



Canadian  
Race Relations  
Foundation

Fondation  
canadienne des  
relations raciales

# CANADIAN RACE RELATIONS FOUNDATION

**Unaudited Quarterly Financial Report  
Second quarter of fiscal year 2017-2018 ended  
September 30, 2017**

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# CANADIAN RACE RELATIONS FOUNDATION

## Unaudited Quarterly Financial Report Second quarter of fiscal year 2017-2018 ended September 30, 2017

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## Financial Management Discussion and Analysis

### Second quarter of fiscal year 2017-2018, Six Months Ended September 30, 2017

Refer to Management's Discussion and Analysis as presented in the March 31, 2017 Annual Report. Updates for the second quarter of fiscal year 2017-2018 ended September 30, 2017 are as follows.

#### Statement of Financial Position Discussion

	September 30, 2017	March 31 2017	Changes	
	\$	\$	\$	%
<b>Assets</b>				
Cash	175,994	78,439	97,555	124
Investments and Endowment Fund assets	29,488,120	29,476,426	11,694	0
Prepaid expenses, receivables	59,114	396,174	(337,060)	(85)
Capital assets	18,573	25,883	(7,310)	(28)
<b>Total Assets</b>	<b>29,741,801</b>	<b>29,976,922</b>	<b>(235,121)</b>	<b>(1)</b>
<b>Liabilities and Net Assets</b>				
Accounts payable and accrued liabilities	10,016	171,770	(161,754)	(94)
Accrued salaries and employee future benefits	7,354	22,744	(15,390)	(68)
Deferred contributions and deferred revenues	600	8,200	(7,600)	(93)
Obligation under capital lease	4,334	4,906	(572)	(12)
Net assets	29,719,497	29,769,302	(49,805)	(0.2)
<b>Total Liabilities and Net Assets</b>	<b>29,741,801</b>	<b>29,976,922</b>	<b>(235,121)</b>	<b>(1)</b>

#### Assets

**Cash** is composed of cash at banks and unrestricted cash balances held by the Foundation's investment managers. As at September 30, 2017 total cash in operating bank accounts amounted to \$90,830 and unrestricted cash balances held by the Foundation's investment managers amounted to \$85,164.

## Statement of Financial Position Discussion (continued)

**Investments and Endowment Fund asset** have increased 0.04% or \$11,694 for the six-months ended September 30, 2017 compared to the investment value at March 31, 2017. There was \$250,000 transfer from investment to operating bank account. For the six-months period ended September 30, 2017 the combined portfolio returned 1% or \$273,460 (2016 – 5%, \$1,303,553) after all fees and taxes. The return rate excluding the remeasurement (unrealized) losses is 2.09% or \$577, 681 (2016 – 11% or \$2,951,989).

**Prepaid expenses, receivables** decreased \$337,060 compared to March 31, 2017. This is mainly for reduction of receivables from government of Canada for the “Our Canada” project of \$199,458, reduction of receivables from Foundation’s investment managers for pending trades of \$14,524, reduction of dividend receivables of \$29,075 and HST receivables of \$24,257.

**Capital assets** decreased \$7,310 for the six-months ended September 30, 2017 compared to March 31, 2017 as the result of period end amortization of all assets of \$7310.

### Liabilities

**Accounts payable and accrued liabilities** decreased \$161,754 for the six-months ended September 30, 2017 compared to March 31, 2017. This is mainly for reduction of payables to Foundation’s investment managers for pending trades of \$40,164 and reduction in trade accounts payable of \$121,391.

**Accrued salaries and employee future benefits payable** decreased \$15,389 for the six-months ended September 30, 2017 compared to March 31, 2017. This is mainly for reduction of project personnel.

**Deferred contributions and deferred revenues** decreased \$7,600 for the six-months ended September 30, 2017 compared to March 31, 2017. This is mainly for deferred revenue of \$7,000 from the Halton District School Board recognized as revenue in this period.

**Net Assets** decreased -0.2% or \$49,805 in the six-months ended September 30, 2017 compared to March 31, 2017. This is mainly due to the excess of revenues over expenses of \$254,416 reduced by remeasurement (unrealized) loss on investments portfolio of \$304,221 for the six-months ended September 30, 2017.

## Statement of Operations Discussion

	2017	2016	Changes	
	September 30	September 30	\$	%
<b>Revenues</b>	\$	\$	\$	%
Funded projects	7,000	270,696	(263,696)	(97)
Sponsorships, donations and contributions, honoraria and fundraising gala	5,224	-	5,224	n/a
Publications, other in-kind and miscellaneous revenues	25	97	(72)	(74)
<b>Total Revenues</b>	<b>12,249</b>	<b>270,793</b>	<b>(258,544)</b>	<b>(95)</b>
<b>Net investment income</b>				
Investment income earned	294,120	326,747	(32,627)	(10)
Changes in fair value-realized	283,561	2,625,242	(2,341,681)	(89)
<b>Net investment income</b>	<b>577,681</b>	<b>2,951,989</b>	<b>(2,374,308)</b>	<b>(80)</b>

Revenues from **Funded projects** of \$7,000 represent payment received by the Foundation from the Halton District School Board. The September 30, 2016 revenues represent payments received from the Department of Canadian Heritage for the “Our Canada” project. This project ended in March 2017.

Revenues from **Sponsorships, donations and contributions, honoraria and fundraising gala** relate to honoraria received from public speaking engagements, donations and revenues from sponsorships and fundraising gala.

**Net investment income earned:** The Foundation’s primary source of income is derived from the investment income earned on the investment of the original contribution of \$24 million. Investment income earned includes interest, dividends, and distributions, after portfolio management fees. Investment income earned for the six-months ended September 30, 2017 is \$294,120 a decrease of \$32,627 compared with six-months ended September 30, 2016.

**Changes in fair value realized** of investments for the six-months ended September 30, 2017 include realized gain on sales of investments of \$296,198 reduced by realized foreign exchange losses of \$12,638, a decrease of \$2,341,681 compared with six-months ended September 30, 2016. This is mainly due to sales of investments (Cnd and US) in 2016 which had generated realized gains of \$983,740 and realized foreign exchange gains of \$1,393,039.

Unrealized gains (losses) on investments measured at fair value are recognized in the Statement of Remeasurement Gains and Losses. Unrealized changes in fair value of the investments in the six-month ended September 30, 2017 were \$304,221 loss compared to loss of \$1,648,436 in September 30, 2016 mainly due to sales of investments (Cnd and US).

## Statement of Operations Discussion (continued)

Expenses	September 30 2017			September 30 2016			Changes	
	CRRF	Funded Project	Total	CRRF	Funded Project	Total		
	\$	\$	\$	\$	\$	\$	\$	%
Salaries and benefits	169,707	-	<b>169,707</b>	149,788	175,135	<b>324,923</b>	(155,216)	(48)
Board of Directors honoraria and travel	39,519	-	<b>39,519</b>	21,979	-	<b>21,979</b>	17,540	80
Rent	36,195	-	<b>36,195</b>	21,849	22,622	<b>44,471</b>	(8,276)	(19)
Professional fees	22,938	5,479	<b>28,416</b>	21,996	5,877	<b>27,873</b>	543	2
Office and general	15,021	-	<b>15,021</b>	14,704	1,516	<b>16,220</b>	(1,199)	(7)
Conferences, symposia and consultations	14,092	-	<b>14,092</b>	12,790	18,614	<b>31,404</b>	(17,312)	(55)
Communication	12,888	-	<b>12,888</b>	17,318	25,466	<b>42,784</b>	(29,895)	(70)
Public education	7,446	-	<b>7,446</b>	1,745	-	<b>1,745</b>	5,700	327
Amortization	7,309	-	<b>7,309</b>	7,805	-	<b>7,805</b>	(495)	(6)
Other expenses	4,920	-	<b>4,920</b>	4,033	-	<b>4,033</b>	887	22
Award of Excellence symposium and fundraising gala	-	-	-	23,650	-	<b>23,650</b>	(23,650)	100
<b>Total Expenses</b>	<b>330,034</b>	<b>5,479</b>	<b>335,513</b>	<b>297,656</b>	<b>249,230</b>	<b>546,886</b>	(211,373)	(39)

The Foundation's total expenses is \$335,513 for the six-months ended September 30, 2017 with the three main users of funds being salaries and benefits, Board of Directors honoraria and travel and rent, totaling \$169,707, \$39,519 and \$36,195 respectively.

There was \$155,216 decrease in **Salaries and benefits** expenses compared to September 30, 2016 due to completion of the "Our Canada" project in March 2017.

Honoraria and travel expenses for the **Board of Directors** increased \$17,540 in the six-months ended September 30, 2017 compared to September 30, 2016.

**Rent** expense for the office space decreased by \$8,276 in the six-months ended September 30, 2017 compared to September 30, 2016 due to adjustment to the prior years' property taxes paid the landlord.

**Professional fees** are for legal, accounting and corporate services fees. There were no significant changes to these expenses.

## Statement of Operations Discussion (continued)

**Office and general expenses** decreased \$1,199 in the six-months ended September 30, 2017 compared to September 30, 2016 mainly due to lower office supplies and insurance costs.

**Conferences, symposia and consultations** expenses decreased \$17,312 in the six-months ended September 30, 2017 compared to September 30, 2016 due to completion of the “Our Canada” project in March 2017.

**Communications** are public and media relations expenses. There was a \$29,895 decrease in communications expenses compared to September 30, 2016, mainly due to completion of the “Our Canada” project.

**The Award of Excellence symposium and fundraising gala** is an event held every two years. The September 30, 2016 expenses were for travel, meals and hotel accommodations, subsidies for winners, speakers, panelists, meeting rooms venues rental, printed materials, audio and simultaneous interpretation expenses for October 2016 event in Toronto.

## Outlook for the Future

### Fiscal Year 2017-2018

During the fiscal year 2017-2018, the Canadian Race Relations Foundation will continue to fund its core programs and operations through the investment income from its original endowment. As well, following on the successful implementation and completion of the Foundation's two previous multi-year grants, the Foundation will seek further funding avenues in the fulfillment of its mandate and promotion of its vision. The Foundation will continue to focus on building bridges to promote deepening cross-country conversations while broadening the reach and depth of its programs as a national voice to strengthen harmonious race relations. Its program activities conform to the Foundation's unique brand as a leading facilitator and resource for the advancement of positive race relations. It is not the Foundation's role to be a strong advocate. Neither is it equipped to function as such.

A major focus for the fiscal year will be the development and implementation of a Special Council and Patrons Circle, made up of subject-matter experts, community leaders and prominent Canadians. The Special Council, to be appointed pursuant to Sec.12 and Sec. 16 of the Act, will provide strategic advice to the Foundation Board of Directors on the full range of Foundation activities undertaken to achieve the Foundation's mandate. In addition, the fiscal year will see a focus on building a robust system of online resources to further the Foundation's mission and vision including its Clearinghouse.

The Foundations has an approved operating revenues budget of \$741,000 and an expenditures budget of \$954,000 for 2017-2018. The approved budgets were set understanding the fiscal limitations faced by the Foundation in today's economic climate, and the end of the 3-year government-funded project. The approved budgets for the year are closely monitored by senior management, the Finance and Audit Committee and the Board of Directors. Budget variance reports are reviewed and monitored on a regular basis. Where necessary, adjustments are made in consultation with the Finance and Audit Committee, subject to the approval of the Executive Committee of the Board of Directors. All expenditures are governed by the approved

## **Outlook for the Future (continued)**

budget and Board resolutions, as well as any applicable guidelines and policies of the Government. To further strengthen oversight, management will be required to obtain prior Board/EC approval for any line-item expenditure that will exceed its Board approved budgeted amount by more than 10%. Quarterly financial statements and related notes are also prepared in accordance with the Treasury Board standards and are posted on the Foundation's website. The Foundation's programs and activities are designed in accordance with the Foundation's Strategic Plan, which continues the forward momentum of the Foundation, building on the successes of the past, and challenging the Foundation to move forward with technological and programmatic advances. While the Strategic Plan advances the Foundation in alignment with contemporary issues of race relations, it represents a commitment to the legacy of generosity of spirit exhibited by the National Association of Japanese Canadians in signing the Japanese Canadian Redress Agreement, and advocating on behalf of the creation of the Canadian Race Relations Foundation. Its central purpose is set out in the Canadian Race Relations Foundation Act, which was passed in 1990.



**CANADIAN RACE RELATIONS FOUNDATION**  
**Unaudited Quarterly Financial Report**  
**For the Six Months Ended September 30, 2017**  
**Statement of Management Responsibility**

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these **unaudited** quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.



