
**CANADIAN CROSSROADS INTERNATIONAL -
CARREFOUR CANADIEN INTERNATIONAL**
operating as **CROSSROADS INTERNATIONAL**

FINANCIAL STATEMENTS

MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members
Canadian Crossroads International
TORONTO
Ontario

Opinion

We have audited the accompanying financial statements of Canadian Crossroads International which comprise the statement of financial position as at March 31, 2024 and the statement of operations and changes in net assets and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Norton McMullen LLP

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

June 1, 2024

CANADIAN CROSSROADS INTERNATIONAL

STATEMENT OF FINANCIAL POSITION

As at March 31, 2024 2023

ASSETS

Current

Cash and cash equivalents	\$ 3,058,815	\$ 1,096,285
Investments (Note 2)	2,504,479	3,172,575
Accounts receivable (Notes 3)	98,322	121,719
Prepaid expenses and other assets (Note 4)	422,040	576,106
Due from related parties (Note 10)	<u>1,460</u>	<u>1,460</u>
	\$ 6,085,116	\$ 4,968,145

Capital Assets (Note 5)

<u>30,544</u>	<u>34,833</u>
<u>\$ 6,115,660</u>	<u>\$ 5,002,978</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 330,584	\$ 432,698
Deferred revenue (Note 6)	<u>3,313,039</u>	<u>2,368,848</u>
	\$ 3,643,623	\$ 2,801,546

NET ASSETS

General Fund	\$ 1,872,628	\$ 1,594,832
Karen Takacs Women's Leadership Fund	11,677	18,868
One-World Fund	387,732	387,732
Endowment Fund	<u>200,000</u>	<u>200,000</u>
	\$ 2,472,037	\$ 2,201,432
	<u>\$ 6,115,660</u>	<u>\$ 5,002,978</u>

Commitments (Note 12)

Contingencies (Note 13)

Approved by the Board:

Patricia Erb
Patricia Erb (Jun 10, 2024 17:42 EDT)

Director

Patricia Erb

Janet Riehm
Janet Riehm (Jun 10, 2024 20:52 EDT)

Director

Janet Riehm

See accompanying notes

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CANADIAN CROSSROADS INTERNATIONAL

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended March 31,

2024

2023

	General Fund	Karen Takacs Women's Leadership Fund	One-World Fund	Endowment Fund	Total	Total
REVENUES						
Global Affairs Canada (Note 6)	\$ 6,836,640	\$ -	\$ -	\$ -	\$ 6,836,640	\$ 8,185,741
Province of Quebec (Note 6)	375,908	-	-	-	375,908	152,287
	<u>\$ 7,212,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,212,548</u>	<u>\$ 8,338,028</u>
Volunteer contributions in-kind	\$ 3,894,049	\$ -	\$ -	\$ -	\$ 3,894,049	\$ 5,438,184
Other contributions in-kind	179,505	-	-	-	179,505	-
Restricted donations (Note 6)	1,006,503	8,257	-	-	1,014,760	621,631
General donations	695,352	-	-	-	695,352	581,072
Investment income (Note 7)	365,603	3,790	-	-	369,393	556
	<u>\$ 6,141,012</u>	<u>\$ 12,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,153,059</u>	<u>\$ 6,641,443</u>
	<u>\$ 13,353,560</u>	<u>\$ 12,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,365,607</u>	<u>\$ 14,979,471</u>
EXPENSES						
Programs						
International	\$ 6,822,977	\$ 17,663	\$ -	\$ -	\$ 6,840,640	\$ 7,211,626
Public engagement	477,247	-	-	-	477,247	659,158
Volunteer contributions in-kind	3,894,049	-	-	-	3,894,049	5,438,184
Administration, governance and overhead	1,329,385	1,575	-	-	1,330,960	1,102,760
Fundraising	552,106	-	-	-	552,106	567,717
	<u>\$ 13,075,764</u>	<u>\$ 19,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,095,002</u>	<u>\$ 14,979,445</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 277,796</u>	<u>\$ (7,191)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,605</u>	<u>\$ 26</u>
NET ASSETS - Beginning	<u>1,594,832</u>	<u>18,868</u>	<u>387,732</u>	<u>200,000</u>	<u>2,201,432</u>	<u>2,201,406</u>
NET ASSETS - Ending	<u>\$ 1,872,628</u>	<u>\$ 11,677</u>	<u>\$ 387,732</u>	<u>\$ 200,000</u>	<u>\$ 2,472,037</u>	<u>\$ 2,201,432</u>

