

# Year End Report for Canada Gives

Presented by

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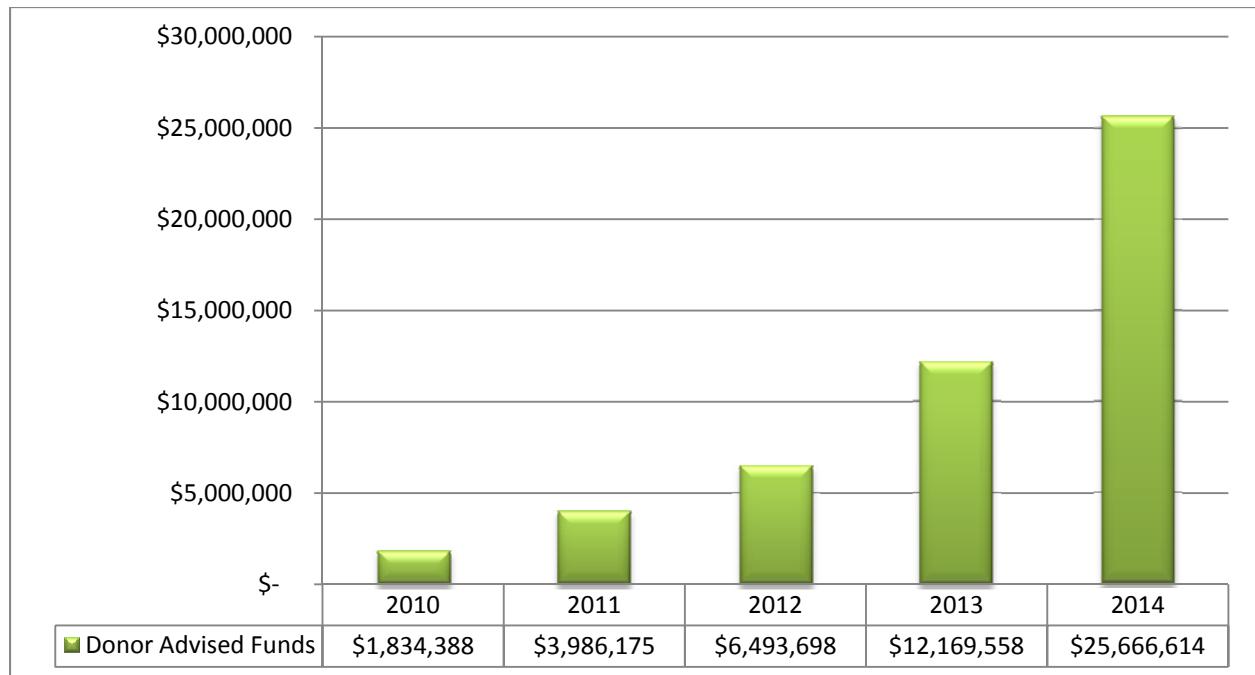
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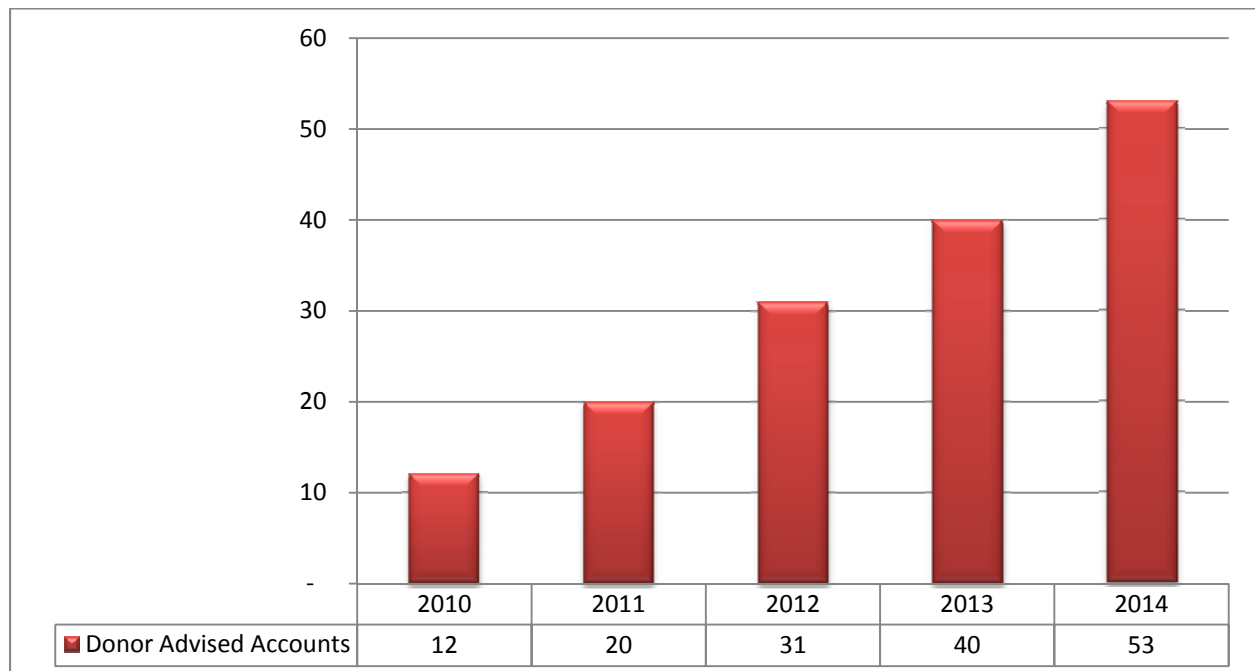
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## DONOR ADVISED FUNDS

