



Blumbergs Financial Snapshot of the Canadian Charity Sector

By Mark Blumberg (February 1, 2013)

We recently reviewed the T3010 Registered Charity Information Return database for 2011 as part of the Sean Blumberg Transparency Project. The database covers 82,848 of the approximately 86,000 registered charities that had filed their T3010 and were processed into the CRA's Charity Listing database by November 2012.

Canadian registered charities are currently required to disclose on the T3010 in Section D or Schedule 6 certain financial information on assets and liabilities, as well as revenue and expenditures.

We thought it would be interesting to look at the total financial figures for all the Canadian registered charities. They are presented as both excel format and also inserted into the T3010 itself at the end.

The Canadian charity sector is a vital part of Canadian society and economy. As you can see from this article it has revenue of over \$212 billion and expenditures of over \$205 billion.

Please review the caveats at the end about the reliability and usage of T3010 information.

Thank you to Celeste Bonas, an intern at Blumbergs, for helping with this project.

SUMMARY
Financial D & Schedule 6 Query

		Line	Amount
ASSETS	Cash, bank accounts, and short-term investments	4100	\$35,337,213,775.00
	Amounts receivable from non-arm's length parties	4110	\$5,842,593,015.00
	Amounts receivable from all others	4120	\$21,524,320,269.00
	Investments in non-arm's length parties	4130	\$2,809,976,076.00
	Long-term investments	4140	\$58,327,494,353.00
	Inventories	4150	\$1,858,127,771.00
	Land and buildings in Canada	4155	\$163,292,222,640.00
	Other capital assets in Canada	4160	\$65,227,699,307.00
	Capital assets outside Canada	4165	\$541,667,081.00
	Accumulated amortization of capital assets	4166	-73,479,531,051.00
	Other assets	4170	\$16,022,988,016.00
	10 year gifts	4180	\$6,058,795,814.00
Total assets		4200	\$301,327,820,542.00
	Amount included in lines 4150, 4155, 4160, 4165 and 4170 not used in charitable programs	4250	\$13,059,221,369.00
LIABILITIES	Accounts payable and accrued liabilities	4300	\$30,974,826,888.00
	Deferred revenue	4310	\$45,618,616,307.00
	Amounts owing to non-arm's length parties	4320	\$6,128,205,102.00
	Other liabilities	4330	\$93,901,802,761.00
Total liabilities		4350	\$176,707,043,507.00

REVENUE	Total eligible amount of all gifts for which the charity issued tax receipts	4500	\$13,867,060,684.00
	Total eligible amount of tax-receipted tuition fees	5610	\$559,975,146.00
	Total amount of 10 year gifts received	4505	\$739,542,373.00
	Total amount received from other registered charities	4510	\$4,881,336,339.00
	Total other gifts received for which a tax receipt was not issued by the charity	4530	\$2,550,351,328.00
	Total revenue received from federal government	4540	\$7,414,195,441.00
	Total revenue received from provincial/ territorial governments	4550	\$128,273,360,161.00
	Total revenue received from municipal/ regional governments	4560	\$9,567,710,901.00
	Total revenue received from all sources outside Canada	4575	\$1,172,692,796.00
	Total interest and investments income received or earned	4580	\$3,043,462,971.00
	Gross proceeds from disposition of assets	4590	\$9,825,660,298.00
	Net proceeds from disposition of assets	4600	\$877,863,197.00
	Gross income received from rental of land and/ or buildings	4610	\$2,602,875,911.00
	Non tax-receipted revenues received for memberships, dues, and association fees	4620	\$1,521,666,397.00
	Total non tax-receipted revenue from fundraising	4630	\$2,598,510,122.00
	Total revenue from sale of goods and services (except to government)	4640	\$16,953,792,416.00
	Other revenue not already included in the amounts above	4650	\$16,425,822,398.00
	Total revenue	4700	\$212,630,072,044.00

EXPENDITURES			
Advertising and promotion	4800	\$1,176,028,121.00	
Travel and vehicle expenses	4810	\$2,083,340,402.00	
Interest and bank charges	4820	\$1,909,196,944.00	
Licenses, memberships, and dues	4830	\$389,298,135.00	
Office supplies and expenses	4840	\$3,832,340,688.00	
Occupancy costs	4850	\$8,165,228,725.00	
Professional and consulting fees	4860	\$4,049,327,890.00	
Education and training for staff and volunteers	4870	\$627,490,957.00	
Total expenditure on all compensation	4880	\$117,843,853,358.00	
Fair market value of all donated goods used in charitable programs	4890	\$1,046,788,647.00	
Total cost of all purchased supplies and assets	4891	\$15,379,232,536.00	
Amortization of capitalized assets	4900	\$7,861,323,487.00	
Total expenditure for research grants and scholarships as part of charitable programs	4910	\$3,163,410,031.00	
Other expenditures not included in the amounts above (excluding gifts to qualified donees)	4920	\$32,858,934,292.00	
Total expenditures before gifts to qualified donees	4950	\$199,866,100,410.00	
Total expenditures on charitable programs	5000	\$159,959,783,611.00	
Total expenditures on management and administration	5010	\$18,900,150,208.00	
Total expenditures on fundraising	5020	\$2,353,173,622.00	
Total expenditures on political activities, inside or outside Canada	5030	\$67,044,146.00	
Total other expenditures included in line 4950	5040	\$12,699,804,305.00	
Total amount of gifts made to all qualified donees	5050	\$6,325,947,018.00	
Total expenditures	5100	\$205,946,015,569.00	

