

CHANGE HER WORLD
FINANCIAL STATEMENTS
AUGUST 31, 2024

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INDEPENDENT AUDITORS' REPORT

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

Qualified Opinion

We have audited the financial statements of **Change Her World**, which comprise the balance sheet as at **August 31, 2024** and the statements of operations, fund balances and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **Change Her World** as at **August 31, 2024** 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

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of **Change Her World** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

In common with many not-for-profit 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 and cash flows from operations for the years ended August 31, 2024, current assets as at August 31, 2024, and fund balances as at September 1, 2023 and August 31, 2024.

Other Matter

Figures for 2023 have not been audited. Therefore, we do not express any opinion on these corresponding figures.

INDEPENDENT AUDITORS' REPORT - continued

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over seeing the entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT - continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Stratford, Ontario
November 23, 2024

Change Her World
Balance Sheet
As at August 31, 2024

ASSETS

	General Fund	Chilumba Project	Total 2024	Total 2023
Current Assets				
Cash	\$ 149,782	\$ 5,787	\$ 155,569	\$ 24,558
Short-term investments - at fair market value (cost - \$ 16,159 (2023 - \$4,610))	20,887	-	20,887	4,610
HST receivable	1,339	-	1,339	1,692
Inventory	1,056	-	1,056	1,460
Prepaid expenses	<u>337</u>	<u>-</u>	<u>337</u>	<u>9,844</u>
	<u>\$ 173,401</u>	<u>\$ 5,787</u>	<u>\$ 179,188</u>	<u>\$ 42,164</u>

LIABILITIES

Current Liabilities				
Accounts payable	<u>6,227</u>	<u>-</u>	<u>6,227</u>	<u>4,717</u>

FUND BALANCES

Fund Balances	<u>167,174</u>	<u>5,787</u>	<u>172,961</u>	<u>37,447</u>
	<u>\$ 173,401</u>	<u>\$ 5,787</u>	<u>\$ 179,188</u>	<u>\$ 42,164</u>

Approved on Behalf of the Board:

Director

Director

(See Accompanying Notes to the Financial Statements)

Change Her World
Statement of Fund Balances
For the year ended August 31, 2024

	General Fund	Chilumba Project	Total 2024	Total 2023
Balance - beginning of year	\$ 34,386	\$ 3,061	\$ 37,447	\$ 40,296
Excess of revenue over expenditures (expenditures over revenue) for the year	302,949	(167,435)	135,514	(2,849)
Interfund transfers	<u>(170,161)</u>	<u>170,161</u>	<u>-</u>	<u>-</u>
Balance - end of year	<u>\$ 167,174</u>	<u>\$ 5,787</u>	<u>\$ 172,961</u>	<u>\$ 37,447</u>

(See Accompanying Notes to the Financial Statements)

Change Her World
Statement of Operations
For the year ended August 31, 2024

	General Fund	Chilumba Project	Total 2024	Total 2023
Revenue				
Donations	\$ 312,745	\$ -	\$ 312,745	\$ 223,964
Fundraising (Note 7)	10,122	-	10,122	20,783
Products and literature	-	-	-	1,366
Foreign exchange gain	25	-	25	-
Investment income	296	-	296	168
Unrealized gains on investment	4,727	-	4,727	-
	<u>327,915</u>	<u>-</u>	<u>327,915</u>	<u>246,281</u>
Expenditures				
Conferences and travel	12	-	12	270
Professional fees	10,179	-	10,179	4,529
Office and administration	2,280	3,049	5,329	6,919
Project	-	141,978	141,978	218,156
Website	851	-	851	816
Fundraising (Note 7)	7,843	-	7,843	11,442
Interest and bank charges	2,389	506	2,895	2,809
Insurance	1,008	-	1,008	899
Foreign exchange loss	-	21,902	21,902	4,500
	<u>24,562</u>	<u>167,435</u>	<u>191,997</u>	<u>250,340</u>
	<u>303,353</u>	<u>(167,435)</u>	<u>135,918</u>	<u>(4,059)</u>
Change In Inventory				
Inventory - beginning of year	1,460	-	1,460	250
Inventory - end of year	1,056	-	1,056	1,460
	<u>(404)</u>	<u>-</u>	<u>(404)</u>	<u>1,210</u>
Excess of revenue over expenditures (expenditures over revenue) for the year				
	<u>\$ 302,949</u>	<u>\$ (167,435)</u>	<u>\$ 135,514</u>	<u>\$ (2,849)</u>

