



COATS O'NEILL MANNEROW ^{LLP}
Chartered Accountants

S.H.A.R.E. AGRICULTURE FOUNDATION

FINANCIAL STATEMENTS

OCTOBER 31, 2010



COATS O'NEILL MANNEROW LLP
Chartered Accountants

AUDITORS' REPORT

To the Directors

S.H.A.R.E. AGRICULTURE FOUNDATION

We have audited the balance sheet of S.H.A.R.E. Agriculture Foundation as at October 31, 2010 and the statements of revenue, expenditure and change in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the foundation as at October 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Coats O'Neill Mannerow LLP

Licensed Public Accountants

Caledon, Ontario
January 12, 2011

S.H.A.R.E. AGRICULTURE FOUNDATION

BALANCE SHEET

OCTOBER 31, 2010

	Notes	2010	2009
ASSETS			
Current:			
Cash		\$ 258,438	\$ 293,789
Prepaid expense		1,083	1,095
Interest receivable		391	397
C.I.D.A. contributions receivable	6	<u>87,544</u>	<u>54,008</u>
		347,456	349,289
Investment in marketable securities	7	<u>213,624</u>	<u>192,787</u>
		<u>\$ 561,080</u>	<u>\$ 542,076</u>
LIABILITIES			
Current			
Accounts payable and accruals		\$ 22,945	\$ 4,716
NET ASSETS			
Unrestricted net assets		<u>538,135</u>	<u>537,360</u>
		<u>\$ 561,080</u>	<u>\$ 542,076</u>

Approved by:

Director

Director

See Accompanying Notes to Financial Statements

S.H.A.R.E. AGRICULTURE FOUNDATION

STATEMENT OF REVENUE, EXPENDITURE AND CHANGE IN NET ASSETS

YEAR ENDED OCTOBER 31, 2010

	2010	2009
Revenue:		
Canadian International Development Agency:		
Contributions received during the year	\$ 270,314	\$ 230,334
Interest earned on contributions	1,000	631
Contributions receivable	33,536	54,008
Apply contributions in advance	<u> </u>	<u>19,012</u>
Contributions applied to projects	304,850	303,985
Donations - general	221,387	320,116
- scholarships	23,315	33,263
- in kind (note 8)	11,693	9,469
- Agri-Skills Abroad	1,350	8,360
- fund-raising (note 8)	27,890	21,930
Fund-raising activities (note 8)	39,790	39,947
Investment income (note 7)	<u>27,632</u>	<u>39,092</u>
	<u>657,907</u>	<u>776,162</u>
Expenditure:		
Project costs (schedule)	596,172	532,373
Fund-raising activities (note 8)	29,064	28,518
Newsletter	7,495	7,352
Marketing, promotion and public awareness	11,555	4,141
Administration:		
Travel	1,881	824
Office supplies, postage and insurance	3,150	4,634
Telephone	557	586
Professional fees	<u>7,258</u>	<u>6,064</u>
	<u>657,132</u>	<u>584,492</u>
Excess of revenue over expenditure	775	191,670
Net assets, beginning of year	<u>537,360</u>	<u>345,690</u>
Net assets, end of year	<u>\$ 538,135</u>	<u>\$ 537,360</u>

See Accompanying Notes to Financial Statements

S.H.A.R.E. AGRICULTURE FOUNDATION

SCHEDULE OF PROJECT COSTS

YEAR ENDED OCTOBER 31, 2010

	Direct Costs	Indirect Costs	Total Costs 2010	Total Costs 2009
C.I.D.A. supported projects:				
Advancing Environmental Sustainability in Brazil through Training Small Farmers	\$ 116,713	\$ 4,160	\$ 120,873	\$ 147,033
Empowering Salvadorans through Elimination of Illiteracy and Establishment of Micro Enterprises	135,000	5,450	140,450	149,761
Empowering Rural Salvadorans Through Skills Training	<u>84,770</u>	<u>3,422</u>	<u>88,192</u>	<u>63,997</u>
	<u>336,483</u>	<u>13,032</u>	<u>349,515</u>	<u>360,791</u>
Other projects:				
Brazil:				
Sister Ellen	14,975	534	15,509	11,831
STRAF, CEPPA and OLM	19,627	700	20,327	13,035
Contractors	13,652	487	14,139	10,168
Other	12,997	463	13,460	17,187
Belize:				
Scholarships	18,342	1,560	19,902	19,841
Other	354		354	10,598
El Salvador - ANTA	41,702	1,683	43,385	51,124
Nicaragua	5,000		5,000	5,000
Guatemala	56,086	2,465	58,551	20,676
Honduras	7,500		7,500	6,058
Ethiopia				4,000
Haiti	32,300		32,300	
Cambodia	10,799		10,799	
Bolivia	<u>5,406</u>	<u>25</u>	<u>5,431</u>	<u>2,064</u>
	<u>238,740</u>	<u>7,917</u>	<u>246,657</u>	<u>171,582</u>
Total project costs	\$ <u>575,223</u>	\$ <u>20,949</u>	\$ <u>596,172</u>	\$ <u>532,373</u>

