

PROJECT SHELTER WAKADOGO

Financial Statements

Year Ended August 31, 2014

(Unaudited)

PROJECT SHELTER WAKADOGO
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Year Ended August 31, 2014
(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Members of Project Shelter Wakadogo

We have reviewed the statement of financial position of Project Shelter Wakadogo as at August 31, 2014 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

Calgary, Alberta
February 10, 2015

CHARTERED ACCOUNTANTS

Edmonton Office: Strathcona
Professional Centre #300, 10328 -
81 Ave
Edmonton, AB T6E
1X2
Phone: 780.413.7211
Fax: 780.413.7226

Calgary Office: Airways
Business Plaza
#216, 1935 - 32nd Ave
Calgary, AB T2E 7C8
Phone: 403.983.7211
Fax: 403.983.7212

E-mail: office@dorward.ca
www.dorward.ca

PROJECT SHELTER WAKADOGO

Statement of Financial Position

August 31, 2014

(Unaudited)

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 94,471	\$ 42,198
Accounts receivable	4,059	3,009
	<u>98,530</u>	45,207
CAPITAL ASSETS (Note 4)	<u>158,424</u>	121,755
	<u>\$ 256,954</u>	\$ 166,962
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 7,594	\$ 4,725
Callable debt (Note 2)	3,313	-
	<u>10,907</u>	4,725
NET ASSETS		
General fund (Note 2)	42,751	10,521
Capital asset fund (Note 2)	155,111	121,755
Externally restricted fund (Note 2)	48,185	29,961
	<u>246,047</u>	162,237
	<u>\$ 256,954</u>	\$ 166,962

ON BEHALF OF THE BOARD OF TRUSTEES

_____ *Trustee*

_____ *Trustee*

See notes to financial statements

PROJECT SHELTER WAKADOGO
Statement of Revenues and Expenditures
Year Ended August 31, 2014
(Unaudited)

	2014	2013
TRADE SALES		
Restricted donations	\$ 103,217	\$ 29,961
Unrestricted donations	78,218	37,103
School fees	16,979	12,431
	<u>198,414</u>	<u>79,495</u>
EXPENSES		
Project and teaching staff salaries	38,618	21,332
School meals	27,906	22,086
Classroom, exams and graduation	9,961	8,964
Rental	9,507	-
Amortization	9,412	7,358
Fuel and lubricants	6,503	5,518
Professional fees	6,489	4,925
Repairs and maintenance	5,706	3,462
Telephone and internet	2,676	3,822
Travel	1,737	2,203
Insurance	1,444	2,040
Medical program	1,378	2,267
Interest and bank charges	1,063	474
Advertising and donor appreciation	380	662
	<u>122,780</u>	<u>85,113</u>
EXCESS (DEFICIENCY) OF TRADE SALES OVER EXPENSES FROM OPERATIONS	75,634	(5,618)
OTHER INCOME	8,176	-
EXCESS (DEFICIENCY) OF TRADE SALES OVER EXPENSES	\$ 83,810	\$ (5,618)

See notes to financial statements

PROJECT SHELTER WAKADOGO

Statement of Changes in Net Assets

Year Ended August 31, 2014

(Unaudited)

	General fund	Capital asset fund	Externally restricted fund	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 10,521	\$ 121,755	\$ 29,961	\$ 162,237	\$ 167,855
Excess of trade sales over expenses	35,625	-	48,185	83,810	(5,618)
Transfer to capital asset fund	(3,395)	33,356	(29,961)	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 42,751	\$ 155,111	\$ 48,185	\$ 246,047	\$ 162,237

PROJECT SHELTER WAKADOGO

Statement of Cash Flow

Year Ended August 31, 2014

(Unaudited)

	2014	2013
OPERATING ACTIVITIES		
Excess (deficiency) of trade sales over expenses	\$ 83,810	\$ (5,618)
Items not affecting cash:		
Amortization of capital assets	9,412	7,358
Gain on disposal of assets	(8,176)	-
	85,046	1,740
Changes in non-cash working capital:		
Accounts receivable	(1,050)	(3,009)
Accounts payable	2,862	(266)
	1,812	(3,275)
Cash flow from (used by) operating activities	86,858	(1,535)
INVESTING ACTIVITIES		
Purchase of capital assets	(47,499)	(44,867)
Proceeds on disposal of capital assets	9,601	-
Cash flow used by investing activities	(37,898)	(44,867)
FINANCING ACTIVITY		
Short term debt	3,313	-
INCREASE (DECREASE) IN CASH FLOW	52,273	(46,402)
Cash - beginning of year	42,198	88,600
CASH - END OF YEAR	\$ 94,471	\$ 42,198

See notes to financial statements

PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2014

(Unaudited)

1. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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, 2014

(Unaudited)

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis 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 consists of 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.

(continues)

PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2014

(Unaudited)

2. 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.

Callable debt

The Organization's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

3. 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, 2014.

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.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2014

(Unaudited)

3. FINANCIAL INSTRUMENTS *(continued)*

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.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 21,075	\$ -	\$ 21,075	\$ 21,075
Buildings	116,522	12,513	104,009	77,553
Furniture and equipment	42,560	19,472	23,088	18,694
Motor vehicles	11,428	2,707	8,721	2,246
Computer equipment	3,306	1,775	1,531	2,187
	\$ 194,891	\$ 36,467	\$ 158,424	\$ 121,755