OTHER FINANCIAL INFORMATION	Permission to accumulate property: (Including only registered charities that have written permission to accumulate)		
	Amount accumulated for the fiscal period, including income earned on accumulated funds	5500	\$283,318,105.00
	Amount disbursed for the fiscal period for the permitted specified purpose	5510	\$316,089,182.00
	Permission to reduce disbursement quota: (Only charities that have received approval from the Charities Directorate to make a reduction to its disbursement quota)	5750	\$9,902,933.00
	Property not used in charitable activities: Value of property not used for charitable activities or administration during:		
	The 24 months before the beginning of the fiscal period	5900	\$38,272,093,559.00
	The 24 month before the end of the fiscal period	5910	\$41,088,515,023.00

Limitations and Caveats

There are a number of cautions in dealing with the information from the T3010. You can access on the CRA website directly information on each Canadian registered charity at:

<http://www.cra-arc.gc.ca/charities/>

As well, Imagine Canada has a website with some T3010 information at www.charityfocus.ca

- 1) The data in this note is based on the 2011 T3010 Registered Charity Information Return filings. Although all charities are supposed to file their T3010 within 6 months of their fiscal year end some file late or do not file at all and then will lose their charitable status. Depending on the data set from CRA not every charity may have filed their T3010 or been inputted yet.
- 2) Registered charities complete the T3010 and one person signs the form. The T3010 information is not independently verified by CRA when it is posted on the CRA site or placed in the CRA database.
- 3) Although an important legal document, the T3010 is often completed by volunteers or others who may have little understanding of the nuances of the Income Tax Act (Canada), who may have limited language skills, and who may not have easy access to the correct information and

are often in a hurry to file the form to avoid deregistration. In the case of larger institutions who would generally be those who are hiring people with higher salaries and expertise the likelihood is greater than the average that the information will be accurately prepared by the institution and its accountants or finance staff.

- 4) The T3010s are filed with CRA and in many cases needs to be coded by hand at CRA which can also introduce mistakes. Only a small number of T3010s have 2D bar code technology which will eliminate most processing error on CRA's part. Canadian charities still cannot electronically file the T3010.
- 5) In some cases those completing the T3010 for a charity are deliberately deceptive when completing the T3010. For example, an organization knows that it has substantial fundraising or political expenses but chooses to put them under charitable etc. Or an organization claims pharmaceuticals that it can purchase for \$50,000 are really worth \$50 million.
- 6) Don't rely on any of this information without checking with the charity and appropriate due diligence as required.
- 7) The T3010 is a tax form completed according to guidance provided by the CRA in a Guide (T-4033) and also various other CRA guidances and policies. The information inputted may not conform to Generally Accepted Accounting Principles (GAAP) and many not match what is in a financial statement. You can obtain copies of financial statements, whether audited or not, on any registered charity by requesting the financial statements from CRA. These financial statements are filed with CRA but not placed on the CRA website and they sometimes add further information.
- 8) The T3010 asks certain questions. Many important questions are not asked on the T3010. Relying on the T3010 to make decisions on whether a charity is efficient or worthwhile to support is prone to failure. We have established a website at www.smartgiving.ca which discusses in detail questions donors may want to ask before donating to charity.

Mark Blumberg is a lawyer at Blumberg Segal LLP in Toronto, Ontario. He works almost exclusively in the area of non-profit and charity law. To find out more about legal services that Blumbergs provides to charities and non-profits please visit www.canadiancharitylaw.ca or www.globalphilanthropy.ca

This article is for information purposes only. It is not intended to be legal advice. You should not act or abstain from acting based upon such information without first consulting a legal professional.

Was the financial information reported below prepared on an accrual or cash basis? 4020 Accrual Cash

Statement of financial position

Show figures to the nearest single dollar.

Assets:

		Liabilities:
Cash, bank accounts, and short-term investments.....	4100	\$ 35,337,213,775.00
Amounts receivable from non-arm's length parties.....	4110	\$ 5,842,593,015.00
Amounts receivable from all others.....	4120	\$ 21,524,320,269.00
Investments in non-arm's length parties.....	4130	\$ 2,809,976,076.00
Long-term investments.....	4140	\$ 58,327,494,353.00
Inventories.....	4150	\$ 1,858,127,771.00
Land and buildings in Canada.....	4155	\$ 163,292,222,640.00
Other capital assets in Canada.....	4160	\$ 65,227,699,307.00
Capital assets outside Canada.....	4165	\$ 541,667,081.00
Accumulated amortization of capital assets.....	4166	\$ -73,479,531,051.00
Other assets.....	4170	\$ 16,022,988,016.00
10 year gifts.....	4180	\$ 6,058,795,814.00
Total assets (add lines 4100 to 4170)	4200	\$ 301,327,820,542.00
		Amount included in lines 4150, 4155, 4160, 4165 and 4170 not used in charitable programs.
		4250 \$ 13,059,221,369.00

