



Financial Statements

ShelterBox Canada

June 30, 2014

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10

## Independent Auditor's Report

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To the Members of  
ShelterBox Canada

We have audited the accompanying financial statements of ShelterBox Canada, which comprise the statement of financial position as at June 30, 2014, and the statements of operations, changes in fund balances 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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.

# Independent Auditor's Report (continued)

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 ShelterBox Canada as at June 30, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## **Report on other legal and regulatory requirements**

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Grant Thornton LLP*

Toronto, Canada  
October 14, 2014

Chartered Accountants  
Licensed Public Accountants



# ShelterBox Canada

## Statement of Operations

Year ended June 30

	Unrestricted Operations	Restricted for mission - purchase and distribution of ShelterBoxes	Total 2014	Total 2013
Revenue				
Donations (Note 6)	\$ 334,484	\$ 1,475,275	<b>\$ 1,809,759</b>	\$ 538,862
Operating grants (Note 7)	37,000	-	<b>37,000</b>	52,401
Interest revenue	<u>5,908</u>	<u>-</u>	<b><u>5,908</u></b>	<u>-</u>
Total revenue	<u>377,392</u>	<u>1,475,275</u>	<b><u>1,852,667</u></b>	<u>591,263</u>
Expenses				
Purchase of ShelterBoxes (Note 6)	-	1,144,950	<b>1,144,950</b>	518,500
Salaries and benefits	101,029	-	<b>101,029</b>	168,399
Fundraising and marketing	49,388	-	<b>49,388</b>	29,970
Occupancy	12,922	-	<b>12,922</b>	12,326
Legal and audit	19,083	-	<b>19,083</b>	12,582
Office and administration	9,881	-	<b>9,881</b>	11,017
Travel and meetings – staff and volunteers	4,696	-	<b>4,696</b>	11,510
Amortization	2,581	-	<b>2,581</b>	2,861
Loss on disposal of short-term investments	<u>(289)</u>	<u>-</u>	<b><u>(289)</u></b>	<u>740</u>
Total expenses	<u>199,291</u>	<u>1,144,950</u>	<b><u>1,344,241</u></b>	<u>767,905</u>
Excess (deficiency) of revenue over expenses	<u>\$ 178,101</u>	<u>\$ 330,325</u>	<b><u>\$ 508,426</u></b>	<u>\$ (176,642)</u>

See accompanying notes to the financial statements.

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## ShelterBox Canada

### Statement of Changes in Fund Balances

Year ended June 30

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	Invested in capital assets	Unrestricted	Restricted for mission - purchase and distribution of ShelterBoxes	Total 2014	Total 2013
Balance, beginning of year	\$ 4,392	\$ (1,693)	\$ 212,487	\$ 215,186	\$ 391,828
Excess (deficiency) of revenue over expenses	<u>(2,581)</u>	<u>180,682</u>	<u>330,325</u>	<u>508,426</u>	<u>(176,642)</u>
Balance, end of year	<u>\$ 1,811</u>	<u>\$ 178,989</u>	<u>\$ 542,812</u>	<u>\$ 723,612</u>	<u>\$ 215,186</u>

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## ShelterBox Canada

### Statement of Cash Flows

Year ended June 30	2014	2013
Increase (decrease) in cash		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	\$ 508,426	\$ (176,642)
Items not affecting cash		
Amortization	2,581	2,861
Unrealized (gain) loss on short-term investments	(289)	740
Reinvested interest on short-term investments	<u>(131)</u>	<u>-</u>
	510,587	(173,041)
Change in non-cash working capital items		
Accounts receivable	18,205	48,833
Prepaid expenses	664	3,228
Accounts payable and accrued liabilities	<u>(81,364)</u>	<u>72,266</u>
	448,092	(48,714)
<b>Investing</b>		
Purchase of short-term investments	<u>-</u>	<u>(970)</u>
Increase (decrease) in cash	448,092	(49,684)
Cash		
Beginning of year	<u>275,203</u>	<u>324,887</u>
End of year	<u>\$ 723,295</u>	<u>\$ 275,203</u>
<b>Cash consists of:</b>		
Cash - unrestricted	\$ 180,483	\$ 62,716
Cash - restricted	<u>542,812</u>	<u>212,487</u>
	<u>\$ 723,295</u>	<u>\$ 275,203</u>



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# ShelterBox Canada

## Notes to the Financial Statements

June 30, 2014

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### 1. Nature of operations

ShelterBox Canada (the "Organization") was incorporated as a not-for-profit corporation under the laws of the Province of Ontario on September 17, 2010 and registered as a Canadian charitable organization with the Canadian Revenue Agency effective October 28, 2010, and as such is exempt from paying income tax. The Organization's purpose is to provide the necessities of life to victims of disasters.

