

**UFORCHANGE MOVEMENT**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**UforChange Movement**

### Report on the Financial Statements

We have audited the accompanying financial statements of **UforChange Movement**, which comprise the statement of financial position as at March 31, 2014, and the statements of changes in net assets, operations, 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.

#### *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 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 auditor's 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 preparations 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

#### *Basis for Qualified Opinion*

In common with many charitable organizations, **UforChange Movement** derives revenue from donations, 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 **UforChange Movement** and we were not able to determine whether any adjustments might be necessary to revenue, excess of expenses over revenue, assets or net assets.

#### *Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **UforChange Movement** as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*SF Partnership, LLP*

Toronto, Canada  
July 11, 2014

LICENSED PUBLIC ACCOUNTANTS

**UFORCHANGE MOVEMENT**  
(Incorporated under the laws of Ontario)  
Statement of Financial Position  
March 31, 2014

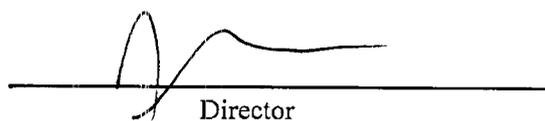
	2014	2013
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 50,288	\$ 114,575
Accounts receivable	32,521	50,626
Prepaid expenses	17,377	3,771
	<u>100,186</u>	<u>168,972</u>
<b>Total Current Assets</b>	<b>100,186</b>	<b>168,972</b>
<b>Capital Assets (note 3)</b>	<u>18,904</u>	<u>31,162</u>
<b>Total Assets</b>	<b>\$ 119,090</b>	<b>\$ 200,134</b>

**LIABILITIES AND NET ASSETS**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 34,363	\$ 21,744
Deferred contributions (note 4)	17,884	81,768
	<u>52,247</u>	<u>103,512</u>
<b>Total Current Liabilities</b>	<b>52,247</b>	<b>103,512</b>
<b>Total Liabilities</b>	<u>52,247</u>	<u>103,512</u>
<b>Commitments (note 5)</b>		
<b>Net Assets</b>		
Unrestricted	47,939	65,460
Invested in capital assets	18,904	31,162
	<u>66,843</u>	<u>96,622</u>
<b>Total Net Assets</b>	<b>66,843</b>	<b>96,622</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 119,090</b>	<b>\$ 200,134</b>

**APPROVED ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

(The accompanying notes are an integral part of these financial statements.)

**UFORCHANGE MOVEMENT**  
Statement of Changes in Net Assets  
Year Ended March 31, 2014

	<u>2014</u>		
	<u>Unrestricted</u>	<u>Invested in Equipment</u>	<u>Total</u>
<b>Net Assets - Beginning of Year</b>	\$ 65,460	\$ 31,162	\$ 96,622
Excess of expenses over revenue for the year	(29,779)	-	(29,779)
Net change in net assets invested in equipment	<u>12,258</u>	<u>(12,258)</u>	<u>-</u>
<b>Net Assets - End of Year</b>	<u>\$ 47,939</u>	<u>\$ 18,904</u>	<u>\$ 66,843</u>

	<u>2013</u>		
	<u>Unrestricted</u>	<u>Invested in Equipment</u>	<u>Total</u>
<b>Net Assets - Beginning of Year</b>	\$ 58,221	\$ 37,817	\$ 96,038
Excess of revenue over expenses for the year	584	-	584
Net change in net assets invested in equipment	<u>6,655</u>	<u>(6,655)</u>	<u>-</u>
<b>Net Assets - End of Year</b>	<u>\$ 65,460</u>	<u>\$ 31,162</u>	<u>\$ 96,622</u>

(The accompanying notes are an integral part of these financial statements.)

**UFORCHANGE MOVEMENT**  
Statement of Operations  
Year Ended March 31, 2014

	2014	2013
<b>Revenue</b>		
Program donations	\$ 439,871	\$ 261,784
General fund and other income	<u>24,760</u>	<u>74,106</u>
	<u>464,631</u>	<u>335,890</u>
<b>Expenses</b>		
Programs	366,935	210,534
Management and administration	106,449	98,390
Marketing and public relations	6,894	3,160
Fundraising activities	-	3,899
Amortization	<u>14,132</u>	<u>19,323</u>
	<u>494,410</u>	<u>335,306</u>
<b>Excess of (Expenses over Revenue) Revenue over Expenses</b>	<u>\$ (29,779)</u>	<u>\$ 584</u>

(The accompanying notes are an integral part of these financial statements.)

