

**Charity Intelligence Canada**

**Financial Statements**

**For the period ended June 30, 2008**

**Charity Intelligence Canada**  
**Financial Statements**  
For the period ended June 30, 2008

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## Auditors' Report

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### To the Members of Charity Intelligence Canada

We have audited the statement of financial position of Charity Intelligence Canada as at June 30, 2008 and the statement of operations and deficiency for the period then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. 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 presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2008 and the results of its operations for the period then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Alliston, Ontario  
August 26, 2008

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**Charity Intelligence Canada**  
**Statement of Financial Position**

Unaudited  
(Note 4)

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**June 30** **2008** **2007**

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**Assets**

**Current**

Cash and bank	\$ 4,534	\$ -
	<u>\$ 4,534</u>	<u>\$ -</u>

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**Liabilities and Net Deficiency**

**Current**

Accounts payable and accrued liabilities	\$ 12,762	\$ -
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**Net deficiency**

Unrestricted	<u>(8,228)</u>	<u>-</u>
	<u>\$ 4,534</u>	<u>\$ -</u>

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On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Charity Intelligence Canada Statement of Operations and Deficiency

Unaudited  
(Note 4)

**For the period ending July 24, 2007 (date of incorporation) to June 30**      **2008**                      **2007**

(with comparative amounts for the year ended June 30, 2007 - Note 4)

### Revenue

Contributions (Note 1)	<b>\$ 77,086</b>	\$ 52,079
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### Expenditures

#### Administrative expenses

Capital expenditures	5,443	2,069
Office supplies	4,229	2,254
Rent	1,500	-
Professional fees	11,567	-
Bookkeeping and technical support	1,557	-
Consulting	5,880	17,808
License fees	30	472
Bank charges and interest	36	-
	<b>30,242</b>	22,603

#### Fundraising

Events	3,978	-
Advertising	4,041	-
Client development	186	329
Mailings	548	85
Website development	8,904	5,000
	<b>17,657</b>	5,414

#### Gifts to Charities

Support and promotion	1,812	318
Donations	10,270	20,000
	<b>12,082</b>	20,318

#### Expenditures before research costs

	<b>59,981</b>	48,335
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#### Research

Subscriptions	2,270	-
Internal research	144	681
Wages and salaries	16,620	-
Printing	6,299	3,063
	<b>25,333</b>	3,744

#### Total expenditures

	<b>85,314</b>	52,079
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#### Excess expenditures over revenue and deficiency

	<b>\$ (8,228)</b>	\$ -
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## Charity Intelligence Canada Summary of Significant Accounting Policies

June 30, 2008

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<b>Nature of Business</b>	The organization was incorporated as a corporation without share capital on July 24, 2007 under the laws of Canada. It received its charitable status as a private organization effective April 24, 2008. Prior to incorporation, it commenced operations as a non-profit organization. Its purpose is to raise funds, and to work with and support charities across Canada that deliver results for Canadians in need.
<b>Capital Assets</b>	It is the practice of the organization to write off the cost of additions to and replacements of capital assets as they are incurred through the Statement of Operations and Net Assets.
<b>Revenue Recognition</b>	The organization follows the deferral method of accounting for contributions. Donations are recognized as revenue when the amount to be received can be reasonably estimated and collection is reasonably assured.
<b>Financial Instruments</b>	<p>The organization classifies its financial instruments into one of the following categories:</p> <p><b><i>Held-for-Trading</i></b> Held-for-trading is comprised of cash and bank and short-term investments. These instruments are carried in the statement of financial position sheet at fair value with changes in fair value recognized in the income statement. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.</p> <p><b><i>Other Financial Liabilities</i></b> Other financial liabilities are comprised of accounts payable and accrued liabilities. This liability is initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are netted against the amount initially recognized.</p>

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## Charity Intelligence Canada Summary of Significant Accounting Policies

**June 30, 2008**

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### **Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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.

### **New Accounting Pronouncements**

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the organization, are as follows:

#### ***Capital Disclosures***

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The Foundation is currently assessing the impact of the new standards.

#### ***General Standards on Financial Statement Presentation***

CICA Handbook Section 1400, General Standards on Financial Statement Presentation, has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The changes are effective for interim and annual financial statements beginning on or after January 1, 2008. The Foundation does not expect the adoption of these changes to have a material impact on its financial statements.

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## Charity Intelligence Canada Notes to Financial Statements

June 30, 2008

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### 1. Related Party Contributions

During the period, the Organization received \$77,036 in contributions from a single donor who is the Managing Director. At year end, there are no amounts due to or due from the related party.

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### 2. Statement of Cash Flows

A statement of cash flows has not been presented as it would not provide any additional useful information.

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### 3. Income Tax Status

The organization is a private organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

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### 4. Comparative Figures

The comparative figures presented are unaudited amounts from the predecessor unincorporated non-profit organization. The organization did not have any significant activity between July 1, 2007 and July 24, 2007 (the date of incorporation).

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