See Accompanying Notes to Financial Statements

S.H.A.R.E. AGRICULTURE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED OCTOBER 31, 2010

	2010	2009
Cash flow was provided from (applied to):		
Operating activities:		
Cash received from:		
Donors	\$ 273,942	\$ 383,669
C.I.D.A.	270,314	230,334
Fundraising activities	39,790	39,947
Cash paid to suppliers	(49,831)	(41,151)
Cash paid for projects	<u>(577,368)</u>	<u>(544,797)</u>
	<u>(43,153)</u>	<u>68,002</u>
Investing activities:		
Investment in marketable securities	(3,733)	(23,048)
Investment income	<u>11,535</u>	<u>8,843</u>
	<u>7,802</u>	<u>(14,205)</u>
Increase (decrease) in cash	(35,351)	53,797
Cash, beginning of year	<u>293,789</u>	<u>239,992</u>
Cash, end of year (earning interest at prime less 1.8%)	<u>\$ 258,438</u>	<u>\$ 293,789</u>

See Accompanying Notes to Financial Statements

S.H.A.R.E. AGRICULTURE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2010

1. **Incorporation and foundation activities**

S.H.A.R.E. Agriculture Foundation is incorporated without share capital under the laws of Canada and qualifies as a registered charity under provisions of the Income Tax Act (Canada).

The mandate of S.H.A.R.E. Agriculture Foundation is to enable impoverished communities in developing countries to improve their quality of life and provide a better future for their children through sustainable agriculturally based projects. S.H.A.R.E. believes in a "hand up" rather than a "hand out". Communities that receive assistance from S.H.A.R.E. must in turn share the benefits of these projects with others.

2. **Summary of significant accounting policies**

Revenue recognition

The organization follows the deferral method of accounting for contributions. Contributions from the Canadian International Development Agency (C.I.D.A.) are recognized in relation to and as direct expenses are incurred on the respective projects. Contributions through donations are recognized as received. Donations-in-kind are recorded when the goods or services would have otherwise been purchased by the foundation, and may include donations for fund-raising purposes. Fund-raising revenues are recognized when the event has occurred.

Marketable securities

Marketable securities held for trading on a long-term basis are recorded at market value. Unrealized gains or losses are included in the statement of revenue, expenditure and change in net assets each year.

Capital assets

Office equipment and software purchases, which tend to be relatively minor, are fully expensed in the year of acquisition. Capital assets expensed in the current and prior year were \$nil.

Contributed services

Volunteers contribute over 8,850 hours annually to the foundation to ensure service delivery. Because of the difficulty in determining the fair value of contributed services, they are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the periods. Actual results could differ from those estimates. The key area of estimation where management has made judgements, often as a result of matters that are inherently uncertain, is the recognition of accrued liabilities.

3. Changes in accounting policies

Effective November 1, 2009 the organization adopted new Canadian Institute of Chartered Accountant (CICA) accounting policies as follows:

Capital disclosures (Handbook Section 1535) requires the disclosure of information to enable users of the financial statements to evaluate the organization's objectives, policies and processes for managing capital. Additional disclosures have been added to the notes in this regard;

Standards for not-for-profits (Handbook Section 4400) was amended to eliminate the requirement to segregate net assets invested in capital, to provide clarification of reporting of revenues and expenses on a gross basis, and to require the presentation of a statement of cash flows. This had no impact on the organization, however a statement of cash flows has been added to the financial report in the current year;

Generally accepted accounting policies (Handbook Section 1100) was amended to clarify sources of accounting policies and the criteria for recognition of assets and liabilities, removing the ability to rely solely on the basis of matching of revenues and expenses. Adoption of these recommendations had no impact on financial statements for the year.

