

WORLD NEIGHBOURS CANADA SOCIETY

JUNE 30, 2017



KEMP HARVEY HUNT WARD INC.

**Chartered Professional Accountants
A Member of Kemp Harvey Group Inc.**

Associated offices in Burnaby, Grand Forks, Osoyoos, Penticton, Coquitlam, Vernon, Terrace

WORLD NEIGHBOURS CANADA SOCIETY
World Neighbours Canada Society

FINANCIAL STATEMENTS

JUNE 30, 2017

WORLD NEIGHBOURS CANADA SOCIETY

World Neighbours Canada Society

FINANCIAL STATEMENTS

JUNE 30, 2017

INDEX

AUDITOR'S REPORT

STATEMENT A - Statement of Operations and Changes in Net Assets

STATEMENT B - Statement of Financial Position

STATEMENT C - Statement of Cash Flows

NOTES TO FINANCIAL STATEMENTS

WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2017

STATEMENT A

	2017	2016
REVENUES		
Donations	\$ 238,265	\$ 176,983
Other Revenue	<u>387</u>	<u>349</u>
	238,652	177,332
DIRECT EXPENSES		
Burkina Faso, Africa costs	71,197	41,500
Honduras costs	68,993	30,000
Nepal costs	100,005	67,636
Transportation and travel	<u>-</u>	<u>5,919</u>
	240,195	145,055
	(1,543)	32,277
EXPENDITURES		
Insurance	730	715
Office	1,498	2,211
Professional fees	10,765	7,408
Memberships and dues	<u>200</u>	<u>-</u>
	13,193	10,334
EXCESS (DEFICIENCY) OF EXPENDITURES OVER REVENUES	\$ (14,736)	\$ 21,943
NET ASSETS		
OPENING BALANCE	\$ 80,295	\$ 58,352
EXCESS OF REVENUES OVER EXPENDITURES	<u>(14,736)</u>	<u>21,943</u>
ENDING BALANCE	\$ 65,559	\$ 80,295

See accompanying notes to financial statements

WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

STATEMENT B

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 73,225	\$ 87,591
Restricted cash - Note 4	-	4,619
	<u>\$ 73,225</u>	<u>\$ 92,210</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 7,666	\$ 7,296
Deferred revenue - Note 4	-	4,619
	<u>7,666</u>	<u>11,915</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	65,559	80,295
	<u>\$ 73,225</u>	<u>\$ 92,210</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS



WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

STATEMENT C

	2017	2016
OPERATIONS		
Receipts from revenues	\$ 234,033	\$ 160,951
Payments to suppliers for goods and services	<u>(253,018)</u>	<u>(149,294)</u>
CASH PROVIDED (USED)	(18,985)	11,657
INCREASE (DECREASE) IN CASH	(18,985)	11,657
BEGINNING CASH	92,210	80,553
ENDING CASH	\$ 73,225	\$ 92,210
CASH REPRESENTED BY:		
Cash	\$ 73,225	\$ 87,591
Restricted cash	<u>-</u>	<u>4,619</u>
ENDING CASH	\$ 73,225	\$ 92,210

See accompanying notes to financial statements

WORLD NEIGHBOURS CANADA SOCIETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 PURPOSE OF THE ORGANIZATION

World Neighbours Canada Society is a non-profit organization incorporated without share capital under the Society Act of British Columbia. The principal activity is providing funding to organizations in various countries for projects to improve the wellbeing of the local community. The Society is a registered charity and is, therefore, exempt from income taxes by virtue of paragraph 149(1)(f) of the Canadian Income Tax Act.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

a) Revenue and Expenditures

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Expenditures are recorded according to the accrual basis of accounting. Pledges are not recognized until collected, as the Organization cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured.

b) Capital assets

The average annual revenues recognized in the statement of operations for the current and preceding period of the Organization, and any entities it controls, was less than \$500,000. Since the Organization meets the criteria for small not-for-profit organizations, it does not record the acquisition of tangible capital assets and intangible assets. These acquisitions are expensed at the date of acquisition. No assets have been expensed by the organization in prior years. \$ NIL in tangible capital assets and \$ NIL in intangible assets were expensed in the statement of operations for the current year.

c) Contributed services

In its day-to-day operation, the Organization uses the services of many volunteers. Given the difficulty of determining fair value for these services and the overall number of hours donated, contributed services are not recognized in the financial statements.

d) Use of estimates

When preparing financial statements, according to Canadian generally accepted accounting principles, estimates and assumptions are made relating to the reported amounts 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 year. Actual results may differ from those estimates.

e) Basis of presentation

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

f) Comparative figures

Certain prior year comparative figures have been adjusted where applicable to conform with the presentation used in the current year.

Note 3 FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and cash equivalents and payables. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, interest rate, liquidity, or market risks arising from these financial instruments.

The Organization is exposed to various risks through its financial instruments without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk as at June 30, 2017.

Interest rate risk

The Organization is exposed to interest risk with respect to the following financial instruments:
Cash and cash equivalents

Changes in interest rates can affect the fair value of the cash flows related to interest income and expense.

Note 4 DEFERRED CONTRIBUTIONS

The Organization received a \$188,483.00 contribution in 2017 (2016 - \$100,000) from the Department of Foreign Affairs, Trade and Development for implementation of the project entitled Maternal- Child Health Project in Burkina Faso, Honduras and Nepal.

	2017	2016
Beginning balance	\$ 4,619	\$ 21,000
Contributions received in the year	188,483	100,000
Related expenditures incurred in the year	<u>(193,102)</u>	<u>(116,381)</u>
Ending balance	<u>\$ -</u>	<u>\$ 4,619</u>



KEMP HARVEY HUNT WARD INC.

Chartered Professional Accountants

Michael J. Sutton, CPA, CGA
Barbara J. Sutton, CPA, CGA
Jonathan J. Cone, CPA, CGA

Sue A. Leroux, CPA, CGA
Darin C. Schierbeck, CPA, CGA
Laudalina (Leah) J. Nystrom, CPA, CGA

#203 - 1740 Gordon Drive
Kelowna, B.C.
V1Y 3H2

T: 250.763.8029
TF: 888.763.8029
Kelowna@kempharvey.com
www.kempharvey.com

INDEPENDENT AUDITOR'S REPORT

To the members of World Neighbours Canada Society

We have audited the accompanying financial statements of World Neighbours Canada Society, which comprise the statement of financial position as at June 30, 2017, and the statements of operations and surplus funds and cash flow 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of World Neighbours Canada Society as at June 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

Report on other legal and regulatory requirements

As required by the British Columbia Society Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Kelowna, BC
December 19, 2017

Kemp Harvey Hunt Ward Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS