

UforChange Movement
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

CONTENTS

AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN NET ASSETS	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-11
SCHEDULE C	12



Posner & Ma

CHARTERED PROFESSIONAL ACCOUNTANTS

255 Duncan Mill Road Unit 510

Toronto, ON M3B 3H9

Tel: (416) 922-5959 Fax: (416) 961-4023

Alan Posner, CPA CA LPA, CFP, CFE, CPA(Illinois)

Patrick Ma, CPA CA LPA, CFP, CFE, CPA(Illinois)

Gary Posner, CPA CA LPA, CFE

Email: Alan (alan@posnerma.com), Gary (gary@posnerma.com), Patrick (patrick@posnerma.com)

INDEPENDENT AUDITOR'S REPORT

To the board of directors of UforChange Movement

We have audited the accompanying financial statements of **UforChange Movement**, which comprise the statement of financial position as at **MARCH 31, 2018** and the statement of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these statements based on our audit. Except as explained in the following paragraph, 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 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 assessments, the auditor considers internal controls 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not for profit organizations, the organization derives certain of its non-grant revenues, the completeness of which are not susceptible of 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 revenues, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the possible 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, 2018** 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.

October 17, 2018
Toronto, Ontario

Posner & Ma, LLP
Chartered Accountants

LICENSED PUBLIC ACCOUNTANTS

UforChange Movement
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
ASSETS		
Current Assets		
Cash - Note 10	\$ 52,358	\$ 75,041
Inventory	2,456	-
Accounts Receivable	2,639	4,650
HST Recoverable	869	15,382
Prepaid expenses	6,289	6,289
	64,611	101,362
Capital Assets - Note 3	57,769	70,579
Total Assets	\$ 122,380	\$ 171,941
LIABILITIES		
Current		
Accounts payable and accrued liabilities - Note 8	\$ 19,602	\$ 11,906
Deferred Contributions - Note 11	66,472	104,796
Total Liabilities	\$ 86,074	\$ 116,702
NET ASSETS		
Unrestricted net assets	\$ 35,666	\$ 48,599
Restricted net assets - Note 12	640	6,640
Total Net Assets	\$ 36,306	\$ 55,239
Total Liabilities and Net Assets	\$ 122,380	\$ 171,941

Approved on behalf of the Board of Directors

Director

Director

See accompanying notes

UforChange Movement
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED MARCH 31, 2018

	2018		2017
REVENUES - Schedule A			
Program Donations (Government Funding, Fees for Services and Foundations)	\$ 218,582	\$	418,564
General fund and other income	52,153		25,486
	\$ 270,735	\$	444,050
EXPENSES - Schedule B			
Programs	\$ 237,875	\$	384,451
Management and administration	38,983		58,157
Amortization	12,810		12,184
	\$ 289,668	\$	454,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ (18,933)	\$	(10,741)

See accompanying notes

UforChange Movement
STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 2018

2018

	Unrestricted Net Assets	Reserve Fund	Total
Balance, beginning of year	\$ 48,599	\$ 6,640	\$ 55,239
Excess (deficiency) of revenues over expenses	(18,933)	-	
Reallocation to (from) reserve fund	6,000	(6,000)	
Balance, end of year	\$ 35,666	\$ 640	\$ 36,306

2017

	Unrestricted Net Assets	Reserve Fund	Total
Balance, beginning of year	\$ 37,340	\$ 28,640	\$ 65,980
Excess (deficiency) of revenues over expenses	(10,741)		
Reallocation to (from) reserve fund	22,000	(22,000)	
Balance, end of year	\$ 48,599	\$ 6,640	\$ 55,239

See accompanying notes

UforChange Movement
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH FROM OPERATING ACTIVITIES		
Excess of (expenses over revenue) revenue over expenses	(18,933)	(10,741)
Amortization of Capital Assets	12,810	12,184
	<u>(6,123)</u>	<u>1,443</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	2,011	439
Inventory	(2,456)	360
Prepaid Expenses	-	570
HST Recoverable	14,475	(388)
Accounts payable and accrued liabilities	7,734	(1,337)
Deferred Contributions	(38,324)	17,814
	<u>(16,560)</u>	<u>17,458</u>
Net Cash (Used in) Provided by Operating Activities	(22,683)	18,901
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Capital Assets	-	(8,511)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET (DECREASE) INCREASE IN CASH	(22,683)	10,390
Cash, beginning of year	75,041	64,652
Cash, end of year	<u>52,358</u>	<u>75,041</u>

See accompanying notes

1. DESCRIPTION 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, experimental 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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.

Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all its financial assets and financial liabilities 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 the statements of operations in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable .

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments in bank account and GIC's.

Capital Assets

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

Computer hardware and software	3 years
Furniture and Equipment	5 years
Leasehold Improvements	10 years

Use of 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 reported period. Actual results could differ from those estimates. Major estimates relate to revenue recognition, accrued liabilities and the estimated useful lives of capital assets.

Donated Property and Services

During the year, voluntary services were provided. Because these services are not normally purchased by the organization and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

UforChange Movement
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -Cont'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 value carrying amount is not recoverable and exceeds fair value.

3. CAPITAL ASSETS

	Cost	2018 Accumulated Amortization	Net	Cost	2017 Accumulated Amortization
Computer Hardware and Software	\$ 41,243	\$ 41,243	\$ -	\$ 41,243	\$ 41,243
Furniture and Equipment	57,380	52,002	5,378	57,380	47,361
Leasehold Improvements	81,686	29,294	52,392	81,686	21,126
	<u>\$ 180,309</u>	<u>\$ 122,539</u>	<u>\$ 57,769</u>	<u>\$ 180,309</u>	<u>\$ 109,730</u>
NET CARRYING AMOUNT		<u>\$ 57,769</u>			<u>70,579</u>

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 \$66,472 (2017 - \$104,796) 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. These amounts are before any possible rent concessions that may be granted to the organization.

2019	\$41,130
2020	\$41,130
2021	\$41,130
2022	\$41,130
2023	\$41,130
	<u>\$205,650</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

Fair value of financial instruments carried at amortized cost

The carrying value of cash, accounts receivable, accounts payable and deferred revenue approximate the fair value due to the immediate or short-term nature of these financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The organization's credit risk is due mainly to its accounts receivable from various grants. The organization believes its credit exposure is minimal.

UforChange Movement
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

6. FINANCIAL INSTRUMENTS - CONTD

Interest Rate Risk

Interest rate risk arises from the possibility that the changes in interest rates will affect the value of fixed income securities held by the organization. The short-term interest bearing instruments held by the organization have a limited exposure to interest rate risk due to their short-term maturity.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. No currency risk exists as there were no foreign currency transactions during the year.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Management believes no other price risk factors exist.

7. GUARANTEES

In the normal course of business, the organization entered into an insurance agreement that meets the definition of a guarantee.

The organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suit or actions.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
Trade payables and accrued liabilities	18,281	7,906
Payroll and withholding taxes	1,321	2,484
HST Payable	-	1,515
	<u>19,602</u>	<u>11,906</u>

9. Economic Dependence

The organization is economically dependent upon its funders for the continued operations of its programs

10. Cash

Cash is comprised as follows:

	<u>2018</u>	<u>2017</u>
Restricted Cash	-	6,000
Investments Restricted Cash	3,000	3,000
Unrestricted Cash	49,358	66,041
	<u>52,358</u>	<u>75,041</u>

11. Deferred Contributions

	<u>2018</u>	<u>2017</u>
Unearned Revenue	9,631	39,786
Lease Inducement	56,842	65,010
Reserve Fund	640	640
	<u>67,112</u>	<u>105,436</u>

12. RESERVE FUND

The Pay Equity Reserve Fund was established in the 2015 fiscal year.

Contributions are to be made to the Fund as the Board in its discretion determines from time to time. During the year the board decided that no monthly contributions to the reserve fund be made.

The investment of \$640 is segregated for the Reserve Fund.