Statement of operations

Revenue:

Total eligible amount of all gifts for which the charity issued tax receipts.....		4500	\$ 13,867,060,684.00
Total eligible amount of tax-receipted tuition fees.....	5610	\$ 559,975,146.00	
Total amount of 10 year gifts received.....	4505	\$ 739,542,373.00	
Total amount received from other registered charities.....		4510	\$ 4,881,336,339.00
Total other gifts received for which a tax receipt was not issued by the charity.....		4530	\$ 2,550,351,328.00
Total revenue received from federal government.....		4540	\$ 7,414,195,441.00
Total revenue received from provincial/territorial governments.....		4550	\$ 128,273,360,161.00
Total revenue received from municipal/regional governments.....		4560	\$ 9,567,710,901.00
Total revenue received from all sources outside Canada.....		4575	\$ 1,172,692,796.00
Total interest and investment income received or earned.....		4580	\$ 3,043,462,971.00
Gross proceeds from disposition of assets.....	4590	\$ 9,825,660,298.00	
Net proceeds from disposition of assets (show a negative amount with brackets).....		4600	\$ 877,863,197.00
Gross income received from rental of land and/or buildings.....		4610	\$ 2,602,875,911.00
Non tax-receipted revenues received for memberships, dues, and association fees.....		4620	\$ 1,521,666,397.00
Total non tax-receipted revenue from fundraising.....		4630	\$ 2,598,510,122.00
Total revenue from sale of goods and services (except to government).....		4640	\$ 16,953,792,416.00
Other revenue not already included in the amounts above.....		4650	\$ 16,425,822,398.00
Specify type(s) of revenue included in the amount reported at 4650 (e.g., dividends) 4655			
Total revenue (add lines 4500, 4510 to 4580, and 4600 to 4650)		4700	\$ 212,630,072,044.00

Expenditures:

Advertising and promotion.....		4800	\$ 1,176,028,121.00
Travel and vehicle expenses.....		4810	\$ 2,083,340,402.00
Interest and bank charges.....		4820	\$ 1,909,196,944.00
Licences, memberships, and dues.....		4830	\$ 389,298,135.00
Office supplies and expenses.....		4840	\$ 3,832,340,688.00
Occupancy costs.....		4850	\$ 8,165,228,725.00
Professional and consulting fees.....		4860	\$ 4,049,327,890.00
Education and training for staff and volunteers.....		4870	\$ 627,490,957.00
Total expenditure on all compensation (enter the amount reported at line 390 in Schedule 3, if applicable).....		4880	\$ 117,843,853,358.00
Fair market value of all donated goods used in charitable programs.....		4890	\$ 1,046,788,647.00
Total cost of all purchased supplies and assets.....		4891	\$ 15,379,232,536.00

Amortization of capitalized assets	4900	\$ 7,861,323,487.00
Total expenditure for research grants and scholarships as part of charitable programs	4910	\$ 3,163,410,031.00
Other expenditures not included in the amounts above (excluding gifts to qualified donees)	4920	\$32,858,934,292.00
Specify type(s) of expenditures included in the amount reported at 4920 4930		
Total expenditures before gifts to qualified donees (add lines 4800 to 4920)	4950	\$ 199,866,100,410.00

Lines 5000 to 5040 represent a breakdown of the expenditures on lines 4800 to 4920. The total of lines 5000 to 5040 should equal line 4950.

Total expenditures on charitable programs	5000	\$ 159,959,783,611.00
Total expenditures on management and administration.....	5010	\$18,900,150,208.00
Total expenditures on fundraising	5020	\$ 2,353,173,622.00
Total expenditures on political activities, inside or outside Canada.....	5030	\$ 67,044,146.00
Total other expenditures included in line 4950.....	5040	\$12,699,804,305.00
Total amount of gifts made to all qualified donees.....	5050	\$ 6,325,947,018.00
Total expenditures (add amounts from lines 4950 and 5050)	5100	\$ 205,946,015,569.00

Other financial information

Permission to accumulate property:

Only registered charities that have written permission to accumulate should complete this section.

- Enter the amount accumulated for the fiscal period, including income earned on accumulated funds
- Enter the amount disbursed for the fiscal period for the specified purpose we have permitted.

5500	\$ 283,318,105.00
5510	\$ 316,089,182.00

Permission to reduce disbursement quota:

If the charity has received approval from the Charities Directorate to make a reduction to its disbursement quota, enter the amount for the fiscal period

5750	\$ 9,902,933.00
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Property not used in charitable activities:

Enter the value of property not used for charitable activities or administration during:

- The 24 months before the **beginning** of the fiscal period
- The 24 months before the **end** of the fiscal period.....

5900	\$ 38,272,093,559.00
5910	\$ 41,088,515,023.00