

CEED CONCORDIA
Financial Statements
December 31, 2019

CEED CONCORDIA

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Amstutz Inc.
Comptables Professionnels Agréés

INDEPENDENT AUDITORS' REPORT

To the Members of
CEED CONCORDIA

Opinion - We have audited the financial statements of CEED CONCORDIA (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, 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.

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 audit opinion.

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.



By R. Amstutz, CPA auditor, CA
March 10, 2020
Montreal, Quebec
Permit No: A105202

CEED CONCORDIA
STATEMENT OF FINANCIAL POSITION
as at December 31, 2019

	<u>2 0 1 9</u>	<u>2 0 1 8</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 94,725	\$ 40,277
Accounts receivable	116,055	114,305
Prepaid expenses	<u>1,865</u>	<u>-</u>
	212,645	154,582
CAPITAL ASSETS (Note 3)	<u>1,395</u>	<u>678</u>
	<u>\$ 214,040</u>	<u>\$ 155,260</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 3,200	\$ 3,200
Current portion of long-term debt (Note 4)	<u>7,650</u>	<u>6,930</u>
	10,850	10,130
LONG-TERM DEBT (Note 4)	<u>-</u>	<u>6,929</u>
	<u>10,850</u>	<u>17,059</u>
NET ASSETS		
Invested in capital assets	1,395	678
Unrestricted	<u>201,795</u>	<u>137,523</u>
	<u>203,190</u>	<u>138,201</u>
	<u>\$ 214,040</u>	<u>\$ 155,260</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, 2019

			<u>2 0 1 9</u>	<u>2 0 1 8</u>
	Invested in capital assets	Un- restricted	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 678	\$ 137,523	\$ 138,201	\$ 115,376
Excess of revenues over expenses	-	64,989	64,989	22,825
Acquisition of capital assets	1,206	(1,206)	-	-
Amortization	<u>(489)</u>	<u>489</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>1,395</u>	\$ <u>201,795</u>	\$ <u>203,190</u>	\$ <u>138,201</u>

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

CEED CONCORDIA
STATEMENT OF OPERATIONS
year ended December 31, 2019

	<u>2 0 1 9</u>	<u>2 0 1 8</u>
REVENUES		
Student fees	\$ 269,750	\$ 274,282
Donations and grants	2,600	10,200
Fund raising activities	<u>1,428</u>	<u>5,075</u>
	<u>273,778</u>	<u>289,557</u>
EXPENSES		
Salaries and fringe benefits	91,635	75,872
Donations - Uganda project (Note 5)	79,527	160,934
Travel	18,522	9,226
Office and general	4,490	1,575
Meetings and events	3,565	6,939
Professional and accounting fees	3,447	4,711
Advertising and promotion	2,368	28
Insurance	1,772	1,772
Interest on long-term debt	1,441	2,259
Bank charges	1,087	1,298
Amortization	489	239
Printing and design	226	68
Telecommunications and website	220	569
Consulting fees	<u>-</u>	<u>1,242</u>
	<u>208,789</u>	<u>266,732</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>64,989</u>	\$ <u>22,825</u>

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

CEED CONCORDIA
STATEMENT OF CASH FLOWS
year ended December 31, 2019

	<u>2 0 1 9</u>	<u>2 0 1 8</u>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 64,989	\$ 22,825
Item not affecting cash		
Amortization	<u>489</u>	<u>239</u>
	65,478	23,064
CHANGES IN NON CASH OPERATING WORKING CAPITAL		
Accounts receivable	(1,750)	(682)
Prepaid expenses	(1,865)	-
Accounts payable and accrued charges	-	(300)
Deferred revenue	<u>-</u>	<u>(205)</u>
	<u>61,863</u>	<u>21,877</u>
INVESTING ACTIVITIES		
Acquisition of capital assets	<u>(1,206)</u>	<u>-</u>
	<u>(1,206)</u>	<u>-</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(6,209)</u>	<u>(6,141)</u>
	<u>(6,209)</u>	<u>(6,141)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	54,448	15,736
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>40,277</u>	<u>24,541</u>
CASH AND CASH EQUIVALENTS END OF YEAR	\$ <u><u>94,725</u></u>	\$ <u><u>40,277</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, 2019

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 their 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, 2019

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 and long-term debt.

3. CAPITAL ASSETS

		<u>2 0 1 9</u>		<u>2 0 1 8</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 4,033	\$ 3,250	\$ 783	\$ 388
Furniture and fixtures	<u>2,627</u>	<u>2,015</u>	<u>612</u>	<u>290</u>
	<u>\$ 6,660</u>	<u>\$ 5,265</u>	<u>\$ 1,395</u>	<u>\$ 678</u>

Amortization provided for in the current period totalled \$489 (2018 - \$239).

4. LONG-TERM DEBT

The long-term debt is comprised of a loan payable of \$7,650 maturing in September 2020, bearing interest at 8% per annum and repayable in semi-annual instalments of \$3,825.

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 \$79,527 (2018 - \$160,934) to the Ugandan organization (The Concordia Initiative).

CEED CONCORDIA
NOTES TO THE FINANCIAL STATEMENTS
as at December 31, 2019

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, 2019.

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 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.