

Charity Foundation of Canada
Financial Statements
For the 298-day period ended December
31, 2017

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Tel: 604-688-5421
Fax: 604-688-5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditors' Report

To the Directors of Charity Foundation of Canada

We have audited the accompanying financial statements of Charity Foundation of Canada (the "Foundation") which comprise the Statement of Financial Position as at December 31, 2017 and the Statements of Operations and Changes in Net Assets and Cash Flows for the 298-day period from inception on March 9, 2017 to December 31, 2017, 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.

Auditors' 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 auditors' 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 entity's preparation 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 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, these financial statements present fairly, in all material respects, the financial position of Charity Foundation of Canada as at December 31, 2017 and the results of its operations and cash flows for the 298-day period then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Emphasis of Matter

In common with many charitable organizations, the Foundation derives revenue from donations, 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 Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and net assets.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 18, 2018

Charity Foundation of Canada
Statement of Financial Position

December 31

2017

Assets

Current

Cash (Note 2) \$ 6,851

Liabilities and Net Assets


Current

Accounts payable and accrued liabilities \$ 5,000

Net assets 1,851

\$ 6,851

Approved on behalf of the Foundation:

 _____ Director

 _____ Director

Charity Foundation of Canada
Statement of Operations and Changes in Net Assets

For the 298-day period ended December 31

2017

Revenue	
Individual contributions	\$ 95,000
Expenses	
Bank charges	32
Donations	64,000
Marketing	5,300
Office	3,420
Professional fees	11,044
Travel	5
Salaries and wages	9,348
	<u>93,149</u>
Excess of revenue over expenses for the period	1,851
Net assets, beginning of period	<u>-</u>
Net assets, end of period	<u>\$ 1,851</u>

Charity Foundation of Canada
Statement of Cash Flows

For the 298-day period ended December 31

2017

Cash provided by (used in)

Operating activities

Excess of revenue over expenses for the period	\$ 1,851
Changes in non-cash working capital balances	
Accounts payable and accrued liabilities	<u>5,000</u>

Increase in cash and cash equivalents during the period 6,851

Cash, beginning of period -

Cash, end of period \$ 6,851

Charity Foundation of Canada
Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies

(a) Nature and Purpose of the Foundation

The Foundation was incorporated on March 9, 2017 under the Societies Act (British Columbia) and is a registered charity under Section 149 of the Income Tax Act (Canada) and, as such, is exempt from income taxes and may issue tax receipts to donors.

The objectives of the Foundation include: i) To fund, facilitate, promote and carry out activities and programs to raise funds for qualified donees, in a way the law regards as charitable; ii) To receive gifts, bequests, funds and property and to hold, invest, develop, manage, administer, accumulate and distribute funds and property for the purpose of the Foundation, for such other organizations as are "qualified donees" under the provisions of the Income Tax Act (Canada) which are charitable at law and for such other purposes and activities as are authorized for registered charities under the provisions of the Income Tax Act (Canada); and iii) To do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the Foundation.

(b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations ("ASNPO").

(c) Revenue Recognition

Donation revenue is recognized when received or when a charitable donation agreement is signed and executed and the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Financial Instruments

When a financial asset is originated or acquired or a financial liability is issued or assumed in an arm's length transaction, the Foundation measures it at its fair value adjusted by financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. At each reporting date, the Trust measures its financial assets and financial liabilities at amortized cost.

At the end of each reporting period, the Foundation assesses whether there are any indications that a financial asset, or group of similar financial assets, measured at cost or amortized cost may be impaired. When there is an indication of impairment, and the net realizable amount is less than the carrying amount the carrying amount is written down accordingly. If, in a subsequent period, the amount of the impairment loss decreases, the reversal of the previously recognized impairment loss is recognized in the Statement of Operations.

December 31, 2017

2. Cash

The Foundations cash is held with a Canadian financial institution and bears interest at the current prevailing market rates.

3. Financial Instrument Risks

The Foundation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks as at December 31, 2017.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk resulting from the possibility that a borrower or counterparty to a financial instrument defaults on their financial obligations. The Foundation's exposure to credit risks arises primarily from its cash balances, which are held at a Canadian chartered bank.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk with respect to its cash.

(c) Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations as they fall due. The Foundation ensures sufficient liquid financial resources are available to cover financial obligations as they come due while sustaining operations under normal and adverse conditions by regularly evaluating its cash inflows and outflows.