

**Charity Intelligence Canada**

**Financial Statements**  
**For the year ended June 30, 2009**

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For the year ended June 30, 2009

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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, 2009 and the statement of operations and net assets (deficiency) for the year 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, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Dunwoody LLP*

Chartered Accountants, Licensed Public Accountants

Alliston, Ontario  
August 28, 2009

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**Charity Intelligence Canada  
Statement of Financial Position**

**June 30** **2009** **2008**

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**Assets**

**Current**

Cash and bank	\$ 20,621	\$ 4,534
Accounts receivable	<u>5,859</u>	<u>-</u>
	<b>\$ 26,480</b>	<b>\$ 4,534</b>

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**Liabilities and Net Assets (Deficiency)**

**Current**

Accounts payable and accrued liabilities	\$ 2,000	\$ 12,762
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**Net assets (deficiency)**

Unrestricted	<u>24,480</u>	<u>(8,228)</u>
	<b>\$ 26,480</b>	<b>\$ 4,534</b>

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On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Charity Intelligence Canada Statement of Operations and Net Assets (Deficiency)

For the year ending June 30	2009	2008
<b>Revenue</b>		
Donations (Note 1)	\$ 210,903	\$ 77,086
Donor designated donations	29,037	-
Other income	2,852	-
	<u>242,792</u>	<u>77,086</u>
<b>Expenditures</b>		
Gifts to Charities		
Support and promotion	1,434	1,812
Donations	50,896	10,270
Donor designated donations	29,037	-
	<u>81,367</u>	<u>12,082</u>
Research		
Subscriptions	630	2,270
Internal research	4,394	144
Wages and benefits	39,009	16,620
Printing	1,372	6,299
	<u>45,405</u>	<u>25,333</u>
Donor Services		
Events	2,650	3,978
Advertising	1,879	4,041
Client development	683	186
Mailings	309	548
Report production	19,101	-
Website development	17,714	8,904
Wages and benefits	24,026	-
	<u>66,362</u>	<u>17,657</u>
Administrative expenses		
Capital expenditures	246	5,443
Office supplies	4,451	4,229
Rent	3,900	1,500
Legal fees	2,920	9,567
Bookkeeping and audit fees	2,470	2,252
Consulting	-	5,880
License fees	531	30
Bank charges and interest	349	36
Technical support	2,083	1,305
	<u>16,950</u>	<u>30,242</u>
<b>Total expenditures</b>	<u>210,084</u>	<u>85,314</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>32,708</b>	<b>(8,228)</b>
<b>Deficiency, beginning of year</b>	<b>(8,228)</b>	<b>-</b>
<b>Net assets (deficiency), end of year</b>	<b>\$ 24,480</b>	<b>\$ (8,228)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Charity Intelligence Canada Summary of Significant Accounting Policies

June 30, 2009

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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 and was redesignated as a public foundation effective July 1, 2009. 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 (Deficiency).
<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 to be received can be reasonably estimated and collection is reasonably assured.</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>
<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, accounts receivable 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, 2009

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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.

### Volunteer Services

The organization benefits from services in the form of volunteer time. Since these services are not purchased by the organization they are not recorded in these financial statements.

### 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:

#### **Cash Flow Statements**

Section 1540 was amended to include not-for-profit organizations within its scope. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The organization is currently assessing the impact of the new standard.

#### **Financial Instruments – Disclosures and Presentation**

Effective for interim and annual financial statements beginning on or after October 1, 2008, Section 3862 - Financial Instruments – Disclosure and Section 3863 – Financial Instruments - Presentation would have become effective for Not-for-Profit organizations but in December 2008, these Sections were amended such that Not-for-Profits can choose to continue to report under Section 3861 – Financial Instruments – Disclosure and Presentation. The organization plans to continue reporting under Section 3861.

#### **Financial Statement Presentation by Not for Profit Organizations**

Section 4400 has been amended for the treatment of net assets *invested in capital assets and for the presentation of revenues and expenses*. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The organization has determined that there will be no impact from the new standard.

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## **Charity Intelligence Canada Summary of Significant Accounting Policies**

**June 30, 2009**

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### **New Accounting Pronouncements**

#### **Capital Assets Held by Not for Profit Organizations**

Section 4430 has been amended to provide additional guidance with respect to the appropriate use of the exemption from recognizing capital assets for smaller entities. The changes are effective for interim and annual financial statements beginning on or after January 1, 2009. The organization has determined that there will be no impact from the new standard.

#### **Disclosure of Related Party Transactions by Not for Profit Organizations**

Section 4460 has been amended to make the language consistent with Related Party Transactions, Section 3840. The changes are effective for interim and annual financial statements beginning on or after January 1, 2009. The organization is currently assessing the impact of the new standard.

#### **Disclosure of Allocated Expenses by Not for Profit Organizations**

This new Section 4470 establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. The changes are effective for interim and annual financial statements beginning on or after January 1, 2009. The organization is currently assessing the impact of the new standard.



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## Charity Intelligence Canada Notes to Financial Statements

**June 30, 2009**

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### **1. Related Party Donations**

During the year, the organization received \$98,267 (2008 - \$77,036) in donations 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 charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

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