See accompanying notes

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CANADIAN CROSSROADS INTERNATIONAL

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended March 31,

2023

2022

	General Fund	Karen Takacs Women's Leadership Fund	One-World Fund	Endowment Fund	Total	Total
REVENUES						
Global Affairs Canada (Note 6)	\$ 8,185,741	\$ -	\$ -	\$ -	\$ 8,185,741	\$ 6,505,224
Province of Quebec (Note 6)	152,287	-	-	-	152,287	332,114
	<u>\$ 8,338,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,338,028</u>	<u>\$ 6,837,338</u>
Volunteer contributions	\$ 5,438,184	\$ -	\$ -	\$ -	\$ 5,438,184	\$ 2,900,559
Restricted donations (Note 6)	586,949	34,682	-	-	621,631	818,579
General donations	581,072	-	-	-	581,072	609,049
Covid-19 subsidies	-	-	-	-	-	211,118
Investment income (Note 7)	594	(38)	-	-	556	11,126
	<u>\$ 6,606,799</u>	<u>\$ 34,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,641,443</u>	<u>\$ 4,550,431</u>
	<u>\$ 14,944,827</u>	<u>\$ 34,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,979,471</u>	<u>\$ 11,387,769</u>
EXPENSES						
Programs						
International	\$ 7,180,970	\$ 30,656	\$ -	\$ -	\$ 7,211,626	\$ 6,408,615
Public engagement	659,158	-	-	-	659,158	344,680
Volunteer contributions	5,438,184	-	-	-	5,438,184	2,900,559
Administration, governance and overhead	1,097,399	5,361	-	-	1,102,760	1,027,527
Fundraising	567,717	-	-	-	567,717	443,894
	<u>\$ 14,943,428</u>	<u>\$ 36,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,979,445</u>	<u>\$ 11,125,275</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 1,399	\$ (1,373)	\$ -	\$ -	\$ 26	\$ 262,494
NET ASSETS - Beginning	<u>1,593,433</u>	<u>20,241</u>	<u>387,732</u>	<u>200,000</u>	<u>2,201,406</u>	<u>1,938,912</u>
NET ASSETS - Ending	<u>\$ 1,594,832</u>	<u>\$ 18,868</u>	<u>\$ 387,732</u>	<u>\$ 200,000</u>	<u>\$ 2,201,432</u>	<u>\$ 2,201,406</u>

See accompanying notes

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CANADIAN CROSSROADS INTERNATIONAL

STATEMENT OF CASH FLOWS

For the year ended March 31,

2024

2023

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenues over expenses	\$ 270,605	\$ 26
Items not affecting cash:		
Realized gains	(61,632)	(5,866)
Unrealized (gains) losses	(235,190)	73,361
Amortization	<u>17,430</u>	<u>16,705</u>
	\$ (8,787)	\$ 84,226
Net change in non-cash working capital balances:		
Accounts receivable	23,397	(17,466)
Prepaid expenses and other assets	154,066	10,695
Accounts payable and accrued liabilities	(102,114)	(22,809)
Deferred revenue	<u>944,191</u>	<u>(2,518,933)</u>
	\$ 1,010,753	\$ (2,464,287)

INVESTING ACTIVITIES

Withdrawal from investments	\$ 964,918	\$ -
Purchase of capital assets	<u>(13,141)</u>	<u>(10,481)</u>
	\$ 951,777	\$ (10,481)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

\$ 1,962,530 \$ (2,474,768)

CASH AND CASH EQUIVALENTS - Beginning

1,096,285 3,571,053

CASH AND CASH EQUIVALENTS - Ending

\$ 3,058,815 \$ 1,096,285

See accompanying notes

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CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