Lilian Ma  
Executive Director

November 25, 2017



Arsalan Tavassoli MA, CPA, CGA  
Finance and Administration Director

November 25, 2017

**CANADIAN RACE RELATIONS FOUNDATION**  
**UNAUDITED QUARTERLY FINANCIAL STATEMENTS**  
**Statement of Financial Position**

	September 30 2017	March 31 2017
	\$	\$
<b>Assets</b>		
Current assets		
Cash (note 3)	175,994	78,439
Prepaid expenses	19,241	27,511
Receivables (note 6)	39,873	368,663
Investments (note 4)	377,247	329,589
	<u>612,355</u>	<u>804,202</u>
Endowment Fund assets (note 5)	25,454,249	25,987,800
Investments (note 4)	3,656,624	3,159,037
Capital assets (note 8)	18,573	25,883
	<u>29,741,801</u>	<u>29,976,922</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	10,016	171,770
Accrued salaries (note 6)	7,354	22,744
Deferred contributions and deferred revenues (note 10)	600	8,200
	<u>17,970</u>	<u>202,714</u>
Obligation under capital lease (note 9)	4,334	4,906
	<u>22,304</u>	<u>207,620</u>
<b>Net assets</b>		
Unrestricted	4,363,498	4,102,344
Invested in capital assets (note 13)	14,239	20,977
Accumulated remeasurement gains	1,341,760	1,645,981
Restricted for endowment purposes (note 5)	24,000,000	24,000,000
	<u>29,719,497</u>	<u>29,769,302</u>
	<u>29,741,801</u>	<u>29,976,922</u>
Contractual obligations (note 11)		

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

**CANADIAN RACE RELATIONS FOUNDATION**  
**UNAUDITED INTERIM QUARTERLY FINANCIAL STATEMENTS**  
**Statement of Operations**

	Three months ended		Six months ended	
	September 30 2017	September 30 2016	September 30 2017	September 30 2016
<b>Revenues</b>	\$	\$	\$	\$
Funded projects	-	115,271	7,000	270,696
Sponsorships, donations and contributions, honoraria and fundraising gala	224	-	5,224	-
Publications, in-kind & Miscellaneous revenue	-	-	25	97
	<b>224</b>	<b>115,271</b>	<b>12,249</b>	<b>270,793</b>
<b>Expenses (note 14)</b>				
Programs expenses	78,686	100,335	161,117	140,397
Administration expense	27,557	34,390	57,673	48,558
Operating expenses	20,650	6,696	45,267	25,689
Board of Directors meetings	20,989	2,642	39,519	21,979
Public Education and training	5,876	74	7,446	1,745
Staff recruitment and development	1,212	-	3,932	298
Conferences, symposia and consultations	1,025	4,030	14,092	12,790
Information systems and development	208	1,273	676	1,533
Finance cost	187	108	312	255
Funded projects	29	112,623	5,479	268,046
Education and training Centre	-	1,946	-	1,946
Award of Excellence symposium and fundraising gala	-	7,635	-	23,650
	<b>156,419</b>	<b>271,752</b>	<b>335,513</b>	<b>546,886</b>
Deficiency of revenues over expenses before net investment gain	(156,195)	(156,481)	(323,264)	(276,093)
<b>Net investment income gain (note 12)</b>	197,033	411,141	587,980	2,951,989
<b>Excess of revenues over expenses</b>	<b>40,838</b>	<b>254,660</b>	<b>264,716</b>	<b>2,675,896</b>

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

**CANADIAN RACE RELATIONS FOUNDATION**  
**UNAUDITED QUARTERLY FINANCIAL STATEMENTS**  
**Statement of Remeasurement Gains and Losses**

	<b>September 30 2017</b>	<b>March 31 2017</b>
	\$	\$
Accumulated remeasurement gains, beginning of period	1,645,981	3,060,051
<b>Unrealized gains (losses) attributable to:</b>		
Portfolio investments and Endowment Fund assets in equity instruments quoted in an active market	(304,221)	1,681,668
Financial instruments designated to the fair value category		(111,405)
<b>Amounts reclassified to the Statement of Operations:</b>		
Portfolio investments and Endowment Fund assets in equity instruments quoted in an active market		(3,001,563)
Financial instruments designated to the fair value category		17,230
<b>Net remeasurement losses for the period</b>	<b>(304,221)</b>	<b>(1,414,070)</b>
<b>Accumulated remeasurement gains, end of period</b>	<b>1,341,760</b>	<b>1,645,981</b>

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

**CANADIAN RACE RELATIONS FOUNDATION**  
**UNAUDITED QUARTERLY FINANCIAL STATEMENTS**  
**Statement of Changes in Net Assets**

<b>September 30 2017</b>	Unrestricted	Invested in capital assets	Accumulated remeasurement gains	Endowment	<b>September 30 2017</b>
	\$	\$	\$	\$	\$
Net assets, beginning of period	4,102,344	20,977	1,645,981	24,000,000	29,769,302
Excess of revenues over expenses	254,416	-	-	-	254,416
Remeasurement losses	-	-	(304,221)	-	(304,221)
Net change in investment in capital assets (note 13)	6,738	(6,738)	-	-	-
<b>Net assets, end of period</b>	<b>4,363,498</b>	<b>14,239</b>	<b>1,341,760</b>	<b>24,000,000</b>	<b>29,719,497</b>

**Statement of Changes in Net Assets**  
**For the year ended March 31, 2017**

<b>March 31 2017</b>	Unrestricted	Invested in capital assets	Accumulated remeasurement gains	Endowment	<b>March 31 2017</b>
	\$	\$	\$	\$	\$
Net assets, beginning of year	969,938	33,573	3,060,051	24,000,000	28,063,562
Excess of revenues over expenses	3,119,810	-	-	-	3,119,810
Remeasurement losses	-	-	(1,414,070)	-	(1,414,070)
Net change in investment in capital assets (note 13)	12,596	(12,596)	-	-	-
<b>Net assets, end of year</b>	<b>4,102,344</b>	<b>20,977</b>	<b>1,645,981</b>	<b>24,000,000</b>	<b>29,769,302</b>

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

**CANADIAN RACE RELATIONS FOUNDATION**  
**UNAUDITED QUARTERLY FINANCIAL STATEMENTS**  
**Statement of Cash Flows**

	Three months ended		Six months ended	
	2017	2016	2017	2016
	September 30	September 30	September 30	September 30
	\$	\$	\$	\$
<b>Operating activities:</b>				
Excess of revenue over expenses	30,540	254,660	254,416	2,675,895
Items not affecting cash:				
Amortization	3,692	3,979	7,309	7,805
Realized (gains) related to financial instruments in investments and Endowment Fund assets (note 12)	(28,933)	(248,462)	(283,561)	(2,625,242)
	5,300	10,177	(21,835)	58,458
<b>Changes in non-cash operating assets and liabilities:</b>				
Decrease (increase) in prepaid expenses	10,180	(7,127)	8,270	9,377
Decrease (increase) in receivables	59,342	(132,163)	314,266	298,173
Increase (decrease) in accounts payable and accrued liabilities, accrued salaries	2,564	(3,683)	(136,529)	(268,937)
Decrease in deferred contributions and deferred revenues	(300)	(300)	(7,600)	(600)
Net cash provided by (used in) operating activities	77,085	(133,096)	156,572	96,471
<b>Capital activities:</b>				
Addition to capital assets	-	(1,843)	-	(1,843)
Net cash used in capital activities	-	(1,843)	-	(1,843)
<b>Investing activities:</b>				
Proceeds from sale of Endowment Fund assets and investments	919,367	1,902,209	3,637,380	19,631,810
Purchase of Endowment Fund assets and investments	(1,061,520)	(1,995,323)	(3,695,825)	(19,796,820)
Net cash used in investing activities	(142,153)	(93,114)	(58,445)	(165,010)
<b>Financing activities:</b>				
Repayment of capital lease obligations	(287)	(276)	(571)	(609)
Net cash used in Financing activities	(287)	(276)	(571)	(609)
<b>Increase (decrease) in cash</b>	<b>(65, 355)</b>	<b>(228,328)</b>	<b>97,555</b>	<b>(70,990)</b>
Cash, beginning of period	241,349	338,968	78,439	181,629
<b>Cash, end of period</b>	<b>175,994</b>	<b>110,639</b>	<b>175,994</b>	<b>110,639</b>

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

CANADIAN RACE RELATIONS FOUNDATION  
SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS  
First quarter of fiscal year 2017-2018, ended September 30, 2017

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*The unaudited quarterly financial statements should be read in conjunction with the March 31, 2017 audited financial statements of the Canadian Race Relations Foundation published in the 2016-2017 annual report and with the narrative discussion included in this quarterly financial report.*

**1. Description of organization:**

The Canadian Race Relations Foundation (“the Foundation”) was established by way of federal government legislation, the *Canadian Race Relations Foundation Act*, 1991.

The purpose of the Foundation is to facilitate, throughout Canada, the development, sharing and application of knowledge and expertise in order to contribute to the elimination of racism and all forms of racial discrimination in Canadian society.

The Foundation’s Education and Training Centre develops and delivers diversity, equity and human rights education and training as it relates to harmonious race relations.

The Foundation is a registered charity under the *Income Tax Act* and, as such, is not subject to Canadian income tax.

**2. Significant accounting policies:**

**(a) Basis of presentation:**

The Foundation has prepared the financial statements applying the Section 4200 series of Canadian public sector accounting standards applicable to government not-for-profit organizations.

The Foundation applies the deferral method of accounting for contributions for not-for-profit organizations.

**(b) Revenue recognition:**

(i) Donations and contributions:

Donations and contributions are comprised of contributions received from government and non-government entities that are not part of the federal government reporting entity, such as individuals and foundations.

Unrestricted donations and contributions are recognized as revenue on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations and contributions externally restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period in which the related expenditures are recognized.

Endowment is a restricted contribution subject to externally imposed stipulations specifying that the resources contributed are to be maintained permanently as specified. Endowment contributions are recognized as direct increases in net assets in the period in which they are received consistent with the deferral method of accounting for contributions.

(ii) Net investment income:

Investment transactions are accounted for on a trade-date basis. Trade-date accounting refers to the recognition of an asset to be received and the liability to pay for it on the trade

**2. Significant accounting policies (continued):**

(ii) Net investment income (continued):

date; and the derecognition of an asset that is sold, recognition of any gain or loss on disposal, and the recognition of a receivable from the buyer for payment on the trade date.

Investment income includes interest from cash, interest from fixed income investments and Endowment Fund assets, dividends and realized gains and losses on sale of investments and Endowment Fund assets classified in the fair value category.

Unrealized changes in the fair value of investments and Endowment Fund assets classified in the fair value category are recognized by the Foundation in the Statement of Remeasurement Gains and Losses.

Losses for impairment, as defined in the Note 2(d), are recorded in the Statement of Operations through net investment income.

Interest from cash and fixed income investments and Endowment Fund assets are recognized as revenue when earned. Dividends are recognized as revenue on the ex-dividend date. Distributions are recognized as revenue on the date the distribution is declared.

Transaction costs, such as brokerage commissions incurred in the purchase and sale of investments and Endowment Fund assets are expensed as incurred and charged to investment income for investments and Endowment Fund assets recorded in the fair value category.

Investment counsel fees are expensed as incurred and charged to investment income.

(iii) Sponsorships:

Unrestricted sponsorships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted sponsorships are deferred and recognized as revenue in the year in which the related obligations are fulfilled.

(iv) Donations in kind:

Donated materials and services are recognized in these financial statements when a fair value can be reasonably estimated and when the donated materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased. Revenues and offsetting expenses from goods and services received in-kind are recorded at fair market value upon receipt.

(v) Volunteer services:

The Foundation records the fair value of revenue and offsetting expenses of volunteer services in its financial statements if the fair value of volunteer services can be reasonably estimated and services are used in the normal course of the organization's operations and would otherwise have been purchased. If the fair value cannot be estimated, a footnote disclosure is provided in the notes to financial statements.



**2. Significant accounting policies (continued):**

(vi) Other revenues:

Revenues from honoraria, fundraising gala, publications, workshops and funded projects are recognized in the year in which the services or events relating thereto take place. Externally restricted funds received in return for future services or events are deferred.

**(c) Cash, receivables and accounts payable and accrued liabilities**

Cash is recorded by the Foundation at cost. Cash excludes restricted cash as it is included in the Endowment Fund assets because it cannot be spent. Receivables, accounts payable and accrued liabilities are measured at amortized cost.

Any gains, losses or interest expense related to accounts payable and accrued liabilities are recorded in the Statement of Operations depending on the nature of the financial liability that gave rise to the gain, loss or expense.

The Foundation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. No allowance at September 30, 2017 (September 30, 2016 – nil) was recorded.

**(d) Financial assets and financial liabilities**

The Foundation's financial assets and financial liabilities consist of cash, investments, Endowment Fund assets, receivables, accounts payable, accrued liabilities and accrued salaries. Investments and Endowment Fund assets have been classified in the fair value category based on the policies described below. Other financial assets and financial liabilities are carried at amortized cost.

Investments and Endowment Fund assets consist of fixed income investments and equities. Endowment Fund assets also include restricted cash. All investments and Endowment Fund assets have been classified in the fair value category and are recorded at fair value as active management of the investment portfolio including capitalizing on short-term pricing opportunities is integral to generating funding for the Foundation. Gains and losses on investments and Endowment Fund assets are recognized in the Statement of Operations when the financial asset is derecognized due to disposal or impairment.

The Foundation assesses at each date of the financial statements whether there is objective evidence that financial instruments in investments and in Endowment Fund assets are impaired.

Investments and Endowment Fund assets are considered to be impaired when a decline in fair value is judged to be other than temporary. The Foundation employs a systematic methodology that considers available evidence in evaluating potential impairment of investments and Endowment Fund assets, including market declines subsequent to the period-end; when cost of an investment exceeds its fair value by 50%; evaluation of general market conditions; duration and extent to which the fair value is less than cost over a period of six or four years; severe losses by the investee in the current year or current and prior years; continued losses by the

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**2. Significant accounting policies (continued):**

**(d) Financial assets and financial liabilities (continued)**

investee for a period of years; liquidity or going concern problems of the investee; and intent and ability to hold the investment by the Foundation.

Once a decline in fair value is determined to be other than temporary, the cumulative unrealized loss previously recorded in the Statement of Remeasurement Gains and Losses is reclassified from the Statement of Remeasurement Gains and Losses and recognized as an impairment loss in the Statement of Operations through the net investment income.

Further declines in the fair value of impaired financial instruments in investments and in Endowment Fund assets are recognized in the Statement of Operations, while subsequent increases in fair value are recorded in the Statement of Remeasurement Gains and Losses.

Portfolio of investments and Endowment Fund assets are reported at fair value. Unrealized changes in the fair value of portfolio investments and Endowment Fund assets are recognized in the Statement of Remeasurement Gains and Losses. Once realized, the cumulative gains or losses previously recognized in the Statement of Remeasurement Gains and Losses are recorded in net investment income. Purchases and dispositions of portfolio investments and Endowment Fund assets are recorded on the trade date. Investment management fees are expensed as they are incurred.

**(e) Determination of fair values:**

The fair value of the Foundation's assets and liabilities accounted for are based on market measurement on September 30, 2017. Fair values of investments and Endowment Fund assets are determined by reference to published price of the most recent transaction in an active market at year end representing by the full price for fixed income investments and the closing price for equities. Inputs to the valuation methodology for determination of fair values of investments and Endowment Fund assets which are classified at Level 2 include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. The prices are determined based on the market activity.

**(f) Capital assets:**

Capital assets are measured at amortized cost. Assets under capital lease are initially recorded at the present value of the minimum lease payments and are amortized over the term of the lease. Except for the assets under capital lease and leasehold improvements, amortization is provided for over the estimated useful lives of the assets on a straight-line basis as follows:

<b>Assets</b>	<b>Estimated Useful Lives</b>
Office furniture and equipment	5 years
Office equipment under capital lease	Over the term of the lease
Computer hardware	3 years
Computer software	3 years
Leasehold improvements	Over the term of the lease

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**2. Significant accounting policies (continued):**

**(g) Artworks:**

The Foundation's Artworks acquired through purchase are paintings and sculptures and are not for sale. The value of Artworks has been excluded from the Statement of Financial Position as they do not meet the definition of an asset per Canadian public sector accounting standards. Purchases of Artwork items are recorded in the year in which the items were acquired as an expense through the Statement of Operations.

**(h) Foreign currency translation:**

Transactions in a foreign currency are translated to Canadian dollars at the average monthly rate of exchange prevailing at the transaction date and included in the Statement of Operations. The fair value of investments and Endowment Fund assets quoted in a foreign currency and accounts denominated in a foreign currency are translated into Canadian dollars at the rates prevailing at the end of the year. Foreign exchange gains or losses prior to the derecognition of a financial asset or the settlement of a financial liability are recognized in the Statement of Remeasurement Gains and Losses. Foreign exchange gains or losses are recognized on the Statement of Operations in net investment income upon derecognition of a financial asset or the settlement of a financial liability.

**(i) Employees future benefits:**

Employees are entitled to severance benefits, when as provided for under labour contracts and conditions of employment. The cost of these benefits is accrued as the employees render the services necessary to earn them. Management determined the accrued benefit obligation using a method based upon assumptions and its best estimates. These benefits represent an obligation of the Foundation that entails settlement by future payments.

The Foundation does not have any other obligations for retirement benefits (pensions and other retirement benefits, such as extended health care and life insurance benefits, or any other form of compensation offered for services rendered) to its employees or a promise to provide these benefits to employees because of retirement in return for their services.

The Foundation, in accordance with its human resource policy, provides Registered Retirement Savings Plans equal to 4% of annual earnings to its permanent employees.

There is no obligation for employees to make contributions.

**(j) Measurement uncertainty:**

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Fair value of investments and Endowment Fund assets and estimated useful lives of capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimated.

**2. Significant accounting policies (continued):**

**(k) Contingent liabilities:**

In the normal course of its operations, the Foundation becomes involved in various claims or legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a liability will be accrued and an expense recorded in the Foundation's financial statements. No amount has been included in the Statement of Financial Position for contingent liabilities. At September 30, 2017, there are no outstanding claims (2016 - nil).

**(l) Functional allocation of expenses:**

The Foundation's operations are performed by functional areas that provide integrated services to its various programs. Expenses are reported by function or major program and in total on the accompanying Statement of Operations and are disclosed by the detail of expenses by object and in total in the schedule in note 14 to financial statements. This schedule outlines the major types of expenses incurred.

Expenses are initially allocated to Funded project according to the funding agreements. The remaining expenses are allocated to other functions according to rates based on the Foundation's activities and programs. The rates adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis on which such allocation have been made are as follows:

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**2. Significant accounting policies (continued):**

**(l) Functional allocation of expenses (continued):**

<b>September 30, 2017</b>				
<b>Expenses (objects)</b>	Amount (\$)	Allocation Rate (%)	<b>Expenses (function)</b>	Amount (\$)
Salaries and benefits	169,707	75%	Program expenses	127,280
		25%	Administration expenses	42,427
Board of Directors honoraria and travel	39,519	100%	Board of Directors meetings	39,519
Rent	36,195	65%	Program expenses	23,527
		35%	Administration expenses	12,668
Professional fees	28,416	100%	Operating expenses	22,938
			Funded projects	5,478
Office and general	15,021	100%	Operating expenses	15,021
Conferences, symposia and consultations	14,092	100%	Conferences, symposia and consultations	14,092
Communication	12,888	80%	Program expenses	10,310
		20%	Administration expenses	2,578
Public education	7,446	100%	Education and training	7,446
Amortization	7,309	100%	Operating expenses	7,309
Staff recruitment and development	3,932	100%	Staff recruitment and development	3,932
Information systems and development	676	100%	Information systems and development	676
Interest expenses	313	100%	Finance cost	313
	<b>\$335,513</b>			<b>\$335,513</b>

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**2. Significant accounting policies (continued):**

**(I) Functional allocation of expenses (continued):**

<b>September 30 2016</b>						
<b>Expenses (objects)</b>	Amount (\$)	Allocation Rate (%)	<b>Expenses (function)</b>	Amount (\$)		
Salaries and benefits	324,923	75%	Program expenses	112,341		
			25%	Administration expenses	37,447	
				Funded projects	175,135	
Rent	44,471	65%	Program expenses	14,202		
			35%	Administration expenses	7,647	
				Funded projects	22,622	
Communication	42,784	80%	Program expenses	13,854		
			20%	Administration expenses	3,464	
				Funded projects	25,466	
Conferences, symposia and consultations	31,404	100%	Conferences, symposia and consultations	12,790		
				Funded projects	18,614	
Professional fees	27,873	100%	Operating expenses	21,996		
				Funded projects	5,877	
Award of Excellence symposium and fundraising gala	23,650	100%	Award of Excellence symposium and fundraising gala	23,650		
Board of Directors honoraria and travel	21,979	100%	Board of Directors meetings	21,979		
Office and general	16,219	100%	Operating expenses	4,112		
				Funded projects	12,108	
Amortization	7,805	100%	Operating expenses	7,805		
Public education	3,691	100%	Education and training	3,691		
Information systems and development	1,533	100%	Information systems and development	1,533		
				Staff recruitment and development	298	
Staff recruitment and development	298	100%	Staff recruitment and development	298		
Interest expenses	256	100%	Finance cost	256		
				<b>\$546,886</b>	<b>\$546,886</b>	

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**3. Cash**

Cash includes \$ 175,994 (March 31, 2017 – \$78,439) unrestricted cash balances in investment accounts and banks at September 30, 2017. The carrying amount of these assets approximates their fair value.

**4. Investments:**

<b>September 30, 2017</b>	<b>Current Amount</b>	<b>Non Current Amount</b>	<b>Total Investment</b>
	\$	\$	\$
Investment Savings Account	246,705	-	246,705
Fixed income investments – Canadian	130,542	2,550,267	2,680,808
Equity securities- Canadian		410,028	410,028
Equity securities- Foreign		696,329	696,329
	<b>377,247</b>	<b>3,656,624</b>	<b>4,033,870</b>

<b>March 31, 2017</b>	<b>Current Amount</b>	<b>Non Current Amount</b>	<b>Total Investment</b>
	\$	\$	\$
Investment Savings Account	211,729	-	211,729
Fixed income investments – Canadian	117,860	2,218,857	2,336,717
Equity securities- Canadian	-	343,476	343,476
Equity securities- Foreign	-	596,704	596,704
	<b>329,589</b>	<b>3,159,037</b>	<b>3,488,626</b>

**5. Endowment Fund:**

The net assets of the Foundation include an Endowment Fund of \$24,000,000, which is considered restricted funds. The original contribution which was part of the Redress Agreement included \$12,000,000 from the National Association of Japanese Canadians, and \$12,000,000 from the Government of Canada.

The *Canadian Race Relations Foundation Act* stipulates that this Endowment Fund is to be used only for investment and is not available to fund the Foundation's activities. Investment income earned from the Endowment Fund is available to fund the Foundation's activities.

The Endowment Fund assets are composed of \$436,642 (March 31, 2017 – \$194,485) cash and the following investments at September 30, 2017:

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**5. Endowment Fund (continued):**

September 30, 2017	Current Amount	Non Current Amount	Total Investment
	\$	\$	\$
Fixed income investments – Canadian	473,967	9,898,026	10,371,993
Equity securities- Canadian	-	5,403,043	5,403,043
Equity securities- Foreign	-	9,242,572	9,242,572
	<b>473,967</b>	<b>24,543,641</b>	<b>25,017,608</b>

March 31, 2017	Current Amount	Non Current Amount	Total Investment
	\$	\$	\$
Investment Savings Account	342,948	-	342,948
Fixed income investments – Canadian	480,507	10,266,125	10,746,632
Equity securities- Canadian	-	5,340,057	5,340,057
Equity securities- Foreign	-	9,363,678	9,363,678
	<b>823,455</b>	<b>24,969,860</b>	<b>25,793,315</b>

**6. Financial risk management:**

In the normal course of business, the Foundation is exposed to a variety of financial risks: credit risk, interest rate risk, currency risk, other price risk and liquidity risk. The value of investments and Endowment Fund assets within the Foundation's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and market news related to specific securities within the Foundation's portfolio. The level of risk depends on the Foundation's investment objectives and the types of securities in which it invests.

The Foundation manages these risks by following a diversified investment strategy which is defined and set out in its Investment Policy Statement (IPS). The portfolio is diversified according to asset class by combining different types of asset classes such as money market, fixed income and equities within the portfolio. The percentage of the portfolio allocated to each asset class is defined within a specific range and the allocations are reviewed at least every quarter to ensure that they remain within the target range or the portfolio is rebalanced to the target range.

There has been no change to the level of risk compared to the prior period and no changes in the risk management practices used to manage risks.



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**6. Financial risk management (continued):**

**(a) Asset Mix:**

As of September 30, 2017, the Foundation's investment asset mix was as follows:

Asset Mix	IPS Target	Range Permitted
2.07% in Cash (March 31 2017 – 2.19%)	0%	0% - 5%
65.08% in Fixed Income (March 31, 2017 – 65.51%)	80%	40%-80%
15.94% in Canadian Equities (March 31, 2017 – 15.57%)	10%	10%-30%
16.91% in Global Equities (March 31, 2017 – 16.73%)	10%	10%-40%

As of September 30, 2017, the Foundation's Endowment Fund asset mix was as follows:

Asset Mix	IPS Target	Range Permitted
1.72% in Cash (March 31, 2017 – 0.75%)	1%	0%- 5%
40.74% in Fixed Income (March 31, 2017 – 41.35%)	45%	40%-60%
21.23% in Canadian Equities (March 31, 2017 – 21.87%)	25%	10%-30%
32.08% in Global Equities (March 31, 2017 – 31.78%)	25%	20%-40%
4.23% in Real Estate (March 31, 2017 – 4.25%)	4%	4% - 5%

Within each asset class, the Foundation also holds investments with different risk-return characteristics. For example, equities are diversified across industry sectors and by company size (market capitalization) while bonds are diversified by credit ratings, term to maturity, as well as across the government and corporate bond sectors. In addition, the Foundation employs investment managers with different investment styles such as value, growth and growth at a reasonable price (GARP). Diversification also occurs at the individual security selection level whereby securities are selected based on either top-down analysis or bottom-up analysis. The Foundation is also diversified across geographic regions by investing in Canadian, US and international securities.

**(b) Credit risk:**

Credit risk is the risk that the counterparty to a financial asset will fail to discharge an obligation or commitment that it has entered into with the Foundation.

