

PROJECT SHELTER WAKADOGO

Financial Statements

Year Ended August 31, 2012

(Unaudited)

PROJECT SHELTER WAKADOGO
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Year Ended August 31, 2012
(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Trustees of Project Shelter Wakadogo

We have reviewed the statement of financial position of Project Shelter Wakadogo as at August 31, 2012 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

We draw attention to Note 1 to the financial statements which describes that Project Shelter Wakadogo adopted Canadian accounting standards for not-for-profit organizations on September 1, 2011 with a transition date of September 1, 2010. These standards were applied retrospectively by management.

Edmonton, Alberta
March 23, 2013

DORWARD & COMPANY LLP
CHARTERED ACCOUNTANTS

PROJECT SHELTER WAKADOGO

Statement of Financial Position

August 31, 2012

(Unaudited)

ASSETS

CURRENT

Cash \$ 88,600

CAPITAL ASSETS *(Note 5)* 84,254

\$ 172,854

LIABILITIES AND NET ASSETS

CURRENT

Accounts payable \$ 4,999

NET ASSETS

General fund 56,640

Externally restricted fund 26,961

Capital asset fund 84,254

167,855

\$ 172,854

ON BEHALF OF THE BOARD OF TRUSTEES

_____ *Trustee*

_____ *Trustee*

PROJECT SHELTER WAKADOGO
Statement of Revenues and Expenditures
Year Ended August 31, 2012
(Unaudited)

REVENUE	
Unrestricted donations	\$ 84,183
Restricted donations	26,961
School fees	<u>6,120</u>
	<u>117,264</u>
 EXPENSES	
Staff	19,847
Amortization	6,430
Wakadogo Shelter Project	6,478
Professional fees	5,000
Classroom, exams and graduation	3,425
Office	3,035
Licenses and dues	2,881
Honorariums	2,490
Repairs and maintenance	2,393
Bank charges	2,020
Medical program	1,593
Vehicle	1,552
Advertising and donor appreciation	1,512
Insurance	1,338
Heating	988
Travel	765
Telephone and internet	<u>399</u>
	<u>62,146</u>
 EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	 55,118
 OTHER INCOME	 <u>62</u>
 EXCESS OF REVENUE OVER EXPENSES	 <u>\$ 55,180</u>

PROJECT SHELTER WAKADOGO

Statement of Changes in Net Assets

Year Ended August 31, 2012

(Unaudited)

	General fund	Externally restricted fund	Capital asset fund	2012
NET ASSETS - BEGINNING OF YEAR	\$ 47,304	\$ -	\$ 65,371	\$ 112,675
Excess of revenue over expenses	28,219	26,961	-	55,180
Transfer to capital asset fund	(18,883)	-	18,883	-
NET ASSETS - END OF YEAR	<u>\$ 56,640</u>	<u>\$ 26,961</u>	<u>\$ 84,254</u>	<u>\$ 167,855</u>

PROJECT SHELTER WAKADOGO

Statement of Cash Flows

Year Ended August 31, 2012

(Unaudited)

OPERATING ACTIVITIES

Excess of revenue over expenses \$ 55,180

Item not affecting cash:

Amortization of capital assets 6,430

61,610

Changes in non-cash working capital:

Accounts receivable (276)

Accounts payable 5,001

4,725

Cash flow from (used by) operating activities

66,335

INVESTING ACTIVITY

Purchase of capital assets (25,314)

INCREASE IN CASH FLOW

41,021

Cash - beginning of year

47,579

CASH - END OF YEAR

\$ 88,600

PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2012

(Unaudited)

1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Organization adopted accounting standards for not-for-profit organizations. These financial statements are the first prepared in accordance with these standards. The adoption of ASNPO had no impact on net assets as at September 1, 2010 or revenues and expenditures or cash flows for the year ended August 31, 2011.

2. DESCRIPTION OF BUSINESS

Project Shelter Wakadogo is an organization which aims to create a safe, stimulating environment for the intellectual, creative and physical development of the children of Acholiland, Uganda. The organization is a registered charity, and operates a school in Uganda.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for Not-For-Profit Organizations.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2012

(Unaudited)

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. The organization takes half year amortization in the year the assets are purchased. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
Furniture and equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method

The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Income taxes

As a not-for-profit organization and a registered charity, the society is exempt from paying income taxes under Section 149(1)(f) of the Income Tax Act.

General fund

These amounts are not restricted and are available for any purpose approved by the Board of Trustees.

Externally restricted fund

The externally restricted fund balance, are restricted amounts governed by terms and conditions set out by the donor, and are not available for unrestricted purposes without the approval of the donor.

Capital asset fund

The balance represents Project Shelter Wakadogo net investment in capital assets. It is the original asset cost, less accumulated amortization, debt directly related to capital assets, and any deferred contributions related to the assets.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2012

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Project Shelter Wakadogo follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

4. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2012.

Credit risk

Credit risk arises from the possibility that the entities to which the society provides services may experience financial difficulty and be unable to fulfil their obligations. The organization is exposed to financial risk that arises from the credit quality of the entities to which it provides services. As the organization provides services to a variety of customers, its credit risk is minimized.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash, and accounts payable held in U.S. dollars, and Uganda currency. The organization does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities.

PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2012

(Unaudited)

5. CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value
Land	\$ 16,580	\$ -	\$ 16,580
Buildings	56,156	6,829	49,327
Furniture and equipment	27,237	12,070	15,167
Motor vehicles	11,311	8,719	2,592
Computer equipment	1,217	629	588
	<u>\$ 112,501</u>	<u>\$ 28,247</u>	<u>\$ 84,254</u>
