

B1	We did not find that the financial concerns raised in the motion rationale are justified and <i>are alarmed by the misleading chart included in the motion rationale.</i>	The chart was taken directly from information provided by CFUW and is correctly cited as per the reference. It was taken from the latest financial statement available to us, September 2015. Had the information been available from the pie chart sent by GWI in the unaudited statement of March 2016, <sup>1</sup> we would have used that one instead. It shows that 72% of GWI's budget is spent on administration and only 28 % spent on meeting the goals we share.
B2	The motion rationale states that the deficit budgets run by IFUW/GWI are unexpected and are contrary to the direction of the General Assembly at the 2013 Triennium. <i>This is false.....</i>	We question how the Stratford advocacy committee arrived at their conclusion as the documentary evidence in the paragraph before endnote 24 does not support it. Nowhere does the word "unexpected" appear. We cited the auditor's statement of the 2014 annual report that current practices are unsustainable. We emphasized the failure to hire a fundraiser when the direction given at the General Assembly of the 2013 Triennial was to hire new staff. <sup>2</sup> When we state the facts that, while deficits continue with reserves being drained, <b><i>it is the fundraising efforts that have not met our expectations.</i></b>
B3	The motion rationale provides a pie chart and states the latest financials indicate a "2% decrease in programs, a 2% decrease in advocacy with a 7% increase in fundraising costs and a 25% increase in governance from 2014." The pie chart of 2015 figures alone, without a comparison to the 2014 spending, shows no increases or decreases at all and simply shows the 2015 spending allocations.	The graph never purports to contain information from 2014. The pie chart authored by GWI referenced above, in endnote1 and distributed to NFAs in March of 2016 gives the percentages of funds spent on administration and are revealing when benchmarked to other charities in Canada. The United Way spends 15% of its money on administration and fundraising. <sup>3</sup> The Junior League, an international women's organization with over 150000 members spends 29% of funds on fundraising, management and governance, with the remaining 71% going to their programming. <sup>4</sup> These figures are almost the reverse of those at GWI.
B4	Through our review of the GWI Annual Reports, we suggest that a more significant comparison might be between 2015 spending and 2012 spending. Two graphs in the 2014 IFUW/GWI Annual Report show significant growth in spending for programs and membership services between 2012 and 2014. <sup>12</sup> We could not match the graph information clearly with the audited statements in the report, but we are not convinced that changes in spending in the first 8 or 9 months of 2015 <i>should necessarily be indicative of financial mismanagement.</i> It will be the responsibility of the CFUW delegates to the August Triennial Conference to analyze the GWI finances thoroughly.	<p>The GWI Annual Reports are unclear as it seems that employees and office expenses are 71% of spending (in 2014)<sup>5</sup>, while the update from the Going Forward documents break down expenses differently as no salaries are included specifically. Therefore, it is difficult to compare them to each other accurately. Rather than wait for the August triennial, we believe that a more thorough review can be done when the 2015 audited financial statements, including the all -important auditor's statement, will arrive from GWI sometime in April 2016.</p> <p>See the answer in B 6 for our response to the italicized words.</p>

B5	As for the claim of a 25% increase in governance spending between 2014 and September 2015, governance spending is shown at 14% of overall spending in the pie chart provided, which is for 2015 up to September 2015. In the audited statements in IFUW/GWI's 2014 Annual Report, governance spending amounts to just less than 5% of the total of 2014 expenses. <sup>13</sup> However, in the 2013 Annual Report, governance spending is approximately 11.5% of all expenses.	This increase according to the June update was actually double (12 to 25% of spending) as per <a href="http://files.ctctcdn.com/6827a0d1101/2e85034f-ef9a-476a-939b-f6fe3e0570f1.pdf">http://files.ctctcdn.com/6827a0d1101/2e85034f-ef9a-476a-939b-f6fe3e0570f1.pdf</a>  Since our amendment was submitted, and the 2015 Financial Statement released by GWI, that report states that "In functional terms, also Governance was an important cost factor, amounting to 19% of Total Expenditure. Nearly two thirds of the costs were for Governance and Statutory matters, i.e.
	Since the change in direction approved at Istanbul, there is insufficient time to determine whether the increase from 5% to 14% is worrisome or not or if the low 5% spending in 2014 was unusual. <b>Either way, characterizing the increase to 14% as a "25% increase" from 2014 seems misleading without more context.</b>	queries about the name change and different governance processes." <b>Now that we have more context, we can calculate the percentage change for 2014 to 2015. It is a 296% increase.</b>
B6	The motion rationale raised concern about GWI's foreign accounts stating that "at least one large fund and possibly others" have been moved to Switzerland. No details or possible explanation are offered. The GWI response to this states that accounts have been moved temporarily: GWI reserve funds held in The United States were moved to Geneva in 2015. "US laws changed, our broker left, and the firm we were using changed its priorities, and GWI no longer met their criteria, so we had to move, and the funds were moved to Switzerland in the short term, since it was easiest. This was the option proposed by the Assistant Treasurer from Canada and agreed to by the Finance Committee and Board."	While the explanation for the reason for the move is fine, it does not address the real issue, which is the fact those funds have now been spent. Our main point is about the sustainability of the financial situation, and as the deficit spending is depleting these reserves, we find the current financial position untenable. GWI's February 17 <sup>th</sup> , 2016 "Dues Increase Rationale" does itself support the CFUW St.Thomas claim that "Continuing to forward dues to IFUW/GWI is an irresponsible use of Canadian Dollars" and proves the continuing <i>financial mismanagement</i> . In that document GWI states, " <b>If we were going to be fiscally responsible, we should all commit to paying CHF 10 per month, or CHF 120 per year to belong to GWI</b> " yet the proposed dues increase is 30 -35 CHF per year. <sup>6</sup>

<sup>1</sup> This report was sent to all NFAs and circulated by CFUW to all clubs.

<sup>2</sup> GWI saw fit to change two staff members neither of whom was a fundraiser. GWI responses to Stratford question "Is it true that while 2 staff have been replaced since 2013, a permanent fundraiser is not considered affordable? GWI Comment: Yes, it is true, see above. This document is available along with the Revised Stratford document in the articles and bylaws section under governance, cfuwadmin.org.

<sup>3</sup> <http://www.unitedway.ca/media-centre/frequently-asked-questions>

<sup>4</sup> The Association of Junior League International Financial Report 2014 < <http://ar2014.ajli.org/>>

<sup>5</sup> IFUW Annual Report 2014, Back to Growth as of April 2015, page 21 The report is available on the GWI website.

<sup>6</sup> <http://www.cfuwvictoria.ca/wp-content/uploads/2016/03/2016-02-17-Dues-Increase-Rationale.pdf>). This statement is found under the paragraph heading The Value of Membership, the first sentence of the last paragraph.