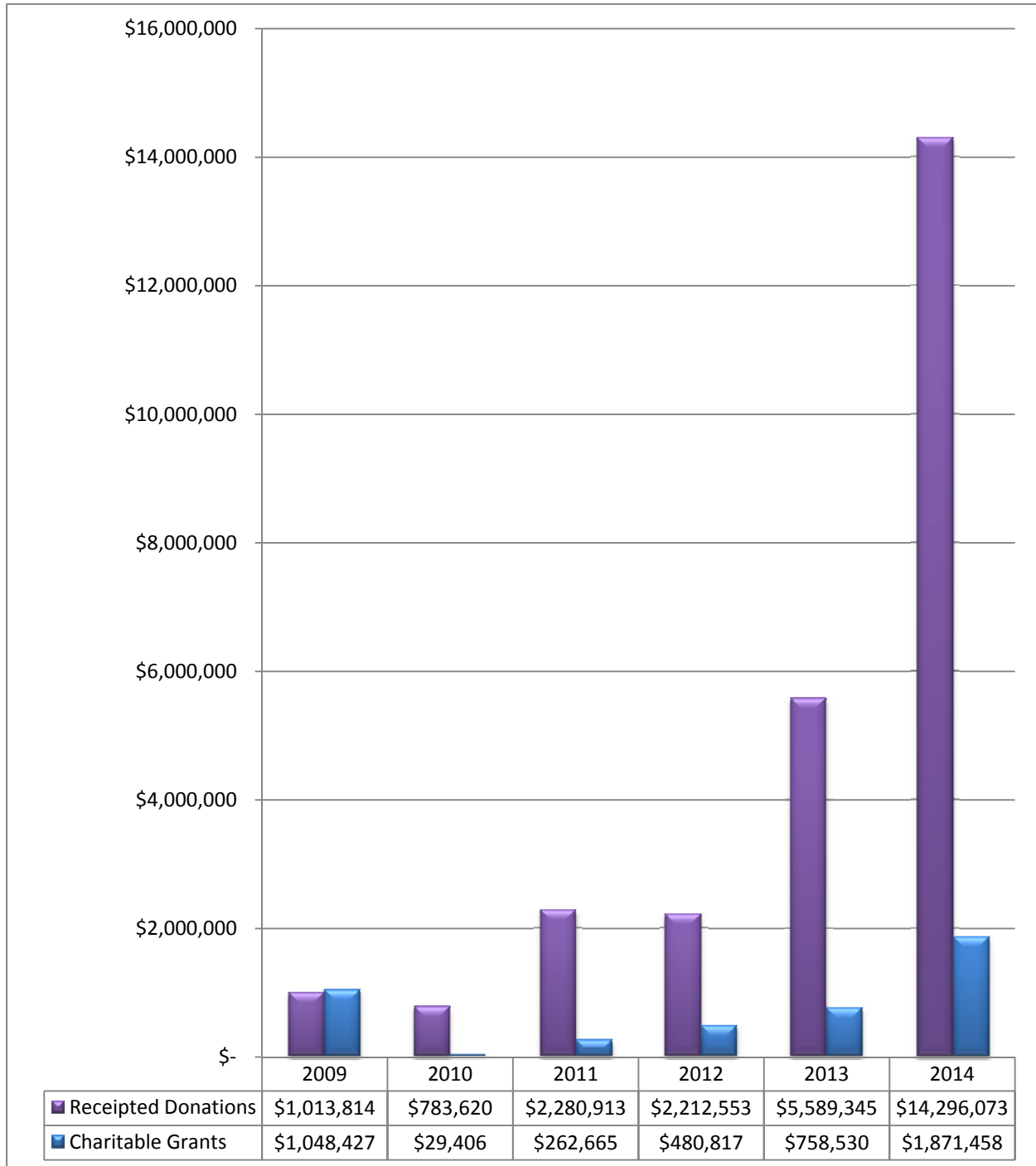


## # OF DONOR ADVISED ACCOUNTS



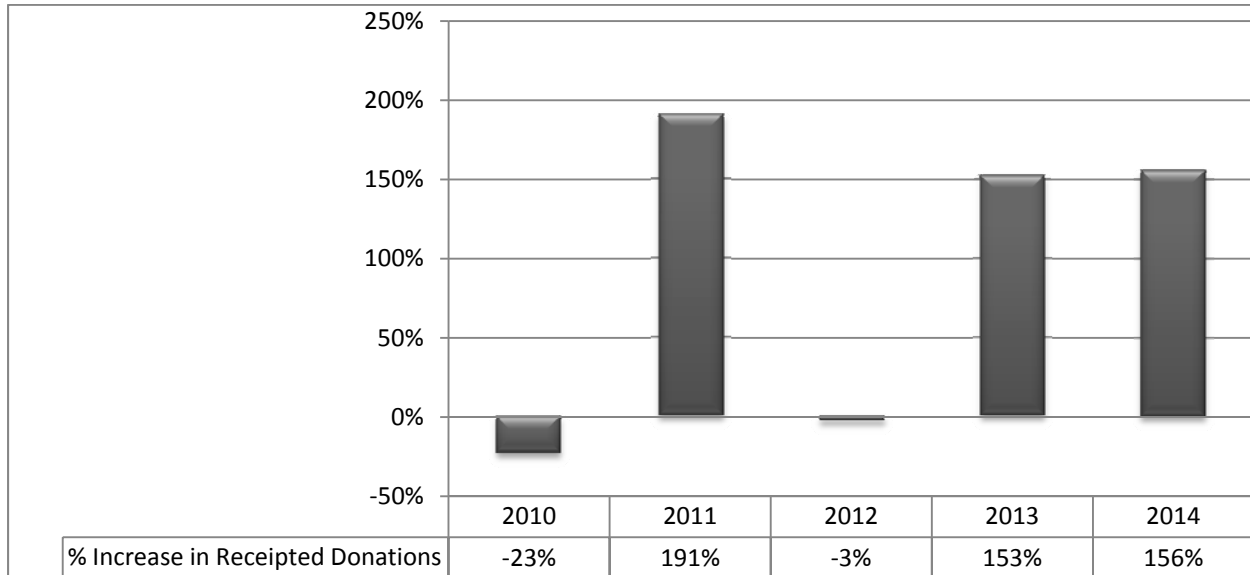
The information contained in this report has been summarized from the financial statements of Canada Gives and has not been subject to verification. It is intended for discussion purposes only.

