

**FORA: Network for Change
Financial Statements
For the Year Ended December 31, 2022**

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Tel: 519 824 5410
Fax: 519 824 5497
Toll-free: 877 236 4835
www.bdo.ca

BDO Canada LLP
245 Hanlon Creek Blvd
Guelph ON N1C 0A1 Canada

Independent Auditor's Report

To the Board of Directors of Fora - Network for Change

Qualified Opinion

We have audited the financial statements of Fora - Network for Change (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets 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 on the comparative information of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and its results of 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

In common with many not for profit organizations, the Organization previously derived revenue from fundraising activities, the completeness of which was not subject to satisfactory audit verification in the prior year. As a result, the predecessor auditor's opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the current year's financial statements is modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed a qualified opinion those financial statements on June 24, 2022 for the reasons described in the Basis of Qualified Opinion section.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's 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 auditor's 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:

- 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.
- 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- 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.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
June 21, 2023

**FORA: Network for Change
Statement of Financial Position**

December 31	2022	2021
Assets		
Current		
Cash (Note 2)	\$ 484,230	\$ 561,361
Accounts receivable (Note 3)	148,049	6,792
HST recoverable	24,823	11,458
Prepaid expenses	9,822	6,931
	666,924	586,542
Capital assets (Note 4)	6,476	2,621
	\$ 673,400	\$ 589,163
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 8,502	\$ 15,301
Deferred contributions (Note 5)	395,749	199,893
	404,251	215,194
Net Assets	269,149	373,969
	\$ 673,400	\$ 589,163

On behalf of the Board:

 Director

FORA: Network for Change Statement of Operations and Changes in Net Assets

For the year ended December 31	2022	2021
Revenue		
Corporate contributions	\$ 175,096	\$ 161,784
Foundation contributions	430,112	233,565
Government funding	354,702	268,145
Individual contributions	48,353	65,124
Other contributions	29,336	6,636
	1,037,599	735,254
Expenses		
Advocacy	100,636	33,912
Communication and marketing	57,337	17,976
Community	191,171	156,972
Fundraising	83,209	58,747
Operations	99,894	52,860
Rise on Boards	274,484	183,324
Social enterprise	56,882	101,757
Summit	278,806	45,214
	1,142,419	650,762
Excess (deficiency) of revenues over expenses	(104,820)	84,492
Net assets, beginning of the year	373,969	289,477
Net assets, end of the year	\$ 269,149	\$ 373,969

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

FORA: Network for Change Statement of Cash Flows

For the year ended December 31	2022	2021
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ (104,820)	\$ 84,492
Items not affecting cash:		
Amortization of capital assets	1,871	1,189
	(102,949)	85,681
Changes in non-cash working capital:		
Accounts receivable	(141,256)	38,835
HST recoverable	(13,365)	2,510
Prepaid expenses	(2,891)	(5,678)
Accounts payable and accrued liabilities	(6,801)	4,616
Deferred contributions	195,856	(10,852)
	(71,406)	115,112
Cash flows from investing activities		
Purchases of capital assets	(5,725)	(1,091)
Net (decrease) increase in cash	(77,131)	114,021
Cash, beginning of the year	561,361	447,340
Cash, end of the year	\$ 484,230	\$ 561,361

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

FORA: Network for Change Notes to Financial Statements

December 31, 2022

1 .Significant Accounting Policies

Nature and Purpose of Organization FORA: Network for change (the "Organization") was incorporated without share capital on February 2, 2012, pursuant to the provisions of the Business Corporations Act (Ontario). The Organization provides support and training for young women leaders in Canada and around the globe in decision making spaces.

The organization is a registered charity and, as such is exempt from income tax and may issue income tax receipts to donors.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Capital Assets Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows.

	Method	Rate
Computer equipment	Straight-line	5 years

Revenue Recognition The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions where expenses have not been incurred are recorded as deferred contributions.

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.

Government subsidies are recorded as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Included in government funding is \$NIL (2021 - \$28,199) of government subsidies.

FORA: Network for Change

Notes to Financial Statements

December 31, 2022

1. Significant Accounting Policies (continued)

Financial Instruments Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Use of Estimates The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates included in the financial statements include accrued liabilities and amortization. Actual results could differ from those estimates and may have impact on future periods.

Contributed Services Volunteers contribute many hours per year to assist the Organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed Materials Contributed materials which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Allocation of Expenses Certain expenses of the Organization involve various programs, communications and marketing, operations and fundraising functions. The distribution of these expenses between programs, communications and marketing, operations and fundraising expenditures is based on time tracked in these functions by certain officers and employees.

FORA: Network for Change Notes to Financial Statements

December 31, 2022

2. Cash

The Organization's bank accounts are held at one chartered bank.

3. Accounts Receivable

Included in accounts receivable at the end of the year was the following:

	2022	2021
Foundation contributions receivable	\$ 33,262	\$ -
Government funding receivable	64,950	-
Corporate contributions receivable	41,440	-
Individual contributions receivable	8,397	6,792
	\$ 148,049	\$ 6,792

4. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 12,217	\$ 5,741	\$ 6,491	\$ 3,870
		\$ 6,476		\$ 2,621

Included in operations expense is \$1,871 (2021 - \$1,189) of amortization taken on capital assets during the year.

FORA: Network for Change Notes to Financial Statements

December 31, 2022

5. Deferred Contributions

Deferred contributions consist of unspent contributions received in connection the Organization's programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	Opening Balance	Contribution	Recognized in Revenue	December 31, 2022
Canadian Women Foundation	\$ -	\$ 75,000	\$ (31,312)	\$ 43,688
WAGE (LTW)	64,118	145,798	(180,006)	29,910
WAGE (FRRF)	99,369	397,478	(174,696)	322,151
Future Skills Centre	36,406	-	(36,406)	-
Ending balance	<u>\$ 199,893</u>	<u>\$ 618,276</u>	<u>\$ (422,420)</u>	<u>\$ 395,749</u>

6. Allocation of salaries

Salaries related specifically to delivering programs have been allocated as follows:

	2022	2021
Advocacy	\$ 82,510	\$ 11,178
Communications and marketing	53,982	16,755
Community	133,192	116,673
Fundraising	69,059	54,313
Operations	38,791	19,277
Rise on Boards	121,559	135,969
Social enterprise	49,397	46,698
Summit	66,821	27,074
	<u>615,311</u>	<u>427,937</u>

FORA: Network for Change Notes to Financial Statements

December 31, 2022

7. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Organization is exposed to credit risk resulting mainly from its accounts receivable balances. There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. There have not been any changes in the risk from the prior year.

8. Comparative figures

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.
