



COATS O'NEILL MANNEROW <sup>LLP</sup>  
Chartered Accountants

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

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2008**



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, 2008 and the statement of revenue, expenditure and change in net assets 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, 2008 and the results of its operations 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, 2009

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

**BALANCE SHEET**

OCTOBER 31, 2008

	<b>Notes</b>	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>			
Current:			
Cash		\$ 239,992	\$ 122,917
Prepaid expense		1,095	3,201
Interest receivable		<u>155</u>	<u>259</u>
		241,242	126,377
Investment in marketable securities	4	<u>139,101</u>	<u>163,372</u>
		<u>\$ 380,343</u>	<u>\$ 289,749</u>
<b>LIABILITIES</b>			
Current:			
Accounts payable and accruals		\$ 15,641	\$ 3,946
C.I.D.A. contributions in advance	5	<u>19,012</u>	<u>          </u>
		34,653	3,946
<b>NET ASSETS</b>			
Unrestricted net assets		<u>345,690</u>	<u>285,803</u>
		<u>\$ 380,343</u>	<u>\$ 289,749</u>

Approved by:

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Director

\_\_\_\_\_  
Director

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

STATEMENT OF REVENUE, EXPENDITURE AND CHANGE IN NET ASSETS

YEAR ENDED OCTOBER 31, 2008

	<b>2008</b>	<b>2007</b>
Revenue:		
Canadian International Development Agency:		
Contributions received during the year	\$ 95,930	\$ 32,026
Interest earned on those contributions	416	
Decrease in contributions receivable		(32,026)
Contributions in advance of expenditure	<u>(19,012)</u>	<u>                    </u>
Contributions applied to projects	77,334	-
Donations – general	228,976	172,269
– scholarships	27,315	16,833
– in kind (note 6)	10,815	8,719
– Agri-Skills Abroad	1,765	2,480
– fund-raising	24,639	31,308
Fund-raising activities (note 6)	34,182	34,410
Investment income (loss) (note 4)	<u>(13,596)</u>	<u>13,218</u>
	<u>391,430</u>	<u>279,237</u>
Expenditure:		
Project costs (schedule)	284,785	259,768
Fund-raising activities (note 6)	28,890	29,523
Newsletter	7,363	7,697
Marketing and promotion	2,811	2,080
Administration:		
Travel	507	273
Office supplies and postage	2,158	1,844
Telephone	577	544
Professional fees	<u>4,452</u>	<u>7,196</u>
	<u>331,543</u>	<u>308,925</u>
Revenue over (under) expenditure	59,887	(29,688)
Net assets, beginning of year	<u>285,803</u>	<u>315,491</u>
Net assets, end of year	<u>\$ 345,690</u>	<u>\$ 285,803</u>

See Accompanying Notes to Financial Statements

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

SCHEDULE OF PROJECT COSTS

YEAR ENDED OCTOBER 31, 2008

	<b>Direct Costs</b>	<b>Monitoring</b>	<b>Total Costs 2008</b>	<b>Total Costs 2007</b>
C.I.D.A. supported projects:				
Advancing Environmental Sustainability in Brazil through Training Small Farmers	\$ 57,265	\$ 9,240	\$ 66,505	
Empowering Salvadoran Men and Women through the Elimination of Illiteracy and the Establishment of Micro Enterprises in El Salvador	<u>30,000</u>	<u>3,283</u>	<u>33,283</u>	
	<u>87,265</u>	<u>12,523</u>	<u>99,788</u>	
Other projects:				
Brazil:				
Santa Luz	23,889	4,036	27,925	\$ 21,272
Sister Ellen	4,985	842	5,827	5,641
Barbada and OLM	3,500	591	4,091	10,431
CEPPA	11,003	1,859	12,862	28,378
Contractors	13,547	2,289	15,836	33,655
Other	236	40	276	16,749
Belize:				
Scholarships	26,406	4,671	31,077	12,079
Other	1,917		1,917	12,522
El Salvador – ANTA	72,627	2,472	75,099	109,041
Guatemala – Horizons	5,000		5,000	5,000
Honduras – Horizons	<u>5,087</u>		<u>5,087</u>	<u>5,000</u>
	<u>168,197</u>	<u>16,800</u>	<u>184,997</u>	<u>259,768</u>
Total project costs	\$ <u>255,462</u>	\$ <u>29,323</u>	\$ <u>284,785</u>	\$ <u>259,768</u>

See Accompanying Notes to Financial Statements

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

## NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2008

### 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 their market value as of the year end date. Unrealized gains or losses are included in the statement of revenue, expenditure and change in net assets each year.

#### **Contributed services**

Volunteers contribute over 7,000 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.

#### **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 year were \$1,029 (2007 - \$nil).

#### **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 at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates.

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

**4. Investment in marketable securities and subsequent event**

Commencing in 1998, the foundation was the recipient of a bequest totalling \$115,654. As well, in a prior year 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 are comprised of a portfolio of managed assets invested in mutual funds and a Canadian fixed income security bearing interest at 5.5% and maturing April 2009. Cumulative unrealized losses recorded in the accounts are \$28,358 (2007 – \$2,799). Investment income (loss) includes current year unrealized losses of \$25,559 (2007 – unrealized gains of \$969).

Subsequent to year end, the value of investment in marketable securities declined by a further \$6,550.

**5. Contributions in advance**

Contributions received from C.I.D.A. in advance of project expenditures are as follows:

Advancing Environmental Sustainability in Brazil through Training Small Farmers	\$ 5,556
Empowering Salvadoran Men and Women through the Elimination of Illiteracy and the Establishment of Micro Enterprises in El Salvador	<u>13,456</u>
	<u>\$ 19,012</u>

**6. Donations and fund-raising activities**

	<b>2008</b>	<b>2007</b>
Revenue:		
Dinner/dance	\$ 18,414	\$ 15,736
Other	<u>15,768</u>	<u>18,674</u>
	<u>34,182</u>	<u>34,410</u>
Expenditure:		
Dinner/dance	20,019	16,840
Other	<u>8,871</u>	<u>12,683</u>
	<u>28,890</u>	<u>29,523</u>
	<u>\$ 5,292</u>	<u>\$ 4,887</u>

Dinner/dance revenue includes \$7,279 (2007 - \$5,478) of proceeds from the sale of silent auction items which were donated to the foundation. Charitable donation receipts of \$10,815 (2007 - \$7,822) were issued for these donations-in-kind at fair market value, and this amount has been recorded as donation revenue and dinner/dance fund-raising expenditure.

**7. Funding commitments**

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

Brazil:	
OLM	\$ 7,000
Advancing Environmental Sustainability in Brazil through Training Small Farmers	385,000
El Salvador:	
ANTA	12,500
Empowering Salvadoran Men and Women through the Elimination of Illiteracy and the Establishment of Micro Enterprises in El Salvador	<u>312,700</u>
	<u>\$717,200</u>

C.I.D.A. has committed to provide \$595,100 in additional funding related to certain of these projects. In addition, an application is pending for C.I.D.A. support of \$154,000 in connection with a proposed new project in El Salvador with budgeted project costs of \$200,000.

**8. Statement of cash flows**

A statement of cash flows has not been presented as it would not provide additional useful information.