## RECEIPTED DONATIONS VS CHARITABLE GRANTS

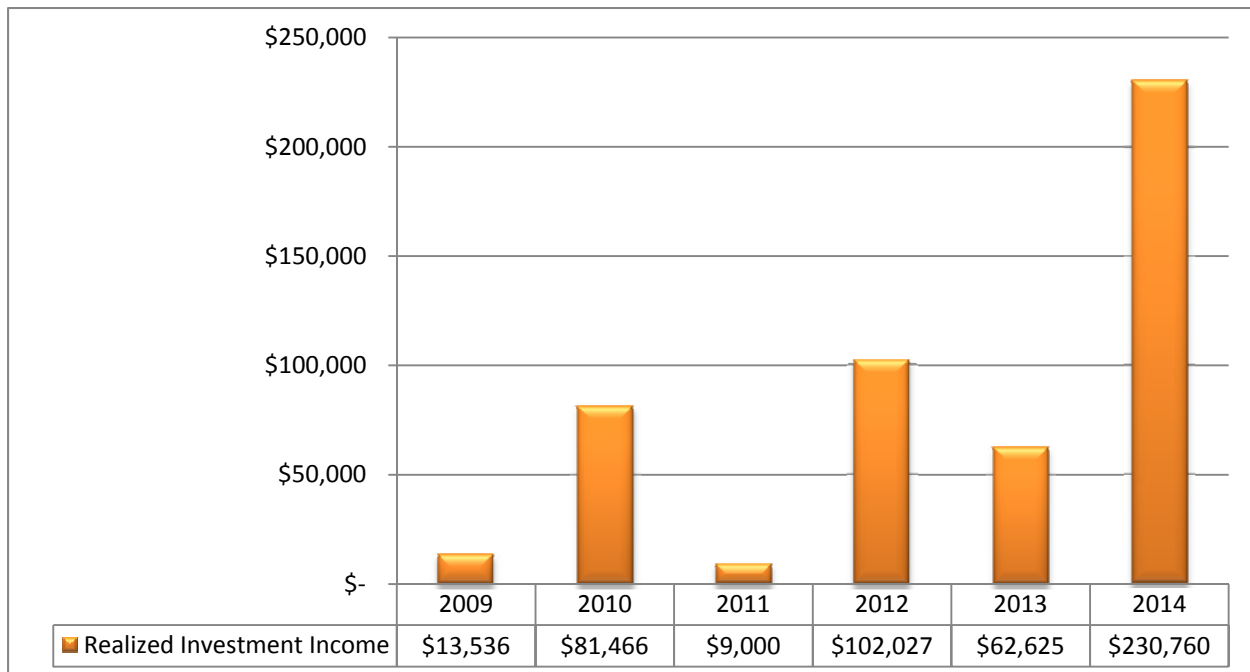


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## % (DECREASE) INCREASE IN RECEIPTED DONATIONS

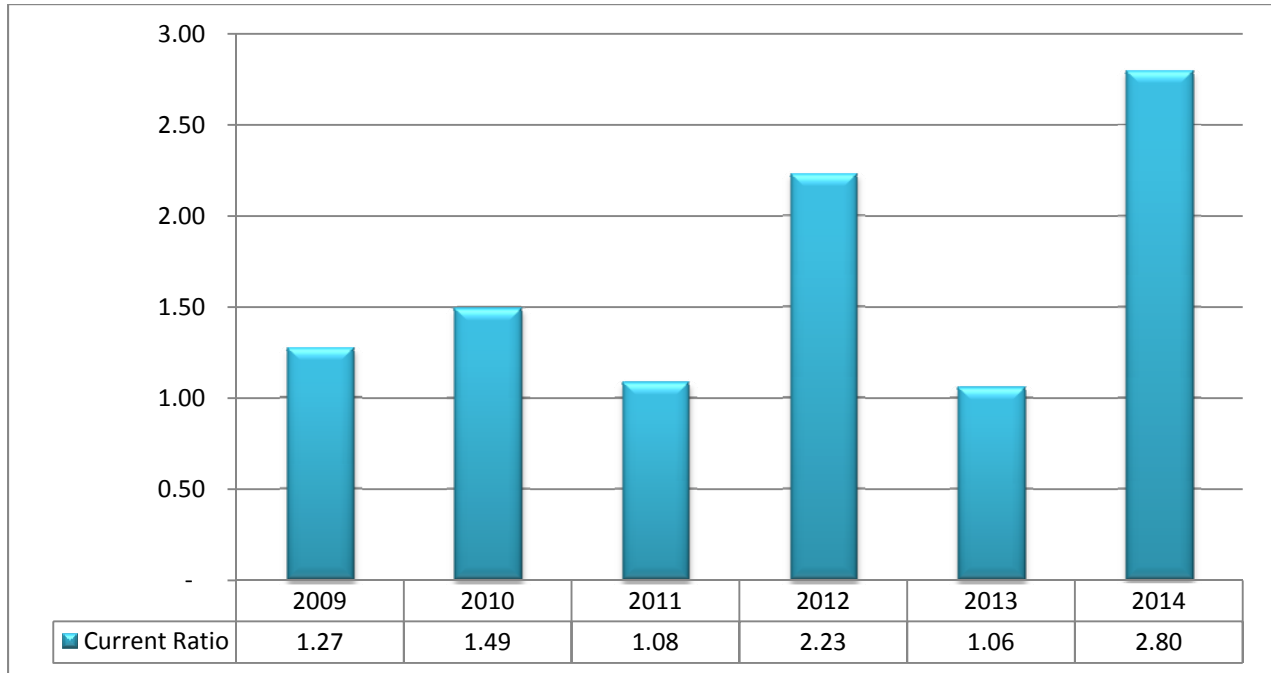


## REALIZED INVESTMENT INCOME

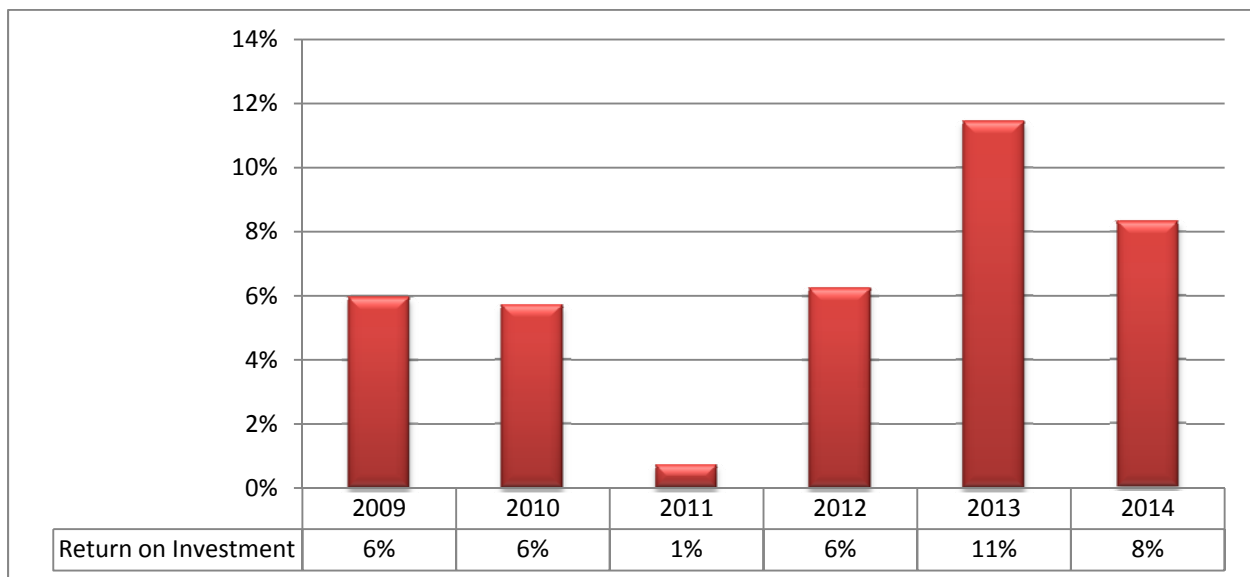


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## CURRENT RATIO



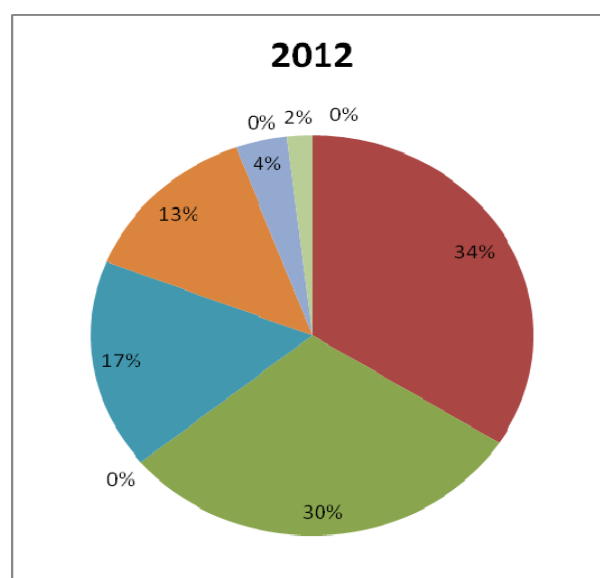
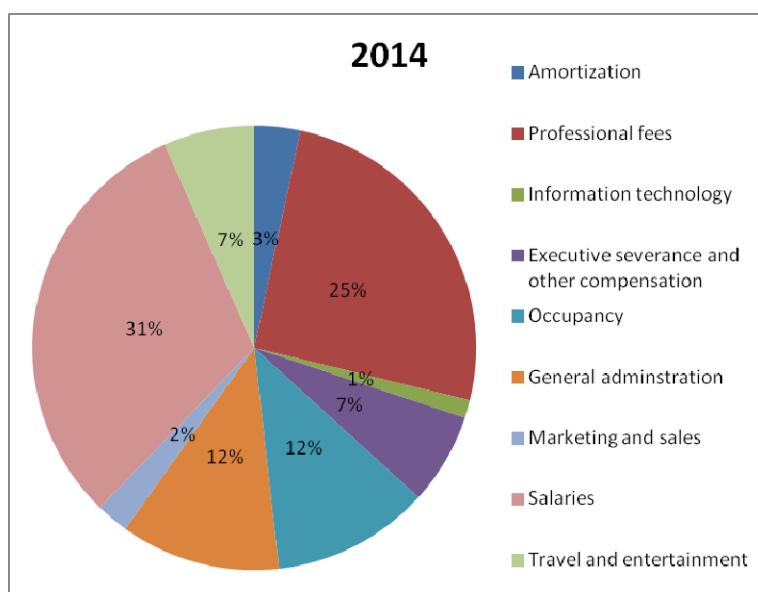
## RETURN ON INVESTMENTS



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## FIVE YEAR UNRESTRICTED OPERATING EXPENSE SUMMARY

Unrestricted Expenses	2014	2013	2012	2011	2010
Amortization	7,897	-	-	524	570
Professional fees	60,023	91,890	50,572	17,732	67,290
Information technology	3,076	29,032	44,737	1,797	14,309
Executive severance and other compe	15,670	626,810	-	-	-
Occupancy	27,074	28,577	25,142	20,665	12,175
General administration	27,489	25,540	19,944	11,145	18,561
Marketing and sales	5,577	5,878	5,578	14,794	29,240
Salaries	73,499	-	-	-	-
