WORLD NEIGHBOURS CANADA SOCIETY

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

KEMP HARVEY GROUP

KH KELOWNA CHARTERED PROFESSIONAL ACCOUNTANTS INC.

STRENGTH IN NUMBERS

Michael Sutton, CPA, CGA
Barbara Sutton, CPA, CGA
Jonathan Cone, BBA, CPA, CGA
Sue Leroux, BSc, CPA, CGA
Darin Schierbeck, BBA, CPA, CGA
Laudalina (Leah) Nystrom, CPA, CGA

December 20, 2021
Confidential

Client Number: WORLD06

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

Attention: Bruce Petch

Dear Bruce:

ENCLOSURES

We are enclosing:

Financial statements

- One copy of your audited financial statements of World Neighbours Canada Society for the year ended June 30, 2021.

Letter of representation

- One copy of the letter of representation.

Invoice enclosed

- Our invoice, which we trust you will find in order.

CLOSING COMMENTS

We have relied on you to provide us with the necessary information in a form sufficiently complete to enable us to prepare the financial statements.

We thank you for the opportunity to be of service to you and trust everything is in order. If you have any questions or concerns, please contact us by email at jonathan.cone@kempharvey.com or call 250-763-8029.

SIGN & DATE

Respectfully,

KH KELOWNA CHARTERED PROFESSIONAL ACCOUNTANTS INC.

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

22 Dec. 2021
DATE

Encl.

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WORLD NEIGHBOURS CANADA SOCIETY
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YEAR ENDED JUNE 30, 2021

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KEMP HARVEY GROUP

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INDEPENDENT AUDITOR'S REPORT

To the Members of World Neighbours Canada Society

Report on the Financial Statements

Opinion

We have audited the financial statements of World Neighbours Canada Society (the society), which comprise the statement of financial position as at June 30, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the society as at June 30, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with 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, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2021

	2021	2020
RECEIPTS		
Other revenue	$ 999	$ 1,037
Global Affairs Canada	103,302	148,597
Manitoba Council (Schedule 1)	60,005	-
Donations	59,203	65,059
	223,509	214,693
DIRECT COSTS		
Burkina Faso, Africa costs	104,962	56,200
Honduras costs	14,509	34,423
Nepal costs	39,000	46,000
Trades and sub-contracts	3,474	-
	161,945	136,623
RECEIPTS NET OF DIRECT COSTS	61,564	78,070
EXPENSES		
Business taxes, licenses and memberships	250	250
Consulting fees	1,194	-
Insurance	792	776
Office	1,661	1,921
Professional fees	8,610	14,726
Travel	-	1,149
	12,507	18,822
EXCESS OF RECEIPTS OVER EXPENSES	$ 49,057	$ 59,248

See notes to financial statements

WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021

	2021	2020
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	$ 140,817	$ 81,569
EXCESS OF RECEIPTS OVER EXPENSES	49,057	59,248
UNRESTRICTED NET ASSETS - END OF YEAR	$ 189,874	$ 140,817

See notes to financial statements

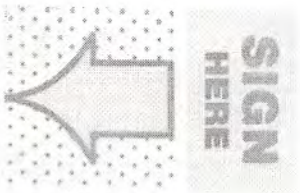
WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	$ 200,134	$ 148,482
Restricted Cash *(Note 6)*	84,602	57,811
	$ 284,736	$ 206,293
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	$ 10,260	$ 7,665
Deferred income *(Note 6)*	84,602	57,811
	94,862	65,476
NET ASSETS		
Unrestricted	189,874	140,817
	$ 284,736	$ 206,293

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*



See notes to financial statements

WORLD NEIGHBOURS CANADA SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of receipts over expenses	$ 49,057	$ 59,248
Changes in non-cash working capital:		
Accounts payable	**2,595**	-
Deferred income *(Note 6)*	**26,791**	57,811
Restricted Cash *(Note 6)*	**(26,791)**	(57,811)
	2,595	-
INCREASE IN CASH FLOW	**51,652**	59,248
Cash - beginning of year	**148,482**	89,234
CASH - END OF YEAR	**$ 200,134**	$ 148,482
CASH CONSISTS OF:		
Cash	**$ 200,134**	$ 148,482

See notes to financial statements

1. PURPOSE OF THE SOCIETY

World Neighbours Canada Society (the "society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. As a registered charity the society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The principal activity is providing funding to organizations in various countries for projects to improve the well being of the local community.

