

CHANGE HER WORLD
FINANCIAL STATEMENTS
AUGUST 31, 2023
(Prepared Without Audit)

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

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

We have reviewed the accompanying financial statements of **Change Her World** that comprise the balance sheet as at **August 31, 2023** and the statements of operations, fund balances 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 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than and vary in nature from those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT - continued

Basis for Qualified Conclusion

In common with many charitable organizations, the organization derives revenue from fundraising activities and donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were unable to determine whether any adjustments might have been found necessary to fundraising revenue, donations, excess of revenue over expenditures and cash flows from operations for the years ended August 31, 2023 and 2022, current assets as at August 31, 2023 and 2022, and fund balances as at September 1 and August 31 for both the 2023 and 2022 years. Our conclusion on the financial statements as at and for the year ended August 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of **Change Her World** as at **August 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.

Fanno + Co.

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

Stratford, Ontario
November 10, 2023

Change Her World
Balance Sheet
As at August 31, 2023

	ASSETS			
	General Fund	Chilumba Project	Total 2023	Total 2022
Current Assets				
Cash	\$ 26,107	\$ 3,061	\$ 29,168	\$ 37,213
HST receivable	1,692	-	1,692	1,905
Inventory	1,460	-	1,460	250
Prepaid expenses	<u>9,844</u>	<u>-</u>	<u>9,844</u>	<u>3,946</u>
	<u>\$ 39,103</u>	<u>\$ 3,061</u>	<u>\$ 42,164</u>	<u>\$ 43,314</u>
LIABILITIES				
Current Liabilities				
Accounts payable	<u>4,717</u>	<u>-</u>	<u>4,717</u>	<u>3,018</u>
FUND BALANCES				
Fund Balances	<u>34,386</u>	<u>3,061</u>	<u>37,447</u>	<u>40,296</u>
	<u>\$ 39,103</u>	<u>\$ 3,061</u>	<u>\$ 42,164</u>	<u>\$ 43,314</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, 2023

	General Fund	Chilumba Project	Total 2023	Total 2022
Balance - beginning of year	\$ 39,818	\$ 478	\$ 40,296	\$ 51,199
Excess of revenue over expenditures (expenditures over revenue) for the year	224,316	(227,165)	(2,849)	(10,903)
Interfund transfers	<u>(229,748)</u>	<u>229,748</u>	<u>-</u>	<u>-</u>
Balance - end of year	<u>\$ 34,386</u>	<u>\$ 3,061</u>	<u>\$ 37,447</u>	<u>\$ 40,296</u>

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

Change Her World
Statement of Operations
For the year ended August 31, 2023

	General Fund	Chilumba Project	Total 2023	Total 2022
Revenue				
Donations	\$ 223,964	\$ -	\$ 223,964	\$ 220,350
Fundraising (Note 5)	20,783	-	20,783	30,273
Products and literature	1,366	-	1,366	2,355
Investment income	<u>168</u>	<u>-</u>	<u>168</u>	<u>63</u>
	<u>246,281</u>	<u>-</u>	<u>246,281</u>	<u>253,041</u>
Expenditures				
Conferences and travel	270	-	270	-
Professional fees	4,529	-	4,529	3,949
Office and administration	2,263	4,656	6,919	6,543
Project	-	218,156	218,156	236,930
Website	816	-	816	1,088
Fundraising (Note 5)	11,442	-	11,442	7,841
Interest and bank charges	2,689	120	2,809	2,285
Insurance	899	-	899	655
Foreign exchange loss	267	4,233	4,500	4,040
Loss on disposal of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>613</u>
	<u>23,175</u>	<u>227,165</u>	<u>250,340</u>	<u>263,944</u>
	<u>223,106</u>	<u>(227,165)</u>	<u>(4,059)</u>	<u>(10,903)</u>
Change In Inventory				
Inventory - beginning of year	250	-	250	250
Inventory - end of year	<u>1,460</u>	<u>-</u>	<u>1,460</u>	<u>250</u>
	<u>1,210</u>	<u>-</u>	<u>1,210</u>	<u>-</u>
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>\$ 224,316</u>	<u>\$ (227,165)</u>	<u>\$ (2,849)</u>	<u>\$ (10,903)</u>

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

Change Her World
Statement of Cash Flows
For the year ended August 31, 2023

	General Fund	Chilumba Project	Total 2023	Total 2022
Cash Provided By (Used In):				
Operating Activities				
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ 224,316	\$ (227,165)	\$ (2,849)	\$ (10,903)
Net changes in non-cash current operating accounts				
Decrease (increase) in HST receivable	213	-	213	361
Decrease (increase) in inventory	(1,210)	-	(1,210)	-
Decrease (increase) in prepaid expenses	(5,898)	-	(5,898)	109
Increase (decrease) in accounts payable	<u>1,699</u>	<u>-</u>	<u>1,699</u>	<u>367</u>
	<u>219,120</u>	<u>(227,165)</u>	<u>(8,045)</u>	<u>(10,066)</u>
Financing Activities				
Interfund transfer	<u>(229,748)</u>	<u>229,748</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(10,628)	2,583	(8,045)	(10,066)
Cash and cash equivalents - beginning of year	<u>36,735</u>	<u>478</u>	<u>37,213</u>	<u>47,279</u>
Cash and cash equivalents - end of year	\$ <u>26,107</u>	\$ <u>3,061</u>	\$ <u>29,168</u>	\$ <u>37,213</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>26,107</u>	\$ <u>3,061</u>	\$ <u>29,168</u>	\$ <u>37,213</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, 2023

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.

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.

Change Her World
Notes to the Financial Statements
For the year ended August 31, 2023

3. Summary of Significant Accounting Policies (continued)

(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.

(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. 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. As at August 31, 2023, cash of K 2,428,024 is held in Malawian kwacha and converted to Canadian dollars for financial reporting purposes.

5. 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.

	Fundraising Dinners	Other Events	Total
2023			
Total revenue	\$ 14,395	\$ 6,388	\$ 20,783
Total direct expenditures	<u>6,401</u>	<u>5,041</u>	<u>11,442</u>
Net income	<u>\$ 7,994</u>	<u>\$ 1,347</u>	<u>\$ 9,341</u>
2022			
Total revenue	14,925	15,348	30,273
Total direct expenditures	<u>3,448</u>	<u>4,393</u>	<u>7,841</u>
Net income	<u>\$ 11,477</u>	<u>\$ 10,955</u>	<u>\$ 22,432</u>

(Prepared Without Audit)