

Transparency International Canada Inc.

Financial Statements

December 31, 2003



Clarkson Rouble LLP
Chartered Accountants

Auditors' Report

To the Board of Directors of
Transparency International Canada Inc.

We have audited the statement of financial position of **Transparency International Canada Inc.** as at **December 31, 2003** and the statement of revenue, expenditures and surplus for the year then ended. These financial statements are the responsibility of the organization'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, 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 expenditures over revenues, assets and surplus.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves as to the completeness of the membership fees 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, 2003** and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Mississauga, Ontario
March 16, 2004

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Transparency International Canada Inc.

Statement of Financial Position - Operating Fund As at December 31

	2003	2002
Assets		
Cash	\$ 6,014	\$ 8,724
Term deposits and accrued interest	25,460	19,412
Accounts receivable	-	6,000
Due from Nigeria Fund	528	4,294
	\$ 32,002	\$ 38,430
Liabilities and Surplus		
Accounts payable and accrued liabilities	\$ 10,528	\$ 4,530
Surplus, end of year	21,474	33,900
	\$ 32,002	\$ 38,430

See accompanying notes to financial statements

On behalf of the Board:

Director

Transparency International Canada Inc.

Statement of Revenue, Expenditures and Surplus - Operating Fund Year Ended December 31

	2003	2002
Revenue		
Membership fees and contributions	\$ 29,826	\$ 44,621
CIDA contribution (Note 2d)	40,000	35,000
Conferences	3,504	9,189
Interest	863	777
	<hr/> 74,193	<hr/> 89,587
Expenditures		
Travel	12,039	6,068
Office expense	13,443	10,960
Professional fees	1,712	1,605
National Co-ordinator and secretarial	52,149	47,840
Conferences	6,135	17,205
Web page	1,141	949
	<hr/> 86,619	<hr/> 84,627
Excess of expenditures over revenue	12,426	(4,960)
Surplus, beginning of year	33,900	28,940
Surplus, end of year	\$ 21,474	\$ 33,900

See accompanying notes to financial statements

Transparency International Canada Inc.

Statement of Financial Position - Nigeria Fund

As at December 31

	2003	2002
Assets		
Cash	\$ 5,713	\$ 45,003
Term deposits and accrued interest	35,717	-
	\$ 41,430	\$ 45,003

Liabilities and Fund Balance

Due to Operating Fund	\$ 528	\$ 4,294
Fund balance, end of year	40,902	40,709
	\$ 41,430	\$ 45,003

Transparency International Canada Inc.

Statement of Revenue, Expenditures and Fund Balance - Nigeria Fund

Year Ended December 31

	2003	2002
Revenue		
CIDA contribution (Note 2d)	\$ -	\$ 45,000
Interest	721	619
	721	45,619
Expenditures		
Travel	-	566
Office expense	-	112
National Co-ordinator and secretarial	528	1,197
	528	1,875
Excess of revenue over expenditures	193	43,744
Fund balance, beginning of year	40,709	(3,035)
Fund balance, end of year	\$ 40,902	\$ 40,709

See accompanying notes to financial statements

Transparency International Canada Inc.

Notes to Financial Statements

December 31, 2003

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 primary objects of the corporation are:

- a) To inform the business community, the government and the general public of the effects of corruption in the international marketplace.
- b) To provide support and resources for public and private sector initiatives to prevent corrupt business practices.

2. Significant accounting policies

a) 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) Fund accounting

Contributions and expenses related to the delivery of services are reported in the operating fund.

Contributions and expenses related to a proposed conference in Nigeria are reported in the Nigeria Fund. These funds are restricted to expenditures relating to the conference and are subject to an agreement with CIDA under which unused funds are to be returned to CIDA. Also if the conference is not held before June 30, 2004, unused funds must be returned.

c) 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.

Transparency International Canada Inc.

Notes to Financial Statements

December 31, 2003

2. Significant accounting policies (cont'd)

d) CIDA

Commencing in 2001, the organization was awarded a \$100,000 grant from the Canadian International Development Agency to assist in the organization's objectives. Payments on the grant have been received as follows:

2001	\$ 25,000
2002	35,000
2003	40,000
	<hr/>
	\$ 100,000

In addition, in 2002 CIDA contributed a further \$45,000 to the Nigeria Fund. See Note 2 (b).

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

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 a non-profit organization and is, therefore, exempt from income taxes per Section 149 (1)(1) of the *Income Tax Act*. The organization is not a registered charity.