

GLOBAL PEACE NETWORK

FINANCIAL STATEMENTS

January 31, 2015

(Unaudited)

**Alkarim
Ladha** 

—
CHARTERED
BUSINESS
VALUATORS
—

CGA 

TABLE OF CONTENTS

	Page
REVIEW ENGAGEMENT REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7-10



**Alkarim
Ladha** 
www.certifiedaccounting.ca

Alkarim S. Ladha FCCA, CGA, CBV
(practicing as a professional corporation)

1685 West 5th Avenue
Vancouver, BC V6J 1N5

T 604 568 6274

F 604 568 6270

info@certifiedaccounting.ca

REVIEW ENGAGEMENT REPORT

To the Board of Directors of
Global Peace Network

I have reviewed the statement of financial position of Global Peace Network as at January 31, 2015 and the statements of operations and changes in fund balances and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the management.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying my opinion, I draw attention to Note 2 to the financial statements, which describes that Global Peace Network adopted the Canadian accounting standards for not-for-profit organizations (ASNPO) on February 1, 2014 with a transition date of February 1, 2013. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at February 1, 2013 and January 31, 2014, and the statements of operations and changes in fund balances and cash flows for the year ended January 31, 2014, and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed. The comparative figures were prepared by management.

Vancouver, B.C.
August 18, 2015

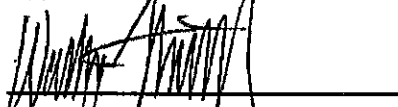
Alkarim S. Ladha Inc.
Chartered Professional Accountant

GLOBAL PEACE NETWORK
STATEMENT OF FINANCIAL POSITION
As at January 31, 2015
(Unaudited)

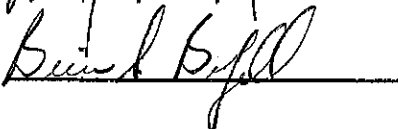
	Operating Fund	Dispensary Fund	Youth Support Fund	Total January 31, 2015	Total January 31, 2014	Total February 1, 2013
CURRENT ASSETS						
Cash and cash equivalents	\$ 6,334	\$ 61,347	\$ 61,541	\$ 129,222	\$ 13,142	\$ 27,148
LAND (Note 4)	1,200	-	-	1,200	1,200	1,200
	\$ 7,534	\$ 61,347	\$ 61,541	\$ 130,422	\$ 14,342	\$ 28,348
CURRENT LIABILITIES						
Accrued expenses	3,150	-	-	3,150	-	-
	3,150	-	-	3,150	-	-
FUND BALANCES						
Restricted funds	-	61,347	61,541	122,888	-	-
Unrestricted funds	4,384	-	-	4,384	14,342	28,348
	4,384	61,347	61,541	127,272	14,342	28,348
	\$ 7,534	\$ 61,347	\$ 61,541	\$ 130,422	\$ 14,342	\$ 28,348

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:



Director



Director

GLOBAL PEACE NETWORK**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

For the year ended January 31, 2015

(Unaudited)

	Operating Fund		Dispensary Fund		Youth Support Fund	
	2015	2014	2015	2014	2015	2014
REVENUE						
Donations	\$ 36,834	\$ 21,358	\$ 198,079	\$ -	\$ 20,624	\$ -
Fundraising	1,550	-	-	-	-	-
Foreign exchange gain	-	22	7,898	-	2,836	-
Interest	5	20	3	-	22	-
	38,389	21,400	205,980	-	23,482	-
EXPENSES						
Dispensary construction	-	-	88,045	-	-	-
Student tuition and education	9,142	-	1,808	-	807	-
Dispensary operations	8,546	-	-	-	-	-
Travel, boarding and lodging	4,790	5,996	20,110	-	-	-
Youth support	4,072	-	1,751	-	200	-
Website development	3,195	-	113	-	-	-
Accounting	3,150	-	-	-	-	-
Office	427	-	409	-	-	-
Administration	313	-	1,623	-	-	-
Project expenses	-	29,136	-	-	-	-
Miscellaneous	-	273	-	-	-	-
Salaries and wages	-	-	6,420	-	-	-
	33,635	35,405	120,279	-	1,007	-
EXCESS (DEFICIENCY) OF REVENUE						
OVER EXPENSES	4,754	(14,005)	85,701	-	22,475	-
FUND BALANCES, BEGINNING OF YEAR	14,342	28,347	-	-	-	-
INTER-FUND TRANSFERS (Note 5)	(14,712)	-	(24,354)	-	39,066	-
FUND BALANCES, END OF YEAR	\$ 4,384	\$ 14,342	\$ 61,347	\$ -	\$ 61,541	\$ -

The accompanying notes are an integral part of these financial statements.