**(i) Fixed income securities:**

The Foundation's investments and Endowment Fund assets in fixed income securities represent the main concentration of credit risk. The market value of fixed income securities

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**6. Financial risk management (continued):**

(i) Fixed income securities (continued):

includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Foundation.

The credit rating information for September 30, 2017 was not available at the time of this report.

As at March 31, 2017 the Foundation invested in fixed income securities with the following credit ratings:

Debt instrument by credit rating	March 31 2017	March 31 2016
	<b>Percentage of Value</b>	
AAA (+ R1 rated short-term)	21.26%	19.15%
AA	26.28%	21.21%
A	46.26%	53.41%
BBB	6.20%	6.23%

Credit ratings are obtained from a number of reputable rating agencies (e.g. Standard & Poor's, Moody's, Fitch or Dominion Bond Rating Services). Where more than one rating is obtained for a security, the lowest rating has been used.

(ii) Accounts receivable:

The Foundation's exposure to credit risk associated with accounts receivable is assessed as being low mainly due to the type of the Foundation's debtors which are mainly from the Government of Canada. As at September 30, 2017 accounts receivable comprise of balances of \$29,975 (March 31, 2017 - \$356,825) less than 3 months, \$6,963 (March 31, 2017 - \$752) between 3 to 12 months and \$11,086 (March 31, 2017 - \$11,086) greater than one year.

The maximum exposure to credit risk for accounts receivable by type of customer as at September 30, 2017 is as follows:

	September 30 2017	March 31 2017
	\$	\$
Government of Canada	20,035	305,025
Amounts receivable from pending trades	-	14,524
Dividend, interest and income distribution	-	29,075
Other organizations	19,838	20,039
	<b>39,873</b>	<b>368,663</b>

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**6. Financial risk management (continued):**

(c) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial assets. Interest rate risk arises when the Foundation invests in interest-bearing financial assets. The Foundation is exposed to the risk that the value of such financial assets will fluctuate due to changes in the prevailing levels of market interest rates. Typically, longer maturity instruments have greater interest rate risk; however, a more sophisticated measure of interest rate risk taking into account the interest (or coupon) received is the duration of the securities. Duration is a measure of the sensitivity of a fixed income security's price to changes in interest rates and is based on the relative size and the time to maturity of expected cash flows. Duration is measured in years and will range between 0 years and the time to maturity of the fixed income security. The Foundation has divided its portfolio to be managed by several independent investment managers. The duration of the Foundation's fixed income portfolio is calculated based on the weighted average of the individual investment manager durations. Individual investment manager durations are computed based on the weighted average of the durations of individual securities (e.g. bonds) within each manager's fixed income portfolio.

The Foundation's fixed income fair value investments and Endowment Fund assets comprise:

	<b>September 30 2017</b>	<b>March 31 2017</b>
	<b>\$</b>	<b>\$</b>
Fixed income – Canadian	13,052,801	13,083,349
	<b>13,052,901</b>	<b>13,083,349</b>

Fixed income securities fair value by maturity date:

	<b>September 30 2017</b>	<b>March 31 2017</b>
	<b>\$</b>	<b>\$</b>
Less than 1 year	604,508	598,367
1-3 years	2,558,429	2,201,959
3-5 years	4,589,721	4,313,414
Greater than 5 years	5,300,142	5,969,609
	<b>13,052,801</b>	<b>13,083,349</b>

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**6. Financial risk management (continued):**

(d) Currency risk:

Currency risk is the risk that the fair value or future cash flows of financial assets and financial liabilities will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial assets and financial liabilities that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Foundation.

The Foundation was not exposed to significant currency risk at period-end as 99.8% investments and Endowment Fund assets held by the Foundation were in Canadian Dollars.

(e) Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial assets and financial liabilities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments and Endowment Fund assets represent a risk of loss of capital. The investment managers of the portfolio contracted by the Foundation moderate this risk through a careful selection and diversification of securities and other financial assets and financial liabilities within the limits of specified statements of investment policy and guidelines (SIPGs) which are negotiated and agreed upon with each investment manager. The maximum risk resulting from financial assets and financial liabilities is determined by the market value of the financial assets and financial liabilities. The Foundation's overall market positions are monitored on a daily basis by the portfolio managers. Financial assets held by the Foundation are susceptible to market price risk arising from uncertainties about future prices of the instruments.

The portfolio's actual return is compared to the benchmark return as a measure of relative performance. The benchmark return is based on the index returns for each asset class and the long-term target allocation of each asset class in the portfolio. The portfolio's long-term target asset allocation is specified in the Foundation's Investment Policy Statement.

The Portfolio's investment performance will be measured against the performance of a 'benchmark' index calculated using appropriate market indices combined in the same proportion as the Portfolio's benchmark asset mix. The revised investment Policy Statement which was approved by the board of directors in October 29, 2016 was in force during the current fiscal year.

As a result, the Foundation's long-term target asset allocation and individual asset class indices in effect as at September 30, 2017 is as follows:

<b>Proportion &amp; Asset Class</b>	<b>Bench mark Index</b>
1% Canadian Cash	DEX 91-day T-Bill Index
45% Canadian Fixed Income Instruments	FTSE TMX Universe Bond Index
22% Canadian equities	S&P / TSX Composite Index
28% Global equities	MSCI World Index TR (CAD)
4 % Real Estate	MSCI World Real Estate Index (CAD)

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**6. Financial risk management (continued):**

(f) Liquidity risk:

Liquidity risk is defined as the risk that the Foundation may not be able to settle or meet its obligations on time or at a reasonable price. The Foundation is exposed to liquidity risk as the Foundation mainly uses the investment income earned on investments and Endowment Fund assets to settle its obligations and such investment income fluctuates with the market conditions relating to the Foundation investment portfolio. The Foundation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities. The Foundation manages its investments and Endowment Fund assets by maintaining a line of credit of \$100,000 and capital management that allows the Foundation to have sufficient liquidity to settle its obligations when they become due.

At September 30, 2017 the Foundation has a total cash balance of \$241,349 (March 31, 2017 - \$78,439), which is more than the total liabilities recorded at September 30, 2017 of \$22,305 (March 31, 2017 - \$207,620).