Travel and entertainment	15,593	7,626	2,735	10,889	7,745
<b>Total</b>	<b>235,898</b>	<b>815,353</b>	<b>148,708</b>	<b>77,546</b>	<b>149,890</b>



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## RESTRICTED FUNDS EXPENSE SUMMARY

Restricted Expenses	2014	2013	2012
Account administration	210,664	126,617	77,248
Foreign charitable activities	-	113,001	100,306
Information technology	1,920	-	-
Professional fees	126,037	76,629	33,084
General administration	950	465	-
Travel and entertainment	-	902	-
<b>Total</b>	<b>339,571</b>	<b>317,614</b>	<b>210,638</b>

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## Audit Committee Best Practice Recommendations

- **Financial Reporting**
  - The Committee should receive monthly internal financial statements and ensure that the financial statements clearly reflect the true performance of the Organization.
  - The Committee should review audit adjustments made and those waived because of immateriality.
  - The Committee should review and approve the draft audited financial statements.
  - Is there a financial expert on the Committee? The financial expert would have the following 5 attributes:
    - Understanding of the financial statements and accounting principles used to prepare the issuer's financial statements;
    - Ability to assess the application of such accounting policies;
    - Experience preparing, auditing, analyzing or evaluating financial statements, or experience supervising individuals engaged in preparing, auditing, analyzing or evaluating financial statements;
    - An understanding of internal controls and procedures for financial reporting;
    - An understanding of audit committee functions
  
- **Risks and Controls**
  - The Committee should create the right tone at the top to foster growth of suitable controls.
  - The Committee should have a sufficient understanding of the risks at the Organization.
  - The Committee should analyze the internal control system to ensure that the risks are adequately mitigated.
  