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

World Neighbours Canada Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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.

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.

4. 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.

5. ECONOMIC DEPENDENCE

The society received 47% (2020 - 69%) of it's revenue from The Government of Canada (Global Affairs Canada).

The society recieved 26% (2020 - nil) of it's revenue from the Manitoba Council for International Co-operation Inc.

6. DEFERRED REVENUE

Deferred revenue is comprised of program revenue restricted by The Government of Canada and The Manitoba Council for International Coperation Inc for use in program expenses approved by the respective donor.

	2021	2020
The Government of Canada- Global Affairs	**$ 77,606**	$ 57,811
The Manitoba Council for International Cooperation	**6,995**	-
	$ 84,601	$ 57,811

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

8. COVID-19 IMPACT

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Following this event, the society was forced to reduce its activity within it's various programs. As a result, the society's direct expenses were lower than expected for the 2021 fiscal year. As of the date of these financial statements, revenue has not been negatively impacted by this pandemic due to a continued commitment of support from Global Affairs Canada and the addition of the new FIT project.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the society's operations as at the date of these financial statements.

WORLD NEIGHBOURS CANADA SOCIETY
INNOVATION AND TRANSFORMATION PROJECT INCOME AND EXPENSES (Schedule 1)
YEAR ENDED JUNE 30, 2021

	2021	2020
INCOME		
MCIC Donations	$ 60,005	$ -
EXPENSES		
Bank charges	4	-
Burkina Faso, Africa costs	56,527	-
Subcontracting	3,474	-
	60,005	-
EXCESS OF INCOME OVER EXPENSES	$ -	$ -

See notes to financial statements

World Neighbours Canada Society
Summary of misstatements
Year end: June 30, 2021

Overstatement (understatement)

Description	WP Ref	*a* Assets	*b* Liabilities	*a - b* Equity	*d* Revenue	*e* Expense	*d - e* Profit
		-	-	-	-	-	-
From Prior years		1.00	-	**1.00**	-	-	-
Identified this year (IM)							
prepaids not recorded	L.2	(629.19)	-	**(629.19)**	-	629.19	**(629.19)**
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Likely & Projected							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Likely Aggregate Misstatement (LAM) = Sum of all above		(628.19)	-	**(628.19)**	-	629.19	**(629.19)**
Acceptable Materiality *(Use Professional judgement here)*		4,700.00	4,700.00	**4,700.00**	4,700.00	4,700.00	**4,700.00**
Room for further possible misstatement LAM - Materiality = **Comfort zone**		4,071.81	4,700.00	**4,071.81**	4,700.00	4,070.81	**4,070.81**

INITIAL HERE

Prepared by	Reviewed by	Cold Review	Client approve
NH 12/06/21	JC 12/20/21		

JZMIS

12/20/21
3:03 PM

KEMP HARVEY GROUP
KH KELOWNA CHARTERED PROFESSIONAL ACCOUNTANTS INC.
STRENGTH IN NUMBERS
Michael Sutton, CPA, CGA Jonathan Cone, BBA, CPA, CGA Darin Schierbeck, BBA, CPA, CGA
Barbara Sutton, CPA, CGA Sue Leroux, BSc, CPA, CGA Laudalina (Leah) Nystrom, CPA, CGA

December 20, 2021

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

Attention: Bruce Petch,

Dear Sir:

This letter has been prepared to assist you with your review of the financial statements of World Neighbours Canada Society for the year ending June 30, 2021. We look forward to meeting with you and discussing the matters outlined below.

