

Financial Statements of

**FORUM OF CANADIAN
OMBUDSMAN**

Year ended December 31, 2008



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AUDITORS' REPORT

To the Members of the Forum of Canadian Ombudsman,

We have audited the statement of financial position of Forum of Canadian Ombudsman as at December 31, 2008 and the statements of operations and changes in net assets and cash flows 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.

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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line that serves as a flourish or underline.

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada

March 13, 2009

FORUM OF CANADIAN OMBUDSMAN

Statement of Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Cash	\$ 112,318	\$ 116,360
Short-term investments	4,000	–
Deposits for future conferences	6,279	–
	<u>\$ 122,597</u>	<u>\$ 116,360</u>

Liabilities and Net Assets

Liabilities:		
Accounts payable and accrued liabilities	\$ 2,150	\$ –
GST payable	1,939	247
	<u>4,089</u>	<u>247</u>
Net assets	118,508	116,113
	<u>\$ 122,597</u>	<u>\$ 116,360</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

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Statement of Operations and Changes in Net Assets

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Training courses, conferences and sponsorships	\$ 67,715	\$ 119,797
Membership fees	13,216	13,195
Interest	55	1,881
Other	13	—
	<u>80,999</u>	<u>134,873</u>
Expenses:		
Training courses and conferences	51,952	84,051
Website	5,316	1,930
Office	4,109	1,105
Bookkeeping services	4,050	3,900
Board meeting	3,245	6,089
Translation	2,683	—
Audit	3,750	1,020
Bank charges and credit card fees	1,116	564
Research paper	950	—
Insurance	945	1,181
Travel	488	—
Liz Hoffman Award	—	1,000
	<u>78,604</u>	<u>100,840</u>
Excess of revenue over expenses	2,395	34,033
Net assets, beginning of year	116,113	82,080
Net assets, end of year	<u>\$ 118,508</u>	<u>\$ 116,113</u>

See accompanying notes to financial statements.

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Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 2,395	\$ 34,033
Change in non-cash operating working capital	(6,437)	52,555
Increase (decrease) in cash	(4,042)	86,588
Cash, beginning of year	116,360	29,772
Cash, end of year	\$ 112,318	\$ 116,360

See accompanying notes to financial statements.

FORUM OF CANADIAN OMBUDSMAN

Notes to Financial Statements

Year ended December 31, 2008

1. Purpose of Organization:

Forum of Canadian Ombudsman (FCO) is a not-for-profit corporation incorporated in 2002 under the provisions of the Canada Corporations Act. FCO was organized to be an umbrella association to permit people to share information and views and to promote the ombudsman concept across Canada. FCO's members include ombudsman offices in the public and private sectors as well as colleges and universities.

2. Significant accounting policies:

(a) Short-term investments:

Short-term investments are designated as held for trading and are recorded at fair value.

(b) Revenue recognition:

The Organization's operations are funded by membership fees, course and conference fees and sponsorships. Membership and sponsorship revenue is recognized when received, and course and conference revenue is recognized upon the delivery of the applicable course or conference.

(c) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

3. Adoption of new accounting standards:

(a) Section 1535, *Capital Disclosures*:

The Organization implemented the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, *Capital Disclosures* which establishes standards for disclosing information about an entity's capital and how it is managed. Implementation of these recommendations had no effect on the financial statements for the year ending December 31, 2008, except for the additional note disclosure in note 6.

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Year ended December 31, 2008

3. Adoption of new accounting standards (continued):

(b) Section 3862 and Section 3863, *Financial Instruments – Disclosures and Presentation*:

In December 2006, the Canadian Institute of Chartered Accountants (CICA) issued new accounting standards: Handbook Section 3862, *Financial Instruments – Disclosures* and Handbook 3863, *Financial Instruments – Presentation*. The standards were expected to be effective for the Organization's financial statements for the year ended December 31, 2008. However, in December 2008 the CICA eliminated the requirement for not-for-profit entities to adopt these standards. The Organization has continued to disclose and present financial instruments under Handbook Section 3861, *Financial Instruments – Disclosure and Presentation* for the year ended December 31, 2008.

4. Future accounting standards:

In September 2008, CICA issued Section 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. This new section establishes disclosure requirements for not-for-profit organizations that report expenses by function and allocate expenses to a number of functions to which the expenses relate. These not-for-profit organizations will be required to disclose additional information regarding their accounting policies adopted for the allocation of expenses among functions, the nature of these expenses, the basis on which the allocations are being made, and the value of the allocations. This standard will come into effect for the Organization's fiscal year beginning on January 1, 2009.

The Organization is currently assessing the impact of this new accounting standard on its financial statements.

5. Fair value of financial instruments:

The carrying values of cash, short-term investments and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these instruments.

6. Capital management:

The Organization's capital is comprised of its net assets. The Organization's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide services to its members.

There were no changes to the Organization's approach to capital management during the year.

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7. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.