GLOBAL PEACE NETWORK
STATEMENT OF CASH FLOWS
For the year ended January 31, 2015
(Unaudited)

	Operating Fund		Dispensary Fund		Youth Support Fund	
	2015	2014	2015	2014	2015	2014
SOURCES OF CASH						
Donations	\$ 36,834	\$ 21,358	\$ 198,079	\$ -	\$ 20,624	\$ -
Fundraising	1,550	-	-	-	-	-
Foreign exchange gain	-	22	7,898	-	2,836	-
Interest	5	20	3	-	22	-
	38,389	21,400	205,980	-	23,482	-
USES OF CASH						
Operations						
Student tuition and education	9,142	-	1,808	-	807	-
Dispensary operations	8,546	-	-	-	-	-
Travel, boarding and lodging	4,790	5,996	20,110	-	-	-
Youth support	4,072	-	1,751	-	200	-
Website development	3,195	-	113	-	-	-
Office	427	-	409	-	-	-
Administration	313	-	1,623	-	-	-
Project expenses	-	29,136	-	-	-	-
Miscellaneous	-	273	-	-	-	-
Salaries and wages	-	-	6,420	-	-	-
	30,485	35,405	32,234	-	1,007	-
Financing						
Cash transferred (to) from other funds (Note 5)	(14,712)	-	(24,354)	-	39,066	-
	(14,712)	-	(24,354)	-	39,066	-
Investing						
Dispensary construction	-	-	88,045	-	-	-
	-	-	88,045	-	-	-
NET (DECREASE) INCREASE IN CASH	(6,808)	(14,005)	61,347	-	61,541	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,142	27,147	-	-	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,334	\$ 13,142	\$ 61,347	\$ -	\$ 61,541	\$ -

The accompanying notes are an integral part of these financial statements.

GLOBAL PEACE NETWORK

NOTES TO THE FINANCIAL STATEMENTS

January 31, 2015

(Unaudited)

1. NATURE OF OPERATIONS

Global Peace Network ('GPN') is a registered Canadian charity. It is also a federally incorporated entity (without share capital) under the *Canada Not-for-profit Corporations Act*. GPN is exempt from federal and provincial corporate income taxes under paragraph 149(1)(f) of the *Income Tax Act*.

GPN assists displaced and homeless children in rural Tanzania, providing them with shelter, education, food aid, and medical care. GPN's head office is in Vancouver, BC.

2. FIRST-TIME ADAPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATION (ASPNO)

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASPNO) published in the Chartered Professional Accountants of Canada Handbook (the 'CPA Handbook'). In adapting the new ASPNO standards:

- a. The date of transition is February 1, 2013.
- b. The significant accounting policies specified by the ASPNO were applied to the opening statement of financial position as at February 1, 2013 and throughout all periods presented in these financial statements. The significant accounting policies are summarized in Note 3.
- c. GPN applied the Handbook provisions of Section 1501 *First-time adoption by not-for-profit organizations* in preparing these first financial statements. The application of Section 1501 required GPN to prepare and present:
 - i. The opening statement of financial position as at February 1, 2013; and
 - ii. The statement of financial position as at January 31, 2015 (including comparative amounts for 2014), statements of operations and changes in fund balances and cash flows for the year ended to January 31, 2015 (including comparative amounts for 2014).
- d. There was no impact on GPN's opening fund balances as at February 1, 2013, the statement of financial position as at February 1, 2013 and January 31, 2014, or the statements of operations and changes in fund balances and cash flows for the year ended January 31, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASPNO) and include the following significant accounting policies:

Foreign Exchange Translation

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rates. Revenue and expenses are translated into Canadian currency at rates of exchange prevailing on the transaction dates. All of the exchange gains or losses resulting from these transactions are recognized in the statement of operations.

GLOBAL PEACE NETWORK
NOTES TO THE FINANCIAL STATEMENTS
January 31, 2015
(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting

GPN follows the restricted fund method of accounting for all contributions. Funds received for a specific purpose are segregated and used for the purpose for which they were provided. The funds have been classified as follows:

- a. **Operating Fund:** Revenues from donations and fundraising activities as well as expenses relating to delivery of services and administration are reported in the operating fund.
- b. **Dispensary Fund:** This fund comprises of revenue received from charitable organizations and institutions for the sole purpose of constructing and operating a community medical dispensary. The funds provided by these philanthropic organizations generally have conditions as to their use and are termed as externally restricted funds.
- c. **Youth Support Fund:** This fund is an internally restricted fund created at the behest of GPN's board of directors. The fund was principally established to fund projects associated with access to education, delivery of shelter, medical care and food for street kids, orphans and other children in need. This fund currently funds three projects: Eden Valley Schools project which supports access to education, Doctors for Doctors project which provides scholarships for medical studies and Street Kids program which provides educational and personal care assistance to street children.

