

GLOBAL PEACE NETWORK

FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Board of Directors of
Global Peace Network

We have reviewed the accompanying financial statements of Global Peace Network that comprise the statement of financial position as at January 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention causing us to believe that the financial statements do not present fairly, in all material respects, the financial position of Global Peace Network as at January 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Vancouver, B.C.
June 19, 2018


Chartered Professional Accountants

GLOBAL PEACE NETWORK
STATEMENT OF FINANCIAL POSITION
As at January 31, 2018
(Unaudited)

	Operating Fund	Clinic Initiative Fund	Education Initiative Fund	Grant Initiatives Fund	Total January 31, 2018	Total January 31, 2017
CURRENT ASSETS						
Cash and cash equivalents	\$ 2,459	\$ 257	\$ 18,358	\$ 30,514	\$ 51,588	\$ 38,707
LAND (Note 3)		-	-	-	-	1,200
	\$ 2,459	\$ 257	\$ 18,358	\$ 30,514	\$ 51,588	\$ 39,907
CURRENT LIABILITIES						
Accrued expenses	3,150	-	-	-	3,150	3,150
	3,150	-	-	-	3,150	3,150
FUND BALANCES						
Restricted funds	-	257	18,358	30,514	49,129	38,538
Unrestricted funds	(691)	-	-	-	(691)	(1,781)
	(691)	257	18,358	30,514	48,438	36,757
	\$ 2,459	\$ 257	\$ 18,358	\$ 30,514	\$ 51,588	\$ 39,907

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, 2018

(Unaudited)

	Operating Fund		Clinic Initiative Fund		Education Initiative Fund		Grant Initiatives Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE								
Donations	\$ 5,665	\$ 5,657	\$ 193	\$ 32,981	\$ 15,533	\$ 23,555	\$ -	\$ -
Fundraising	-	540	-	-	-	-	-	-
Foreign exchange (loss) gain	-	-	-	(4,515)	-	843	(1,102)	(847)
Grant	-	-	-	-	-	-	20,429	24,552
Interest	1	1	-	3	11	21	1	-
	5,666	6,198	193	28,469	15,544	24,419	19,328	23,705
EXPENSES								
Donations	-	2,611	-	-	-	-	-	-
Website development	-	1,130	-	2,414	-	-	-	-
Accounting	1,575	945	-	630	788	630	787	945
Miscellaneous	-	569	-	67	-	509	-	-
Office	537	432	47	47	14	356	26	-
Student tuition and education	-	-	-	-	5,485	5,327	-	-
Solar water disinfection	-	-	-	-	-	-	2,422	-
Dispensary construction	-	-	1,200	38,092	-	-	-	-
Travel, boarding and lodging	1,491	-	5,185	36,092	1,197	10,271	4,824	-
Local project salaries and wages	-	-	1,662	25,560	-	-	-	944
Youth support	-	-	-	-	1,810	14,102	-	-
	3,603	5,687	8,094	102,902	9,294	31,195	8,059	1,889
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES								
	2,063	511	(7,901)	(74,433)	6,250	(6,776)	11,269	21,816
FUND BALANCES, BEGINNING OF YEAR	(1,781)	553	1,749	71,294	14,028	23,792	22,761	-
INTER-FUND TRANSFERS (Note 4)	(973)	(2,845)	6,409	4,888	(1,920)	(2,988)	(3,516)	945
FUND BALANCES, END OF YEAR	\$ (691)	\$ (1,781)	\$ 257	\$ 1,749	\$ 18,358	\$ 14,028	\$ 30,514	\$ 22,761

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

GLOBAL PEACE NETWORK

STATEMENT OF CASH FLOWS

For the year ended January 31, 2018

(Unaudited)

	Operating Fund		Clinic Initiative Fund		Education Initiative Fund		Grant Initiatives Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
SOURCES OF CASH								
Donations	\$ 5,665	\$ 5,657	\$ 193	\$ 32,981	\$ 15,533	\$ 23,555	\$ -	\$ -
Fundraising	-	540	-	-	-	-	-	-
Foreign exchange (loss) gain	-	-	-	(4,515)	-	843	(1,102)	(847)
Grant	-	-	-	-	-	-	20,429	24,552
Interest	1	1	-	3	11	21	1	-
	5,666	6,198	193	28,469	15,544	24,419	19,328	23,705
USES OF CASH								
Operations								
Donations	-	2,611	-	-	-	-	-	-
Website development	-	1,130	-	2,414	-	-	-	-
Accounting	1,575	945	-	630	788	630	787	945
Miscellaneous	-	569	-	67	-	509	-	-
Office	537	432	47	47	14	356	26	-
Student tuition and education	-	-	-	-	5,485	5,327	-	-
Solar water disinfection	-	-	-	-	-	-	2,422	-
Travel, boarding and lodging	-	-	-	36,092	1,197	10,271	4,824	-
Local project salaries and wages	1,491	-	5,185	25,560	-	-	-	944
Youth support	-	-	1,662	-	1,810	14,102	-	-
	3,603	5,687	6,894	64,810	9,294	31,195	8,059	1,889
Financing								
Cash transferred (to) from other funds (Note 4)	(973)	(2,845)	6,409	4,888	(1,920)	(2,988)	(3,516)	945
	(973)	(2,845)	6,409	4,888	(1,920)	(2,988)	(3,516)	945
Investing								
Dispensary construction	(1,200)	-	1,200	38,092	-	-	-	-
	(1,200)	-	1,200	38,092	-	-	-	-
NET (DECREASE) INCREASE IN CASH	2,290	(2,334)	(1,492)	(69,545)	4,330	(9,764)	7,753	22,761
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	169	2,503	1,749	71,294	14,028	23,792	22,761	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,459	\$ 169	\$ 257	\$ 1,749	\$ 18,358	\$ 14,028	\$ 30,514	\$ 22,761

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

GLOBAL PEACE NETWORK
NOTES TO THE FINANCIAL STATEMENTS
January 31, 2018
(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. 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 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.

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. Clinic Initiative Fund (previously 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. Education Initiative Fund (previously 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.
- d. Grant Initiatives Fund: This a restricted fund created to carry out clean water research. Funding for this project was received by way of a grant.

GLOBAL PEACE NETWORK
NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 Canadian banks in Canadian and US dollar accounts.

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.

GLOBAL PEACE NETWORK
NOTES TO THE FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)

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

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 funds.

3. LAND

In 2007, GPN acquired one acre of land located in a village in Tanzania for the purpose of building a clinic. After completion of the clinic's construction, GPN transferred ownership of the land, at cost, to its local development partner in Tanzania.

4. 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		Clinic Initiative Fund		Education Initiative Fund		Grant Initiatives Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
To (from)	\$ (4,887)	\$ -	\$ 5,741	\$ -	\$ (3,582)	\$ -	\$ 2,728	\$ -
To (from)	5,021	-	(18,052)	-	-	-	13,031	-
To (from)	(1,107)	(2,845)	18,720	4,888	1,662	(2,988)	(19,275)	945
	\$ (973)	\$ (2,845)	\$ 6,409	\$ 4,888	\$ (1,920)	\$ (2,988)	\$ (3,516)	\$ 945

5. 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.

GLOBAL PEACE NETWORK
NOTES TO THE FINANCIAL STATEMENTS
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3. FINANCIAL INSTRUMENTS *(continued)*

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.