As at September 30, 2017, the Foundation's liabilities have contractual maturities as follows:

Accounts payable and accrued liabilities	Less than 3 months \$	3 to 12 months \$	Over 1 year \$	Total \$
Other accounts payable and accrued liabilities	7,675	932	1,409	10,016
Accrued salaries	7,354	-	-	7,354

As at March 31, 2017, the Foundation's liabilities have contractual maturities as follows:

Accounts payable and accrued liabilities	Less than 3 months \$	3 to 12 months \$	Over 1 year \$	Total \$
Amounts payable to pending trades	40,614	-	-	40,614
Other accounts payable and accrued liabilities	124,811	848	5,497	131,156
Accrued salaries	22,744	-	-	22,744

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**7. Financial assets and financial liabilities – disclosure**

All financial assets and financial liabilities measured at fair value must be classified in fair value hierarchy levels, which are as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs that are based on quoted prices for similar assets or liabilities and inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Fair value determination requiring significant management judgment or estimation and at least one significant model assumption or input that is unobservable.

The fair value hierarchy levels information for September 30, 2017 was not available at the time of this report.

Financial Assets at fair value for investments and Endowment Fund assets as at March 31, 2017:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investment Saving Account	554,677	-	-	554,677
Fixed income securities	-	13,083,349	-	13,083,349
Equity securities	15,643,915	-	-	15,643,915
Total investments and Endowment Fund assets	<b>16,198,592</b>	<b>13,083,349</b>	-	<b>29,281,941</b>

The fair values of the fixed income investments and Endowment Fund assets are not quoted in an active market, but rather are determined from quoted prices from a decentralized, over the counter market, which is considered in Level 2 in the fair value hierarchy. In the current year, the fixed income financial instruments were therefore reclassified from Level 1 to Level 2.

**8. Capital assets:**

Capital Assets at net book value as at September 30, 2017:

	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Office furniture and equipment	119,281	111,692	7,589
Leasehold improvements	42,988	38,689	4,299
Computer hardware	35,971	33,692	2,279
Equipment under capital lease	6,076	1,671	4,406
	<b>204,316</b>	<b>185,743</b>	<b>18,573</b>

Amortization of capital assets expense is \$ 7,310 (March 31, 2017 - \$15,609).

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**8. Capital assets (continued):**

Capital Assets at net book value as at March 31, 2017:

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2017 Net book value</b>
	\$	\$	\$
Office furniture and equipment	119,281	110,695	8,586
Leasehold improvements	42,988	34,390	8,598
Computer hardware	35,971	32,437	3,534
Equipment under capital lease	6,076	911	5,165
Computer software	5,466	5,466	-
	<b>209,782</b>	<b>183,899</b>	<b>25,883</b>

**9. Obligation under capital lease:**

The Foundation signed an agreement to rent office equipment under capital lease in January 2016 with effective lease date of April 1, 2016. The obligation under capital lease, repayable in blended quarterly installments of \$333, including principal and interest at 3.95% with maturing date of March 31, 2021, is secured by related equipment.

<b>2017</b>	<b>September 30 2017</b>	<b>March 31</b>
Obligation under capital lease	\$ 4,334	\$ 4,906

**10. Deferred contributions and deferred revenues:**

Contributions received from non-government entities that are restricted for funded projects, training workshops and programs are deferred, and recognized as revenue in the period that the related expenses are incurred.

Funds received by the Foundation through projects or subscriptions, that are not yet earned through the provision of goods or services, are deferred by the Foundation, and recognized as revenue in the period that the earnings process is culminated.

Deferred contributions and deferred revenues recorded by the Foundation at September 30, 2017 are as follows:

	<b>September 30 2017</b>	<b>March 31 2017</b>
Deferred contributions from non-government sources	\$ 600	\$ 8,200
Balance, end of the period	<b>600</b>	<b>8,200</b>

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**10. Deferred contributions and deferred revenues (continued):**

Changes in the deferred contributions and deferred revenues balance during the fiscal period were as follows:

	September 30 2017	March 31 2017
	\$	\$
Balance, beginning of the period	8,200	114,945
Add: restricted contributions received from non-government sources	-	7,000
Less: amounts recognized as revenue	(7,600)	(113,745)
<b>Balance, end of the period</b>	<b>600</b>	<b>8,200</b>

**11. Contractual obligations:**

The Foundation entered into one lease agreement for office premises, commencing March 1, 2014 and expiring February 28, 2018. In March 2017 the Foundation exercised its option under the current office premises lease agreement to renew the lease for a further period of five years to February 28, 2023.

The contractual obligations for the next six years as at September 31, 2017 amounted to \$581,688 (March 31, 2017 - \$595,406).

The following table summarizes the Foundation's contractual obligations as of September 20, 2017:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Office premises	\$44,528	\$89,055	\$89,055	\$89,055	\$89,055	\$81,634	\$482,381



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**12. Net investment income:**

<b>Net investment income from Endowment Fund assets</b>	<b>September 30 2017</b>	<b>September 30 2016</b>
	<b>\$</b>	<b>\$</b>
Realized gains on sale and impairment of Endowment Fund assets	26,119	2,544,488
Interest from cash and fixed income investments, dividends from Endowment Fund assets	335,581	370,180
Less: transaction costs and investment counsel fees	(77,359)	(73,965)
	284,342	2,840,703
 <b>Net investment income from investments</b>		
Realized gains on sale and impairment of investments	257,442	80,754
Interest from cash and fixed income investments, dividends	47,163	42,392
Less: transaction costs and investment counsel fees	(11,265)	(11,859)
	293,339	111,287
<b>Net investment income</b>	<b>577,681</b>	<b>2,951,989</b>

**13. Investment in capital assets:**

(a) The investment in capital assets consists of the following:

	<b>September 30</b>	<b>March 31</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Capital assets	18,573	25,883
Less obligation under capital lease	(4,334)	(4,906)
	<b>14,239</b>	<b>20,977</b>

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**13. Investment in capital assets (continued):**

(b) The net change in investment in capital assets is calculated as follows:

	<b>September 30 2017</b>	<b>March 31 2017</b>
	\$	\$
Capital asset additions	-	7,919
Less: Capital assets leased	-	(6,076)
Capital assets purchased with Foundation funds	-	1,843
Amortization of capital assets	(7,309)	(15,609)
Repayment of capital lease obligation	571	1,170
<b>Net change in investment in capital assets</b>	<b>(6, 738)</b>	<b>(12,596)</b>

**14. Schedule of Expenses by object:**

	<b>September 30 2017</b>	<b>September 30 2016</b>
<b>Expenses</b>	<b>\$</b>	<b>\$</b>
Salaries and benefits	169,707	324,923
Board of Directors honoraria and travel	39,519	21,979
Rent	36,195	44,471
Professional fees	28,416	27,873
Office and general	15,021	16,220
Conferences, symposia and consultations	14,092	31,404
Communication	12,888	42,784
Public education	7,446	1,745
Amortization	7,309	7,805
Other expenses	4,921	4,032
Award of Excellence symposium and fundraising gala	-	23,650
	<b>\$335,513</b>	<b>\$546,886</b>