

FORA: NETWORK FOR CHANGE

FINANCIAL STATEMENTS

DECEMBER 31, 2024



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of FORA: Network for Change

Qualified Opinion

We have audited the accompanying financial statements of FORA: Network for Change, which comprise the statement of financial position as at December 31, 2024 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 effects 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 FORA: Network for Change as at December 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

In common with many not-for-profit organizations, FORA: Network for Change derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of FORA: Network for Change. Therefore, we were not able to determine whether any adjustments might be necessary to recorded fundraising revenues, excess (deficiency) of revenue over expenses, cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. The audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of FORA: Network for Change 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 audit opinion.

Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on June 27, 2024 for the reasons described in the *Basis for 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 FORA: Network for Change'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 FORA: Network for Change or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing FORA: Network for Change's financial reporting process.

Auditor's Responsibility 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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 FORA: Network for Change'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 FORA: Network for Change'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 FORA: Network for Change 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.

VMD Professional Corporation

VMD PROFESSIONAL CORPORATION
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Toronto, Ontario
June 10, 2025

**FORA: NETWORK FOR CHANGE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31**

Statement 1

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 473,146	\$ 237,364
Accounts receivable (Note 3)	1,745	116,950
HST receivable	12,235	15,026
Prepaid expenses	4,034	1,344
	<u>491,160</u>	<u>370,684</u>
CAPITAL ASSETS (Note 4)	<u>6,578</u>	<u>4,032</u>
	<u><u>\$ 497,738</u></u>	<u><u>\$ 374,716</u></u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	21,782	15,467
Deferred contributions (Note 5)	<u>348,105</u>	<u>149,487</u>
	<u>369,887</u>	<u>164,954</u>
NET ASSETS	<u>127,851</u>	<u>209,762</u>
	<u><u>\$ 497,738</u></u>	<u><u>\$ 374,716</u></u>

Approved on behalf of the Board:

FORA: NETWORK FOR CHANGE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31

Statement 2

	2024	2023
Revenue		
Corporate contributions	\$ -	\$ 15,689
Foundation contributions	428,846	445,041
Government funding	436,104	452,425
Individual contributions	22,651	55,558
Other revenue	31,889	30,575
	<u>919,490</u>	<u>999,288</u>
EXPENSES		
Advocacy	85,382	93,149
Communications and marketing	127,994	86,738
Community	59,900	175,010
Fundraising	146,088	119,314
Operations	221,854	166,434
Rise on Boards	226,053	230,159
Social enterprise	-	56,882
Summit	134,130	130,989
	<u>1,001,401</u>	<u>1,058,675</u>
Excess (Deficiency) of revenue over expenses	(81,911)	(59,387)
Net assets, beginning of year	<u>209,762</u>	<u>269,149</u>
Net assets, end of year	<u><u>\$ 127,851</u></u>	<u><u>\$ 209,762</u></u>

**FORA: NETWORK FOR CHANGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31**

Statement 3

	2024	2023
	<hr/>	<hr/>
CASH PROVIDED BY (USED FOR)		
Operating activities:		
Excess (Deficiency) of revenue over expenses	\$ (81,911)	\$ (59,387)
Non-cash items:		
Amortization	<hr/> 2,998	<hr/> 2,444
	(78,913)	(56,943)
Change in non-cash working capital:		
Accounts receivable	115,205	31,099
HST receivable	2,791	9,797
Prepaid expenses	(2,690)	8,478
Accounts payable and accrued liabilities	6,315	6,965
Deferred contributions	<hr/> 198,618	<hr/> (246,262)
	<hr/> 241,326	<hr/> (246,866)
Investing activities:		
Purchase of capital assets	<hr/> (5,544)	<hr/> -
	<hr/> (5,544)	<hr/> -
CHANGE IN CASH FOR YEAR	235,782	(246,866)
Cash, beginning of year	<hr/> 237,364	<hr/> 484,230
Cash, end of year	\$ <u>473,146</u>	\$ <u>237,364</u>

**FORA: NETWORK FOR CHANGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. NATURE OF OPERATIONS

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 is a global network of young feminist changemakers. Through our governance programming, leadership development, social impact initiatives, and feminist research, we make bold, strategic investments in young women and gender-marginalized youth navigating gender-based barriers. We equip them with the training, community, and experiences they need to lead, thrive, and create lasting change across Canada and globally. The Organization is a registered charity and, as such, is exempt from income tax and may issue tax receipts to donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Significant standards and policies are outlined below.

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 recognized 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.

Financial Instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost, less any reduction for impairment. The carrying values of cash, accounts receivable and accounts payable approximate their fair value due to their short-term maturities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized losses are reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no longer greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Items subject to management estimate include amortization of capital assets and accrual of liabilities.

FORA: NETWORK FOR CHANGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Capital Assets

Capital assets are recorded at cost less accumulated amortization. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

Computer equipment	Straight-line	5 years
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Capital assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The assets are tested for impairment by comparing their net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

Contributed Services and materials

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

3. ACCOUNTS RECEIVABLE

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

		2024	2023
Foundation contributions receivable	\$	1,400	\$ 21,100
Other receivables		345	-
Government funding receivable		-	75,000
Corporate contributions receivable		-	25,000
Individual contributions receivable		-	4,850
	\$	<u>1,745</u>	<u>116,950</u>

4. CAPITAL ASSETS

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment:	\$ <u>17,760</u>	\$ <u>11,182</u>	\$ <u>6,578</u>	\$ <u>4,032</u>

Included in operations expense is \$2,998 (2023 - \$2,444) of amortization taken on capital assets during the year.

FORA: NETWORK FOR CHANGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of unspent contributions received in connection with 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	2024-12-31
RBC Foundation	-	243,500	243,500	-
Peter Giligan Foundation	-	50,000	33,725	16,275
Virgin Unite Canada Inc.	-	95,000	19,876	75,124
Government of Canada	-	499,503	282,891	216,612
WAGE (LTW)	2,137	36,594	38,731	-
WAGE (FRRF)	99,032	-	99,032	-
Ontario Trillium Foundation	48,318	80,000	88,224	40,094
	<u>149,487</u>	<u>1,004,597</u>	<u>805,979</u>	<u>348,105</u>
Ending Balance	\$	\$	\$	\$

6. ALLOCATION OF SALARIES

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

	2024	2023
Advocacy	\$ 85,059	\$ 64,545
Communications and marketing	126,863	58,127
Community	55,913	128,592
Fundraising	138,427	88,974
Operations	128,429	90,911
Rise of Boards	149,442	160,396
Social enterprise*	-	47,515
Summit	52,048	69,566
	<u>736,181</u>	<u>708,626</u>
Ending Balance	\$	\$

*The balance related to Social Enterprise activities decreased from \$47,500 in the prior year to \$Nil as of year-end. This Change is the result of a reprioritization of programs and resource allocation by the organization.

7. FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. There have not been any changes in the risk from the prior year.

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 counter party 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.

FORA: NETWORK FOR CHANGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

8. COMMUNICATION AND MARKETING EXPENSES

The increase in Communications and Marketing expenses in the current year reflects the inclusion of salaries for the Communications Manager and Coordinator. This category also includes costs related to communications activities supporting both program delivery and operational functions.

9. COMMUNITY EXPENSES

In 2024, all expenses related to the Leadership Forum and alumni engagement activities were allocated under "Community". This reflects a reclassification to better align these initiatives with the organization's strategy.