

**Global Campaign on Climate  
(Global Campaign for Climate Action)**

**Financial Statements  
December 31, 2008**

Auditors' Report	2
Financial Statements	
Earnings and Net Assets	3
Cash Flows	4
Balance Sheet	5
Notes to Financial Statements	6 - 9



# Raymond Chabot Grant Thornton

## Auditors' Report

**Raymond Chabot Grant Thornton LLP**

Suite 2000  
National Bank Tower  
600 De La Gauchetière Street West  
Montréal, Québec H3B 4L8

Telephone: 514-878-2691  
Fax: 514-878-2127  
[www.rcgt.com](http://www.rcgt.com)

To the Directors of  
Global Campaign on Climate  
(Global Campaign for Climate Action)

We have audited the balance sheet of Global Campaign on Climate (Global Campaign for Climate Action) as at December 31, 2008 and the statements of earnings and net assets and cash flows for the initial 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.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal, October 7, 2009

---

<sup>1</sup> Chartered accountant auditor permit no. 18510

**Global Campaign on Climate  
(Global Campaign for Climate Action)  
Earnings and Net Assets**

For the initial Year ended December 31, 2008  
(In U.S. dollars)

	<u>\$</u>
<b>Revenues</b>	
Provincial government operating grant	42,116
<b>Expenses</b>	
Consultants	29,187
Professional fees	10,989
Travel and communication	2,426
Office supplies and printing	48
Books and subscription	86
Exchange gain	(676)
Bank charges	12
Amortization of equipment	44
	<u>42,116</u>
<b>Excess of revenues over expenses and net assets, end of year</b>	<u><u>-</u></u>

The accompanying notes are an integral part of the financial statements.

**Global Campaign on Climate  
(Global Campaign for Climate Action)**

**Cash Flows**

For the initial Year ended December 31, 2008

(In U.S. dollars)

	<u>\$</u>
<b><i>OPERATING ACTIVITIES</i></b>	
Excess of revenues over expenses	—
Non-cash items	
Amortization of equipment	44
Increase in accounts payable and accrued liabilities	13,137
Increase in deferred contributions	<u>38,614</u>
Net cash generated	51,795
<b><i>INVESTING ACTIVITIES</i></b>	
Equipment and net cash used	<u>(1,581)</u>
<b>Increase in cash and cash, end of year</b>	<u><u>50,214</u></u>

The accompanying notes are an integral part of the financial statements.

**Global Campaign on Climate  
(Global Campaign for Climate Action)**

**Balance Sheet**

December 31, 2008

(In U.S. dollars)

	\$
<b>ASSETS</b>	
Current assets	
Cash	50,214
Equipment (Note 4)	1,537
	<u>51,751</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable and accrued liabilities	13,137
Deferred contributions (Note 5)	38,614
	<u>51,751</u>
<b>NET ASSETS</b>	<u><u>51,751</u></u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**Global Campaign on Climate  
(Global Campaign for Climate Action)  
Notes to Financial Statements**

December 31, 2008

(In U.S. dollars)

---

**1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

The Organization, incorporated under Part III of the Companies Act (Québec), promotes international cooperation between non-government organizations during international climate negotiations. It is a not-for-profit organization under the Income Tax Act.

**2 - FUTURE ACCOUNTING STANDARDS**

In September 2008, the Canadian Institute of Chartered Accountants (CICA) amended the introduction to accounting standards that apply only to not-for-profit organizations and several sections in the 4400 series as well as consequential changes to other sections of the *CICA Handbook*. The main changes affect the following, in particular:

- Inclusion of not-for-profit organizations within the scope of Sections 1540, "Cash Flow Statements", and 1751, "Interim Financial Statements";
- Elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets;
- Amendments to clarify that revenues and expenses must be recognized and presented on a gross basis when the not-for-profit organization is acting as a principal in the transactions in question;
- Inclusion of additional guidance with respect to the appropriate use of the scope exemption in Section 4430, "Capital Assets Held by Not-for-profit Organizations", for smaller entities.

