

SUMMARY STATEMENT OF FINANCIAL POSITION

As of August 31, 2012

Assets	2012	2011
Current Assets		
Cash	\$ 19,993	\$ 16,333
Accounts receivable	—	57
HST receivable	1,086	2,475
Inventory	—	220
Prepaid expenses	198	191
	\$ 21,277	\$ 19,276
Liabilities & Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 12,831	\$ 17,514
	21,277	19,276

SUMMARY STATEMENT OF OPERATIONS AND NET ASSETS	2012	2011
Revenue		
Individual and Corporate Donations	\$ 51,538	\$ 54,501
Fundraising**	6,096	6,147
Product and literature	918	878
Other Income	11	265
	\$ 58,563	\$ 61,791
Expenditures		
Malawi Project	\$ 37,062	24,024
Support Services		
Legal and Accounting Fees	\$ 2,530	8,392
Office and Admin	669	2,012
Website	575	5,984
Fundraising Expenses**	8,766	5,794
Advertising and Promotion	109	2,704
Product and Literature	657	2,667
Insurance	835	619
Interest and Bank Charges	456	891
	\$ 14,597	\$ 29,063
	\$ 51,659	\$ 53,087
Excess of revenue over expenditures	\$ 6,904	\$ 8,704

** Indicates Tickets Sold for Dinners and Dance (Fundraising Revenue) and Catering costs etc. paid for these events (Fundraising Expenditures)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Change Her World
250 Glendon Road
Stratford, Ontario

We have audited the accompanying financial statements of **Change Her World**, which comprise the balance sheet as at **August 31, 2012** and the statements of operations, fund balances (deficit) and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives cash revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues 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.

Change Her World's Ekwendeni Project's fund balance is carried at \$ nil on the balance sheet as at **August 31, 2012** and the Ekwendeni Project's net loss of \$ 1,901 is included in **Change Her World's** income for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Ekwendeni Project's fund balance as at **August 31, 2012** and the Ekwendeni Project's net loss for the year as management has been unable to obtain financial information from the Project's committee. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Change Her World** as at **August 31, 2012** and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fanne & Co

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

Stratford, Ontario
January 25, 2013