

Broken Wings Missions Inc.
Financial Statements
June 30, 2010

Byron J. Reynolds
Chartered Accountant

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AUDITOR'S REPORT

To the Board of Directors of:
Broken Wings Missions Inc.

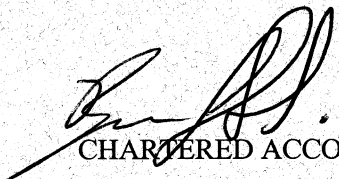
I have audited the balance sheet of Broken Wings Missions Inc. as at June 30, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of Broken Wings Missions Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 common with most charitable organizations, Broken Wings Missions Inc. derives revenue from donations, the completeness of which is not susceptible to complete audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of Broken Wings Missions Inc..

In my opinion, except for the effects of adjustments, if any, which may have been required had donations been susceptible to complete audit verification these financial statements present fairly, in all material respects, the financial position of Broken Wings Missions Inc. as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Saskatoon, Saskatchewan
October 8, 2010


CHARTERED ACCOUNTANT

Broken Wings Missions Inc.
Statement of Financial Position
June 30, 2010

Assets

| | <u>2010</u> | <u>2009</u> |
|----------------|-------------------|------------------|
| Current assets | | |
| Cash | \$ 329,939 | \$ 65,925 |
| Inventory | <u>23,129</u> | <u>5,638</u> |
| | <u>\$ 353,068</u> | <u>\$ 71,563</u> |

Liabilities

| | | |
|--|-----------------|---------------|
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ <u>1,000</u> | \$ <u>500</u> |

Net Assets

| | | |
|-------------------------|-------------------|------------------|
| Unrestricted net assets | <u>352,068</u> | <u>71,063</u> |
| | <u>\$ 353,068</u> | <u>\$ 71,563</u> |

Approved on behalf of the Board:

Susan Bosheski

Byron J. Reynolds
Chartered Accountant

Broken Wings Missions Inc.
Statement of Operations and Net Assets
For the period ended June 30, 2010

| | <u>2010</u> | <u>2009</u> |
|--|--------------------------|-------------------------|
| Donation revenue | \$ <u>718,937</u> | \$ <u>136,959</u> |
| Expenditures | | |
| Interest and bank charges | 213 | 180 |
| Printed material | 10,012 | 1,745 |
| Office supplies and postage | 8,543 | 1,442 |
| Professional fees | 1,050 | 600 |
| Travel and performance | <u>11,099</u> | <u>15,420</u> |
| | <u>30,917</u> | <u>19,387</u> |
| Excess of revenue over operating expenditures | 688,020 | 117,572 |
| Charitable disbursement | | |
| St. Joseph's Family (note 5) | <u>407,015</u> | <u>118,175</u> |
| Excess of revenue over expenditures and disbursements (expenditures and disbursements over revenue) | 281,005 | (603) |
| Unrestricted net assets, beginning of period, | <u>71,063</u> | <u>71,666</u> |
| Unrestricted net assets, end of period, | <u>\$ <u>352,068</u></u> | <u>\$ <u>71,063</u></u> |

Byron J. Reynolds
Chartered Accountant

Broken Wings Missions Inc.
Notes to the Financial Statements
June 30, 2010

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 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. Statement of cash flows

A statement of cash flows was not prepared as it would provide no additional useful information.

5. Single Donee

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. makes donations exclusively to the St. Joseph's Family which is considered a qualified donee by the Canadian Charities Directorate.

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