4. Capital Disclosures

The foundation's main objective when managing capital is to safeguard its ability to continue as a going concern, so that it can ensure the continuation of support to its communities.

The capital structure of the foundation consists of unrestricted net assets. The foundation manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets.

The foundation is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

5. Financial instruments

The foundation's financial instruments consist of cash, accounts receivable, long-term investments and accounts payable. Financial instruments are initially recorded at historical cost. If subsequent circumstances indicate that a decline in the fair value of a financial asset is other than temporary, the financial instrument is written down to its fair value. Unless otherwise indicated, it is management's opinion that the foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Liquidity and funding risk is managed by the preparation of approved budgets for all projects undertaken, and maintenance of adequate cash reserves to fund existing commitments and future contingencies.

Unless otherwise indicated, the carrying amount of financial instruments approximates their fair value because of the short term to maturity.

6. C.I.D.A. supported projects

C.I.D.A. contributions receivable in relation to direct project costs incurred for the year are as follows:

	2010	2009
Advancing Environmental Sustainability in Brazil through Training Small Farmers	\$ 14,683	\$ 6,554
Empowering Salvadorans through Elimination of Illiteracy and Establishment of Micro Enterprises	44,773	38,754
Empowering Rural Salvadorans Through Skills Training	<u>28,088</u>	<u>8,700</u>
	<u>\$ 87,544</u>	<u>\$ 54,008</u>

7. Investment in marketable securities and subsequent event

Commencing in 1998, the foundation was the recipient of a bequest totalling \$115,654. As well, in 2005 a donation in the amount of \$50,050 was received. Both donors suggested that the funds be segregated and invested in order that the annual interest income would be available to fund administrative costs of the foundation. To date, the Board of Directors has invested the funds in compliance with these recommendations.

Marketable securities consist of a portfolio of managed assets invested in mutual funds and a Canadian fixed income security with interest at 5.29% and maturing August 2012. Cumulative unrealized gains recorded in the accounts are \$19,384 (2009 - \$2,280). Investment income includes current year unrealized gains of \$17,103 (2009 - \$30,638).

Subsequent to year end, the value of marketable securities increased by a further \$4,472 (2009 - \$7,756).

8. Fund-raising activities and donations

	2010	2009
Fund-raising revenue (excluding donation component):		
Dinner/dance	\$ 18,201	\$ 16,934
Other	<u>21,589</u>	<u>23,013</u>
	<u>39,790</u>	<u>39,947</u>
Fund-raising expenditure:		
Dinner/dance	19,283	15,610
Other	<u>9,781</u>	<u>12,908</u>
	<u>29,064</u>	<u>28,518</u>
	<u>\$ 10,726</u>	<u>\$ 11,429</u>

Donations received in conjunction with various fundraising events held during the year amounted to \$27,890 (2009 - \$21,930).

Dinner/dance revenue includes \$7,679 (2009 - \$6,373) of proceeds from the sale of silent auction items which were donated to the foundation. Charitable donation receipts of \$11,248 (2009 - \$7,053) were issued for these auction donations-in-kind at fair market value, and this amount has been recorded as donation revenue and dinner/dance fund-raising expenditure. The \$445 (2009 - \$3,096) balance of charity receipts for in-kind donations relate to the donation of items for the benefit of the organization.

9. Funding commitments

The foundation has committed to future expenditures for direct project costs to July 30, 2011 as follows:

Advancing Environmental Sustainability in Brazil through Training Small Farmers	\$ 141,400
Empowering Salvadorans through Elimination of Illiteracy and Establishment of Micro Enterprises	23,900
Empowering Rural Salvadorans Through Skills Training	<u>18,000</u>
	<u>\$ 183,300</u>

C.I.D.A. has committed to provide \$248,406 in additional funding related to sponsored projects.

10. Accounting standards with future implementation dates

In December 2010, The Canadian Institute of Chartered Accountants (CICA) issued new accounting standards for not-for-profit organizations allowing not-for-profits in the private sector to choose between adopting International Financial Reporting Standards, and following the existing standards for not-for-profits supplemented by accounting standards applicable to private enterprises. The new standards will apply for fiscal years beginning after January 1, 2012. The impact of these changes is unlikely to be significant for the organization.