



*Northern Magic Fund for
International Development*

ANNUAL FINANCIAL STATEMENTS

Unaudited - See Notice to Reader

SEPTEMBER 30, 2012



SEPTEMBER 30, 2012

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Pat Donohue

CHARTERED ACCOUNTANT
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NOTICE TO READER

On the basis of information provided by management, I have compiled the statement of financial position of Northern Magic Fund For International Development as at September 30, 2012 and the statements of operations, changes in net assets and cash flows for the year then ended. I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

I am not independent of the organization.

A handwritten signature in cursive script that reads "Donohue".

Orléans, Ontario
November 16, 2012
Chartered Accountant



STATEMENT OF FINANCIAL POSITION
Unaudited - See Notice to Reader
AS AT SEPTEMBER 30, 2012

	2012	2011
ASSETS		
CURRENT		
Cash	\$ 19,438	\$ 16,687
Short term investments	91,636	100,314
	111,074	117,001
	\$ 111,074	\$ 117,001
LIABILITIES & NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ -	\$ 207
NET ASSETS		
Unrestricted Net Assets	111,074	116,794
	\$ 111,074	\$ 117,001

Approved on Behalf of the Board

Herbert Stuemer, Director

August 6, 2013
Date

Karen Hooper, Director

August 6, 2013
Date



STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Unaudited - See Notice to Reader
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	2012	2011
REVENUE		
Unreceipted donations	\$ 15,791	\$ 11,638
Receipted donations	19,076	22,008
Investment income	6,322	(186)
	<u>41,189</u>	<u>33,460</u>
PROJECT EXPENSES		
Scholarships	43,930	44,644
Foreign exchange loss (gain)	2,275	(1,362)
	<u>46,205</u>	<u>43,282</u>
NET DIRECT REVENUES AND EXPENDITURES	<u>(5,016)</u>	<u>(9,822)</u>
OVERHEAD EXPENSES		
KENYA		
Bank charges	215	190
	<u>215</u>	<u>190</u>
DOMESTIC		
Advertising and promotion	145	614
Bank charges	146	167
Office expenses	198	105
	<u>489</u>	<u>886</u>
TOTAL OVERHEAD EXPENSES	<u>704</u>	<u>1,076</u>
DEFICIENCY OF REVENUES	<u>(5,720)</u>	<u>(10,898)</u>
NET ASSETS, BEGINNING OF YEAR	116,794	127,693
NET ASSETS, END OF YEAR	\$ 111,074	\$ 116,795



Statement of Cash Flows
Unaudited - See Notice to Reader
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	2012	2011
CASH PROVIDED BY OPERATING ACTIVITIES		
Deficiency of revenues for the year	\$ (5,720)	\$ (10,898)
CHANGES IN NON-CASH WORKING CAPITAL		
Account receivable	-	32
Accounts payable and accrued charges	(207)	-
	(207)	32
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,927)	(10,866)
NET CASH AND CASH EQUIVALENTS, beginning of year	117,001	127,867
NET CASH AND CASH EQUIVALENTS, end of year	\$ 111,074	\$ 117,001

Cash and equivalents consists of cash and short-term investments.



Notes to the Financial Statements

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SEPTEMBER 30, 2012

1. GENERAL

Northern Magic Fund For International Development is a charitable organization whose primary mission is to promote economic development of third world countries by raising the general education level through scholarships and school renovations, as well as providing entrepreneurial loans to graduates of the education program. Due to limited resources, as at the date of these financial statements the Fund's activities are limited to scholarships only.

The Fund was incorporated without share capital under the Canada Corporations Act on April 30, 2002. The organization obtained registered charity status under the Income Tax Act (Canada) effective January 1, 2004.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and reporting practices considered to be significant by the fund are:

(a) Accounting Estimates

The preparation of financial statements in accordance with 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

(b) Short-term investments

Short-term investments are considered to be held for trade and are valued at market value.

(c) Revenue recognition

Donations are recognized when received or receivable

(d) Donated Services

Volunteers assist the Fund in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(e) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture & Fixtures	Straight-line over 5 years
Motor Vehicles	Straight-line over 5 years



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(f) **Financial Instruments**

The Fund's financial instruments consist of cash and short-term investments, amounts receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise stated. It is management's opinion that the Fund is not exposed to significant interest rate or credit risk arising from these financial instruments.

The short term investments are subject to market risk through the fluctuation in the fair values of the underlying mutual fund investments.

3. COMPARATIVE AMOUNTS

Certain comparative amounts have been restated to conform with current year financial statement presentation.