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GLOBAL PEACE NETWORK

FINANCIAL STATEMENTS

January 31, 2017

(Unaudited)

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

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, 2017 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.



Vancouver, B.C.
June 12, 2017



Alkarim S. Ladha Inc.
Chartered Professional Accountant

GLOBAL PEACE NETWORK
STATEMENT OF FINANCIAL POSITION
 As at January 31, 2017
 (Unaudited)

	Operating Fund	Clinic Initiative Fund	Education Initiative Fund	Grant Initiatives Fund	Total January 31, 2017	Total January 31, 2016
CURRENT ASSETS						
Cash and cash equivalents	\$ 169	\$ 1,749	\$ 14,028	\$ 22,761	\$ 38,707	\$ 97,589
LAND (Note 3)	1,200	-	-	-	1,200	1,200
	\$ 1,369	\$ 1,749	\$ 14,028	\$ 22,761	\$ 39,907	\$ 98,789
CURRENT LIABILITIES						
Accrued expenses	3,150	-	-	-	3,150	3,150
	3,150	-	-	-	3,150	3,150
FUND BALANCES						
Restricted funds	-	1,749	14,028	22,761	38,538	95,086
Unrestricted funds	(1,781)	-	-	-	(1,781)	553
	(1,781)	1,749	14,028	22,761	36,757	95,639
	\$ 1,369	\$ 1,749	\$ 14,028	\$ 22,761	\$ 39,907	\$ 98,789

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, 2017
(Unaudited)

	Operating Fund		Clinic Initiative Fund		Education Initiative Fund		Grant Initiatives Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE								
Donations	\$ 5,657	\$ 8,005	\$ 32,981	\$ 35,357	\$ 23,555	\$ 7,218	\$ -	\$ -
Fundraising	540	-	-	-	-	-	-	-
Foreign exchange (loss) gain	-	-	(4,515)	9,143	843	(408)	(847)	-
Grant	-	-	-	-	-	-	24,552	-
Interest	1	2	3	2	21	40	-	-
	6,198	8,007	28,469	44,502	24,419	6,850	23,705	-
EXPENSES								
Donations	2,611							
Website development	1,130	1,509	2,414	-	-	-	-	-
Accounting	945	3,150	630	-	630	-	945	-
Miscellaneous	569	-	67	225	509	-	-	-
Office	432	660	47	-	356	6	-	-
Administration	-	6,173	-	12	-	-	-	-
Student tuition and education	-	3,642	-	2,512	5,327	12,298	-	-
Communications	-	2,700	-	-	-	-	-	-
Dispensary construction	-	-	38,092	952	-	-	-	-
Travel, boarding and lodging	-	-	36,092	20,134	10,271	2,913	-	-
Local project salaries and wages	-	-	25,560	21,411	-	-	944	-
Youth support	-	-	-	7,642	14,102	1,300	-	-
Dispensary operations	-	-	-	3,753	-	-	-	-
	5,687	17,834	102,902	56,641	31,195	16,517	1,889	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	511	(9,827)	(74,433)	(12,139)	(6,776)	(9,667)	21,816	-
FUND BALANCES, BEGINNING OF YEAR	553	4,384	71,294	61,347	23,792	61,541	-	-
INTER-FUND TRANSFERS (Note 4)	(2,845)	5,996	4,888	22,086	(2,988)	(28,082)	945	-
FUND BALANCES, END OF YEAR	\$ (1,781)	\$ 553	\$ 1,749	\$ 71,294	\$ 14,028	\$ 23,792	\$ 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, 2017
(Unaudited)

	Operating Fund		Clinic Initiative Fund		Education Initiative Fund		Grant Initiatives Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
SOURCES OF CASH								
Donations	\$ 5,657	\$ 8,005	\$ 32,981	\$ 35,357	\$ 23,555	\$ 7,218	\$ -	\$ -
Fundraising	540	-	-	-	-	-	-	-
Foreign exchange (loss) gain	-	-	(4,515)	9,143	843	(408)	(847)	-
Grant	-	-	-	-	-	-	24,552	-
Interest	1	2	3	2	21	40	-	-
	6,198	8,007	28,469	44,502	24,419	6,850	23,705	-
USES OF CASH								
Operations								
Donations	2,611							
Website development	1,130	1,509	2,414	-	-	-	-	-
Accounting	945	3,150	630	-	630	-	945	-
Miscellaneous	569	-	67	225	509	-	-	-
Office	432	660	47	-	356	6	-	-
Administration	-	6,173	-	12	-	-	-	-
Student tuition and education	-	3,642	-	2,512	5,327	12,298	-	-
Communications	-	2,700	-	-	-	-	-	-
Travel, boarding and lodging	-	-	36,092	20,134	10,271	2,913	-	-
Local project salaries and wages	-	-	25,560	21,411	-	-	944	-
Youth support	-	-	-	7,642	14,102	1,300	-	-
Dispensary operations	-	-	-	3,753	-	-	-	-
	5,687	17,834	64,810	55,689	31,195	16,517	1,889	-
Financing								
Cash transferred (to) from other funds (Note 4)	(2,845)	5,996	4,888	22,086	(2,988)	(28,082)	945	-
	(2,845)	5,996	4,888	22,086	(2,988)	(28,082)	945	-
Investing								
Dispensary construction	-	-	38,092	952	-	-	-	-
	-	-	38,092	952	-	-	-	-
NET (DECREASE) INCREASE IN CASH	(2,334)	(3,831)	(69,545)	9,947	(9,764)	(37,749)	22,761	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,503	6,334	71,294	61,347	23,792	61,541	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 169	\$ 2,503	\$ 1,749	\$ 71,294	\$ 14,028	\$ 23,792	\$ 22,761	\$ -

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

GLOBAL PEACE NETWORK
NOTES TO THE FINANCIAL STATEMENTS
January 31, 2017
(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 (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.

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
January 31, 2017
(Unaudited)

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 a Canadian bank 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, 2017
(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 different categories of expenses.

3. 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.

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	
	2017	2016	2017	2016	2017	2016	2017	2016
To (from)	\$ (2,845)	\$ 16,135	\$ 4,888	\$ (2,125)	\$ (2,988)	\$ (14,010)	\$ 945	\$ -
To (from)	-	(10,139)	-	6,169	-	3,970	-	-
To (from)	-	-	-	(938)	-	938	-	-
To (from)	-	-	-	18,980	-	(18,980)	-	-
	\$ (2,845)	\$ 5,996	\$ 4,888	\$ 22,086	\$ (2,988)	\$ (28,082)	\$ 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

January 31, 2017

(Unaudited)

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.

6. COMMITMENTS

GPN has committed to fund the construction of a new rehabilitation clinic in Tanzania. During the year, GPN paid US\$29,500 from its Dispensary Fund towards the cost of construction. An additional US\$5,000 will be disbursed when construction is completed.