



COATS O'NEILL MANNEROW ^{LLP}
Chartered Accountants

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

FINANCIAL STATEMENTS

OCTOBER 31, 2012



COATS O'NEILL MANNEROW ^{LLP}
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Directors

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

We have audited the accompanying financial statements of S.H.A.R.E. Agriculture Foundation which comprise the balance sheet as at October 31, 2012 and the statements of operations and change in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of S.H.A.R.E. Agriculture Foundation as at October 31, 2012, and its financial performance 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 14, 2013

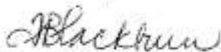
S.H.A.R.E. AGRICULTURE FOUNDATION

BALANCE SHEET

OCTOBER 31, 2012

	Notes	2012	2011
ASSETS			
Current:			
Cash		\$ 153,861	\$ 300,413
Prepaid expense		1,091	1,083
Interest receivable		313	402
C.I.D.A. contributions receivable	4	<u>6,067</u>	<u>40,068</u>
		161,332	341,966
Investment in marketable securities	5	<u>230,011</u>	<u>215,928</u>
		<u>\$ 391,343</u>	<u>\$ 557,894</u>
LIABILITIES			
Current			
Accounts payable and accruals		\$ 4,586	\$ 13,268
NET ASSETS			
Unrestricted net assets		<u>386,757</u>	<u>544,626</u>
		<u>\$ 391,343</u>	<u>\$ 557,894</u>

Approved by:



 Director



 Director

See Accompanying Notes to Financial Statements

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

STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS

YEAR ENDED OCTOBER 31, 2012

	2012	2011
Revenue:		
Canadian International Development Agency:		
Contributions received during the year	\$ 150,162	\$ 205,729
Interest earned on contributions	1,450	668
Increase (decrease) in contributions receivable	<u>(34,001)</u>	<u>(47,476)</u>
Contributions applied to projects	117,611	158,921
Donations - general	225,742	217,109
- scholarships	20,890	26,010
- in kind (note 6)	6,185	6,358
- Agri-Skills Abroad	9,100	1,750
- fund-raising (note 6)	31,171	26,370
Fund-raising activities (note 6)	44,863	39,082
Investment income (note 5)	<u>17,654</u>	<u>8,104</u>
	<u>473,216</u>	<u>483,704</u>
Expenditure:		
Project costs (schedule)	580,029	429,163
Fund-raising activities (note 6)	26,131	23,942
Newsletter	8,163	8,269
Marketing, promotion and public awareness	4,698	1,989
Administration:		
Travel	2,322	1,035
Office supplies, postage and insurance	3,681	4,791
Professional fees	<u>6,061</u>	<u>8,025</u>
	<u>631,085</u>	<u>477,214</u>
Revenue over (under) expenditure	(157,869)	6,490
Net assets, beginning of year	<u>544,626</u>	<u>538,136</u>
Net assets, end of year	<u>\$ 386,757</u>	<u>\$ 544,626</u>

See Accompanying Notes to Financial Statements

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

SCHEDULE OF PROJECT COSTS

YEAR ENDED OCTOBER 31, 2012

	Direct costs	Monitoring & overhead	Total costs 2012	Total costs 2011
C.I.D.A. supported projects:				
Improved Economic Livelihoods and Well Being for Rural Families in Honduras and El Salvador	\$ 150,000	\$ 4,881	\$ 154,881	
Advancing Environmental Sustainability in Brazil through Training Small Farmers				\$ 117,563
Empowering Salvadorans through Elimination of Illiteracy and Establishment of Micro Enterprises				42,596
Empowering Rural Salvadorans through Skills Training				<u>30,814</u>
	<u>150,000</u>	<u>4,881</u>	<u>154,881</u>	<u>190,973</u>
Other projects:				
Brazil	59,247	5,062	64,309	36,212
Belize:				
Scholarships	21,012	104	21,116	18,803
Other	1,083		1,083	274
El Salvador	148,377	1,878	150,255	107,290
Mexico	5,000		5,000	
Guatemala	100,311	5,482	105,793	50,737
Honduras	5,475		5,475	12,692
Haiti	13,700		13,700	3,000
Cambodia	22,185		22,185	
Bolivia	<u>31,686</u>	<u>4,546</u>	<u>36,232</u>	<u>9,182</u>
	<u>408,076</u>	<u>17,072</u>	<u>425,148</u>	<u>238,190</u>
Total project costs	<u>\$ 558,076</u>	<u>\$ 21,953</u>	<u>\$ 580,029</u>	<u>\$ 429,163</u>

