

**Charity Intelligence Canada  
Financial Statements  
For the Year Ended June 30, 2022**

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## Independent Auditor's Report

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### To the Members of Charity Intelligence Canada

#### Opinion

We have audited the financial statements of Charity Intelligence Canada (the Organization), which comprise the statement of financial position as at June 30, 2022, the statement of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2022, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario


November 18, 2022

**Charity Intelligence Canada  
Statement of Financial Position**

June 30	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 502,761	\$ 616,968
Short-term investments (Note 2)	39,029	-
Accounts receivable	16,698	16,000
HST recoverable	2,446	2,197
	560,934	635,165
Long-term investments (Note 2)	50,112	-
	\$ 611,046	\$ 635,165
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 12,069	\$ 19,890
Payroll source deductions payable	11,624	8,078
Donor designated payable (Note 4)	35,987	8,964
	59,680	36,932
Government Loan - CEBA	-	40,000
	59,680	76,932
<b>Net Assets</b>		
Unrestricted	551,366	558,233
	\$ 611,046	\$ 635,165

On behalf of the Board:

 Director

 Director

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**Charity Intelligence Canada**  
**Statement of Changes in Net Assets**

<b>For the year ended June 30</b>	<b>2022</b>	<b>2021</b>
<b>Balance, beginning of the year</b>	<b>\$ 558,233</b>	<b>\$ 413,505</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(6,867)</b>	<b>144,728</b>
<b>Balance, end of the year</b>	<b>\$ 551,366</b>	<b>\$ 558,233</b>

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

## Charity Intelligence Canada Statement of Operations

For the year ended June 30	2022	2021
<b>Revenue (Note 7)</b>		
Donations from foundations	\$ 454,022	\$ 459,064
Donations from individuals (Note 6)	32,483	57,117
Fees for service and others	16,358	15,324
Government assistance - subsidies (Note 5)	20,344	12,591
Government assistance - CEBA	-	20,000
	523,207	564,096
Donor designated donations (Note 4 and 6)	64,623	56,764
	587,830	620,860
<b>Gifts to charities</b>		
Donor designated donations (Note 4)	64,623	56,764
	523,207	564,096
<b>Net revenues</b>		
<b>Expenses (Note 5 and 7)</b>		
<b>Research</b>		
Impact analysis	283,599	244,015
Charity ratings	138,176	84,876
Results reporting	12,277	8,130
Marketing and social media communications	29,824	28,969
Other research costs	9,702	4,060
Occupancy costs	-	1,996
IT consulting and website development	5,142	13,069
Legal	1,803	4,802
	480,523	389,917
<b>Fundraising</b>		
Fundraising costs	17,778	1,200
<b>Administrative</b>		
Wages and benefits	7,500	7,500
Occupancy costs	309	182
Financial controller	7,927	5,955
Audit fees	8,012	7,441
Insurance	1,898	2,087
Office and general	6,127	5,086
	31,773	28,251
<b>Total expenses</b>	530,074	419,368
<b>Excess (deficiency) of revenues over expenses</b>	\$ (6,867)	\$ 144,728

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

## Charity Intelligence Canada Statement of Cash Flows

For the year ended June 30	2022	2021
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ (6,867)	\$ 144,728
Changes in non-cash working capital:		
Accounts receivable	(698)	(11,310)
HST recoverable	(249)	1,068
Accounts payable and accrued liabilities	(7,821)	8,299
Payroll source deductions payable	3,546	2,914
Donor designated payable	27,023	8,964
	14,934	154,663
<b>Cash flows from investing activities</b>		
Purchase of investments	(89,141)	-
<b>Cash flows from financing activities</b>		
Advance (repayment) of government loan - CEBA	(40,000)	40,000
	(114,207)	194,663
<b>Net (decrease) increase in cash</b>		
	(114,207)	194,663
<b>Cash, beginning of the year</b>	616,968	422,305
<b>Cash, end of the year</b>	\$ 502,761	\$ 616,968

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

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## Charity Intelligence Canada Notes to Financial Statements

**June 30, 2022**

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### 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<p>Charity Intelligence Canada researches and analyses Canadian charities and posts this research on the website <a href="http://www.charityintelligence.ca">www.charityintelligence.ca</a> to help Canadians make informed and intelligent giving decisions.</p> <p>Charity Intelligence Canada (the Organization) was federally incorporated under the Corporations Act in July 2007. The Organization is a charity registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue tax donation receipts for income tax purposes, under Registration Number 80340 7956 RR001.</p> <p>In order to maintain its status as a charitable organization under the Act, the Organization must meet certain requirements within the Act. These requirements include annual return filings.</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Revenue Recognition</b>	<p>The Organization follows the deferral method of accounting for donations and donor designated donations. Donations are recognized as revenue when the amount is received unless deferred for specific future use.</p> <p>The Organization is requested by certain individuals and organizations to receive and disburse funds on behalf of the donor to other registered charities. Funds that have not been disbursed at year end are recorded as designated donations payable.</p> <p>The Organization regularly receives donations of publicly listed securities from donors to fund other charities. The securities are tax receipted and recognized as revenue in the amount of the listed market value at the date the donation was received in the Organization's broker account.</p>



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## Charity Intelligence Canada Notes to Financial Statements

**June 30, 2022**

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### 1. Significant Accounting Policies (continued)

