

ACCOUNTABLE DEVELOPMENT WORKS

Financial Statements

Year Ended December 31, 2023

April 22, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Accountable Development Works

Opinion

I have audited the financial statements of Accountable Development Works (the Organization), which comprise the statement of financial position as at December 31, 2023 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, 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.

Basis for Opinion

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

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

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

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Independent Auditor's Report to the Members of Accountable Development Works (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Organization'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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.

Tony Yauthier, CPA

Chartered Professional Accountant
201 - 990 Lorimer Blvd
Winnipeg MB R3S 0A1

ACCOUNTABLE DEVELOPMENT WORKS
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 260,614	\$ 154,889
NET ASSETS	\$ 260,614	\$ 154,889

ON BEHALF OF THE BOARD

M Ferley Director

Donation Director

ACCOUNTABLE DEVELOPMENT WORKS
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
REVENUES		
Canada Helps	\$ 64,900	\$ 41,855
Corporate contributions	32,095	20,060
Foundations and organization	48,478	46,497
Gifts in kind	460	232
Non - receipted contributions	51,719	40,604
Personal contributions	472,286	361,193
	<u>669,938</u>	<u>510,441</u>
PROJECT COSTS		
Burundi - Ubuntu Clinique	246,169	190,320
DRC - Congo's Children	95,335	115,420
DRC - Mukanzo	79,233	101,773
Sierra Leone - S.L.A.M.	71,193	76,614
	<u>491,930</u>	<u>484,127</u>
EXCESS OF REVENUES BEFORE OTHER ITEMS	<u>178,008</u>	<u>26,314</u>
OTHER ITEMS		
Non - Project Costs (Schedule 1)	(23,283)	(15,150)
Payment of loan to Ubuntu Clinique in Burundi (Note 3)	(50,000)	-
Return to investment	1,000	-
	<u>(72,283)</u>	<u>(15,150)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 105,725</u>	<u>\$ 11,164</u>

ACCOUNTABLE DEVELOPMENT WORKS
Statement of Changes in Net Assets
Year Ended December 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 154,889	\$ 143,725
EXCESS OF REVENUES OVER PROJECT COSTS	105,725	11,164
NET ASSETS - END OF YEAR	<u>\$ 260,614</u>	<u>\$ 154,889</u>

ACCOUNTABLE DEVELOPMENT WORKS
Statement of Cash Flows
Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITY		
Excess of revenues over project costs	\$ 105,725	\$ 11,164
Cash flow from operating activity	<u>105,725</u>	<u>11,164</u>
INVESTING ACTIVITY	<u>-</u>	<u>-</u>
INCREASE IN CASH FLOW	105,725	11,164
Cash - beginning of year	<u>154,889</u>	<u>143,725</u>
CASH - END OF YEAR	<u>\$ 260,614</u>	<u>\$ 154,889</u>

ACCOUNTABLE DEVELOPMENT WORKS

Notes to Financial Statements

Year Ended December 31, 2023

1. FORM OF ORGANIZATION

Accountable Development Works (ADW) was established as a registered not-for-profit organization under the Income Tax Act (Canada) on December 11, 2008. As a registered not-for-profit organization, the Organization is not taxable pursuant to paragraph 149 (1) of the Income Tax Act.

The Organization is involved in providing financial and technical support for initiatives of local communities in certain African countries. Accountable Development Works approved projects are locally designed through democratic community involvement. Projects are designed to be sustainable by integrating economic entities with social initiatives avoiding the large costs of foreign driven, top-down projects. Approved projects are defined by their accountability to both donors through strict operating standards and on-site monitoring; and to the local community through partnership agreements involving community decision makers. The Organization believes their approach contributes to the effectiveness of approved projects promoting community cohesion, transparency and good governance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

Accountable Development Works 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. Other donations are recorded on a cash basis since pledges are not legally enforceable claims.

Donations in kind

In kind contributions are comprised of services provided without charge to ADW. Otherwise, the Organization would have to pay for these services in the ordinary course of their operations. These services are recorded in the accounts of ADW as both revenue and expense. In kind contributions are valued at the cost of ADW hiring the services at non-for-profit rates in Africa.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in revenues in the period in which they become known. Actual results could differ from these estimates.

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ACCOUNTABLE DEVELOPMENT WORKS
Notes to Financial Statements
Year Ended December 31, 2023

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

Financial instruments policy

The Organization utilizes various financial instruments. Unless otherwise noted, it is management opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

All transactions related to financial instruments are initially recorded at fair value, with all financial instruments being subsequently reported at amortized cost. The fair value of all financial instruments approximate their carrying value due to the short-term maturity of the instruments.

Contributed services

Volunteers contribute a significant amount of time in assisting ADW in carrying out its activities. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value. Because ADW has made a commitment to paying no salaries or wages here in Canada, of all of the activities by our project leadership, and our administrators are provided on a volunteer basis.

This includes:

- our visits to project sites to encourage our on-site staff, confirm the reports that we have received, assist in resolving problems, participate in planning for the future, and develop a full narrative of the work to share with our volunteers and other supporters;
- our planning and problem-solving in Canada, which consists of project committee meetings, ADW board meeting, and many ad hoc meetings;
- our fundraising activities in Canada, including personal interactions, planning and hosting events, following up on the many details involved in responding to questions from prospective donors, and in thanking them for their contributions;
- many hours of administration, particularly in gathering, recording and reporting financial information in order to prepare financial statements and issue timely donation receipts;

All of these activities, required in order to provide sustainable, accountable, and meaningful services to children and youth in six projects, are provided by approximately 50 volunteers willingly and enthusiastically contributing more than 4,000 hours this year.

3. PAYMENT OF LOAN TO UBUNTU CLINIQUE IN BURUNDI

The repayment of loan results from a loan made directly to Ubuntu Clinique in 2013, before Ubuntu Clinique joined ADW in 2021. The loan was held on the books of Ubuntu Clinique in Burundi but this loan was not assumed by ADW in Canada; hence never appeared on the of balance sheet of ADW. It became clear in 2022/2023 that it was not reasonable for Burundi to pay the loan back and the lender willingly agreed to convert the loan to a donation. This required the movement of cash both ways and the Burundi committee of ADW facilitated the movement. \$50,000 was paid by ADW to the lender to repay the loan of behalf of Burundi Clinique, and then the lender donated the funds back to ADW.

ACCOUNTABLE DEVELOPMENT WORKS
Non-project costs
Year Ended December 31, 2023

(Schedule 1)

	2023	2022
Administration	\$ 4,140	\$ 478
Bank and CanadaHelps charges	6,896	4,611
Fundraising	3,781	935
Insurance	1,699	1,630
MCIC levy	1,773	1,709
Professional fees	4,575	5,142
Website	419	645
	<u>\$ 23,283</u>	<u>\$ 15,150</u>