UforChange Movement
SCHEDULE A
MARCH 31, 2018

	2018	2017
Corporate Donations	8,554	111,696
Fees for Service - Programs	49,449	38,448
Foundations	160,579	80,920
Government Funding	-	187,500
Total Program Donations	218,582	418,564
General Fund and Other Income		
Platform Revenues	38,450	-
Individual Donations Less than 5K	6,523	4,024
Space Sharing Revenue	2,903	8,969
Misc Revenue	2,133	338
Events	2,100	1,155
Interest Income	45	-
Individual Donations Greater than 5K	-	11,000
	52,153	25,486

UforChange Movement
SCHEDULE B
MARCH 31, 2018

	2018	2017
Expenses		
Program Expenses		
Salaries and wages	105,568	141,760
Contractors and Consultants	42,869	42,496
Platform Programs	36,228	106,692
Miscellaneous	20,064	11,603
Rent	10,853	62,303
Travel	8,171	1,890
Meals and entertainment	3,562	3,391
Business Development	3,136	4,489
Computers, Internet, Telephone, Utilities	2,992	3,460
Audit Fees	2,400	2,400
Youth honorariums	2,033	3,135
Filming Costs	-	832
	237,875	384,451
 Management And Administration		
Salaries and Wages	10,441	23,077
Accounting	9,770	10,308
Repairs and Maintenance	8,061	5,097
Insurance	4,048	4,776
Misc	2,861	5,621
Computer, Internet & Telephone	1,878	1,193
Rent	1,206	6,923
Audit Fees	718	1,163
	38,983	58,157

UforChange Movement

SCHEDULE C

MARCH 31, 2018

DETAILED BREAKDOWN OF PROFIT AND LOSS BY CLASS

Income	Operations	Intermediary	George Brown FX (Programs)	Core Arts Programs	Toronto Arts Council (Programs)	Total
Platform Program Revenues	-	38,450	-	-	-	38,450
Programs	3,000	-	9,000	34,750	2,699	46,750
Foundations	9,835	-	-	150,744	-	160,579
Corporate Donations	1,202	-	-	7,352	-	8,554
Revenue from Space Sharing	2,903	-	-	-	-	2,903
Events	1,250	-	-	850	-	2,100
Interest Earned	45	-	-	-	-	45
Individuals < 5K	1,936	-	-	4,587	-	6,523
Miscellaneous Revenue	2,133	-	-	-	0	2,133
	<u>22,303</u>	<u>38,450</u>	<u>9,000</u>	<u>198,283</u>	<u>2,699</u>	<u>268,036</u>
Expenses by Major Category						
Payroll	8,612	-	-	107,396	-	116,008
Platform Programs	-	36,228	-	-	-	36,228
Amortization	2,008	-	-	10,429	373.15	12,810
Rent	1,206	-	-	10,853	-	12,059
Travel	11	-	-	8,160	-	8,171
Contractors and Consultants	30	-	-	8,682	-	8,712
Insurance	-	-	-	3,036	-	3,036
Art workshop leaders	-	-	6,283	18,919	1902.5	27,105
Storage Fees	-	-	-	655	-	655
Insurance	1,012	-	-	-	-	1,012
Dues and Fees	-	-	-	1,112	-	1,112
Honorariums	-	-	-	2,033	-	2,033
Audit	-	-	-	3,118	-	3,118
Marketing	2,084	-	-	1,052	-	3,136
Bookkeeper & controllership	9,770	-	-	-	-	9,770
Computer and internet	183	-	-	1,695	-	1,878
Meals and Entertainment	502	-	-	3,018	42.32	3,562
Office Supplies	1,716	-	-	583	-	2,299
Repairs and maintenance	3,880	-	-	4,181	-	8,061
Training Expenses	-	-	-	7,052	-	7,052
Utilities	765	-	-	4,766	-	5,531
Program supplies and equipment	-	-	613	15,385	-	15,999
Other	322	-	-	-	-	322
	<u>32,101</u>	<u>36,228</u>	<u>6,896</u>	<u>212,125</u>	<u>2,318</u>	<u>289,668</u>
Net Income (Loss)	<u>(9,798)</u>	<u>2,223</u>	<u>2,104</u>	<u>(13,842)</u>	<u>381</u>	<u>(18,933)</u>