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### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

The significant accounting policies in effect are summarized below:

#### Use of estimates

The preparation of financial statements in conformity with ASNPO 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 statement of financial position date and the reported amounts of revenue and expenses during the fiscal year. The most significant estimates include amortization of capital assets and the accrual of liabilities. Actual results could differ from those estimates.

#### Fund balances

The fund balances of the Organization consist of the following:

##### *Invested in capital assets*

Invested in capital assets accounts for the purchase of capital assets of the Organization.

##### *Restricted for mission - purchase and distribution of ShelterBoxes*

Funds restricted for mission are made up of donations received which are restricted by donors for the purchase of ShelterBoxes less the distributions made to victims of disaster.

##### *Unrestricted*

The unrestricted fund balance accounts for the funds received that may be applied to the Organization's fundraising, marketing, administrative, or mission activities.

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# ShelterBox Canada

## Notes to the Financial Statements

June 30, 2014

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### 2. Summary of significant accounting policies (continued)

#### Capital assets

Purchased capital assets are capitalized and amortized on a straight-line basis over its estimated useful life at the following rates:

Computer equipment	3 years
Office furniture and equipment	5 years

#### Donated services

The Organization receives assistance in the form of donated services. No value of donated services is recorded in these financial statements due to the difficulty in determining the fair value of these services.

#### Revenue recognition

The Organization follows the restricted fund method for accounting for revenue. Grants and donations are recorded as received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted donations are recorded in the appropriate restricted fund when received.

#### Financial instruments

The Organization's financial instruments are comprised of cash, short-term investments, accounts receivable and accounts payable. Financial instruments are initially recorded at fair value and subsequently measured at amortized cost, except for short-term investments which are recorded at fair value.

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### 3. Short-term investments

Short-term investments consist of a \$5,130 (2013 - \$5,000) Guaranteed Investment Certificate (GIC), bearing interest at 1.55% and maturing on April 3, 2016, which is required to secure a corporate credit card. The GIC is cashable on demand without penalty. The Organization also holds mutual funds with a value of \$1,313 (2013 - \$1,023).

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# ShelterBox Canada

## Notes to the Financial Statements

June 30, 2014

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#### 4. Capital assets

			<u>2014</u>	<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 6,410	\$ 6,410	\$ -	\$ 1,856
Office furniture and equipment	<u>3,622</u>	<u>1,811</u>	<u>1,811</u>	<u>2,536</u>
	<u>\$ 10,032</u>	<u>\$ 8,221</u>	<u>\$ 1,811</u>	<u>\$ 4,392</u>

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#### 5. Government remittances

Accounts payable and accrued liabilities includes government remittances of \$2,022 (2013 - \$2,591) owing in respect of payroll source deductions.

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#### 6. Revenue - donations

ShelterBox Canada received \$1,735,617 (2013 - \$521,715) in donations for aid (ShelterBox sponsorship) in the fiscal year ended June 30, 2014. Of these donations, 85% or \$1,475,275 (2013 - \$443,457) were restricted for the purchase and distribution of ShelterBoxes.

For the fiscal year ended June 30, 2014, ShelterBox Canada paid \$1,144,950 (2013 - \$518,500) to ShelterBox Trust (UK) for the purchase and distribution of ShelterBoxes upon confirmation of delivery to disaster survivors. At the end of June 30, 2014, ShelterBox Canada held \$542,812 (2013 - \$212,487) in funds restricted for the purchase and distribution of ShelterBoxes that will be paid to ShelterBox Trust (UK) once distribution of aid has been confirmed.

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#### 7. Revenue - operating grants

During the fiscal year ended June 30, 2014, ShelterBox Canada received operating grants totaling \$37,000 (2013 - \$50,000) from ShelterBox Trust (UK) to fund essential administration, legal and fundraising costs in ShelterBox Canada.

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# ShelterBox Canada

## Notes to the Financial Statements

June 30, 2014

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### 8. Financial instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for another party by failing to discharge an obligation. The Organization is exposed to credit risk in accounts receivable. It is management's opinion that the Organization is not exposed to significant credit risk related to accounts receivable. The allowance for doubtful accounts at year end is \$Nil (2013 - \$Nil).

#### Liquidity risk

Liquidity risk is the risk that the Organization may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The Organization is exposed to liquidity risk in respect of its accounts payable. The Organization reduces its risk exposure by ensuring that it documents when authorized payments are due.

#### Market risk

Market risk is the risk that changes in the market interest rate, foreign currency values or other changes in market prices will affect the value of the financial instruments or their related cash flows. The Organization is exposed to market risk through its short-term investments. It is management's opinion that the Organization is not exposed to significant market risk.

#### Interest rate risk

The Organization is exposed to interest rate risk on its short-term investments when the value of these financial instruments fluctuate due to changes in market interest rates.

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