- **Audit Function**
  - The Committee should ensure that the external auditor selected has sufficient knowledge of and experience in the Organization's industry.
  - The Committee should review the audit fee and ensure that it is in line with the scope of the audit.
  - The Committee should confirm and discuss the auditor's independence.
  - The Committee should keep an open line of communication with the external auditors, including such items as:
    - The auditor's responsibility under Canadian Auditing Standards.
    - The quality of the accounting principles followed by the company.
    - Disagreements with management.
    - Difficulties in performing the audit.
    - Major issues management discussed with the auditors before their retention.
  
- **Other Items To Consider:**
  - Is the Committee independent from the Organization?
  - Is the Committee sufficiently financially literate?
  - Are there clear position descriptions for directors?
  - Is there orientation and continuing education for all directors in place?
  - Is there a written code of business conduct and ethics?
  - Is there a nominating committee?

## Summary of Audit Process

- Overall Approach
  - Attain an understanding of processes and controls within the organization by performing system descriptions and walkthroughs.
  - Attain an understanding of internal IT and software, through discussions with management, review software and our systems descriptions.
  - Identify specific areas of the financial information which contain risk, and significant judgment.
  - From these initial stages, we determine what procedures to be performed on the specific areas of the financial statements.

Financial Statement Area	Procedures
Cash	<ul style="list-style-type: none"> <li>- Confirmation of cash balances</li> <li>- Testing of bank reconciliations</li> </ul>
Restricted cash and investments	<ul style="list-style-type: none"> <li>- Obtain a sample of investment account statements directly from investment brokers</li> <li>- Agree investment statements to reconciliations performed by Canada Gives staff</li> </ul>
Capital Assets	<ul style="list-style-type: none"> <li>- Test a sample of additions</li> <li>- Recalculate amortization expense</li> </ul>
Accounts Payable	<ul style="list-style-type: none"> <li>- Perform cut-off testing</li> <li>- Analyze accruals for completeness</li> <li>- Determine reasonableness of HST remittances</li> </ul>
Compensation Payable	<ul style="list-style-type: none"> <li>- Evaluate assumptions and recalculate current year amortization</li> </ul>
Related party balances and transactions	<ul style="list-style-type: none"> <li>- Review minutes, invoices, contracts, and loan agreements for possible related parties</li> </ul>
Commitments and contingencies	<ul style="list-style-type: none"> <li>- Review legal invoices for potential contingent liabilities</li> <li>- Review lease agreements and other contracts future commitments</li> </ul>
Donation Revenues	<ul style="list-style-type: none"> <li>- Vouch a sample donations to supporting documentation</li> <li>- Review minutes and discuss with management for existence of non-receipted donations</li> </ul>
Change in FV of Instruments and Investment Income	<ul style="list-style-type: none"> <li>- Review reconciliations of T3/T5 to investment income recognized</li> <li>- Agree change in fair value to investment statements provided</li> <li>- Re-perform translation of foreign currency balances</li> </ul>

### Summary of Audit Process - continued

Financial Statement Area	Procedures
Payroll	<ul style="list-style-type: none"> <li>- Obtain employee contracts and compare to amounts recognized in the general ledger</li> <li>- Test source deductions</li> </ul>
Purchases	<ul style="list-style-type: none"> <li>- Perform variance analysis comparing balances year over year</li> <li>- Obtain a sample of contracts/invoices and compare to the amounts in the general ledger</li> </ul>
Charitable Grants	<ul style="list-style-type: none"> <li>- Compare amounts recognized as expenses to supporting documentation such as donation receipts from third parties.</li> </ul>
Financial Statement Preparation	<ul style="list-style-type: none"> <li>- Test a sample of non-routine journal entries</li> <li>- Complete a financial statement disclosure checklist to ensure completeness of the financial statement note disclosures</li> <li>- Perform variance analysis at the financial statement level comparing the current year to prior year</li> </ul>
Opening Balance Sheet	<ul style="list-style-type: none"> <li>- Review the predecessor auditor's file</li> </ul>