

**PROJECT SHELTER WAKADOGO**

**Financial Statements**

**Year Ended August 31, 2017**

*(Unaudited)*

**PROJECT SHELTER WAKADOGO**  
**Index to Financial Statements**  
**Year Ended August 31, 2017**  
*(Unaudited)*

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**REVIEW ENGAGEMENT REPORT**

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To the Members of Project Shelter Wakadogo

We have reviewed the statement of financial position of Project Shelter Wakadogo as at August 31, 2017 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.

*Dorward & Company LLP*

Calgary, Alberta  
December 12, 2017

CHARTERED ACCOUNTANTS

**PROJECT SHELTER WAKADOGO**

**Statement of Financial Position**

**August 31, 2017**

*(Unaudited)*

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 106,779	\$ 115,872
Accounts receivable	926	1,895
	<u>107,705</u>	<u>117,767</u>
<b>CAPITAL ASSETS (Note 4)</b>	<u>185,695</u>	<u>181,510</u>
	<u>\$ 293,400</u>	<u>\$ 299,277</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 15,273	\$ 5,001
 <b>NET ASSETS</b>		
General fund	70,419	43,337
Capital asset fund	185,695	181,510
Externally restricted fund	22,013	69,429
	<u>278,127</u>	<u>294,276</u>
	<u>\$ 293,400</u>	<u>\$ 299,277</u>

**ON BEHALF OF THE BOARD OF TRUSTEES**

\_\_\_\_\_ *Trustee*

\_\_\_\_\_ *Trustee*

**PROJECT SHELTER WAKADOGO**  
**Statement of Revenues and Expenditures**  
**For the Year Ended August 31, 2017**  
*(Unaudited)*

	2017	2016
<b>REVENUES</b>		
Unrestricted donations	\$ 118,850	\$ 84,279
School fees	39,573	36,129
Medical fees	2,898	-
Restricted donations	-	69,429
	<u>161,321</u>	<u>189,837</u>
<b>EXPENDITURES</b>		
Project and teaching staff salaries	73,696	60,997
School meals	45,959	34,636
Classroom, exams and graduation	14,215	15,758
Amortization	14,166	13,474
Professional fees	5,924	5,753
Medical program	5,066	1,748
Repairs and maintenance	4,827	4,028
Telephone and internet	3,532	2,023
Accommodation and security	2,998	-
Interest and bank charges	2,209	2,928
Fuel and lubricants	2,096	2,177
Bad debts	1,220	-
Travel	593	916
Advertising and donor appreciation	537	101
Insurance	432	484
Agriculture project	-	57
	<u>177,470</u>	<u>145,080</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>(16,149)</u>	<u>44,757</u>
<b>OTHER INCOME</b>		
Gain on disposal of capital assets	-	313
Interest income	-	110
	<u>-</u>	<u>423</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (16,149)</u>	<u>\$ 45,180</u>

**PROJECT SHELTER WAKADOGO**

**Statement of Changes in Net Assets**

**Year Ended August 31, 2017**

*(Unaudited)*

	General fund	Capital asset fund	Externally restricted fund	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 43,337	\$ 181,510	\$ 69,429	\$ 294,276	\$ 249,095
	-	-	-	-	-
Deficiency of revenues over expenses	(1,983)	(14,166)	-	(16,149)	45,180
Transfer to capital asset fund	(18,351)	18,351	-	-	-
Transfer to (from) restricted net assets	47,416	-	(47,416)	-	-
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 70,419</u>	<u>\$ 185,695</u>	<u>\$ 22,013</u>	<u>\$ 278,127</u>	<u>\$ 294,275</u>

**PROJECT SHELTER WAKADOGO**

**Statement of Cash Flow**

**Year Ended August 31, 2017**

*(Unaudited)*

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (16,149)	\$ 45,180
Items not affecting cash:		
Amortization of capital assets	14,166	13,474
Gain on disposal of capital assets	-	(313)
	<u>(1,983)</u>	<u>58,341</u>
Changes in non-cash working capital:		
Accounts receivable	971	98
Accounts payable	10,271	(5,486)
	<u>11,242</u>	<u>(5,388)</u>
Cash flow from operating activities	<u>9,259</u>	<u>52,953</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(18,352)	(23,537)
Proceeds on disposal of capital assets	-	525
Cash flow used by investing activities	<u>(18,352)</u>	<u>(23,012)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(9,093)</b>	<b>29,941</b>
Cash - beginning of year	<u>115,872</u>	<u>85,931</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 106,779</u></b>	<b><u>\$ 115,872</u></b>

## PROJECT SHELTER WAKADOGO

### Notes to Financial Statements

Year Ended August 31, 2017

*(Unaudited)*

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#### 1. PURPOSE OF THE ORGANIZATION

Project Shelter Wakadogo (the "Organization") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization operates a school in Uganda.

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#### 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, 2017**

*(Unaudited)*

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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.

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## PROJECT SHELTER WAKADOGO

### Notes to Financial Statements

Year Ended August 31, 2017

(Unaudited)

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#### 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.

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#### 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, 2017.

##### ***(a) Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

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**PROJECT SHELTER WAKADOGO**

**Notes to Financial Statements**

**Year Ended August 31, 2017**

*(Unaudited)*

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3. FINANCIAL INSTRUMENTS *(continued)*

***(b) 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, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

***(c) 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. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

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4. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Buildings	\$ 149,362	\$ 26,997	\$ 122,365	\$ 127,229
Furniture and equipment	76,612	38,691	37,921	27,015
Land	21,075	-	21,075	21,075
Motor vehicles	12,468	8,659	3,809	5,441
Computer equipment	3,306	2,781	525	750
	<u>\$ 262,823</u>	<u>\$ 77,128</u>	<u>\$ 185,695</u>	<u>\$ 181,510</u>

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