

Broken Wings Missions Inc.
Financial Statements
June 30, 2012
Unaudited

Byron J. Reynolds
Chartered Accountant

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Review Engagement Report

To the board of directors of Broken Wings Missions Inc.

I have reviewed the statement of financial position of Broken Wings Missions Inc. as at June 30, 2012 and the statements of operations and changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the corporation.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting standards.

Saskatoon, Saskatchewan
October 29, 2012

CHARTERED ACCOUNTANT

Broken Wings Missions Inc.
Statement of Financial Position
June 30, 2012
Unaudited

Assets

	<u>2012</u>	<u>2011</u>
Current assets		
Cash	\$ 76,060	\$ 56,541
Inventory	<u>15,785</u>	<u>17,892</u>
	<u>\$ 91,845</u>	<u>\$ 74,433</u>

Liabilities

Current liabilities		
Accounts payable and accrued liabilities	\$ <u>750</u>	\$ <u>3,326</u>

Net Assets

Unrestricted net assets	<u>91,095</u>	<u>71,107</u>
	<u>\$ 91,845</u>	<u>\$ 74,433</u>

Approved on behalf of the Board:

Byron J. Reynolds
Chartered Accountant

Broken Wings Missions Inc.
Statement of Operations and Changes in Net Assets
For the period ended June 30, 2012
Unaudited

	<u>2012</u>	<u>2011</u>
Donation and other revenue	\$ <u>197,270</u>	\$ <u>218,535</u>
Expenditures		
Interest and bank charges	287	181
Printed material	12,806	8,374
Office supplies and postage	3,060	4,573
Professional fees	1,125	1,100
Royalties	-	2,719
Travel and performance	<u>16,503</u>	<u>28,290</u>
	<u>33,781</u>	<u>45,237</u>
Excess of revenue over operating expenditures	163,489	173,298
Charitable disbursement		
St. Joseph's Family (note 4)	<u>143,501</u>	<u>454,259</u>
Excess of revenue over expenditures and disbursements (expenditures and disbursements over revenue)	19,988	(280,961)
Unrestricted net assets, beginning of year.	<u>71,107</u>	<u>352,068</u>
Unrestricted net assets, end of year.	<u>\$ 91,095</u>	<u>\$ 71,107</u>

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Broken Wings Missions Inc.
Statement of Cash Flows
June 30, 2012
Unaudited

	<u>2012</u>	<u>2011</u>
Operating activities		
Excess of revenue over expenditures and disbursements (expenditures and disbursements over revenue)	\$ <u>19,988</u>	\$ <u>(280,961)</u>
Changes in non-cash working capital items		
Inventory	2,107	5,237
Accounts payable and accrued liabilities	<u>(2,576)</u>	<u>2,326</u>
	<u>19,519</u>	<u>(273,398)</u>
Change in cash during the year	19,519	(273,398)
Cash, beginning of year	<u>56,541</u>	<u>329,939</u>
Cash, end of year	<u>\$ <u>76,060</u></u>	<u>\$ <u>56,541</u></u>

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Chartered Accountant

Broken Wings Missions Inc.
Notes to the Financial Statements
June 30, 2012
Unaudited

1. Description of operations

Broken Wings Missions Inc. was incorporated under the Saskatchewan Non-Profit Corporations Act, 1995 and is a Registered Charity. The corporation receives donations exclusively for the St. Joseph's Family homes for street children and disabled children in Haiti.

2. Accounting policies

The following summary of significant accounting policies contains a description of the accounting methods and practices that have an important impact on the corporation's financial statements.

- a) Revenue recognition - The corporation recognizes contributions when they are received. The corporation does not receive endowment or restricted contributions.
- b) Registered charity - As a registered charity, the corporation is not liable for income tax.
- c) Inventory - Inventory is recognized at cost and consist of books used for promotional purposes. Items that will no longer be used for promotion are disposed of and written off at that time.
- d) Use of estimates - The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenues and expenses during the period. Actual results could differ from these estimates.
- e) Donated services - The organization benefits from the donated services of many board members and other individuals. Because of the difficulty of valuing these services these donated services are not recognized in the financial statements.

3. Financial Instruments

The corporation's financial instruments consist of cash, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant interest, or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. St. Joseph's Family

St. Joseph's Family homes include St. Joseph's Home for Boys, Wings of Hope and Trinity House located in Port au Prince and Jacmel, Haiti. Broken Wings Mission Inc. forwards donations that it collects exclusively to the St. Joseph's Family.