Audit Status

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management;

Once these items have been completed, we will date and sign our auditor's report.

Significant Matters Arising

Other Matters

We have not identified any other significant matters that we wish to bring to your attention at this time.

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit.

[Examples of significant difficulties could include:

b.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 3 to the financial statements.

a. There were no significant changes in accounting policies

a. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances

b. We did not identify any significant accounting policies in controversial or emerging areas.

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Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- *Deferred revenue*

Based on audit work performed, we are satisfied with the estimates made by management.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Uncorrected Misstatements

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements for the current period have been corrected with the exception of the following:

#	Nature of uncorrected misstatement	Effect on the financial statements	Management's reason for not correcting
1	*Prepaid expenses not recorded*	*Increase prepaid assets by $629 and decrease expenses by $629.*	*Not considered material*

Uncorrected misstatements from prior year financial statements are outlined below:

#	Nature of uncorrected misstatement	Effect on the financial statements	Management's reason for not correcting
1	*Prepaid expenses not recorded*	*Decrease in prepaid asset by $320 and increase in expenses by $320*	*Not considered material*

We would like to discuss these uncorrected misstatements and the implications of not correcting them in relation to both the current and future financial statements. Our request is for all the uncorrected misstatements to be corrected.

Written Representations

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian generally accepted accounting principles.

Other Audit Matters of Governance Interest

Please ensure any new projects started are given to your bookkeeper with clear instruction on how to account for the new programs.

We recommend World Neighbours request a WCB clearance letter from Gurleen Grewal. If Gurleen is not registered for WCB the society may be required to register and pay WCB for her work completed.

We would like to thank management and staff for the assistance they provided to us during the audit.

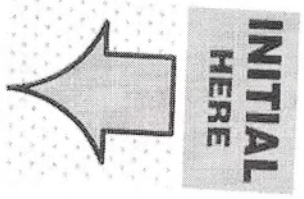
This letter was prepared for the sole use of those charged with governance of World Neighbours Canada Society to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Respectfully,

KH Kelowna Chartered Professional Accountants Inc.

Jonathan Cone, CPA, CGA
Partner

BP



Encl.

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Barbara Sutton, CPA, CGA Sue Leroux, BSc, CPA, CGA Laudalina (Leah) Nystrom, CPA, CGA

September 16, 2021

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

Attention: Bruce Petch,

We are writing this letter in connection with our audit of the financial statements for the year ending June 30, 2021.

Our purpose in writing is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will:

a) Address our responsibilities as independent auditors and provide information about the planned scope and timing of our audit.

b) Request a response to some audit questions and any additional information you may have that could be relevant to our audit.

Auditor Responsibilities

The respective responsibilities of ourselves and of management in relation to the audit of financial statements are set out in the engagement letter that was signed by management. This engagement letter is attached as an appendix to this letter.

Planned Scope and Timing of Our Audit

In developing our audit plan, we worked with management to understand the nature of World Neighbours Canada Society and to identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error. Our audit plan has been designed to focus on the identified areas of risk.

In developing our audit plan, we worked with management to understand the nature of World Neighbours Canada Society and to identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error. Our audit plan has been designed to focus on the identified areas of risk.

Materiality

For the current year, we have determined an overall materiality amount of $4,742. This amount will be used to:

a. plan and perform the audit; and,

b. evaluate the effects of identified and uncorrected misstatements on the audit procedures performed as well as on the financial statements.

The materiality amount will be reassessed prior to the end of the engagement to ensure it remains appropriate.

Significant Changes During Period

The significant changes that we addressed in planning the audit for the current year are set out below:

a. society operations and personnel

b. accounting and control systems

c. accounting and auditing standards

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Significant Changes During Period *(continued)*

d. other

Internal Control

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audit. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our audit findings letter.

Significant Risks

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audit. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our audit findings letter.