Revenue Recognition

Revenue is recognized as revenue of the respective segregated fund in the year received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assured. Specifically,

- a. Donations and funding from institutions and charitable organizations are recognized as revenue upon receipt in the year they are received or receivable. Revenue having restrictions as to its use is recognized as revenue of a separately designated fund account.
- b. Interest earned on fund balances is recognized as revenue in the fund that earned and received the interest.

Financial instruments

GPN initially measures its financial assets and financial liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of revenue and expenses.

Financial liabilities measured at amortized cost include accruals. The estimated fair value of the accruals approximates the cost due to the relatively short-term nature of the accruals.

Cash and cash equivalents

Cash and cash equivalents consist of cash held at a Canadian bank in Canadian and US dollar accounts.

GLOBAL PEACE NETWORK

NOTES TO THE FINANCIAL STATEMENTS

January 31, 2015

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

Members of the board of directors of GPN and others contribute undetermined voluntary hours to the organization's administrative and operational functions. Because of the difficulty in determining the fair value of their contribution, contributed services are not recognized in the financial statements, unless paid out as honorariums, in which case the payments would be recorded as such. None of the members of the board of directors receive honorariums or any other remuneration.

Use of estimates

The preparation of financial statements according to ASNPO requires management to make estimates and assumptions that affect the application of accounting policies and:

- a. Reported amounts of income and expenses;
- b. Reported amounts of assets and liabilities; and
- c. Disclosure of contingent assets and liabilities.

Management's estimates and assumptions are based on a number of factors, including availability of information from its field offices and nature of transactions entered into at the field offices. Actual results could differ from those estimates. Items subject to such estimates and assumptions include determination of exchange rates for translating foreign currency transactions and allocation of expenses between different categories of expenses.

4. LAND

In 2007, GPN acquired one acre of land located in a village in Tanzania for the purpose of building a clinic. GPN jointly owns 50% of the land with its local development partner in Tanzania. The land has been recorded at cost.

5. INTER-FUND TRANSFERS

Transfers between the funds are made as and when necessary to ensure that adequate resources are available in the respective funds to carry out project work. Transfers during the year were as follows:

Transfers	Operating Fund		Dispensary Fund		Youth Support Fund	
	2015	2014	2015	2014	2015	2014
To (from)	\$ 28,350	\$ -	\$ (21,412)	\$ -	\$ (6,938)	\$ -
To (from)	(43,062)	-	7,022	-	36,040	-
To (from)	-	-	466	-	(466)	-
To (from)	-	-	(10,430)	-	10,430	-
	\$ (14,712)	\$ -	\$ (24,354)	\$ -	\$ 39,066	\$ -

GLOBAL PEACE NETWORK
NOTES TO THE FINANCIAL STATEMENTS
January 31, 2015
(Unaudited)

6. FINANCIAL INSTRUMENTS

GPN uses risk management to monitor and manage its risk arising from financial instruments. These risks include currency risk, credit risk, liquidity risk, and interest rate risk.

Currency risk

Currency risk arises from transacting and holding currencies that are denominated in foreign currencies. GPN reduces its exposure to currency fluctuations by maintaining a US dollar bank account from which it funds all its foreign charitable work.

Credit risk

Credit risks arise from the potential that a counter party will fail to perform its obligations. Exposure to credit risks associated with GPN's cash resources is limited by holding the cash at a reputable bank.

Liquidity risk

Liquidity risk exposure is dependent on GPN's ability to fulfill its financial obligations to its charitable endeavours, given the adequacy of its cash resources and timely receipt of donations and institutional funds each year. GPN manages its liquidity risk by monitoring its expenditures and funding commitments based on available cash at any given time.

Interest rate risk

Interest rate risk refers to the risk of interest rate fluctuations to financial instruments such as cash in bank and finance loans. GPN is not exposed to the interest rate risk as it does not rely on interest income from its cash reserves or borrowing to fund its operations.

7. COMMITMENTS

GPN has committed to fund the construction of a new rehabilitation clinic in Tanzania. Subsequent to the year end, GPN paid \$30,000 from its Dispensary Fund towards the initial cost of construction.

8. COMPARATIVE FIGURES

The comparative information presented in these financial statements for the year ended January 31, 2014 and in the preparation of the opening ASPNO statement of financial position at the date of transition on February 1, 2013 were prepared by management and were neither audited nor reviewed.