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**ALLY GLOBAL FOUNDATION**  
**Financial Statements**  
**Year Ended December 31, 2019**

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**ALLY GLOBAL FOUNDATION**  
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**Year Ended December 31, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Ally Global Foundation

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Ally Global Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2019, and the statements of receipts 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 our opinion, except for the possible 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 Foundation as at December 31, 2019, and the results of its operations and 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 charities, the Foundation derives receipts from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these receipts was limited to the amounts recorded in the records of the Foundation. Due to the limitation of scope, we were not able to determine whether any adjustments might be necessary to fundraising receipts, excess of receipt over expenditures, and cash flows from operations for the year ended December 31, 2019, current assets and net assets as at December 31, 2019. Additionally, we were unable to verify the accuracy of the opening balances of the attached financial statements.

Without modifying our opinion we draw attention to Note 2 of the financial statements, which describe that the Foundation adopted ASNPO with a transition date of January 1, 2019.

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 Foundation in accordance with 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 audit 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.

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## Independent Auditor's Report to the Members of Ally Global Foundation *(continued)*

In preparing the financial statements, management is responsible for assessing the Foundation 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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

### *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:

- 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.
- 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 Foundation'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 Foundation'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 Foundation 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.

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.

Independent Auditor's Report to the Members of Ally Global Foundation (continued)

*Report on Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

*Johnsen Archer LLP*

Surrey, B.C.  
June 9, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

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**ALLY GLOBAL FOUNDATION**  
**Statement of Financial Position**  
**December 31, 2019**

<b>ASSETS</b>	
Current assets	
Cash	\$ 170,460
Accounts receivable	55,621
Prepaid expenditures	10,000
	<b>236,081</b>
Equipment (Note 3)	2,030
Intangible asset (Note 4)	120,000
	<b>\$ 358,111</b>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable and accrued liabilities	\$ 10,000
<b>NET ASSETS</b>	
General fund	60,968
Restricted fund (Note 5)	165,113
Capital asset fund	122,030
	<b>348,111</b>
	<b>\$ 358,111</b>

Subsequent event (Note 6)



**APPROVED BY SOLE DIRECTOR**

\_\_\_\_\_  
Director

**ALLY GLOBAL FOUNDATION**  
**Statement of Receipts and Expenditures**  
**Year Ended December 31, 2019**

<b>Receipts</b>	<b>\$ 447,560</b>
<b>Expenditures</b>	
Amortization	770
Charitable contributions	11,028
Education and awareness	12,445
Fund development	32,514
General and administrative	30,063
Overseas and general casework	36,226
	<b>123,046</b>
<b>Excess of receipts over expenditures from operations</b>	<b>324,514</b>
Interest income	44
<b>Excess of receipts over expenditures for the year</b>	<b>\$ 324,558</b>



**ALLY GLOBAL FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2019**

	General Fund	Restricted Fund	Capital Asset Fund	2019
<b>Net assets - beginning of year</b>	\$ 23,553	\$ -	\$ -	<b>\$ 23,553</b>
Excess of receipts over expenditures	39,445	165,113	120,000	<b>324,558</b>
Funds transferred	(2,030)	-	2,030	-
<b>Net assets - end of year</b>	<b>\$ 60,968</b>	<b>\$ 165,113</b>	<b>\$ 122,030</b>	<b>\$ 348,111</b>





**ALLY GLOBAL FOUNDATION**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

**Operating activities**

Excess of receipts over expenditures for the year	\$ 324,558
Items not affecting cash:	
Amortization of equipment	770
Intangible asset	(120,000)

**205,328**

Changes in non-cash working capital:

Accounts receivable	(55,621)
Prepaid expenses	(10,000)
Accounts payable and accrued liabilities	10,000

**(55,621)**

Cash flow from operating activities

**149,707**

**Investing activity**

Purchase of equipment	(2,800)
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**Increase in cash**

**146,907**

Cash - beginning of year

**23,553**

**Cash - end of year**

**\$ 170,460**

**Non-cash transaction**

Intangible asset acquired	<b>\$ 120,000</b>
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**ALLY GLOBAL FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**1. PURPOSE OF THE FOUNDATION**

