

CHANGE HER WORLD
FINANCIAL STATEMENTS
AUGUST 31, 2014
(Prepared Without Audit)

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REVIEW ENGAGEMENT REPORT

To the Board of Directors of
Change Her World
Stratford, Ontario

We have reviewed the balance sheet of **Change Her World** as at **August 31, 2014** and the statements of operations, fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with many charitable organizations, the organization derives cash receipts, the completeness of which is not susceptible to satisfactory review verification. Accordingly, our verification of these receipts was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures (expenditures over revenue), assets and fund balances.

Except for the possible effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of cash receipts described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Famme + Co.

Professional Corporation
Chartered Professional Accountants
*Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario*

Stratford, Ontario
October 6, 2014

Change Her World
Balance Sheet
As at August 31, 2014

ASSETS

	General Fund	Chilumba Project	Mzuzu Project	Total 2014	Total 2013
Current Assets					
Cash	\$ 7,545	\$ 15,153	\$ 7	\$ 22,705	\$ 16,957
Accounts receivable	-	103	-	103	347
HST receivable	2,273	-	-	2,273	1,823
Inventory	500	-	-	500	500
Prepaid expenses	<u>204</u>	<u>-</u>	<u>-</u>	<u>204</u>	<u>201</u>
	<u>\$ 10,522</u>	<u>\$ 15,256</u>	<u>\$ 7</u>	<u>\$ 25,785</u>	<u>\$ 19,828</u>

LIABILITIES

Current Liabilities					
Accounts payable	15,515	-	-	15,515	2,224
Related party loan payable - non-interest bearing, no fixed repayment terms or due date	<u>7,201</u>	<u>-</u>	<u>-</u>	<u>7,201</u>	<u>9,201</u>
	<u>22,716</u>	<u>-</u>	<u>-</u>	<u>22,716</u>	<u>11,425</u>

FUND BALANCES

Fund Balances (Deficit)	<u>(12,194)</u>	<u>15,256</u>	<u>7</u>	<u>3,069</u>	<u>8,403</u>
	<u>\$ 10,522</u>	<u>\$ 15,256</u>	<u>\$ 7</u>	<u>\$ 25,785</u>	<u>\$ 19,828</u>

Approved on Behalf of the Board:

Director

Director

(Prepared Without Audit)
(See Accompanying Notes to the Financial Statements)

Change Her World
Statement of Fund Balances
For the year ended August 31, 2014

	General Fund	Chilumba Project	Mzuzu Project	Total 2014	Total 2013
Balance - beginning of year	\$ 7,593	\$ 769	\$ 41	\$ 8,403	\$ 8,446
Excess of revenue over expenditures (expenditures over revenue) for the year	61,034	(64,337)	(2,031)	(5,334)	(43)
Interfund transfers	<u>(80,821)</u>	<u>78,824</u>	<u>1,997</u>	<u>-</u>	<u>-</u>
Balance (deficit) - end of year	<u>\$ (12,194)</u>	<u>\$ 15,256</u>	<u>\$ 7</u>	<u>\$ 3,069</u>	<u>\$ 8,403</u>

(Prepared Without Audit)
(See Accompanying Notes to the Financial Statements)

Change Her World
Statement of Operations
For the year ended August 31, 2014

	General Fund	Chilumba Project	Mzuzu Project	Total 2014	Total 2013
Revenue					
Donations	\$ 86,675	\$ -	\$ -	\$ 86,675	\$ 93,351
Fundraising (Note 6)	4,724	-	-	4,724	5,802
Products and literature	<u>672</u>	<u>-</u>	<u>-</u>	<u>672</u>	<u>698</u>
	<u>92,071</u>	<u>-</u>	<u>-</u>	<u>92,071</u>	<u>99,851</u>
Expenditures					
Conferences and travel	-	2,177	-	2,177	8,811
Professional fees	13,655	-	-	13,655	9,200
Office and administration	6,903	7,469	-	14,372	10,673
Project	500	50,872	1,909	53,281	56,502
Website	1,065	-	-	1,065	987
Fundraising (Note 6)	7,289	-	-	7,289	8,647
Products and literature	151	-	-	151	1,399
Volunteer training	-	24	-	24	-
Interest and bank charges	611	38	9	658	665
Insurance	863	-	-	863	848
Foreign exchange loss	<u>-</u>	<u>3,757</u>	<u>113</u>	<u>3,870</u>	<u>2,662</u>
	<u>31,037</u>	<u>64,337</u>	<u>2,031</u>	<u>97,405</u>	<u>100,394</u>
	<u>61,034</u>	<u>(64,337)</u>	<u>(2,031)</u>	<u>(5,334)</u>	<u>(543)</u>
Change In Inventory					
Inventory - beginning of year	500	-	-	500	-
Inventory - end of year	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Excess of revenue over expenditures (expenditures over revenue) for the year					
	\$ <u>61,034</u>	\$ <u>(64,337)</u>	\$ <u>(2,031)</u>	\$ <u>(5,334)</u>	\$ <u>(43)</u>

(Prepared Without Audit)
(See Accompanying Notes to the Financial Statements)

