

PROJECT SHELTER WAKADOGO

Financial Statements

Year Ended August 31, 2018

(Unaudited)

PROJECT SHELTER WAKADOGO
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Year Ended August 31, 2018
(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Project Shelter Wakadogo

We have reviewed the accompanying financial statements of Project Shelter Wakadogo which comprise the statement of financial position as at August 31, 2018 and the statements of revenues and expenditures, 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.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Project Shelter Wakadogo as at August 31, 2018, 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.

Dorward & Company LLP

Edmonton, Alberta
February 28, 2019

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PROJECT SHELTER WAKADOGO

Statement of Financial Position

August 31, 2018

(Unaudited)

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 106,677	\$ 106,779
Accounts receivable	638	924
	<u>107,315</u>	<u>107,703</u>
CAPITAL ASSETS (Note 4)	<u>181,589</u>	<u>185,695</u>
	<u>\$ 288,904</u>	<u>\$ 293,398</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 6,255	\$ 15,271
 NET ASSETS		
General fund	101,060	70,416
Capital asset fund	181,589	185,695
Externally restricted fund	-	22,016
	<u>282,649</u>	<u>278,127</u>
	<u>\$ 288,904</u>	<u>\$ 293,398</u>

ON BEHALF OF THE BOARD

_____ *Director*

PROJECT SHELTER WAKADOGO
Statement of Revenues and Expenditures
Year Ended August 31, 2018
(Unaudited)

	2018	2017
REVENUES		
Unrestricted donations	\$ 144,593	\$ 118,850
School fees	33,545	39,573
Medical fees	5,074	2,898
	<u>183,212</u>	<u>161,321</u>
EXPENSES		
Project and teaching staff salaries	73,842	73,696
School meals	38,408	45,959
Classroom, exams and graduation	18,814	14,215
Amortization	14,521	14,166
Accomodation and security	10,441	2,998
Medical program	7,557	5,066
Professional fees	6,048	5,924
Repairs and maintenance	3,079	4,827
Telephone and internet	1,762	3,532
Fuel and lubricants	1,603	2,096
Interest and bank charges	1,375	2,209
Sewing project	493	-
Insurance	440	432
Advertising and donor appreciation	198	537
Agriculture project	115	-
Bad debts	-	1,220
Travel	-	593
	<u>178,696</u>	<u>177,470</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	4,516	(16,149)
OTHER INCOME	6	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 4,522</u>	<u>\$ (16,149)</u>

PROJECT SHELTER WAKADOGO

Statement of Changes in Net Assets

Year Ended August 31, 2018

(Unaudited)

	General Fund	Capital asset Fund	Externally restriced Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 70,416	\$ 185,695	\$ 22,016	\$ 278,127	\$ 294,276
EXCESS OF REVENUES OVER EXPENSES	41,059	(14,521)	(22,016)	4,522	(16,149)
PURCHASE OF CAPITAL ASSETS	(10,415)	10,415	-	-	-
NET ASSETS - END OF YEAR	<u>\$ 101,060</u>	<u>\$ 181,589</u>	<u>\$ -</u>	<u>\$ 282,649</u>	<u>\$ 278,127</u>

PROJECT SHELTER WAKADOGO

Statement of Cash Flows

Year Ended August 31, 2018

(Unaudited)

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 4,522	\$ (16,149)
Item not affecting cash:		
Amortization of capital assets	<u>14,521</u>	<u>14,166</u>
	<u>19,043</u>	<u>(1,983)</u>
Changes in non-cash working capital:		
Accounts receivable	286	971
Accounts payable	<u>(9,015)</u>	<u>10,271</u>
	<u>(8,729)</u>	<u>11,242</u>
Cash flow from operating activities	<u>10,314</u>	<u>9,259</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(10,416)</u>	<u>(18,352)</u>
DECREASE IN CASH FLOW	(102)	(9,093)
Cash - beginning of year	<u>106,779</u>	<u>115,872</u>
CASH - END OF YEAR	<u>\$ 106,677</u>	<u>\$ 106,779</u>

PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2018

(Unaudited)

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.

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, 2018

(Unaudited)

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and 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 49(1)(f) of the Income Tax Act.

Fund accounting

Project Shelter Wakadogo follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund and are available for any purpose approved by the Board of Trustees.

The Capital Fund 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.

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.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2018

(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

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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, 2018.

(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.

(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.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2018

(Unaudited)

3. FINANCIAL INSTRUMENTS *(continued)*

(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.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 21,075	\$ -	\$ 21,075	\$ 21,075
Buildings	153,453	31,974	121,479	122,365
Motor vehicles	12,468	9,802	2,666	3,809
Computer equipment	3,862	3,022	840	525
Furniture and equipment	82,381	46,852	35,529	37,921
	<u>\$ 273,239</u>	<u>\$ 91,650</u>	<u>\$ 181,589</u>	<u>\$ 185,695</u>