Ally Global Foundation (the "Foundation") is a not-for-profit organization incorporated under the British Columbia Society Act and registered effective June 5, 2008. The Foundation qualifies as a charity, qualifying for tax-exempt status under the income tax act. The Foundation exists to relieve poverty by providing humanitarian assistance to individuals in need, and in particular by providing support, counselling, vocational training, food, clothing, and shelter to individuals affected by violence and human trafficking.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Changes in accounting policies - Accounting Standards for Not-For-Profit Organizations

On January 1, 2019 the Foundation adopted Canadian accounting standards for not-for-profit organizations ("ASNPO") with a transition date of January 1, 2019. These financial statements are the first prepared in accordance with these standards. There have been no charges to the financial statements as a result of the transition. With regard to the Foundation's transition to ASNPO, the Foundation has made the following elections available under Canadian Professional Accountants ("CPA") Handbook Section 1501, "First-time Adoption by Not-For-Profit Organizations:"

Financial instruments

CPA Canada Handbook Section 1501, "First-time adoption by not-for-profit organizations", permits the Foundation to designate any financial instrument, previously measured at cost, to be measured at fair value. The Foundation has not elected to do so.

CPA Handbook Section 3856, "Financial instruments", requires an entity to classify separately the component parts of a financial instrument that contains both a liability and an equity component. The Foundation has elected not to separate the components for financial instruments for which the liability component is no longer outstanding.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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 receipts and expenditures during the year. Such estimates include valuation of accounts receivable, equipment, intangible asset, and completeness of accounts payable and accrued liabilities. These estimates are periodically reviewed and any adjustments necessary are reported in statement of receipts and expenditures in the year in which they become known. Actual results could differ from these estimates.

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**ALLY GLOBAL FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. Under this method of accounting, contributions to a specific fund are recognized as receipts within that fund in the year in which they are received. Contributions to a restricted fund related to a subsequent year are deferred and recognized as receipts in the year to which they relate.

The General Fund is unrestricted and accounts for the receipts, expenditures and activities that are not donated for a specific purpose.

The Restricted Fund is internally restricted and accounts for the receipts, expenditures and activities as at December 31, 2019.

The Capital Asset Fund is restricted and accounts for the receipts, expenditures and activities related to the Foundation's equipment.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives on a declining balance basis at a rate of 55%.

Equipment is amortized once put into use. No amortization is recorded in the year of disposition. Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

The Foundation regularly reviews its equipment to eliminate obsolete items. Equipment is written down when they no longer provide any long-term service potential to the Foundation. Any write-down is recognized as an expense to the extent an asset's carrying value exceeds its residual value.

Intangible asset

Intangible assets are recognized at cost. The Foundation regularly reviews for any write-downs when the intangible no longer provides any long-term service potential to the Foundation. Any write-down is recognized as an expense to the extent an asset's carrying value exceeds its residual value.

Donated materials and services

Donations in kind are recorded in the financial statements at fair market value when fair market value can be reasonably determined. The Foundation benefits substantially from donated services in the form of volunteer time. Because the fair market value for these donated services cannot be reasonably determined, they are not recognized in these financial statements.

Expenditures

Expenditures are allocated between the funds primarily based on the purpose of the expense.

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**ALLY GLOBAL FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent years, derivatives and investments in equity instruments quoted in actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments carried at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments carried at amortized cost are deferred and amortized over the life of the related instrument.

**3. EQUIPMENT**

	Cost	Accumulated amortization	Net book value
Equipment	\$ 2,800	\$ 770	\$ 2,030

As at December 31, 2019, no events or changes in circumstances have occurred which indicate that the carrying amounts of equipment may not be recoverable.

**4. INTANGIBLE ASSET**

Film	\$ 120,000
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As at December 31, 2019, no events or changes in circumstances have occurred which indicate that the carrying amounts of the intangible asset may not be recoverable.

**5. RESTRICTED FUND**

Internally restricted fund consist of deferred operating contributions internally restricted by the Foundation to be used for board-approved projects, as well as funds internally restricted for future capital purchases.

Nepal and Laos safe homes

Opening	\$ -
Funds internally restricted	175,527
Expenditures incurred	(76,559)
	98,968

Capital projects

Opening	-
Funds internally restricted	66,145
	66,145

Grand total	\$ 165,113
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**ALLY GLOBAL FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**6. SUBSEQUENT EVENT**

Subsequent to year-end, the outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Foundation in future years.

**7. FINANCIAL INSTRUMENTS**

The Foundation's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant credit, interest, currency or commodity risks arising from these financial instruments.

Fair Values

The Foundation's carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity of these instruments.