

**Charity Intelligence Canada
Financial Statements
For the Year Ended June 30, 2019**

Contents

Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10



Tel: 705 435 5585
Fax: 705 435 5587
www.bdo.ca

BDO Canada LLP
169 Dufferin Street S, Units 13 & 14
Alliston ON L9R 1E6 Canada

Independent Auditor's Report

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, 2019, the statements 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, 2019, 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.

Other Matters

The financial statements of Charity Intelligence Canada for the year ended June 30, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on October 9, 2018.

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.


**Charity Intelligence Canada
Statement of Financial Position**

June 30	2019	2018
Assets		
Current		
Cash	\$ 121,711	\$ 105,899
HST recoverable	5,081	3,507
Prepaid expenses	5,535	4,500
	\$ 132,327	\$ 113,906
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 42,901	\$ 47,121
Payroll source deductions payable	4,724	2,171
	47,625	49,292
Net Assets		
Unrestricted	84,702	64,614
	\$ 132,327	\$ 113,906

On behalf of the Board:



Director



Director



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.

Chartered Professional Accountants, Licensed Public Accountants

Alliston, Ontario
November 14, 2019

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

For the year ended June 30	2019	2018
Balance, beginning of the year	\$ 64,614	\$ 47,340
Excess of revenues over expenses	20,088	17,274
Balance, end of the year	\$ 84,702	\$ 64,614

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

Charity Intelligence Canada Statement of Operations

For the year ended June 30	2019	2018
Revenue		
Donations from foundations	\$ 312,327	\$ 143,026
Donations from individuals	69,985	65,879
Fees for service and others	5,409	2,764
Government funding - GOC youth internship	11,123	-
	<u>398,844</u>	<u>211,669</u>
Donor designated donations (Note 3)	36,680	32,472
	<u>435,524</u>	<u>244,141</u>
Gifts to charities		
Donor designated donations (Note 3)	36,680	32,472
	<u>398,844</u>	<u>211,669</u>
Net revenues		
Expenses (Note 4)		
Research		
Impact analysis	172,464	62,500
Charity ratings	91,318	70,924
Results reporting	9,416	-
Other research costs	607	762
Occupancy costs	25,910	28,140
IT consulting and website development	29,349	6,760
Legal	19,619	-
	<u>348,683</u>	<u>169,086</u>
Fundraising		
Fundraising costs	7,313	4,345
Administrative		
Wages and benefits	7,500	-
Occupancy costs	2,758	6,203
Financial controller	4,651	3,625
Audit fees	4,158	4,315
Insurance	1,966	4,501
Office and general	1,727	2,320
	<u>22,760</u>	<u>20,964</u>
Total expenses	<u>378,756</u>	<u>194,395</u>
Excess of revenues over expenses	<u>\$ 20,088</u>	<u>\$ 17,274</u>

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

**Charity Intelligence Canada
Statement of Cash Flows**

For the year ended June 30	2019	2018
Cash flows from operating activities		
Excess of revenues over expenses	\$ 20,088	\$ 17,274
Changes in non-cash working capital:		
Accounts receivable	-	2,500
HST recoverable	(1,574)	(2,756)
Prepaid expenses	(1,035)	(4,500)
Accounts payable and accrued liabilities	(4,220)	31,947
Payroll source deductions payable	2,553	(87)
	<u>15,812</u>	<u>44,378</u>
Net increase in cash	15,812	44,378
Cash, beginning of the year	<u>105,899</u>	<u>61,521</u>
Cash, end of the year	<u>\$ 121,711</u>	<u>\$ 105,899</u>

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

Charity Intelligence Canada

Notes to Financial Statements

June 30, 2019

1. Significant Accounting Policies

Nature and Purpose 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 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>
Basis of Accounting	<p>The financial statements have been prepared using 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 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> <p>Fees for donor services are recognized when the payment for the services is received.</p>

Charity Intelligence Canada
Notes to Financial Statements

June 30, 2019

1. Significant Accounting Policies (continued)

Financial Instruments Financial instruments are recorded at fair value when acquired or issued.

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.

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.

Tangible Capital Assets 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.

Donated Services 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.

Charity Intelligence Canada Notes to Financial Statements

June 30, 2019

2. Financial Instruments

Credit risk

Charity Intelligence Canada is exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to \$100,000.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that Charity Intelligence Canada will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, Charity Intelligence Canada will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Charity Intelligence Canada is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and payroll source deductions payable.

3. Donor Designated Donations

During the year, the Organization received donations designated to be disbursed to other registered charities. In 2019, \$36,680 was received and \$36,680 disbursed to other registered charities (\$32,472 was received and \$32,472 was disbursed in 2018).

Designated donations distributed to other registered charities in 2019 were as follows:

St. Andrew's Presbyterian Church	\$ 11,300
Dorothy Ley Hospice	5,300
Doctors without Borders	3,300
Fort York Food Bank	2,000
St. George's Church on the Hill	2,000
Sleeping Children Around the World	2,000
Street Health	2,000
Evangel Hall Mission	1,191
Portland Place	1,000
Eva's Initiatives	1,000
JUMP Math	1,000
Others	4,589
	<hr/>
	\$ 36,680

**Charity Intelligence Canada
Notes to Financial Statements**

June 30, 2019

4. Schedule of Expenses

	<u>2019</u>	<u>2018</u>
Salaries and benefits	\$ 297,292	\$ 136,924
Professional fees paid to IT developers	17,130	-
Rent and communications	28,669	34,344
Legal	19,619	-
Finance and bookkeeping	4,651	3,625
Auditing costs	4,158	4,315
Fundraising	2,313	845
Insurance	1,966	4,501
Interest and bank charges	865	1,097
Office supplies	1,199	1,984
Licenses, memberships and dues	270	-
IT website hosting and software	624	6,760
	<u>\$ 378,756</u>	<u>\$ 194,395</u>

5. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.
