline accessible to Canadian women, which provides accurate, unbiased reproductive health information to women of diverse backgrounds; and provides funding to enable women to have an abortion where access to abortion services is impeded because of limited financial means.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Basis of Accounting

Net assets includes the following funds:

Unrestricted Operations

Reflects the activities associated with day-to-day operations. Funds may be used for any purpose as directed by the Board of Directors, including the allocation of funds for the purpose of acquiring property, plan and equipment.

Internally Restricted

Reflects the amounts restricted internally by the Board of Directors for specific purposes. These restricted amounts are not generally available for other purposes unless specifically approved by the Board of Directors.

Use of Estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

The Federation 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.

Income from general operating grants are initially deferred and then recognized into income over the period covered by the grant. Income for project grants are initially deferred and then recognized into income to match the recognition of related project expenses. Income from general donations are recorded as income in the period the funds are received; where donations are received for a specific purpose they are initially deferred and then recognized into income over the period that expenditures are made towards that specific purpose. Income from fundraising is recognized as income in the period that the fundraising event occur. Income from program services and delivery is recognized when it is invoiced or when it can be reasonably estimated and collection is reasonably assured. Income from all other sources is recognized as it is earned using the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank deposits, and all highly liquid investments cashable with no penalties.

Measurement of Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Federation subsequently measures the following financial assets and financial liabilities at amortized cost:

Financial assets measured at cost include cash and accounts receivable.

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

Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis as follows:

- Computers 3 years

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

NOTES TO THE FINANCIAL STATEMENTS

3. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Operating	361,728	13,487
Allowance for doubtful accounts	—	—
GST receivable	12,116	9,471
	373,844	22,958

4. ACCOUNTS PAYABLE AND ACCRUALS

	2023	2022
	\$	\$
Operations	39,013	33,163
Government remittances - payroll taxes	—	—
	39,013	33,163

5. CAPITAL ASSETS

	2023	2022
	\$	\$
Computers	16,301	16,301
Accumulated Amortization	(9,164)	(3,730)
	7,137	12,571

6. DEFERRED CONTRIBUTIONS

	Deferred, Beginning of Year	Received or Receivable	Earned During the Year	Deferred, End of Year
	\$	\$	\$	\$
2023				
Grants				
Sexual and Reproductive Health Fund	232,736	728,319	(838,880)	122,175
University Ottawa	—	113,388	(46,209)	67,179
Bayer Inc	—	—	—	—
Summer Jobs	—	—	—	—
	232,736	841,707	(885,089)	189,354
Donations				
MPAF	16,959	25,702	(42,661)	—
MedAb	—	—	—	—
General donations	—	55,012	(55,012)	—
	16,959	80,714	(97,673)	—
Fee for service				
Educational fees	—	88,489	(88,489)	—
	249,695	1,010,910	(1,071,251)	189,354

NOTES TO THE FINANCIAL STATEMENTS

6. DEFERRED CONTRIBUTIONS (CONT'D)

	Deferred, Beginning of Year \$	Received or Receivable \$	Earned During the Year \$	Deferred, End of Year \$
2022				
Grants				
Sexual and Reproductive Health Fund	—	724,530	(491,794)	232,736
De-medicalize	—	82,388	(82,388)	—
Bayer Inc	—	1,500	(1,500)	—
Summer Jobs	—	—	—	—
	—	808,418	(575,682)	232,736
Donations				
MPAF	16,140	37,609	(36,790)	16,959
MedAb	22,498	14,224	(36,722)	—
General donations	—	112,593	(112,593)	—
	38,638	164,426	(186,105)	16,959
Fee for service				
Educational fees	—	81,703	(81,703)	—
	38,638	1,054,547	(843,490)	249,695

7. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	2023 \$	2022 \$
Opening balance, beginning of year	12,571	—
Contributions from Sexual and Reproductive Health Fund	—	16,301
Amortization of deferred contributions	(5,434)	(3,730)
Closing balance, end of year	7,137	12,571

8. RELATED PARTY TRANSACTIONS

In 2023, NAF Canada engaged in work with three healthcare professionals, who are also on their board. The amount paid to the board members during the year was \$3,375 [2022- \$2,100].

In 2021, NAF Canada entered into a contract with NAF (U.S.A) for purchase of services between the two entities. In 2023, NAF (U.S.A) purchased services of \$Nil [2022- \$30,000] from NAF Canada and NAF Canada purchased services of \$19,146 [2022 - \$20,000] from NAF (U.S.A)

The above amounts are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL INSTRUMENTS

The Federation is exposed to various risks through its financial instruments. The following analysis presents the Federation's exposures to significant risk as at December 31, 2023.

Credit Risk

The Federation is exposed to credit risk with respect to its cash. The Federation assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash and cash equivalents are held by a chartered Canadian financial institution.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Federation manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

The Federation has interest rate risk on its cash and cash equivalents. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows. The Federation does not use derivative financial instruments to alter the effects of this risk.

There has been no change in the Federation's risk exposure in the above noted risks since the previous period.

10. DISCLOSURE OF RENUMERATION

Pursuant to the British Columbia Societies Act, the Federation is required to disclose remuneration paid to employees and contractors who are paid \$75,000 or more during the fiscal year. Wages, benefits and contractors expense includes \$114,825 [2022 - \$158,540] paid to one employee during the year. There was no remuneration paid to any member of the Board of Directors.

11. ECONOMIC DEPENDENCE

The primary source of the Federation's revenue is from government contracts, in particular from the Health Canada - Sexual and Reproductive Health Fund [Note 6 and schedule]. The Federation's ability to continue viable operations is dependent upon maintaining this source of revenue.

SCHEDULE - SEXUAL AND REPRODUCTIVE HEALTH FUND

Year ended December 31

	2023	2022
	\$	\$
REVENUE		
Sexual and Reproductive Health Fund grant	838,879	491,794
Amortization of deferred contributions	5,434	3,730
Other revenue	371	—
Education fees	—	15,048
	844,684	510,572
EXPENSES		
Wages and benefits	461,575	284,563
MPAF expense	165,404	146,677
Meeting expenses	118,993	—
Professional fees	62,318	46,490
Office and other	16,016	21,222
Travel	12,505	7,865
Amortization	5,434	3,730
Professional development	1,600	—
Miscellaneous	499	25
Insurance	340	—
	844,684	510,572
Excess of revenue for the year	—	—