See Accompanying Notes to Financial Statements

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

STATEMENT OF CASH FLOWS

YEAR ENDED OCTOBER 31, 2012

	2012	2011
Cash flow was provided from (applied to):		
Operating activities:		
Cash received from:		
Donors	\$ 286,903	\$ 271,239
C.I.D.A.	150,162	205,729
Fundraising activities	44,863	39,082
Cash paid to suppliers	(44,309)	(44,521)
Cash paid for projects	<u>(589,281)</u>	<u>(436,011)</u>
	<u>(151,662)</u>	<u>35,518</u>
Investing activities:		
Investment in marketable securities	(15,983)	(3,023)
Investment income	<u>21,093</u>	<u>9,480</u>
	<u>5,110</u>	<u>6,457</u>
Increase (decrease) in cash	(146,552)	41,975
Cash, beginning of year	<u>300,413</u>	<u>258,438</u>
Cash, end of year	<u>\$ 153,861</u>	<u>\$ 300,413</u>

See Accompanying Notes to Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2012

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 and collectibility is reasonably assured.

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 operations and change in net assets each year.

Equipment

Office equipment and software purchases, which tend to be relatively minor, are fully expensed in the year of acquisition. Capital equipment expensed in the year was \$804 (2011 - \$nil).

Contributed services

Volunteers contribute over 10,500 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 contingencies at the date of the financial statements, and the reported amounts of revenues and expenditures for the periods reported. Actual results could differ from those estimates. The key area of estimation where management has made judgments, often as a result of matters that are inherently uncertain, is the recognition of accrued liabilities.

2. Summary of significant accounting policies (cont'd.)

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 those in the private sector to choose between adopting International Financial Reporting Standards, and following existing standards for not-for-profits supplemented by accounting standards for private enterprises. The new standard will be adopted for the next fiscal year beginning November 1, 2012. The impact of the change is unlikely to be significant for the organization.

3. Financial instruments

The foundation's financial instruments consist of cash, accounts receivable, long-term investments and accounts payable. Cash is classified as held for trading. 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. The carrying amounts of financial instruments approximate their fair value because of the short-term maturity of these items. 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.

4. C.I.D.A. supported projects

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

	2012	2011
Improved Economic Livelihoods and Well Being for Rural Families in Honduras and El Salvador	\$ 6,067	
Advancing Environmental Sustainability in Brazil through Training Small Farmers	<u> </u>	\$ 40,068
	<u>\$ 6,067</u>	<u>\$ 40,068</u>

5. 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 2.2% (2011 - 5.29%) maturing August 2014 (2011 - August 2012). Cumulative unrealized gains recorded in the accounts are \$16,765 (2011 - \$18,665). Investment income includes current year unrealized losses of \$1,900 (2011 - \$719).

Subsequent to year end, the value of marketable securities increased by a further \$753

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(2011 - \$2,971).

6. Fund-raising activities and donations

	2012	2011
Fund-raising revenue (excluding donation component):		
Dinner/dance	\$ 18,214	\$ 14,327
Other	<u>26,649</u>	<u>24,755</u>
	<u>44,863</u>	<u>39,082</u>
Fund-raising expenditure:		
Dinner/dance	14,211	12,917
Other	<u>11,920</u>	<u>11,025</u>
	<u>26,131</u>	<u>23,942</u>
	<u>\$ 18,732</u>	<u>\$ 15,140</u>

Donations received in conjunction with various fundraising events held during the year amounted to \$31,171 (2011 - \$26,370).

Dinner/dance revenue includes \$4,489 (2011 - \$4,517) of proceeds from the sale of silent auction items which were donated to the foundation. Charitable donation receipts of \$5,146 (2011 - \$5,158) were issued for these auction donations at fair market value, and this amount has been recorded as donation in-kind revenue and dinner/dance fund-raising expenditure. The remaining \$1,039 (2011 - \$1,200) of in-kind donation revenue relates to the donation of items for other fundraising events or activities.

7. Funding commitments

The foundation has committed to future expenditures for direct project costs as follows:

Improved Economic Livelihoods and Well Being for Rural Families in Honduras and El Salvador	\$ 813,600
Guatemala - stoves and water filters	22,500
Brazil - organic meeting	<u>6,000</u>
	<u>\$ 842,100</u>

C.I.D.A. has committed to provide \$616,300 in additional funding related to sponsored projects.

8. Comparative figures

Certain prior year comparative figures have been reclassified to conform with the presentation adopted for the current year.