



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

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

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2009**



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, 2009 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, 2009 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 15, 2010

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

BALANCE SHEET

OCTOBER 31, 2009

	Notes	2009	2008
<b>ASSETS</b>			
Current:			
Cash		\$ 293,789	\$ 239,992
Prepaid expense		1,095	1,095
Interest receivable		397	155
C.I.D.A. contributions receivable	4	<u>54,008</u>	<u>          </u>
		349,289	241,242
Investment in marketable securities	5	<u>192,787</u>	<u>139,101</u>
		<u>\$ 542,076</u>	<u>\$ 380,343</u>
<b>LIABILITIES</b>			
Current:			
Accounts payable and accruals		\$ 4,716	\$ 15,641
C.I.D.A. contributions in advance	4	<u>          </u>	<u>19,012</u>
		4,716	34,653
<b>NET ASSETS</b>			
Unrestricted net assets		<u>537,360</u>	<u>345,690</u>
		<u>\$ 542,076</u>	<u>\$ 380,343</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, 2009

	<b>2009</b>	<b>2008</b>
Revenue:		
Canadian International Development Agency:		
Contributions received during the year	\$ 230,334	\$ 95,930
Interest earned on contributions	631	416
Contributions receivable	54,008	
Apply (defer) contributions in advance	<u>19,012</u>	<u>(19,012)</u>
Contributions applied to projects	303,985	77,334
Donations – general	320,116	228,976
– scholarships	33,263	27,315
– in kind (note 6)	9,469	10,815
– Agri-Skills Abroad	8,360	1,765
– fund-raising (note 6)	21,930	24,639
Fund-raising activities (note 6)	39,947	34,182
Investment income (loss) (note 5)	<u>39,092</u>	<u>(13,596)</u>
	<u>776,162</u>	<u>391,430</u>
Expenditure:		
Project costs (schedule)	532,373	284,785
Fund-raising activities (note 6)	28,518	28,890
Newsletter	7,352	7,363
Marketing and promotion	4,141	2,811
Administration:		
Travel	824	507
Office supplies, postage and insurance	4,634	2,158
Telephone	586	577
Professional fees	<u>6,064</u>	<u>4,452</u>
	<u>584,492</u>	<u>331,543</u>
Excess of revenue over expenditure	191,670	59,887
Net assets, beginning of year	<u>345,690</u>	<u>285,803</u>
Net assets, end of year	<u>\$ 537,360</u>	<u>\$ 345,690</u>

See Accompanying Notes to Financial Statements

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

SCHEDULE OF PROJECT COSTS

YEAR ENDED OCTOBER 31, 2009

	Direct Costs	Indirect Costs	Total Costs 2009	Total Costs 2008
C.I.D.A. supported projects:				
Advancing Environmental Sustainability in Brazil through Training Small Farmers	\$ 136,090	\$ 10,943	\$ 147,033	\$ 66,505
Empowering Salvadorans through Elimination of Illiteracy and Establishment of Micro Enterprises	140,000	9,761	149,761	33,283
Empowering Rural Salvadorans Through Skills Training	<u>61,503</u>	<u>2,494</u>	<u>63,997</u>	<u>          </u>
	<u>337,593</u>	<u>23,198</u>	<u>360,791</u>	<u>99,788</u>
Other projects:				
Brazil:				
Sister Ellen	10,950	881	11,831	5,827
OLM	12,065	970	13,035	4,091
CEPPA				12,862
Santa Luz				27,925
Contractors	9,411	757	10,168	15,836
Other	15,908	1,279	17,187	276
Belize:				
Scholarships	18,950	891	19,841	31,077
Other	10,131	467	10,598	1,917
El Salvador – ANTA	47,792	3,332	51,124	75,099
Nicaragua	5,000		5,000	
Guatemala	20,676		20,676	5,000
Honduras	6,058		6,058	5,087
Ethiopia	4,000		4,000	
Bolivia	<u>          </u>	<u>2,064</u>	<u>2,064</u>	<u>          </u>
	<u>160,941</u>	<u>10,641</u>	<u>171,582</u>	<u>184,997</u>
Total project costs	\$ <u>498,534</u>	\$ <u>33,839</u>	\$ <u>532,373</u>	\$ <u>284,785</u>

See Accompanying Notes to Financial Statements

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

## NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2009

### 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.

#### **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 \$nil (2008 - \$1,029).

#### **Contributed services**

Volunteers contribute over 8,150 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 at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates.

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

**Accounting standards with future implementation dates**

The Canadian Institute of Chartered Accountants (CICA) has announced that accounting standards in Canada used by publicly accountable enterprises will change to comply with International Financial Reporting Standards by 2011. The proposals currently indicate that not-for-profit organizations will be excluded from these requirements. The CICA continues to deliberate the appropriate financial reporting model for not-for-profit organizations.

**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. Liquidity and funding risk is managed by the preparation of approved budgets for all projects undertaken, and maintenance of adequate cash reserves.

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

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

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

	<b>2009</b>	<b>2008</b>
Advancing Environmental Sustainability in Brazil through Training Small Farmers	\$ 6,554	\$ (5,556)
Empowering Salvadorans through Elimination of Illiteracy and Establishment of Micro Enterprises	38,754	(13,456)
Empowering Rural Salvadorans Through Skills Training	<u>8,700</u>	<u>          </u>
	<u>\$ 54,008</u>	<u>\$ (19,012)</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 are comprised of a portfolio of managed assets invested in mutual funds and a Canadian fixed income security bearing interest at 5.29% and maturing August 2012. Cumulative unrealized gains recorded in the accounts are \$2,280 (2008 – losses of \$28,358). Investment income (loss) includes current year unrealized gains of \$30,638 (2008 – unrealized losses of \$25,559).

Subsequent to year end, the value of investment in marketable securities increased by a further \$7,756 (2008 – declined by a further \$6,550).

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

	2009	2008
Revenue (excluding donation component):		
Dinner/dance	\$ 16,934	\$ 18,414
Other	<u>23,013</u>	<u>15,768</u>
	<u>39,947</u>	<u>34,182</u>
Expenditure:		
Dinner/dance	15,610	20,019
Other	<u>12,908</u>	<u>8,871</u>
	<u>28,518</u>	<u>28,890</u>
	<u>\$ 11,429</u>	<u>\$ 5,292</u>

Dinner/dance revenue includes \$6,373 (2008 – \$7,279) of proceeds from the sale of silent auction items which were donated to the foundation. Charitable donation receipts of \$7,053 (2008 – \$10,815) were issued for auction donations-in-kind at fair market value, and this amount has been recorded as donation revenue and dinner/dance fund-raising expenditure. The balance of charity receipts for in-kind donations relate to donation of items for the benefit of the organization.



**7. Funding commitments**

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

Brazil:	
Contractors	\$ 7,200
Advancing Environmental Sustainability in Brazil through Training Small Farmers	238,000
Guatemala – Horizons	6,000
El Salvador:	
Empowering Salvadorans through Elimination of Illiteracy and Establishment of Micro Enterprises	163,000
Empowering Rural Salvadorans Through Skills Training	<u>109,300</u>
	<u>\$523,500</u>

C.I.D.A. has committed to provide \$518,720 in additional funding related to sponsored projects.

**8. Statement of cash flows**

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