
CHARITY INTELLIGENCE CANADA

FINANCIAL STATEMENTS

JUNE 30, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members,
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, 2016, and the statements of operations and changes in 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 organization'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 organization'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 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, 2016, 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.

Other Matter

The financial statements of Charity Intelligence Canada as at and for the year ended June 30, 2015 were audited by another auditor who expressed an unqualified opinion on those financial statements on October 30, 2015.



Chartered Professional Accountants
Licensed Public Accountants

October 6, 2016
Toronto, Ontario

CHARITY INTELLIGENCE CANADA

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2016

	2016	2015
ASSETS		
Current assets		
Cash	\$ 48,914	\$ 83,204
Amounts receivable	788	2,500
HST recoverable	2,333	5,316
Prepaid expenses	<u>-</u>	<u>2,573</u>
	<u>\$ 52,035</u>	<u>\$ 93,593</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,506	\$ 8,443
Payroll source deductions payable	3,604	3,599
Deferred contributions (note 3)	<u>-</u>	<u>41,100</u>
	<u>9,110</u>	<u>53,142</u>
Net assets		
Unrestricted	<u>42,925</u>	<u>40,451</u>
	<u>\$ 52,035</u>	<u>\$ 93,593</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

CHARITY INTELLIGENCE CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
REVENUE		
Contributions (note 4)	\$ 249,600	\$ 202,780
Fees for service and other	<u>37,707</u>	<u>38,347</u>
Total operating revenue	287,307	241,127
Donations designated for other registered charities (notes 3 and 5)	<u>98,003</u>	<u>427,900</u>
Total revenue	<u>385,310</u>	<u>669,027</u>
EXPENSES		
Program		
Personnel	217,293	119,511
Occupancy	29,528	31,098
Website development	10,516	2,575
Events	-	41,190
Other	1,573	1,497
Administrative		
Occupancy	6,185	6,186
Insurance	4,028	4,580
Professional fees	3,889	4,250
Office and general	3,661	3,490
Financial controller	3,600	5,229
Fundraising		
Personnel	3,500	3,500
Other	<u>1,060</u>	<u>-</u>
Total operating expenses	284,833	223,106
Donations to other registered charities (notes 3 and 5)	<u>98,003</u>	<u>427,900</u>
Total expenses	<u>382,836</u>	<u>651,006</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	2,474	18,021
Net assets, beginning of year	<u>40,451</u>	<u>22,430</u>
NET ASSETS, END OF YEAR	<u><u>\$ 42,925</u></u>	<u><u>\$ 40,451</u></u>

see accompanying notes

CHARITY INTELLIGENCE CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 2,474	\$ 18,021
Net change in non-cash working capital items (see below)	<u>(36,764)</u>	<u>(6,164)</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	(34,290)	11,857
Cash, beginning of year	<u>83,204</u>	<u>71,347</u>
CASH, END OF YEAR	<u>\$ 48,914</u>	<u>\$ 83,204</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ 1,712	\$ 1,511
HST recoverable	2,984	(5,316)
Prepaid expenses	2,573	-
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(2,938)	(5,958)
Payroll source deductions payable	5	3,599
Deferred contributions	<u>(41,100)</u>	<u>-</u>
	<u>\$ (36,764)</u>	<u>\$ (6,164)</u>

see accompanying notes

CHARITY INTELLIGENCE CANADA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

Charity Intelligence Canada (the organization) is incorporated without share capital under the Canada Not-for-profit Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization researches and analyses Canadian charities and posts this research on the website www.charityintelligence.ca to help Canadians make informed and intelligent giving decisions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions (including donations designated to be transferred to other registered charities) received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Donations of publicly traded securities are recognized as revenue at the market value of the security on the date the donation is received. Unrestricted contributions are recorded when received.

Contributed materials and services

Volunteers contribute their time to assist the organization in delivering its services, specifically in undertaking fundraising and administrative activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements. Contributed materials are not recorded in the accounts.

Fees for service

Fees for service are recognized as revenue in the year the services are delivered.

Allocation of expenses

The organization allocates personnel costs based on time spent and occupancy costs based on space used.

2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

It is management's opinion that the organization's financial instruments are not exposed to significant financial risks and that existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities.

CHARITY INTELLIGENCE CANADA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

3. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions is as follows:

	2016	2015
Deferred contributions, beginning of year	\$ 41,100	\$ 41,100
Add designated donations received	56,903	427,900
Less donations to other registered charities	<u>(98,003)</u>	<u>(427,900)</u>
Deferred contributions, end of year	<u>\$ -</u>	<u>\$ 41,100</u>

4. CONTRIBUTIONS

Contribution revenue recognized in the year was as follows:

	2016	2015
Foundations	\$ 177,917	\$ 79,307
Individuals	<u>71,683</u>	<u>123,473</u>
	<u>\$ 249,600</u>	<u>\$ 202,780</u>

5. DONATIONS DESIGNATED TO BE DISBURSED TO OTHER REGISTERED CHARITIES

During the year, the organization received donations designated to be disbursed to other registered charities. In 2016, \$56,903 was received and \$98,003 disbursed to other registered charities (\$427,900 was received and \$427,900 was disbursed in 2015).

6. COMPARATIVE AMOUNTS

Certain comparative amounts on the statement of operations have been restated to conform with the current year's basis of presentation.