

AUDITOR'S REPORT

TO: The Members of Friends of Makerere in Canada Inc. (FOMAC)

I have audited the balance sheet of Friends of Makerere in Canada Inc. as at March 31, 1999 and the statements of income and changes in financial position for the year then ended.

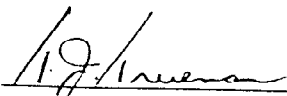
These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with 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 mis-statement. 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 presentations.

In common with many charitable organizations, the organization derives revenues from dues and donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to income, net income from the year or funds under administration.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the dues and donations revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 1999 and the results of its operations and changes in its financial position for the year then ended, in accordance with generally accepted accounting principles.

Winnipeg, Canada
September 27, 1999



T.J. Trueman, C.A.
Chartered Accountant

FRIENDS OF MAKERERE IN CANADA, INC.

Statement of Income

For the year ended March 31, 1999

	<u>1999</u>	<u>1998</u>
Income		
Dues and Donations	\$8,471.00	\$6,620.00
World University Service of Canada		
Grant re: Makerere Printing Press Project	\$5,618.00	
Kenya Benefit Dinner	\$6,000.00	
Sisters of St. Joseph - share of Salary		
of Co-ordinator at Makerere University	\$400.00	
Interest Earnings	\$316.00	\$248.00
Premium on Conversion of		
U.S. Bank Account	\$228.00	
Sale of Videos		\$138.00
	<u>\$21,033.00</u>	<u>\$7,006.00</u>
Expenses		
Bank Charges	\$40.00	\$29.00
Charitable Projects	\$22,640.00	\$13,253.00
Filing and Registration Fees	\$15.00	\$15.00
Office and Administration Expenses	\$919.00	\$1,726.00
Travel and Promotion	\$1,634.00	\$1,787.00
Amortization	\$370.00	\$370.00
	<u>\$25,618.00</u>	<u>\$17,180.00</u>
(Loss) for the year	<u>(\$4,585.00)</u>	<u>(\$10,174.00)</u>

FRIENDS OF MAKERERE IN CANADA INC.

Balance Sheet

March 31, 1999

	1999	1998
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$8,287.00	\$15,550.00
Royfund Canadian T. Bill fund	\$2,509.00	\$6,995.00
Accounts Receivable	\$6,118.00	-
	\$16,914.00	\$22,545.00
Capital Assets		
Computer Equipment	\$3,702.00	\$3,702.00
Amortization	(\$2,220.00)	(\$1,850.00)
	\$1,482.00	\$1,852.00
	\$18,396.00	\$24,397.00
 <u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts Payable	\$7,302.00	\$8,718.00
FUNDS UNDER ADMINISTRATION		
Balance, beginning of year	\$15,679.00	\$25,853.00
(Loss) for the year	(\$4,585.00)	(\$10,174.00)
Balance, end of year	\$11,094.00	\$15,679.00
	\$18,396.00	\$24,397.00

FRIENDS OF MAKERERE IN CANADA INC.

Statement of Changes in Financial Position

For the Year Ended March 31, 1999

	1999	1998
Operations		
(Loss) for the year	(\$4,585.00)	(\$10,174.00)
Item not requiring an outlay of cash		
Amortization	\$370.00	\$370.00
	(\$4,215.00)	(\$9,804.00)
Net Change in Non-Cash Working Capital Items		
Increase in Accounts Receivable	\$6,118.00	
Decrease (Increase) in Accounts Payable	\$1,416.00	(\$8,681.00)
(Decrease) in Cash Position	(\$11,749.00)	(\$18,485.00)
Accounted for as Follows:		
Balances, beginning of year		
Cash	\$15,550.00	\$17,845.00
Royfund Canadian T. Bill Fund	\$6,995.00	\$5,823.00
	\$22,545.00	\$23,668.00
Balances End of Year		
Cash	\$8,287.00	\$15,550.00
Royfund Canadian T. Bill fund	\$2,509.00	\$6,995.00
	\$10,796.00	\$22,545.00
	(\$11,749.00)	(\$1,123.00)