Change Her World
Statement of Cash Flows
For the year ended August 31, 2014

	General Fund	Chilumba Project	Mzuzu Project	Total 2014	Total 2013
Cash Provided By (Used In):					
Operating Activities					
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ 61,034	\$ (64,337)	\$ (2,031)	\$ (5,334)	\$ (43)
Net changes in non-cash current operating accounts					
Decrease (increase) in accounts receivable	-	244	-	244	(347)
Decrease (increase) in HST receivable	(450)	-	-	(450)	(737)
Decrease (increase) in inventory	-	-	-	-	(500)
Decrease (increase) in prepaid expenses	(3)	-	-	(3)	(3)
Increase (decrease) in accounts payable	<u>13,291</u>	<u>-</u>	<u>-</u>	<u>13,291</u>	<u>94</u>
	<u>73,872</u>	<u>(64,093)</u>	<u>(2,031)</u>	<u>7,748</u>	<u>(1,536)</u>
Financing Activities					
Payment on related party loan	(2,000)	-	-	(2,000)	(1,500)
Interfund transfer	<u>(80,821)</u>	<u>78,824</u>	<u>1,997</u>	<u>-</u>	<u>-</u>
	<u>(82,821)</u>	<u>78,824</u>	<u>1,997</u>	<u>(2,000)</u>	<u>(1,500)</u>
Increase (decrease) in cash and cash equivalents	(8,949)	14,731	(34)	5,748	(3,036)
Cash and cash equivalents - beginning of year	<u>16,494</u>	<u>422</u>	<u>41</u>	<u>16,957</u>	<u>19,993</u>
Cash and cash equivalents - end of year	\$ <u>7,545</u>	\$ <u>15,153</u>	\$ <u>7</u>	\$ <u>22,705</u>	\$ <u>16,957</u>
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:					
Cash	\$ <u>7,545</u>	\$ <u>15,153</u>	\$ <u>7</u>	\$ <u>22,705</u>	\$ <u>16,957</u>

(Prepared Without Audit)
(See Accompanying Notes to the Financial Statements)

Change Her World
Notes to the Financial Statements
For the year ended August 31, 2014

1. Purpose of the Organization

The purpose of Change Her World is to collect donations in Canada and use the funds for poverty relief, education, clean water, public health and a micro loan program for girls and women in the developing world. The organization is a registered charity which is not taxable under Section 149(1)(f) of the Income Tax Act.

2. Fund Accounting

The organization uses fund accounting. The purpose of each fund is as follows:

- (a) General Fund
To administer the receipts and disbursements of the general operations of the organization.
- (b) Chilumba Project
To administer funds for the organization's activities in Chilumba, Malawi.
- (c) Mzuzu Project
To administer funds for the organization's activities in Mzuzu, Malawi.

3. Summary of Significant Accounting Policies

These financial statements have been prepared from information available within the guidelines of Canadian accounting standards for not-for-profit organizations summarized below:

- (a) Revenue Recognition
Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (b) Capital Expenditures
Under Canadian accounting standards for not-for-profit organizations, purchases of a capital nature are recorded as property, plant and equipment and amortized over their useful life. However, an acceptable alternative for non-profit and charitable organizations with revenues of less than \$ 500,000 is to show the purchases of property, plant and equipment as expenses in the year in which they are incurred. The organization follows this alternative method of accounting for purchases of a capital nature.
- (c) Use of Estimates
Preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenues and expenses. Due to measurement uncertainty, results could differ from those estimates.
- (d) Financial Instruments
A financial asset is any asset that is cash; a contractual right to receive cash from another party; or an equity instrument of another entity. A financial liability is any liability that is a contractual obligation to deliver cash to another party.

Financial assets and liabilities are initially measured at fair value, except for certain non-arm's length transactions. Subsequently, financial assets and financial liabilities are measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditures.

(Prepared Without Audit)

Change Her World
Notes to the Financial Statements
For the year ended August 31, 2014

3. Summary of Significant Accounting Policies (continued)

(e) Contributed Services

Contributed services are not recognized in the financial statements due to the inherent difficulty of valuation.

(f) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined substantially on a first in, first out basis.

4. Related Party Transactions

During the year, the organization entered into a related party transaction as follows:

The organization made payments on the advances from Carol Hamilton, one of the founders of the organization of \$ 2,000 (2013 - \$ 1,500). A payable of \$ 7,201 exists at year end (2013 - \$ 9,201). This loan is non-interest bearing and there are no fixed repayment terms or due date.

5. Currency Risk

A significant portion of the organization's charitable activities take place in Malawi. As Canadian dollars do not directly translate into Malawian kwacha, Canadian currency must be translated into U.S. dollars and then into Malawian kwacha. As a result, certain of the expenses and liabilities are exposed to foreign currency risk.

(Prepared Without Audit)

Change Her World
Notes to the Consolidated Financial Statements
For the year ended August 31, 2014

6. Fundraising Events

The following is a breakdown of fundraising revenues and expenses by event. Revenues only include ticket sales, raffles, proceeds from silent auctions and other similar activities. Any donations received at a fundraising event are included in general donations.

	Fundraising Dinners	Dance/ Concert	Education Events	Other Events	Total
2014					
Total revenue	\$ 3,555	\$ 1,169	\$ -	\$ -	\$ 4,724
Total direct expenditures	<u>2,740</u>	<u>-</u>	<u>-</u>	<u>4,549</u>	<u>7,289</u>
Net income (loss)	<u>\$ 815</u>	<u>\$ 1,169</u>	<u>\$ -</u>	<u>\$ (4,549)</u>	<u>\$ (2,565)</u>
2013					
Total revenue	5,075	727	-	-	5,802
Total direct expenditures	<u>4,310</u>	<u>320</u>	<u>-</u>	<u>4,017</u>	<u>8,647</u>
Net income (loss)	<u>\$ 765</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ (4,017)</u>	<u>\$ (2,845)</u>

(Prepared Without Audit)