The CICA also published new Section 4470, "Disclosure of Allocated Expenses by Not-for-profit Organizations", which establishes disclosure standards for the not-for-profit organization that classifies its expenses by function and allocates expenses to a number of functions to which the expenses relate.

These changes are effective for fiscal years beginning on or after January 1, 2009 and the Organization will implement them as of that date. This new standard will not have a significant impact on the financial statements for the year ended December 31, 2009.

**3 - ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements are prepared using the historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of the fair value.

**Global Campaign on Climate  
(Global Campaign for Climate Action)  
Notes to Financial Statements**

December 31, 2008

(In U.S. dollars)

---

**3 - ACCOUNTING POLICIES (Continued)**

**Accounting estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

**Financial assets and liabilities**

The Organization has chosen to apply the recommendations of Section 3861, "Financial Instruments – Disclosure and Presentation", of the *Canadian Institute of Chartered Accountants' Handbook* with respect to the presentation and disclosure of financial instruments.

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value. Transaction costs from held-for-trading financial assets and liabilities are recognized in earnings and presented under investment management and custodial fees, if any. Regular-way purchases or disposals of financial assets are recognized at the transaction date.

Subsequently, financial assets and liabilities are measured and recognized as follows.

*Held-for-trading financial assets*

Cash is classified as held-for-trading financial assets.

*Other financial liabilities*

Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost, if any.

**Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. If any, endowment contributions are reported as direct increases in net assets.

**Equipment**

Equipment is amortized over its estimated useful life according to the straight-line method on a three-year period.

**Global Campaign on Climate  
(Global Campaign for Climate Action)  
Notes to Financial Statements**

December 31, 2008

(In U.S. dollars)

**3 - ACCOUNTING POLICIES (Continued)**

**Foreign currency translation**

Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the balance sheet date, whereas, if any, other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenue and expenses in foreign currency are translated at the rate in effect at the transaction date, with the exception of expenses relating to non-monetary assets and liabilities, which are translated at the historical rate. Gains and losses are included in the earnings for the year. Exchange gains or losses on held-for-trading financial instruments, if any, are included in Changes in net investment income in the statement of earnings and net assets.

**4 - EQUIPMENT**

	Cost	Accumulated amortization	Net
	\$	\$	\$
Equipment	1,581	44	1,537

**5 - DEFERRED CONTRIBUTIONS**

	\$
Provincial government operating grant	
Amount recognized in earnings	(42,116)
Amount received relating to the following year	80,730
Balance, end of year	38,614

**6 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS**

**Financial risk management objectives and policies**

The Organization is exposed to various financial risks resulting from both its operating and investing activities. The Organization's management manages financial risks.

The Organization does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

**Financial risks**

The Organization's main financial risk exposure and its financial risk management policies are as follows.

*Interest rate risk*

The Organization's financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

**Global Campaign on Climate  
(Global Campaign for Climate Action)  
Notes to Financial Statements**

December 31, 2008

(In U.S. dollars)

---

**6 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS  
(Continued)**

*Liquidity risk*

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Organization has financing sources such as bank loans for a sufficient authorized amount. The Organization establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations.

*Foreign exchange risk*

The Organization is exposed to foreign exchange risk due to cash and accounts payable and accrued liabilities denominated in Canadian dollars. As at December 31, 2008, assets denominated in Canadian dollars consisting of cash totalled C\$61,363 and accounts payable and accrued liabilities totalled C\$14,722.

The Organization does not enter into arrangements to hedge its foreign exchange risk.

**7 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The Organization defines its capital as net assets and its capital management objective is:

- To ensure the Organization's ability to continue as a going concern.

The Organization manages its capital primarily through contributions.

To maintain or adjust its capital structure, it may be necessary to adjust the estimates for the expenses of some activities.

The Organization is not subject, under outside rules, to capital requirements.