

**CHANGE HER WORLD**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2015**

**(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, 2015** 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.



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

Stratford, Ontario  
October 21, 2015

**Change Her World**  
**Balance Sheet**  
As at August 31, 2015

**ASSETS**

	<b>General Fund</b>	<b>Chilumba Project</b>	<b>Mzuzu Project</b>	<b>Total 2015</b>	<b>Total 2014</b>
<b>Current Assets</b>					
Cash	\$ 5,536	\$ 9,846	\$ 8	\$ 15,390	\$ 22,705
Accounts receivable	-	89	-	89	103
HST receivable	1,750	-	-	1,750	2,273
Inventory	500	-	-	500	500
Prepaid expenses	209	-	-	209	204
	<u>\$ 7,995</u>	<u>\$ 9,935</u>	<u>\$ 8</u>	<u>\$ 17,938</u>	<u>\$ 25,785</u>

**LIABILITIES**

**Current Liabilities**

Accounts payable	2,463	-	-	2,463	15,515
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>7,201</u>
	<u>9,664</u>	<u>-</u>	<u>-</u>	<u>9,664</u>	<u>22,716</u>

**FUND BALANCES**

<b>Fund Balances (Deficit)</b>	<u>(1,669)</u>	<u>9,935</u>	<u>8</u>	<u>8,274</u>	<u>3,069</u>
	<u>\$ 7,995</u>	<u>\$ 9,935</u>	<u>\$ 8</u>	<u>\$ 17,938</u>	<u>\$ 25,785</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, 2015

	<b>General Fund</b>	<b>Chilumba Project</b>	<b>Mzuzu Project</b>	<b>Total 2015</b>	<b>Total 2014</b>
<b>Balance (deficit) - beginning of year</b>	\$ (12,194)	\$ 15,256	\$ 7	\$ 3,069	\$ 8,403
Excess of revenue over expenditures (expenditures over revenue) for the year	91,851	(68,719)	(17,927)	5,205	(5,334)
Interfund transfers	<u>(81,326)</u>	<u>63,398</u>	<u>17,928</u>	<u>-</u>	<u>-</u>
<b>Balance (deficit) - end of year</b>	<u>\$ (1,669)</u>	<u>\$ 9,935</u>	<u>\$ 8</u>	<u>\$ 8,274</u>	<u>\$ 3,069</u>

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

**Change Her World**  
**Statement of Operations**  
For the year ended August 31, 2015

	<b>General Fund</b>	<b>Chilumba Project</b>	<b>Mzuzu Project</b>	<b>Total 2015</b>	<b>Total 2014</b>
<b>Revenue</b>					
Donations	\$ 106,831	\$ -	\$ -	\$ 106,831	\$ 86,675
Fundraising (Note 6)	6,773	-	-	6,773	4,724
Products and literature	403	-	-	403	672
	<u>114,007</u>	<u>-</u>	<u>-</u>	<u>114,007</u>	<u>92,071</u>
<b>Expenditures</b>					
Conferences and travel	2,031	-	-	2,031	2,177
Professional fees	5,641	-	-	5,641	13,655
Office and administration	6,221	6,587	168	12,976	14,372
Project	-	59,498	17,051	76,549	53,281
Website	1,132	-	-	1,132	1,065
Fundraising (Note 6)	5,243	-	-	5,243	7,289
Products and literature	-	-	-	-	151
Volunteer training	-	-	-	-	24
Interest and bank charges	1,004	81	36	1,121	658
Insurance	884	-	-	884	863
Foreign exchange loss	-	2,553	672	3,225	3,870
	<u>22,156</u>	<u>68,719</u>	<u>17,927</u>	<u>108,802</u>	<u>97,405</u>
	<u>91,851</u>	<u>(68,719)</u>	<u>(17,927)</u>	<u>5,205</u>	<u>(5,334)</u>
<b>Change In Inventory</b>					
Inventory - beginning of year	500	-	-	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>-</u>
<b>Excess of revenue over expenditures (expenditures over revenue) for the year</b>	<u>\$ 91,851</u>	<u>\$ (68,719)</u>	<u>\$ (17,927)</u>	<u>\$ 5,205</u>	<u>\$ (5,334)</u>

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



**Change Her World**  
**Statement of Cash Flows**  
For the year ended August 31, 2015

	<b>General Fund</b>	<b>Chilumba Project</b>	<b>Mzuzu Project</b>	<b>Total 2015</b>	<b>Total 2014</b>
<b>Cash Provided By (Used In):</b>					
<b>Operating Activities</b>					
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ 91,851	\$ (68,719)	\$ (17,927)	\$ 5,205	\$ (5,334)
Net changes in non-cash current operating accounts					
Decrease (increase) in accounts receivable	-	14	-	14	244
Decrease (increase) in HST receivable	523	-	-	523	(450)
Decrease (increase) in prepaid expenses	(5)	-	-	(5)	(3)
Increase (decrease) in accounts payable	<u>(13,052)</u>	<u>-</u>	<u>-</u>	<u>(13,052)</u>	<u>13,291</u>
	<u>79,317</u>	<u>(68,705)</u>	<u>(17,927)</u>	<u>(7,315)</u>	<u>7,748</u>
<b>Financing Activities</b>					
Payment on related party loan	-	-	-	-	(2,000)
Interfund transfer	<u>(81,326)</u>	<u>63,398</u>	<u>17,928</u>	<u>-</u>	<u>-</u>
	<u>(81,326)</u>	<u>63,398</u>	<u>17,928</u>	<u>-</u>	<u>(2,000)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(2,009)</b>	<b>(5,307)</b>	<b>1</b>	<b>(7,315)</b>	<b>5,748</b>
<b>Cash and cash equivalents - beginning of year</b>	<u><b>7,545</b></u>	<u><b>15,153</b></u>	<u><b>7</b></u>	<u><b>22,705</b></u>	<u><b>16,957</b></u>
<b>Cash and cash equivalents - end of year</b>	<u><b>\$ 5,536</b></u>	<u><b>\$ 9,846</b></u>	<u><b>\$ 8</b></u>	<u><b>\$ 15,390</b></u>	<u><b>\$ 22,705</b></u>
<b>Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:</b>					
Cash	<u><b>\$ 5,536</b></u>	<u><b>\$ 9,846</b></u>	<u><b>\$ 8</b></u>	<u><b>\$ 15,390</b></u>	<u><b>\$ 22,705</b></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, 2015

**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 expenditures. 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, 2015

**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 \$ nil (2014 - \$ 2,000). A payable of \$ 7,201 exists at year end (2014 - \$ 7,201). 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.

**6. Fundraising Events**

The following is a breakdown of fundraising revenues and expenditures 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.

	<b>Fundraising Dinners</b>	<b>Concert</b>	<b>Education Events</b>	<b>Other Events</b>	<b>Total</b>
<b>2015</b>					
Total revenue	\$ 5,795	\$ 978	\$ -	\$ -	\$ 6,773
Total direct expenditures	<u>4,479</u>	<u>313</u>	<u>-</u>	<u>451</u>	<u>5,243</u>
<b>Net income (loss)</b>	<u>\$ 1,316</u>	<u>\$ 665</u>	<u>\$ -</u>	<u>\$ (451)</u>	<u>\$ 1,530</u>
<b>2014</b>					
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>
<b>Net income (loss)</b>	<u>\$ 815</u>	<u>\$ 1,169</u>	<u>\$ -</u>	<u>\$ (4,549)</u>	<u>\$ (2,565)</u>

(Prepared Without Audit)