Significant Risks	Proposed Audit Response
Deferred revenue recognition and completeness	Analytical procedures Substantive testing of revenues, including consistent application of accounting policies

If there are specific areas that warrant our particular attention during the audit or where you would like us to undertake some additional procedures, please let us know.

Uncorrected Misstatements

Where we identify uncorrected misstatements during our audit, we will communicate them to management and request that they be corrected. If not corrected by management, we will then request that you correct them. If not corrected by you, we will also communicate the effect that they may have individually, or in aggregate, on our audit opinion.

Timing

The proposed timing of our audit (as discussed with management) is as follows:

Action	Planned Date
Start of audit field work	September 16, 2021
End of audit field work	December 1, 2021
Approval of financial statements by the Board of Directors	December 12, 2021
Provide the audit opinion on financial statements	December 15, 2021

Engagement Team

Our engagement team for this audit will consist of the following personnel:

Name	Role	Contact Details
Jonathan Cone	Partner	jonathan.cone@kempharvey.com

Engagement **Team** *(continued)*

Nicole Heiss	Preparer	nicole.heiss@kempharvey.com

Audit Findings

At the conclusion of our audit, we will prepare an audit findings letter to assist you with your review of the financial statements. This letter will include our views and comments on matters such as:

a. Significant matters, if any, arising from the audit that were discussed with management;

b. Significant difficulties, if any, encountered during the audit;

c. Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;

d. Uncorrected misstatements; and

e. Any other audit matters of governance interest.

Audit Questions and Requests

Fraud

To help us in identifying and responding to the risks of fraud within the society, we would appreciate your responses to the following questions:

1. What oversight, if any, do you provide over management's processes for identifying and responding to fraud risks? Management's processes could include policies, procedures, programs or controls that serve to prevent, detect and deter fraud.

2. Do you have any knowledge of any actual, suspected or alleged fraud, including misappropriation of assets or manipulation of the financial statements, affecting the entity? If so, please provide details and how the fraud or allegations of fraud were addressed.

Other Matters

Would you please bring to our attention any significant matters or financial reporting risks, of which you are aware, that may not have been specifically addressed in our proposed audit plan. This could include such matters as future plans, contingencies, events, decisions, non-compliance with laws and regulations, potential litigation, specific transactions (such as with related parties or outside of the normal course of business) and any additional sources of audit evidence that might be available.

Fees

Our proposed audit fee of $4,800, for the year ending June 30, 2021, is based on the nature, extent and timing of our planned audit procedures as described above.

We recognize your significant role in the oversight of the audit and would welcome any observations on our audit plan.

This letter was prepared for the sole use of those charged with governance of World Neighbours Canada Society to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Respectfully,

KH KELOWNA CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Jonathan J. Cone, CPA, CGA

Agreed to on behalf of World Neighbours Canada Society by:

September 16, 2021
Date signed

Encl.

WORLD NEIGHBOURS CANADA SOCIETY

PO Box 1771
Oliver, BC
V0H 1T0

December 20, 2021
Confidential

Client Number: WORLD06

KH Kelowna Chartered Professional Accountants Inc.
203 - 1740 Gordon Drive
Kelowna British Columbia V1Y 3H2

Dear Sir / Madam:

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, 2021, for the purpose of you 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

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 20, 2021 for:

Preparing and fairly presenting the financial statements in accordance with Canadian Accounting Standards For Not-for-profit Organizations;

Providing you with:

Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:

A. Accounting records, supporting data and other relevant documentation,

B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and

C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;

ii) Additional information that you have requested from us for the purpose of the audit; and

iii) Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

c) Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and

d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and Non Compliance

We have disclosed to you:

(continued)

a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

   i. Management;

   ii. Employees who have significant roles in internal control; or

   iii. Others where the fraud could have a material effect on the financial statements;

b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;

c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;

d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and

e. The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian Accounting Standards For Not-for-profit Organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian Accounting Standards For Not-for-profit Organizations requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

