

The Townships Project

Financial Statements

For the Year Ended December 31, 2009



Auditor's Report

To the Board of Directors of The Townships Project

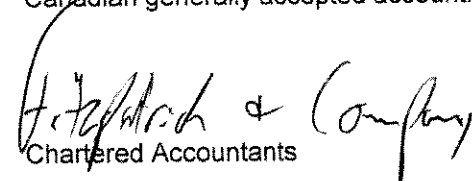
We have audited the statement of receipts and disbursements of The Townships Project for the year ended December 31, 2009. This financial statement is the responsibility of the not-for-profit corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the 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 many not-for-profit organizations, the not-for-profit corporation derives revenue from donations, contributions and special projects, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we were not able to determine whether any adjustments might be necessary to receipts or excess of receipts over disbursements.

The statement of receipts and disbursements has been prepared on the cash basis and therefore does not purport to present the results of the operations as they would have appeared had the accrual basis of accounting been applied in their presentation.

In our opinion, except for the effect of adjustments, if any, which might have been necessary had we been able to satisfy ourselves concerning the completeness of receipts and the application of the accrual basis of accounting referred to in the preceding paragraph, this financial statement presents fairly, in all material respects, the receipts and disbursements of the not-for-profit corporation for the year ended December 31, 2009, in accordance with Canadian generally accepted accounting principles.


Chartered Accountants

Charlottetown, PE
September 17, 2010

The Townships Project

Statement of Receipts and Disbursements

For the Year Ended December 31, 2009, with comparative figures for 2008

	2009	2008
Receipts:		
Received donations	\$ 217,500	\$ 194,430
Unreceived donations	36,639	68,443
	<hr/> 254,139	<hr/> 262,873
Disbursements:		
Administration		
Interest and bank charges	926	1,323
Office	2,158	6,720
Professional fees	2,959	3,550
Conferences and Meetings	714	-
Fundraising expenses	51,283	79,852
South Africa Project Expenses		
Tetla Financial Solutions		
Direct transfer	29,948	119,204
Travel, training and oversight	38,337	41,999
Ikussasa		
Direct transfer	-	12,873
Travel, training and oversight	-	21,000
MFI Development		
Travel, training and oversight	38,931	21,000
Tembeka		
Direct transfers	14,405	-
Tsoga		
Direct transfers	24,667	-
Travel, training and oversight	23,695	-
	<hr/> 228,023	<hr/> 307,521
Excess of receipts over disbursements (disbursements over receipts)	26,116	(44,648)
Cash balance, beginning of year	72,020	116,668
Cash balance, end of year	<hr/> \$ 98,136	<hr/> \$ 72,020

The accompanying notes are an integral part of these financial statements.

The Townships Project

Notes to the Financial Statements

For the Year Ended December 31, 2009

The Townships Project is primarily engaged in funding microfinance institutions in South Africa which make repayable, interest-bearing loans to entrepreneurs, primarily women, to start or expand a small business in order to become self-supporting. The not-for-profit corporation is a registered charity under the Income Tax Act and accordingly is exempted from income taxes, provided certain requirements of the Income Tax Acts are met.

1. Significant accounting policies

a. Revenue recognition

The not-for-profit corporation recognizes revenue when donations are received and fundraising monies are deposited.

b. Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the statement of receipts and disbursements.

c. Foreign currency translation:

Receipts and disbursements denominated in foreign currencies are translated using the exchange rate on the day the receipt or disbursement occurred. Exchange gains or losses are included in the determination of receipt over expenses.