

CEED CONCORDIA  
Financial Statements  
December 31, 2017

CEED CONCORDIA

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**Amstutz Inc.**  
**Comptables Professionnels Agréés**

INDEPENDENT AUDITORS' REPORT

To the Members of  
CEED CONCORDIA

We have audited the accompanying financial statements of CEED CONCORDIA which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets 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.

*Auditor's 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 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 judgement, 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 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 audit opinion.

*Opinion* - In our opinion, the financial statements present fairly, in all material respects, the financial position of CEED CONCORDIA as at December 31, 2017 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.



By: R. Amstutz, CPA auditor, CA  
March 12, 2018  
Montreal, Quebec

CEED CONCORDIA  
STATEMENT OF FINANCIAL POSITION  
as at December 31, 2017

	<u>2 0 1 7</u>	<u>2 0 1 6</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 24,541	\$ 5,051
Accounts receivable	<u>113,623</u>	<u>88,567</u>
	138,164	93,618
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<u>917</u>	<u>1,245</u>
	<u>\$ 139,081</u>	<u>\$ 94,863</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges	\$ 3,500	\$ 3,500
Deferred revenue	205	810
Current portion of long-term debt	<u>-</u>	<u>40,000</u>
	3,705	44,310
<b>LONG-TERM DEBT (Note 4)</b>	<u>20,000</u>	<u>-</u>
	<u>23,705</u>	<u>44,310</u>
<b>NET ASSETS</b>		
Invested in capital assets	917	1,245
Unrestricted	<u>114,459</u>	<u>49,308</u>
	<u>115,376</u>	<u>50,553</u>
	<u>\$ 139,081</u>	<u>\$ 94,863</u>

ON BEHALF OF THE BOARD

.....Director

.....Director

The accompanying notes form an integral part of the financial statements.

CEED CONCORDIA  
 STATEMENT OF CHANGES IN NET ASSETS  
 year ended December 31, 2017

			<u>2 0 1 7</u>	<u>2 0 1 6</u>
	Invested in property and <u>equipment</u>	Un- restricted	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 1,245	\$ 49,308	\$ 50,553	\$ 99,338
Excess (deficiency) of revenues over expenses	-	64,823	64,823	(48,785)
Amortization	<u>(328)</u>	<u>328</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>917</u>	\$ <u>114,459</u>	\$ <u>115,376</u>	\$ <u>50,553</u>

The accompanying notes form an integral part of the financial statements.

CEED CONCORDIA  
STATEMENT OF OPERATIONS  
year ended December 31, 2017

	<u>2 0 1 7</u>	<u>2 0 1 6</u>
<b>REVENUES</b>		
Student fees	\$ 298,266	\$ 236,962
Donations and grants	11,170	16,143
Fund raising activities	<u>2,500</u>	<u>4,283</u>
	<u>311,936</u>	<u>257,388</u>
<b>EXPENSES</b>		
Donations - Uganda project (Note 5)	146,389	184,485
Salaries and fringe benefits	76,843	72,380
Travel and entertainment	5,315	20,550
Professional and accounting fees	4,641	4,061
Meetings and events	4,597	1,457
Consulting fees	3,805	5,644
Insurance	1,690	1,686
Bank charges	1,602	872
Office and general	1,156	3,320
Telecommunications and website	706	1,816
Amortization	328	453
Printing and design	41	5,053
Advertising and promotion	-	2,377
Foreign exchange	-	1,872
Interest on long-term debt	<u>-</u>	<u>147</u>
	<u>247,113</u>	<u>306,173</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ <u>64,823</u></b>	<b>\$ <u>(48,785)</u></b>

The accompanying notes form an integral part of the financial statements.

CEED CONCORDIA  
STATEMENT OF CASH FLOWS  
year ended December 31, 2017

	<u>2 0 1 7</u>	<u>2 0 1 6</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 64,823	\$ (48,785)
Item not affecting cash		
Amortization	<u>328</u>	<u>453</u>
	65,151	(48,332)
<b>CHANGES IN NON CASH OPERATING WORKING CAPITAL</b>		
Accounts receivable	(25,056)	(50,622)
Prepaid expenses	-	650
Accounts payable	-	300
Deferred revenue	<u>(605)</u>	<u>810</u>
	<u>39,490</u>	<u>(97,194)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt	20,000	25,000
Repayment of long-term debt	<u>(40,000)</u>	<u>(15,000)</u>
	<u>(20,000)</u>	<u>10,000</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	19,490	(87,194)
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR</b>	<u>5,051</u>	<u>92,245</u>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	\$ <u><u>24,541</u></u>	\$ <u><u>5,051</u></u>

Cash and cash equivalents are comprised of cash.

The accompanying notes form an integral part of the financial statements

CEED CONCORDIA  
NOTES TO THE FINANCIAL STATEMENTS  
as at December 31, 2017

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The organization was incorporated February 15, 2006 under the Québec Companies Act as a non-profit organization.

The organization operates in Montréal, Canada and Gulu, Uganda. The organization is dedicated to social justice, community empowerment and positive change by supporting youth in our communities.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

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. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Self-financing

Revenues from self-financing activities are recognized when the services are rendered or when the events have taken place.

Property and equipment

Property and equipment are recorded at cost. They are amortized over their estimated useful lives using the declining-balance method at the following annual rates:

Computer equipment	30%
Furniture and fixtures	20%

Contributed services

The organization receives the services of volunteers to carry out various activities. For the current year it is not possible to evaluate the services received from the volunteers. If it were possible to determine the monetary value of these services, the amounts would have been recorded in the appropriate revenue and expense captions.



CEED CONCORDIA  
NOTES TO THE FINANCIAL STATEMENTS  
as at December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and cash equivalents

The organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued charges, deferred revenue and long-term debt.

3. PROPERTY AND EQUIPMENT

	<u>2 0 1 7</u>	<u>2 0 1 6</u>
<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Computer equipment	\$ 3,302	\$ 793
Furniture and fixtures	<u>2,152</u>	<u>452</u>
	<u>\$ 5,454</u>	<u>\$ 1,245</u>

Amortization provided for in the current period totalled \$328 (2016 - \$453).

4. LONG-TERM DEBT

The long-term debt is comprised of a non-interest bearing loan of \$20,000 repayable in September 2020 bearing interest at 8% (2016 - \$15,000 was repayable January 2017 and \$25,000 in February 2017 both non-interest bearing).

5. RELATED PARTY TRANSACTIONS

The organization achieves its objectives in Uganda through a related organization incorporated under the laws of Uganda operating under the name The Concordia Initiative.

During the year the organization donated \$146,389 (2016 - \$184,485) to the Ugandan organization (The Concordia Initiative).

CEED CONCORDIA  
NOTES TO THE FINANCIAL STATEMENTS  
as at December 31, 2017

6. FINANCIAL INSTRUMENTS

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date, i.e. December 31, 2017.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued charges, deferred revenue and long-term debt.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed rate financial instruments. Fixed-rate financial instruments subject the organization to a fair value risk.