

**Transparency International Canada  
Inc.**

**Financial Statements**

**December 31, 2010**



## Auditors' Report

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

### Report of the Financial Statements

We have audited the accompanying financial statements of **Transparency International Canada Inc.**, which comprise the statement of financial position as at **December 31, 2010** and the statements of revenues, expenditures and surplus 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 generally accepted accounting principles, 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 plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 qualified audit opinion.

# Transparency International Canada Inc.

## Independent Auditor's Report

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### **Basis for Qualified Opinion**

The organization 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 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 revenue over expenditures, assets and surplus.

### **Qualified Opinion**

In our opinion, except for the effects of such adjustments, if any, which might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the membership fees and contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at **December 31, 2010** and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Mississauga, Ontario  
April 4, 2011



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



# Transparency International Canada Inc.

## Statement of Financial Position As at December 31

	2010	2009
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 34,944	\$ 25,511
Accounts receivable	42,258	65,447
	<b>\$ 77,202</b>	<b>\$ 90,958</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 5,260	\$ 46,861
<b>Surplus</b>		
Surplus	71,942	44,097
	<b>\$ 77,202</b>	<b>\$ 90,958</b>

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Transparency International Canada Inc.

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

	2010	2009
<b>Revenues</b>		
Membership fees and contributions	\$ 71,166	\$ 37,599
China projects	69,940	170,817
Secretariat	380	1,590
Symposium	3,020	2,260
	<hr/> 144,506	<hr/> 212,266
<b>Expenses</b>		
Travel	1,197	742
Office expense	3,191	8,112
Professional fees	3,691	5,910
Executive Director and secretarial	67,948	80,262
Web page	1,558	1,271
Conferences	2,977	2,756
OAS Summit	-	73
Symposium/AGM	330	2,975
China projects	32,658	95,446
Nigeria conference	-	2,926
Insurance	3,111	-
	<hr/> 116,661	<hr/> 200,473
<b>Excess of revenues over expenditures</b>	<b>27,845</b>	<b>11,793</b>
<b>Surplus, beginning of year</b>	<b>44,097</b>	<b>32,304</b>
<b>Surplus, end of year</b>	<b>\$ 71,942</b>	<b>\$ 44,097</b>

# Transparency International Canada Inc.

## Statement of Cash Flows

Year Ended December 31

	2010	2009
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 27,845	\$ 11,793
Cash generated from (used for)		
Changes in non-cash working capital items		
Amounts receivable	23,189	6,192
Accounts payable and accrued liabilities	(41,601)	(5,329)
<b>Increase in cash</b>	<b>9,433</b>	<b>12,656</b>
<b>Cash, beginning of year</b>	<b>25,511</b>	<b>12,855</b>
<b>Cash, end of year</b>	<b>\$ 34,944</b>	<b>\$ 25,511</b>

# Transparency International Canada Inc.

## Notes to Financial Statements

December 31, 2010

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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 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.

# Transparency International Canada Inc.

## Notes to Financial Statements

December 31, 2010

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### 2. Significant accounting policies (continued)

#### (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.

#### (c) Use of estimates by management

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results may differ from estimates.

### 3. 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. In addition, some of the director's employer organizations contributed the use of board rooms.

### 4. 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.



# Transparency International Canada Inc.

## Notes to Financial Statements

December 31, 2010

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### 5. Financial instruments

#### Fair value

Canadian generally accounting principles require that the Organization 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.

### 6. Capital management

As a Charity, the organization's operations are reliant on revenues generated annually. The organization has accumulated a surplus over its history. A portion of the surplus is retained as working capital which may be required from time to time due to timing delays in receiving its funding. The remaining surplus is available for the use of the organization at the Board's discretion. There are no external restrictions on the remaining surplus of the organization.