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

Bruce Petch

December 20, 2021

Date signed

World Neighbours Canada Society
Year End: June 30, 2021
Adjusting Journal Entries
Date: 2020-07-01 To 2021-06-30

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	2021-06-30	N	Cash	1010			57,811.21			
1	2021-06-30	N	Restricted Cash	1011				57,811.21		
1	2021-06-30	N	Deferred revenue	2590			57,811.21			
1	2021-06-30	N	Net assets	4500				57,811.21		
			To clear PY AJEs posted in CY **DO NOT POST**							
2	2021-06-30	N	Valley First- FIT account	1023	A.1-2		9,485.72			
2	2021-06-30	N	MCIC Donations	5098	A.1-2			67,000.00		
2	2021-06-30	N	Bank charges -FIT project	6032	A.1-2		4.00			
2	2021-06-30	N	FIT project costs- Burkina Faso	6560	A.1-2		56,527.00			
2	2021-06-30	N	FIT project costs- subcontractor	6561	A.1-2		983.28			
			to record transactions through the FIT account							
3	2021-06-30	N	Accounts payable & accrued liabilities	2560			3,045.00			
3	2021-06-30	N	Accounting	6260				3,045.00		
			to clear Casorso payable from PY							
4	2021-06-30	N	Accounts payable & accrued liabilities	2560	BB2			3,150.00		
4	2021-06-30	N	Accounting	6260	BB2		3,150.00			
			To record bookkeeping invoices							
5	2021-06-30	N	Deferred revenue	2590	HH1		5,435.56			
5	2021-06-30	N	Deferred revenue - FIT	2591	HH1			6,995.22		
5	2021-06-30	N	Global Affairs Canada	5097	HH1			5,435.56		
5	2021-06-30	N	MCIC Donations	5098	HH1		6,995.22			
			To adjust deferred revenue							
6	2021-06-30	N	Cash	1010				1,559.66		
6	2021-06-30	N	Restricted Cash	1011			1,559.66			

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NH 2021-12-06	JC 2021-12-20		BP

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World Neighbours Canada Society
Year End: June 30, 2021
Adjusting Journal Entries
Date: 2020-07-01 To 2021-06-30

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
			To adjust restricted cash to actual							
7	2021-06-30	N	Accounts payable & accrued liabilities	2560	BB3			2,490.50		
7	2021-06-30	N	FIT project costs- subcontractor	6561	BB3		2,490.50			
			to record payable to Gurleen Grewal for June 2021 contracting							
							205,298.36	205,298.36		

Net Income (Loss) 49,057.28

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World Neighbours Canada Society
Year End: June 30, 2021
Trial Balance

