

Charity Intelligence Canada

Financial Statements
For the year ended June 30, 2014

**Charity Intelligence Canada
Financial Statements
For the year ended June 30, 2014**

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Independent Auditor's Report

To the Stakeholders of
Charity Intelligence Canada

We have audited the accompanying financial statements of Charity Intelligence Canada, which comprise the statement of financial position as at June 30, 2014 and the statement of operations 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 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.

Auditor's Responsibility

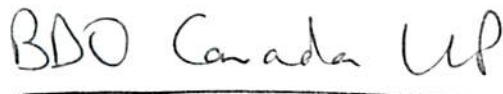
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable 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.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Charity Intelligence Canada as at June 30, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants, Licensed Public Accountants

Alliston, Ontario
October 14, 2014

**Charity Intelligence Canada
Statement of Financial Position**

June 30 2014 2013

Assets

Current

Cash and cash equivalents	\$ 71,347	\$ 56,336
HST and accounts receivable	4,011	5,151
Prepaid expenses	2,573	2,573
	<hr/>	<hr/>
	\$ 77,931	\$ 64,060

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities - trade	\$ 14,401	\$ 9,344
Accounts payable and accrued liabilities - donor designated	41,100	41,100
	<hr/>	<hr/>
	55,501	50,444

Net Assets

Unrestricted	<hr/>	<hr/>
	22,430	13,616
	<hr/>	<hr/>
	\$ 77,931	\$ 64,060

On behalf of the Board:

_____ Director

_____ Director

Charity Intelligence Canada Statement of Operations and Net Assets

For the year ending June 30	2014	2013
Revenue		
Donations from individuals (Note 2)	\$ 84,275	\$ 153,156
Donations from foundations	94,763	113,252
	<u>179,038</u>	<u>266,408</u>
Donor designated donations	88,564	23,162
Fees for donor services	50,000	35,000
Other income	4,110	19,798
	<u>321,712</u>	<u>344,368</u>
Gifts to Charities		
Donations to recommended charities	-	92,161
Donor designated donations	88,564	23,162
	<u>88,564</u>	<u>115,323</u>
Net revenues	<u>233,148</u>	<u>229,045</u>
Expenditures		
Research		
Wages and benefits	116,272	139,104
Other research expenses	7,154	6,135
Report production and printing	3,562	529
	<u>126,988</u>	<u>145,768</u>
Donor Services		
Wages and benefits	19,110	53,493
Client development and mailings	183	1,349
	<u>19,293</u>	<u>54,842</u>
Public relations	<u>11,450</u>	<u>600</u>
IT consulting and website development	<u>14,592</u>	<u>195</u>
Administrative expenses		
Rent	30,930	30,930
Bookkeeping and audit fees	8,319	8,975
Utilities and communication	6,111	5,967
Insurance	4,525	4,411
Office supplies	1,536	3,248
Brokerage fees and bank charges	590	175
	<u>52,011</u>	<u>53,706</u>
Total expenditures	<u>224,334</u>	<u>255,111</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>8,814</u>	<u>(26,066)</u>
Net assets, beginning of year	<u>13,616</u>	<u>39,682</u>
Net assets, end of year	<u>\$ 22,430</u>	<u>\$ 13,616</u>

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

**Charity Intelligence Canada
Statement of Cash Flows**

<u>For the year ended June 30</u>	<u>2014</u>	<u>2013</u>
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures (expenditures over revenue)	\$ 8,814	\$ (26,066)
Changes in non-cash working capital balances		
HST and accounts receivable	1,140	16,370
Prepaid expenses	-	2,577
Accounts payable and accrued liabilities	5,057	(18,461)
Increase (decrease) in cash and cash equivalents during the year	15,011	(25,580)
Cash and cash equivalents, beginning of the year	56,336	81,916
Cash and cash equivalents, end of the year	\$ 71,347	\$ 56,336

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

Charity Intelligence Canada

Notes to Financial Statements

June 30, 2014

1. Significant Accounting Policies

Nature of Organization	<p>Charity Intelligence Canada researches and analyses Canadian charities and posts this research on the website www.charityintelligence.ca 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 RR0001.</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 and fulfilling disbursement requirements.</p>
Basis of Accounting	<p>The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<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 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 of the donation.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>

Charity Intelligence Canada Notes to Financial Statements

June 30, 2014

1. Significant Accounting Policies (continued)

Financial Instruments	<p>Financial instruments are recorded at fair value at initial recognition.</p> <p>All 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.</p> <p>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>
Donated Services	<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>
Property, Plant and Equipment	<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>

Charity Intelligence Canada Notes to Financial Statements

June 30, 2014

2. Donations

Individuals, known as "insiders", that work for Charity Intelligence Canada as staff members, Board members and volunteers occasionally donate to the Organization. In 2014, \$53,724 (2013 - \$126,300) was received from these individuals. This represented 17% (2013 - 38%) of the Organization's total revenues.

3. Capital

The Organization considers its capital to be its unrestricted net assets.

In managing its capital, the Organization's primary objective is to safeguard its ability to continue as a going concern so it can continue to operate as a charity.

The Organization maintains its capital by ensuring that annual operating budgets are developed and approved by the Board of Directors.

4. Fundraising and Administrative Costs

The majority of Charity Intelligence Canada's fundraising activities are undertaken by volunteers. Administrative costs totaled \$52,011 (2013 - \$53,706) as outlined on page 4. There are no salary or staffing costs within administrative expenses.

5. Governance Policies

Charity Intelligence Canada is committed to providing stakeholders with high transparency and accountability. From the "Standards of Excellence for Non-Profit Management" guidelines established by the Donner Canadian Foundation, the following best practices have been implemented:

- Quarterly financial statements to the Board of Directors
 - Annual audited financial statements posted on the website
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