(See Accompanying Notes to the Financial Statements)

Change Her World
Statement of Cash Flows
For the year ended August 31, 2024

	General Fund	Chilumba Project	Total 2024	Total 2023
Cash Provided By (Used In):				
Operating Activities				
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ 302,949	\$ (167,435)	\$ 135,514	\$ (2,849)
Net changes in non-cash current operating accounts				
Decrease (increase) in HST receivable	353	-	353	213
Decrease (increase) in inventory	404	-	404	(1,210)
Decrease (increase) in prepaid expenses	9,507	-	9,507	(5,898)
Increase (decrease) in accounts payable	<u>1,510</u>	<u>-</u>	<u>1,510</u>	<u>1,699</u>
	<u>314,723</u>	<u>(167,435)</u>	<u>147,288</u>	<u>(8,045)</u>
Financing Activities				
Interfund transfer	<u>(170,161)</u>	<u>170,161</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	144,562	2,726	147,288	(8,045)
Cash and cash equivalents - beginning of year	<u>26,107</u>	<u>3,061</u>	<u>29,168</u>	<u>37,213</u>
Cash and cash equivalents - end of year	\$ <u>170,669</u>	\$ <u>5,787</u>	\$ <u>176,456</u>	\$ <u>29,168</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	149,782	5,787	155,569	24,558
Short-term investments	<u>20,887</u>	<u>-</u>	<u>20,887</u>	<u>4,610</u>
Cash and cash equivalents	\$ <u>170,669</u>	\$ <u>5,787</u>	\$ <u>176,456</u>	\$ <u>29,168</u>

(See Accompanying Notes to the Financial Statements)

Change Her World
Notes to the Financial Statements
For the year ended August 31, 2024

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 federally incorporated in Canada without share capital and 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 revenues and expenditures 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 in accordance with the 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.

Investment income is recognized on the accrual basis of accounting and accrued to year-end.
- (b) Capital Expenditures
Under the 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.

In the year ended August 31, 2024, the organization purchased and charged to expenses items of a capital nature totalling \$ nil (2023 - \$ nil).
- (c) Use of Estimates
Preparation of financial statements in conformity with the 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.

Change Her World
Notes to the Financial Statements
For the year ended August 31, 2024

3. Summary of Significant Accounting Policies (continued)

(e) Contributed Services

Volunteers contribute significant hours to the organization annually. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

(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. Donations In Kind

During the year, a total of \$ 1,457 (2023 - \$ 77) in-kind contributions were received and recorded in revenue. The donation receipts are issued for in-kind contributions only when amounts are readily available (retail value).

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. As at August 31, 2024, cash of K 7,511,094 is held in Malawian kwacha and converted to Canadian dollars for financial reporting purposes.

6. Comparative Figures

Certain of the 2023 figures on the balance sheet have been reclassified to conform to the 2024 financial statement presentation.

Figures for 2023 have not been audited. Therefore, the accountant does not express any opinion on these comparative figures.

7. 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
2024			
Total revenue	\$ 7,211	\$ 2,911	\$ 10,122
Total direct expenditures	<u>6,392</u>	<u>1,451</u>	<u>7,843</u>
Net income	<u>\$ 819</u>	<u>\$ 1,460</u>	<u>\$ 2,279</u>
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>