



KH KELOWNA

Chartered Professional Accountants Inc.

Michael J. Sutton, CPA, CGA
Barbara J. Sutton, CPA, CGA
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Kelowna@kempharvey.com
www.kempharvey.com

STRENGTH IN NUMBERS

December 20, 2018

Bruce Petch
World Neighbours Canada Society
PO Box 1771
Oliver BC V0H 1T0

Dear Bruce:

We enclose copies of the financial statements of World Neighbours Canada Society for the year ended June 30, 2018. Please sign the balance sheet before the statements are circulated.

We would like to remind you that, if not already done so, the T3010 "Registered Charity Information Return" must be filed with Canada Revenue Agency prior to December 31, 2018 in order to maintain your status as a registered charity.

We would also like to remind you that the Form 11 "Society Annual Report" must be filed with the B.C. Ministry of Finance and Corporate Relations within thirty days of the annual general meeting in order to comply with the Society Act.

We also enclose copies of the year end adjusting journal entries for your records.

Thank you for allowing us to be of service to you; we appreciate your business. If you or any of your associates require any of our many services, please do not hesitate to contact us.

Respectfully,
KEMP HARVEY HUNT WARD INC.

Jonathan J. Cone, CPA, CGA

JC/nh

Enclosures

WORLD NEIGHBOURS CANADA SOCIETY

JUNE 30, 2018



KH KELOWNA CHARTERED PROFESSIONAL ACCOUNTANTS 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, 2018

WORLD NEIGHBOURS CANADA SOCIETY

World Neighbours Canada Society

FINANCIAL STATEMENTS

JUNE 30, 2018

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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, 2018 and the statements of revenues and expenditures, changes in net assets 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, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

(continues)

Independent Auditor's Report to the Members of World Neighbours Canada Society *(continued)*

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

KH Kelowna Chartered Professional Accountants Inc.

Kelowna, British Columbia
December 20, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018

STATEMENT A

	2018	2017
REVENUES		
Donations	\$ 259,529	\$ 238,265
Other Revenue	<u>534</u>	<u>387</u>
	260,063	238,652
DIRECT EXPENSES		
Burkina Faso, Africa costs	69,923	71,197
Honduras costs	67,842	68,993
Nepal costs	<u>74,522</u>	<u>100,005</u>
	212,287	240,195
	47,776	(1,543)
EXPENDITURES		
Insurance	746	730
Office	3,691	1,498
Professional fees	7,875	10,765
Memberships and dues	<u>250</u>	<u>200</u>
	12,562	13,193
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 35,214	\$ (14,736)
NET ASSETS		
OPENING BALANCE	\$ 65,559	\$ 80,295
EXCESS OF REVENUES OVER EXPENDITURES	<u>35,214</u>	<u>(14,736)</u>
ENDING BALANCE	\$ 100,773	\$ 65,559

See accompanying notes to financial statements

**WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

STATEMENT B

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 108,439	\$ 73,225
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 7,666	\$ 7,666
NET ASSETS		
UNRESTRICTED NET ASSETS	100,773	65,559
	\$ 108,439	\$ 73,225

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

original signed by Dale Dodge

See accompanying notes to financial statements

WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

STATEMENT C

	2018	2017
OPERATIONS		
Receipts from revenues	\$ 260,063	\$ 234,034
Payments to suppliers for goods and services	<u>(224,849)</u>	<u>(253,018)</u>
CASH PROVIDED (USED)	35,214	(18,984)
INCREASE (DECREASE) IN CASH	35,214	(18,984)
BEGINNING CASH	<u>73,225</u>	<u>92,209</u>
ENDING CASH	\$ 108,439	\$ 73,225

See accompanying notes to financial statements

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 well being 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) Tangible 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, liquidity, or market risks arising from these financial instruments.



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December 20, 2018
Confidential

World Neighbours Canada Society
PO Box 1771
Oliver BC V0H 1T0

Attention: Bruce Petch,

Dear Bruce:

The Objective and Scope of the Audit

You have requested that we audit the financial statements of World Neighbours Canada Society, which comprise the statement of financial position as at June 30, 2019, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement"). Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

Our Responsibilities

We will conduct our audit of World Neighbours Canada Society 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence of 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. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation 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. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

We may also communicate other matters identified during the audit that, in our opinion, are of sufficient importance to merit management's attention.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

To the Members of World Neighbours Canada Society

Report on the Financial Statements

We have audited the accompanying financial statements of World Neighbours Canada Society, which comprise the statement of financial position as at June 30, 2019, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 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, 2019 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with the Canadian accounting standards for not-for-profit organizations;
- b. For the design and implementation of 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; and

- c. To provide us with timely:
 - i. Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
 - iii. Additional information that we may request from management for the purpose of the audit; and
 - iv. Unrestricted access to persons within World Neighbours Canada Society from whom we determine it necessary to obtain audit evidence.

As part of the audit process:

- a. We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each practitioner must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of World Neighbours Canada Society unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the British Columbia *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit report are solely for the use of World Neighbours Canada Society and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than World Neighbours Canada Society.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our review engagement should not be circulated (beyond World Neighbours Canada Society) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Reproduction of Auditor's Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request management to provide a written representation that the final version of the document(s) will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

Preparation of Schedules

We understand that you will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence on .

The requested schedules and documents are as follows:

- a. Schedules and analyses; and
- b. Other specified documents.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the Engagement.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

File Inspections

In accordance with professional regulations (and by our firm policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Other Services

In addition to the audit services referred to above, we will, as allowed by the British Columbia *Code of Professional Conduct /Code of Ethics*, prepare your charity returns as agreed upon. Unless expressly agreed in a separate engagement letter, we will have no involvement with or responsibility for the preparation or filing of GST and PST returns or any other (including foreign) tax returns, source deductions, information returns, slips, elections, designations, certificates or reports. Management will, on a timely basis, provide the information necessary to complete these federal and provincial income tax returns and will review and file them with the appropriate authorities on a timely basis.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of British Columbia. The Province of British Columbia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

World Neighbours Canada Society hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by World Neighbours Canada Society, or its directors, officers, agents or employees, of any of the covenants or obligations of World Neighbours Canada Society herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or board of directors.

Limitation of Liability

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to \$-. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date World Neighbours Canada Society should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by World Neighbours Canada Society of its obligations.

Concerns

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner or *[insert name of managing or other appropriate partner and phone number]*. We will listen to your concerns and investigate any complaint on a timely basis.

Use of Auditor Experts, Specialists and Others

[Any initial audit considerations.]

You hereby authorize us to disclose information of World Neighbours Canada Society to the above-mentioned third-party service provider(s) for the purpose of this Engagement.

Fees at Regular Billing Rate

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable GST and PST, and are due when rendered. Fees for any additional services will be established separately.

Retainer

Prior to commencing our services, we require that you provide us with a retainer in the amount of \$-. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this Engagement.

Billing

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.50% per month or 18.00% (APR) per annum. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable GST and PST) incurred.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party *[not less than 30 calendar days before the effective date of termination]*. If early termination takes place, World Neighbours Canada Society shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to come to a conclusion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may issue a denial of assurance on the financial statements. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

Conclusion

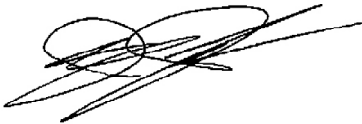
This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Respectfully,

KH KELOWNA CHARTERED PROFESSIONAL ACCOUNTANTS INC.



Jonathan J. Cone, CPA, CGA
Partner
jonathan.cone@kempfarvey.com

Acknowledged and agreed to on behalf of World Neighbours Canada Society by:

Bruce Petch,

December 31, 2018

Date signed

WORLD NEIGHBOURS CANADA SOCIETY
REPRESENTATION CERTIFICATE
June 30, 2018

ENTER COMPLETION DATE IN CLIENT PROFILE

To: KH KELOWNA CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Chartered Professional Accountants

This representation letter is provided in connection with your audit of the financial statements of World Neighbours Canada Society for the year ended June 30, 2018 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 04, 2018, for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
4. All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
6. We have reviewed and approved all journal entries you prepared or changed, account codes you determined or changed, transactions you classified, and accounting records you prepared or changed.

Information provided

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
7. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
8. We have disclosed to you all known or possible litigation and claims whose effects should be considered when preparing the financial statements, and they have been accounted for and disclosed in accordance with Canadian accounting standards for not-for-profit organizations.

Other matters

1. We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.
2. We hereby acknowledge that you have made us aware of your firm's legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize your firm to release and disclose information about the Society if and when required by statute.

Respectfully,
WORLD NEIGHBOURS CANADA SOCIETY

Director

Director