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/20	%Chg
1010 Cash	-140,853.21	56,251.55	0.00	-84,601.66	[1] F	-57,811.21	46
1020 Valley First - Bank	1,747.12	0.00	0.00	1,747.12	A. 1	288.47	506
1021 Valley First - share acct	33.99	0.00	0.00	33.99	A. 3 A. 1	33.32	2
1023 Valley First- FIT account	0.00	9,485.72	0.00	9,485.72	A. 1	0.00	0
1025 Tangerine formerly (ING Direct)	273,469.12	0.00	0.00	273,469.12	[2] A. 2	205,970.93	33
A Cash	**134,397.02**	**65,737.27**	**0.00**	**200,134.29**		**148,481.51**	**35**
1011 Restricted Cash	140,853.21	-56,251.55	0.00	84,601.66	A HH	57,811.21	46
F Restricted Cash	**140,853.21**	**-56,251.55**	**0.00**	**84,601.66**		**57,811.21**	**46**
5010 Donations - Cash	-46,085.00	0.00	0.00	-46,085.00	WP3	-46,299.59	0
5025 Donations -Rotary	0.00	0.00	0.00	0.00		-9,995.00	-100
5035 Donations -Charitable Giving	-11,394.76	0.00	0.00	-11,394.76	[3] 203-2	-8,480.33	34
5055 Donations - J Ford Society-charity	-1,000.00	0.00	0.00	-1,000.00		0.00	0
5060 Donations - Other charities	-195.00	0.00	0.00	-195.00	[4]	-97.50	100
5091 Donations -Canada Helps - charity	-528.00	0.00	0.00	-528.00		-186.77	183
5097 Global Affairs Canada	-97,866.21	-5,435.56	0.00	-103,301.77	201	-148,596.79	-30
5098 MCIC Donations	0.00	-60,004.78	0.00	-60,004.78	206 HH1	0.00	0
7150 Interest	-998.86	0.00	0.00	-998.86		-1,036.62	-4
20 Sales or gross income	**-158,067.83**	**-65,440.34**	**0.00**	**-223,508.17**		**-214,692.60**	**4**
6520 Project donations - Honduras	14,509.33	0.00	0.00	14,509.33		34,423.09	-58
6530 Project donations - Nepal	39,000.00	0.00	0.00	39,000.00		46,000.00	-15
6550 Project donations- Burkina Faso, Af	48,435.00	0.00	0.00	48,435.00		56,200.00	-14
6560 FIT project costs- Burkina Faso	0.00	56,527.00	0.00	56,527.00	206	0.00	0
6561 FIT project costs- subcontractor	0.00	3,473.78	0.00	3,473.78	206 BB3	0.00	0
30 Cost of sales	**101,944.33**	**60,000.78**	**0.00**	**161,945.11**		**136,623.09**	**19**
6030 Bank charges and interest	150.00	0.00	0.00	150.00		258.00	-42
6032 Bank charges -FIT project	0.00	4.00	0.00	4.00		0.00	0
6170 Insurance	792.00	0.00	0.00	792.00		776.00	2
6240 Licences and dues	250.00	0.00	0.00	250.00		250.00	0
6250 Office expense and postage	1,506.03	0.00	0.00	1,506.03		1,662.00	-9
6260 Accounting	8,505.00	105.00	0.00	8,610.00		14,726.25	-42
6275 Consulting	1,193.75	0.00	0.00	1,193.75	213	0.00	0
6430 Travel	0.00	0.00	0.00	0.00		1,149.49	-100
40 Operating expenses	**12,396.78**	**109.00**	**0.00**	**12,505.78**		**18,821.74**	**-34**
2560 Accounts payable & accrued liabilit	-7,665.00	-2,595.50	0.00	-10,260.50	[5] BB1 BB2 BB3	-7,665.00	34
BB Accounts payable & acc. liab.	**-7,665.00**	**-2,595.50**	**0.00**	**-10,260.50**		**-7,665.00**	**34**
2590 Deferred revenue	-140,853.21	63,246.77	0.00	-77,606.44	HH1	-57,811.21	34
2591 Deferred revenue - FIT	0.00	-6,995.22	0.00	-6,995.22	HH1	0.00	0
HH Other current liabilities	**-140,853.21**	**56,251.55**	**0.00**	**-84,601.66**		**-57,811.21**	**46**
4500 Net assets	-83,005.30	-57,811.21	0.00	-140,816.51		-81,568.74	73
TT Retained Income	**-83,005.30**	**-57,811.21**	**0.00**	**-140,816.51**		**-81,568.74**	**73**
	0.00	**0.00**	**0.00**	**0.00**		**0.00**	**0**
Net Income (Loss)	**43,726.72**			**49,057.28**		**59,247.77**	**-17**

1. contra account against unrestricted cash

2. Tangerine reduced by amount restriced by government for specific projects (if necessary)

3. Stripe donations

4. United way ontario east

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World Neighbours Canada Society
Year End: June 30, 2021
Trial Balance

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/20 %Chg
5. Casorso accounting fee 3,150.00						
KHHW accounting fee 4,620.00 (estimated)						
Gurleen Grewal 2,490.50						
Total 10,260.50						

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NH 2021-12-06	JC 2021-12-20		BP