**UFORCHANGE MOVEMENT**

Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
<b>Cash Flows from Operating Activities</b>		
Excess of (expenses over revenue) revenue over expenses	\$ (29,779)	\$ 584
Adjustments for non-cash item:		
Amortization of capital assets	<u>14,132</u>	19,323
	(15,647)	19,907
Changes in non-cash working capital balances related to operations:		
Accounts receivable	18,105	42,278
Prepaid expenses	(13,606)	(3,771)
Accounts payable and accrued liabilities	12,619	21,744
Deferred contributions	<u>(63,884)</u>	<u>81,768</u>
<b>Net Cash (Used in) Provided by Operating Activities</b>	<u>(62,413)</u>	161,926
<b>Cash Flows from Investing Activities</b>		
Additions to capital assets	<u>(1,874)</u>	(12,668)
<b>Net Cash Used in Investing Activities</b>	<u>(1,874)</u>	(12,668)
<b>Cash Flows from Financing Activity</b>		
Repayment of short-term loan	<u>-</u>	(36,000)
<b>Net Cash Used in Financing Activity</b>	<u>-</u>	(36,000)
<b>Net (Decrease) Increase in Cash</b>	(64,287)	113,258
<b>Cash - Beginning of Year</b>	<u>114,575</u>	<u>1,317</u>
<b>Cash - End of Year</b>	<u>\$ 50,288</u>	<u>\$ 114,575</u>

(The accompanying notes are an integral part of these financial statements.)

# UFORCHANGE MOVEMENT

Notes to Financial Statements

March 31, 2014

## 1. Purpose of the Organization

UforChange Movement (the "Organization") is a not-for-profit charitable organization incorporated without share capital that is committed to providing low-income Canadian youth and new immigrant youth, in selected communities, with arts-based, experiential and intercultural educational programs to assist in their pursuit of post-secondary education and opportunities to access the workforce through educational and mentorship programs.

The Organization is a charitable organization registered under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a charitable organization registered under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

## 2. Basis of Presentation and Significant Accounting Policies

The accounting policies of the Organization are in accordance with Canadian accounting standards for not-for-profit organizations, hereafter referred to as "NFPO." Outlined below are the policies considered particularly significant:

### a) Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions. Restricted contributions (grants) are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. As described in note 4, the contributions from certain grants are deferred and recognized in concert with the related expense.

### b) Capital Assets

Equipment is recorded at cost. Contributed equipment is capitalized at fair value at the date of contribution. Equipment is amortized over their estimated useful lives using the straight-line method as follows:

Computer hardware and software	3 years
Furniture and equipment	5 years

### c) Management Estimates

The preparation of financial statements, in conformity with accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Major estimates relate to revenue recognition, accrued liabilities and the estimated useful lives of capital assets.

## UFORCHANGE MOVEMENT

Notes to Financial Statements

March 31, 2014

### 2. Basis of Presentation and Significant Accounting Policies (cont'd)

#### d) Impairment of Long-lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed based on the carrying amount of a long-lived asset compared to the sum of the future undiscounted cash flows expected to result from the use and the eventual disposal of the asset. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

#### e) Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

##### Impairment of Financial Instruments

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write-down reflects the difference between the carrying amount and the higher of:

- a) The present value of the cash flows expected to be generated by the asset or group of assets, discounted using a current market rate of interest;
- b) The amount that could be realized by selling the asset or group of assets;
- c) The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

### 3. Equipment

Equipment consist of the following:

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware and software	\$ 41,243	\$ 40,633	\$ 41,243	\$ 35,891
Furniture and equipment	46,948	28,654	45,074	19,264
	<u>\$ 88,191</u>	<u>\$ 69,287</u>	<u>\$ 86,317</u>	<u>\$ 55,155</u>
Net carrying amount		<u>\$ 18,904</u>		<u>\$ 31,162</u>

## UFORCHANGE MOVEMENT

Notes to Financial Statements

March 31, 2014

### 4. Deferred Contributions

Deferred contributions represents unspent resources externally restricted for certain purposes received in the current period that are related to a subsequent period. During the year, the Organization recorded deferred contributions of \$17,884 (2012 - \$81,768) from various organizations for programs to be completed in the following year.

### 5. Commitments

The Organization has entered into a lease agreement for premises which expires in May 2024. Future minimum annual lease payments are as follows:

2015	\$ 35,989
2016	41,130
2017	41,130
2018	41,130
2019	41,130
Thereafter	<u>210,791</u>
	<u>\$ 411,300</u>

In addition, the Organization is committed to pay its proportionate share of taxes, utilities and operating costs of the premises which is estimated to be \$23,307 per annum.

### 6. Financial Instruments

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency, liquidity, market or credit risks arising from its financial instruments.

The fair value of the financial instruments, which consist of cash, accounts receivable, and accounts payable and accrued liabilities, approximate their carrying value as they are short term in nature.