<b>Financial Instruments</b>	<p>Financial instruments are recorded at fair value when acquired or issued.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>
<b>Tangible Capital Assets</b>	<p>It is the practice of the Organization to expense the cost of additions to and replacements of capital assets as they are incurred through the Statement of Operations and Net Assets.</p>
<b>Donated Services</b>	<p>The Organization relies upon the contributed services of volunteers. Since these services are not normally purchased by the Organization and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.</p>

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## Charity Intelligence Canada Notes to Financial Statements

**June 30, 2022**

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### 2. Investments

	2022	2021
Guaranteed Investment Certificate, interest at 1.50%, due June 2023	\$ 39,029	\$ -
Guaranteed Investment Certificate, interest at 4.09%, due June 2024	50,112	-
	89,141	-
Less: Current portion of investments	(39,029)	-
Long-term investments	\$ 50,112	\$ -

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### 3. Financial Instruments

#### Credit risk

Credit risk is the risk that one part to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's financial instrument that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The Organization is also exposed to credit risk as its cash and investments are held at major financial institutions and deposits are only insured up to \$100,000.

There have been no changes to this risk from the prior year.

#### Liquidity risk

Liquidity risk is the risk that Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and payroll source deductions payable.

The Organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

There have been no changes to this risk from the prior year.

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## Charity Intelligence Canada Notes to Financial Statements

June 30, 2022

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#### 4. Donor Designated Donations

During the year, the Organization received donations designated to be disbursed to other registered charities. In 2022, \$64,623 was received and disbursed to other registered charities (\$56,764 was received and \$56,764 was disbursed in 2021).

Designated donations distributed to other registered charities in 2022 were as follows:

Dorothy Ley Hospice	\$ 5,800
Doctors Without Borders	4,000
Stepstones for Youth	2,000
St. George's Church on the Hill	2,000
Sleeping Children Around the World	2,000
Street Health	2,000
Dying with Dignity Canada	1,500
Toronto Animal Services	1,200
Mississauga Animal Services	1,200
Interim Place	1,200
Farley Foundation	1,100
Bruce Trail Conservancy	1,000
Eva's Initiatives	1,000
JUMP Math	1,000
Women's Habitat of Etobicoke	1,000
YMCA	32,023
Others	4,600
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	\$ 64,623

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**Charity Intelligence Canada**  
**Notes to Financial Statements**

**June 30, 2022**

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**5. Schedule of Expenses**

	2022	2021
Salaries and benefits	\$ 442,753	\$ 345,638
Rent and communications	309	2,178
Advertising and promotion	10,127	1,680
Training and education	2,500	25,807
Insurance	1,898	1,862
Interest and bank charges	809	1,197
Office supplies	6,127	19,185
Professional fees - Auditing costs	8,012	7,441
- Legal	1,803	4,802
- Fundraising	16,576	-
- Finance and bookkeeping	7,927	5,955
- IT developers	5,142	3,623
- Social ventures	4,418	-
- Communications	21,673	-
	\$ 530,074	\$ 419,368

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**6. Related Party Transactions**

As part of the Organization's normal business activities, it both receives and disburses funds to some of its directors.

Donations in the following amounts were received from Directors of the organization.

	2022	2021
Donations	\$ 10,000	\$ 8,159
Donor designated donations	-	13,700
	\$ 10,000	\$ 21,859

The following amounts were paid to Directors of the organization as wages.

	2022	2021
Wages and benefits	\$ 150,000	\$ 107,500

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## Charity Intelligence Canada Notes to Financial Statements

**June 30, 2022**

### 7. Allocation of Revenues and Expenses

Charity Intelligence's programs are allocated between two main programs: Impact Analysis and Charity Ratings. Impact analysis is specialized research that calculates a charity's social return on investment. Charity ratings is more general research that reports on a charity's financial transparency, results reporting and financial metrics.

The portion of the unrestricted net assets relating to impact analysis program is \$237,382 and charity ratings is \$313,984.

	Impact Analysis	Charity Ratings	2022
<b>Revenue</b>			
Donations	\$ 341,451	\$ 145,054	\$ 486,505
Fees for service and other	8,179	8,179	16,358
Government assistance - subsidies	-	20,344	20,344
<b>Total revenues</b>	<b>349,630</b>	<b>173,577</b>	<b>523,207</b>
<b>Expenses</b>			
<b>Research</b>			
Impact analysis salaries	283,599	-	283,599
Charity ratings salaries	-	138,176	138,176
Results reporting	-	12,277	12,277
Marketing and social media communications	-	29,824	29,824
Other research costs	4,418	5,284	9,702
IT consulting and website developments	-	5,142	5,142
Legal	-	1,803	1,803
	<b>288,017</b>	<b>192,506</b>	<b>480,523</b>
<b>Fundraising</b>			
Fundraising costs	1,200	16,578	17,778
<b>Administrative</b>			
Management allocation	-	7,500	7,500
Occupancy costs	-	309	309
Financial controller	3,963	3,964	7,927
Audit fees	4,006	4,006	8,012
Insurance	949	949	1,898
Office and general	1,838	4,289	6,127
	<b>10,756</b>	<b>21,017</b>	<b>31,773</b>
<b>Total expenses</b>	<b>299,973</b>	<b>230,101</b>	<b>530,074</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 49,657</b>	<b>\$ (56,524)</b>	<b>\$ (6,867)</b>