NATURE OF OPERATIONS

Canadian Crossroads International (the "Organization") was founded in 1958 and incorporated under the Canada Corporations Act without share capital on July 21, 1969 and continued under the Not-for-profit Corporations Act on June 26, 2014. The Organization is an international development organization that is reducing poverty and advancing equality for women and girls. Working with local partners in eight countries and supported by hundreds of volunteers each year, the Organization leverages expertise and resources, North and South, to help people overcome poverty and advance equality for women and girls. The Organization is currently working in Burkina Faso, Canada, Ghana, Ivory Coast, Senegal, Eswatini, Tanzania, Togo, Uganda and Zambia. The Organization is a charitable organization as defined in the Income Tax Act (Canada) and, as such, is exempt from federal and provincial income taxes and may issue charitable receipts for donations received.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from the estimates used.

b) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

- i) The General Fund reports all transactions relating to the daily operating activities of the Organization and the unrestricted net assets. Refer to Note 1(c) for the revenue recognition policy.
- ii) The Karen Takacs Women's Leadership Fund ("Karen Takacs Fund") is restricted for the purpose of supporting African organizations whose work advances leadership and equality of women. Grants are awarded for organizational strengthening and training, building national and regional networks, lobbying and advocacy activities, research, documenting experience and increasing knowledge of women's rights and training opportunities. Refer to Note 1(c) for the revenue recognition policy.
- iii) The Endowment Fund is internally restricted by the Board of Directors. The fund was created to support the Organization in fulfilling its mission and mandate.

CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

b) Fund Accounting - continued

iv) The One World Fund is internally restricted by the Board of Directors. The fund was created to increase the impact of the Organization's programming and leverage additional funding and/or provide opportunities for future revenue generation.

c) Revenue Recognition

The Organization follows the deferral method to account for donations and grants. Under this method, restricted donations and grants are deferred and recognized as revenue when related expenses are incurred. Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations consist of gifts from foundations, other non-government supporters and valued individual donors.

Investment income includes interest, dividend income, realized gains and losses on sale of investments and changes in unrealized gains and losses on investments. Revenue related to investments is recognized on an accrual basis. Investment income earned by internally restricted funds are recognized as revenue in the General Fund. Investment income earned by externally restricted funds are recognized as revenue in its respective fund. Revenue related to other government assistance is recognized when received or receivable and collection is reasonably assured and when all conditions as to its use have been met.

d) Foreign Currency Translation

Foreign currency transactions are translated at the rate in effect when the transactions occur. Monetary assets and liabilities denominated in a foreign currency have been translated at the rate in effect at the end of the year.

e) Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash, operating and brokerage accounts and commercial paper which are highly liquid and for which the original maturities are less than three months.

f) Capital Assets

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

Office equipment and furniture	5 years straight-line
Computer software	7 years straight-line

CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

g) Volunteer Contributions

Contributions of voluntary services, by people in Canada and abroad, are vital to the Organization's work. The Organization keeps detailed records of the time and services provided by volunteers. Value is assigned to volunteer contributions based on calculation methods developed by independent researchers. Rates applied are sourced from current Statistics Canada rate tables.

h) Partner Advances

Partner advances represent funding advanced to project partners and are recognized as program expenses when the underlying costs are incurred and reconciled. Advances that have not been spent by the partner by the end of the year are recorded within prepaid expenses and other assets.

i) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for pooled equity funds quoted or exchanged in an active market, which are subsequently measured at fair value.

Financial instruments subsequently measured at amortized cost include cash and cash equivalents, GIC's and pooled fixed income funds and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. The Organization's financial assets measured at fair value include equity funds.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

j) Allocation of Salaries and Benefits

Salaries and benefits are allocated between programs, public engagement program, administration, governance, overhead and fundraising. The allocation is based on a percentage of effort analysis that determines the amount of time spent on each activity.

CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

2. INVESTMENTS

Investments consist of the following:

	2024	2023
Pooled equity funds	\$ 1,558,455	\$ 1,608,706
Pooled fixed income funds	946,024	1,047,846
Investment savings account	-	516,023
	<u>\$ 2,504,479</u>	<u>\$ 3,172,575</u>

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2024	2023
Sales tax receivable	\$ 86,936	\$ 68,780
Accounts receivable	<u>11,386</u>	<u>52,939</u>
	<u>\$ 98,322</u>	<u>\$ 121,719</u>

4. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of the following:

	2024	2023
Partner advances	\$ 228,588	\$ 419,123
Prepaid expenses	<u>193,452</u>	<u>156,983</u>
	<u>\$ 422,040</u>	<u>\$ 576,106</u>

5. CAPITAL ASSETS

Capital assets consist of the following:

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment and furniture	\$ 222,142	\$ 200,023	\$ 22,119	\$ 22,196
Computer software	<u>49,333</u>	<u>40,908</u>	<u>8,425</u>	<u>12,637</u>
	<u>\$ 271,475</u>	<u>\$ 240,931</u>	<u>\$ 30,544</u>	<u>\$ 34,833</u>

CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	2024	2023
a) General Fund	\$ 3,313,039	\$ 2,360,592
b) Karen Takacs Women's Leadership Fund	<u>-</u>	<u>8,256</u>
	<u>\$ 3,313,039</u>	<u>\$ 2,368,848</u>

a) General deferred revenue consists of unspent externally restricted government grants and donations. The changes in deferred revenue balances are as follows:

	2024			
	Donations	Provincial	Federal	Total
Balance - Beginning	\$ 1,339,685	\$ 274,757	\$ 746,150	\$ 2,360,592
Add: donations received	1,669,520	-	-	1,669,520
Add: government funding received	-	573,013	6,884,461	7,457,474
Add: restricted investment income	-	-	44,504	44,504
Less: amount recognized as revenue	<u>(1,006,503)</u>	<u>(375,908)</u>	<u>(6,836,640)</u>	<u>(8,219,051)</u>
Balance - Ending	<u>\$ 2,002,702</u>	<u>\$ 471,862</u>	<u>\$ 838,475</u>	<u>\$ 3,313,039</u>
	2023			
	Donations	Provincial	Federal	Total
Balance - Beginning	\$ 1,146,601	\$ 236,291	\$ 3,462,721	\$ 4,845,613
Add: donations received	780,033	-	-	780,033
Add: government funding received	-	190,753	5,396,151	5,586,904
Add: restricted investment income	-	-	27,429	27,429
Less: amount recognized as revenue	<u>(586,949)</u>	<u>(152,287)</u>	<u>(8,140,151)</u>	<u>(8,879,387)</u>
Balance - Ending	<u>\$ 1,339,685</u>	<u>\$ 274,757</u>	<u>\$ 746,150</u>	<u>\$ 2,360,592</u>

During the fiscal year, the Organization raised \$891,325 in donations from valued individual donors, foundations and non-government supporters (2023 - \$1,361,068).

CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

6. DEFERRED REVENUE - Continued

b) Karen Takacs Women's Leadership Fund consists of unspent externally restricted donations. The changes in the deferred revenue balance is as follows:

	2024	2023
Balance - Beginning of year	\$ 8,256	\$ 42,168
Add: donations received	-	770
Less: amount recognized as revenue	<u>(8,256)</u>	<u>(34,682)</u>
Balance - End of year	<u>\$ -</u>	<u>\$ 8,256</u>

7. INVESTMENT INCOME

Investment income consists of the following:

	2024		
	General Fund	Karen Takacs Fund	Total
Interest and dividends	\$ 71,846	\$ 725	\$ 72,571
Realized gains	59,836	1,796	61,632
Unrealized gains (losses)	<u>233,921</u>	<u>1,269</u>	<u>235,190</u>
	<u>\$ 365,603</u>	<u>\$ 3,790</u>	<u>\$ 369,393</u>
	2023		
	General Fund	Karen Takacs Fund	Total
Interest and dividends	\$ 63,975	\$ 3,051	\$ 67,026
Realized gains	6,541	349	6,890
Unrealized gains (losses)	<u>(69,922)</u>	<u>(3,438)</u>	<u>(73,360)</u>
	<u>\$ 594</u>	<u>\$ (38)</u>	<u>\$ 556</u>

The Organization incurred general investment management fees of \$20,036 (2023 - \$18,746) and investment management fees for the Karen Takacs Fund of \$375 (2023 - \$979) which are included in administration, governance and overhead. Included in investment income is \$35,041 (2023 - \$60) derived from resources held for internally restricted purposes. The investment income (loss) is unrestricted and has been included in the General Fund.

CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

8. ECONOMIC DEPENDENCE

The Organization is economically dependent on Global Affairs Canada for the provision of funding to continue operations. This is considered to be normal for the Organization and the industry in which it operates.

9. SALARIES AND BENEFITS

Remuneration to employees during the year has been allocated as follows:

	2024	2023
Programs		
International	\$ 2,788,607	\$ 2,555,512
Public engagement	340,284	298,958
Administration, governance and overhead	620,534	570,268
Fundraising	<u>171,859</u>	<u>248,466</u>
Total remuneration during the year	<u>\$ 3,921,284</u>	<u>\$ 3,673,204</u>

10. RELATED PARTY BALANCES AND TRANSACTIONS

Friends of Canadian Crossroads Foundation (FCCF)

The FCCF is associated with the Organization by virtue of having a shared Board of Directors. FCCF is a separate charitable foundation that supports other registered charities and, in particular, the Organization. FCCF is a registered charity within the meaning of the Income Tax Act. The following financial information was extracted from the unaudited financial statements of FCCF for the year-ended March 31, 2024 and 2023:

Financial Position as at March 31,	2024	2023
Assets	<u>\$ 214</u>	<u>\$ 423</u>
Liabilities	<u>\$ 1,460</u>	<u>\$ 1,460</u>
Deficit	<u>\$ (1,246)</u>	<u>\$ (1,037)</u>
Deficiency of Revenues Over Expenses	<u>\$ (209)</u>	<u>\$ (215)</u>

CANADIAN CROSSROADS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

11. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's exposure to and concentrations of risk at March 31, 2024:

a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The majority of the Organization's accounts receivable relate to funds receivable from government organizations and advances to employees and volunteers. There has been no change in the assessment of credit risk from the prior year.

b) **Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency rate risk, and price risk. The Organization is exposed to these risks as follows:

i) **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 Organization manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Organization has invested its excess cash in treasury bills, fixed income and equity funds as the means for managing its interest rate risk. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.

ii) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization's functional currency is the Canadian Dollar. The value of cash and investments denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. The Organization manages this risk by limiting concentration levels.

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

11. FINANCIAL INSTRUMENTS - Continued

c) Market Risk - Continued

ii) Foreign Currency Risk - Continued

As at March 31, 2024, cash and marketable securities in the amounts of 358,455 and \$1,558,455 respectively (2023 - \$96,761 and \$1,248,484) are denominated in foreign currencies and have been converted into equivalent Canadian dollars at the exchange rate in effect at the year end. The exposure to this risk changes as the transaction and balance amounts change and as the exchange rate fluctuates.

iii) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization maintains a portion of investments in pooled fixed income and equity funds and as a result is subject to price risk associated with the fluctuations in the market price for these investments. Based on the Organization's risk tolerance, an asset allocation model was developed and implemented for investments. As at March 31, 2024, marketable securities in equity investments are \$1,558,455 (2023 - \$1,604,728). The exposure to this risk fluctuates as the Organization's investments change from year to year.

12. COMMITMENTS

The Organization is committed to minimum lease payments for office space in Canada and internationally with varying expiry dates. Future minimum annual rental payments before taxes for the following fiscal years are as follows:

2025	\$ 181,454
2026	182,808
2027	186,689
2028	146,187
2029	<u>29,063</u>
	<u>\$ 726,201</u>

13. CONTINGENCIES

The Organization received contributions from Global Affairs Canada ("GAC") and other funding agencies that are subject to restrictions as to the use of the funds. The Organization's accounting records are subject to audit by GAC and other funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.