

**Transparency International Canada  
Inc.**

**Financial Statements**

**December 31, 2009**

## **Auditors' Report**

To the members of  
**Transparency International Canada Inc.**

We have audited the statement of financial position of **Transparency International Canada Inc.** as at **December 31, 2009** and the statement of revenues, expenditures and surplus for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 common with many not-for-profit organizations, Transparency International Canada Inc. derives revenue from membership fees and contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to verifying the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, assets and surplus.

In our opinion, except for the effect of adjustments, if any, which might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Company as at **December 31, 2009** and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

**Mississauga, Ontario**  
**January 28, 2010**

**Clarkson Rouble LLP**  
**Chartered Accountants**  
**Licensed Public Accountants**

# Transparency International Canada Inc.

## Statement of Financial Position

As at December 31

	2009	2008
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 25,511	\$ 12,855
Term deposits and accrued interest	-	24,746
Accounts receivable	65,447	46,893
	<b>\$ 90,958</b>	<b>\$ 84,494</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 46,862	\$ 52,190
<b>Surplus</b>		
Surplus	44,097	32,304
	<b>\$ 90,959</b>	<b>\$ 84,494</b>

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Transparency International Canada Inc.

## Statement of Revenues, Expenditures and Surplus Year Ended December 31

	2009	2008
<b>Revenues</b>		
Membership fees and contributions	\$ 37,599	\$ 56,295
China projects	170,817	68,968
Travel income	-	2,741
Secretariat	1,590	3,272
Symposium	2,260	1,500
	<hr/> 212,266	<hr/> 132,776
<b>Expenses</b>		
Travel	742	6,385
Office Expense	8,112	12,473
Professional Fees	5,910	28,155
Executive Director and secretarial	80,262	59,897
Web page	1,271	1,541
Conferences	2,756	4,455
OAS Summit	73	960
Symposium/AGM	2,975	1,630
China projects	95,446	32,578
Nigeria conference	2,926	8,683
	<hr/> 200,473	<hr/> 156,757
<b>Excess (deficit) of revenues over expenditures</b>	<b>11,793</b>	<b>(23,981)</b>
<b>Surplus, beginning of year</b>	<b>32,304</b>	<b>56,285</b>
<b>Surplus, end of year</b>	<b>\$ 44,097</b>	<b>\$ 32,304</b>

# Transparency International Canada Inc.

## Notes to Financial Statements

December 31, 2009

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### 1. Objects and organization

The organization was incorporated on November 7, 1996 under the laws of the Government of Canada as a non-profit corporation without share capital. The organization received registered charity status for the 2009 year-end, on February 10, 2009.

The primary objects of the organization are:

- a) To encourage compliance with Canadian laws and international conventions to which Canada is a signatory, against bribery and corruption ("Canadian Anti-Corruption Laws") by educating businesses, professional organizations, governments and the public at large about Canadian Anti-Corruption Laws and the adverse impact of non-compliance therewith;
- b) To develop and promote ethical standards of conduct for businesses, professional organizations, governments and the public at large to assist them in complying with Canadian Anti-Corruption Laws;
- c) To conduct or commission research on issues concerning the prevention and elimination of bribery and corruption and to communicate the results therefrom to businesses, professional organizations, governments and the public at large; and
- d) To assist the Canadian Government in fulfilling its obligations under international conventions to which Canada is a signatory in the prevention of and the fight against bribery and corruption.

### 2. Significant accounting policies

#### (a) Accrual basis of accounting

These financial statements are prepared using the accrual basis of accounting whereby revenues are recognized as they become available and expenditures are recognized as they are incurred through the receipt of goods and services.

#### (b) Revenue recognition

The financial statements are prepared using the deferral method of accounting for contributions under which contributions are recorded as received and pledges receivable are excluded from recorded revenues.

### 3. Statement of changes in net assets and cash flow

No statement of changes in net assets and cash flow is presented since it would not provide any additional information

# Transparency International Canada Inc.

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### 4. Related party transactions

The organization had no related party transactions other than contributions from directors or their employers' organizations and reimbursement of expenses paid for by the directors.

### 5. Income taxes

The organization is registered as a charitable organization under Section 149 (1)(f) of the *Income Tax Act (Canada)* and, as such, is exempt from income taxes, and may issue receipts that are eligible for a non-refundable tax credit by an individual donor and a tax deduction by a corporate donor.

### 6. Financial instruments

Fair value

Canadian generally accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for accounts receivable and accounts payable on the statement of financial position approximate fair value because of the limited term of these instruments.

### 7. Closing of Nigeria fund

During the year, the board of directors decided that it was no longer beneficial to separate the Nigeria conference revenues and expenses into a separate fund, as the fund balance at December 31, 2009 was Nil. If any additional revenues or expenditures relating to the Nigeria conference are received or paid, they will be recorded on the statement of revenues, expenditures and surplus in the year that they occur.