

DEVXCHANGE INTERNATIONAL PROGRAMS

FINANCIAL STATEMENTS

DECEMBER 31, 2019

Independent Auditor's Report

To the Members:
DevXchange International Programs

Qualified Opinion

We have audited the financial statements of DevXchange International Programs, which comprise the statement of financial position as at December 31, 2019, and the statements of operations, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the management as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations "ASNPO".

Basis for Qualified Opinion

In common with many not-for-profit organizations, the management derives revenue from donations, the completeness of which, are not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the management. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2019 and 2018, current assets as at December 31, 2019 and 2018, and net assets as at January 1 and December 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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 management in accordance with the 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 qualified 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 management'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report, continued

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. 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:

- w 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.
- w 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.
- w Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- w 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 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 organization to cease to continue as a going concern.
- w 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.

Innisfil, Ontario
May 7, 2020

- MORRISON CPA
Professional Corporation

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Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

DEVXCHANGE INTERNATIONAL PROGRAMS

Statement of Financial Position As at December 31

	2019	2018
ASSETS		
Current		
Cash	\$ 367,276	\$ 325,867
Accounts receivable	2,136	2,104
Prepaid expenses	<u>9,213</u>	<u>452</u>
	<u>\$ 378,625</u>	<u>\$ 328,423</u>
LIABILITY		
Current		
Accounts payable and accrued liabilities	<u>\$ 27,750</u>	<u>\$ 5,001</u>
FUND BALANCES		
General Fund	53,732	21,878
Restricted Fund	<u>297,143</u>	<u>301,544</u>
	<u>350,875</u>	<u>323,422</u>
	<u>\$ 378,625</u>	<u>\$ 328,423</u>

On behalf of the Board

Members _____

Members _____

DEVXCHANGE INTERNATIONAL PROGRAMS

Statement of Operations

For the year ended December 31

	2019	2018
REVENUES		
Projects and restricted funds, Schedule 1	\$ 875,236	\$ 675,932
Administrative fees	93,678	67,224
General contributions	3,470	2,167
Other revenues	<u>3,281</u>	<u>3,240</u>
	<u>975,665</u>	<u>748,563</u>
EXPENDITURES		
Administration	25,478	25,663
Bank charges	302	416
Fundraising	-	129
Insurance	936	943
Memberships and fees	125	125
Office and general	49,178	31,988
Professional fees	12,951	8,557
Projects and restricted funds, Schedule 1	<u>859,242</u>	<u>685,496</u>
	<u>948,212</u>	<u>753,317</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 27,453</u>	<u>\$ (4,754)</u>

DEVXCHANGE INTERNATIONAL PROGRAMS

Statement of Changes in Net Assets For the year ended December 31, 2019

	General Fund	Restricted Fund	Total 2019	Total 2018
BALANCE, BEGINNING OF YEAR	\$ 21,878	\$ 301,544	\$ 323,422	\$ 328,176
Excess (deficiency) of revenues over expenditures	11,459	15,994	27,453	(4,754)
Funds transfer from project completion	<u>20,395</u>	<u>(20,395)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>\$ 53,732</u>	<u>\$ 297,143</u>	<u>\$ 350,875</u>	<u>\$ 323,422</u>

DEVXCHANGE INTERNATIONAL PROGRAMS

Statement of Cash Flows

For the year ended December 31

	2019	2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 27,453	\$ (4,754)
Change in non-cash working capital items		
Accounts receivable	(32)	(841)
Prepaid expenses	(8,761)	(227)
Accounts payable and accrued liabilities	<u>22,749</u>	<u>(2,494)</u>
NET INCREASE (DECREASE) IN CASH	41,409	(8,316)
CASH, BEGINNING OF YEAR	<u>325,867</u>	<u>334,183</u>
CASH, END OF YEAR	<u>\$ 367,276</u>	<u>\$ 325,867</u>

DEVXCHANGE INTERNATIONAL PROGRAMS

Notes to the Financial Statements

For the year ended December 31, 2019

Nature of operations

DevXchange International Programs (the "Organization") is incorporated in Ontario without share capital and is registered as a not-for-profit charity under the Income Tax Act. The Organization partners with individuals across Canada to provide executive oversight and administrative services to enable them to fulfill their fundraising goals and deliver charitable programs in areas such as education, income generation, health, water and agro-forestry to communities in need around the world.

1. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

Fund Accounting

Restricted Fund

In accordance with the project agreements between the individual project leaders and the Organization, the Restricted Fund recognizes as revenues the results of fundraising efforts by individual partners, less a ten percent allocation to the General Fund to cover the costs of providing executive and administrative services. Expenses of the individual programs are recognized as expenses when incurred and programs are delivered. The net assets of the Restricted Fund represents donations received for undelivered programs and are restricted to the specific programs for which the funds were raised. Should there be a surplus at the completion of a program, the amount will be transferred, at the discretion of the project leader, to another program with a similar charitable objective or to the general fund.

General Fund

The General Fund records as revenues the administrative charge levied to partner programs in accordance with the project agreements. Unrestricted donations that are not directed to a specific purpose are also recognized as revenues in the General Fund. All costs that are not attributable to specific programs are expensed in the General Fund.

Revenue recognition

Following fund accounting, contributions received for programs are recognized in the restricted fund when received. Unrestricted contributions are recognized in the general fund when received.

Contributed services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Financial instruments

The organization's financial instruments, consisting of cash, accounts payable and accrued liabilities, are initially recorded at fair value and subsequently recorded at amortized cost. The organization is not exposed to significant interest, currency, liquidity or credit risks.

DEVXCHANGE INTERNATIONAL PROGRAMS**Schedule of Projects and Restricted Funds
For the year ended December 31**

	2019	2018
REVENUE		
Restricted contributions	\$ 968,914	\$ 743,156
Administrative fees	<u>(93,678)</u>	<u>(67,224)</u>
	<u>875,236</u>	<u>675,932</u>
EXPENDITURES		
Accommodation and travel	84,004	80,688
Bank charges	5,923	5,965
Communication	224	713
Fundraising	5,629	13,028
Housing and living allowance	30,959	15,852
Medical	670	1,829
Project costs	726,974	556,773
Supplies	4,788	7,263
Training	<u>71</u>	<u>3,385</u>
	<u>859,242</u>	<u>685,496</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 15,994</u>	<u>\$ (9,564)</u>
