

CANADIAN COMPASS ROSE SOCIETY INC.

FINANCIAL STATEMENTS

December, 2010

INDEPENDENT AUDITOR'S REPORT

**To Members of
Canadian Compass Rose Society Inc.**

I have audited the accompanying financial statements of Canadian Compass Rose Society Inc., which comprise the balance sheet as at December 31, 2010, and the statements of revenue, expense and 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 these 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

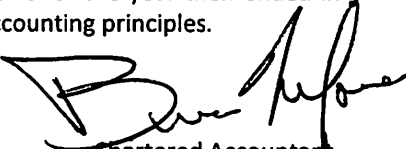
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Compass Rose Society Inc. as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
May 30, 2011


Chartered Accountant
Licensed Public Accountant

Canadian Compass Rose Society Inc.

Balance Sheet

December 31, 2010
(with comparative amounts for 2009)

ASSETS

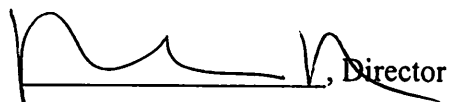
	2010	2009
Cash	\$ 16,718	\$ 39,730
Accounts receivable	<u>4,327</u>	<u> </u>
	<u>\$ 21,045</u>	<u>\$ 39,730</u>

LIABILITIES & NET ASSETS

Net assets	<u>\$ 21,045</u>	<u>\$ 39,730</u>
	<u>\$ 21,045</u>	<u>\$ 39,730</u>

Approved on behalf of the Board


_____, Director


_____, Director

Canadian Compass Rose Society Inc.

Statement of Revenue, Expense and Net Assets

for the year ended December 31, 2010
(with comparative amounts for 2009)

	2010	2009
Revenue		
New memberships	\$ 20,000	\$ 5,000
Annual gifts	44,700	41,155
Donor advised gifts	37,000	34,203
Consulting fee recovery	21,901	23,467
General donations	<u>4,107</u>	<u>2,670</u>
	127,708	106,495
Expenses		
Anglican Communion		
New memberships	20,000	15,000
Annual gifts	44,700	41,155
Donor advised gifts (Note 4)	57,000	34,703
Promotion	1,216	1,038
Travel	162	131
Professional fees	23,131	26,474
General administration	121	165
Bank charges	<u>63</u>	<u>163</u>
	<u>146,393</u>	<u>118,829</u>
Excess of (expense over revenue)	<u>(18,685)</u>	<u>(12,334)</u>
Net assets, beginning of year	<u>39,730</u>	<u>52,064</u>
Net assets, end of year	<u>\$ 21,045</u>	<u>\$ 39,730</u>

Canadian Compass Rose Society Inc.

Statement of Cash Flows

for the year ended December 31, 2010
(with comparative amounts for 2009)

	2010	2009
Cash flows from operations		
Excess of expense over revenue	\$ (18,685)	\$ (12,334)
Increase in accounts receivable	<u>(4,327)</u>	<u> </u>
Cash used in operations	(23,012)	(12,334)
Cash, beginning of year	<u>39,730</u>	<u>52,064</u>
Cash, end of year	<u>\$ 16,718</u>	<u>\$ 39,730</u>

Canadian Compass Rose Society Inc.

Notes to Financial Statements

December 31, 2010

1. Organization and Purpose

Canadian Compass Rose Society Inc. was incorporated under the Canada Corporations Act on October 17, 2002 and commenced operations as a registered charity in 2003. It is affiliated with The Compass Rose Society, an international charitable organization, and supports the programmes and ministries of the worldwide Anglican Communion of Churches, either through agency agreements or other funding.

2. Significant Accounting Policies

Contributions

Contributions are recorded when received, unless specifically noted for a subsequent period, in which case they are deferred. The recovery of expenses is recorded in the same period as the underlying expense.

Expenditures

Expenditures are recorded when the related expense or project is incurred or approved and the funds are committed.

3. Financial Instruments

The organization's financial instruments consist of cash, accounts receivable and accounts payable. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

4. Donor Advised Gifts

These represent gifts for specific charitable projects. For 2010, these include:

Diocese of Highveld S.A. – HIV / AIDS	\$ 7,500
Diocese of Mexico - Pre-school education	7,000
Diocese of Southern Malawi – education	17,000
International Anglican Women's Network	500
Anglican Church of Canada – Theological education	20,000
Diocese of Jerusalem – Scholarship Fund	<u>5,000</u>
	<u>\$ 57,000</u>