



Canadian
Race Relations
Foundation

Fondation
canadienne des
relations raciales

CANADIAN RACE RELATIONS FOUNDATION

QUARTELY FINANCIAL REPORT
PERIOD ENDED JUNE 30, 2021
FIRST QUARTER OF FISCAL YEAR
2021-2022

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UNAUDITED

CANADIAN RACE RELATIONS FOUNDATION

Unaudited Quarterly Financial Report First quarter of fiscal year 2021-2022, ended June 30, 2021

Table of Contents

Financial Management Discussion and Analysis2
Statement of Management Responsibility	8
Unaudited Quarterly Financial Statements	9
Statement of Financial Position	
Statement of Operations	
Statement of Remeasurement Gains and Losses	
Statement of Net Assets	
Statement of Cash Flows	
Selected Notes to Unaudited Quarterly Financial Statements	

Financial Management Discussion and Analysis

First quarter of fiscal year 2021-2022, three months ended June 30, 2021

Refer to Management's Discussion and Analysis as presented in the March 31, 2021 Annual Report. Updates for the first quarter of fiscal year 2021-2022, ended June 30, 2021, are as follows.

Statement of Financial Position Discussion

	June 30,2021	March 31 2021	Changes	
	\$	\$	\$	%
Assets				
Cash	569,284	231,936	337,348	145
Investments and Endowment Fund assets	27,690,892	26,789,745	901,147	3
Prepaid expenses, receivables	38,388	88,727	(50,339)	(57)
Capital assets	20,349	21,370	(1,021)	(5)
Total Assets	28,318,913	27,131,778	1,187,135	4
Liabilities and Net Assets				
Accounts payable and accrued liabilities	18,273	19,630	(1,357)	(7)
Accrued salaries	22,537	22,594	(57)	(0)
Deferred contributions and deferred revenues	678,292	309,069	369,223	119
Obligation under capital lease	1,520	-	1,520	100
Net assets	27,598,291	26,780,485	817,806	3
Total Liabilities and Net Assets	28,318,913	27,131,778	1,187,135	4

Financial Management Discussion and Analysis (continued):

Assets

Cash is composed of cash at banks and unrestricted cash balances held by the Foundation's investment managers. As at June 30, 2021, total cash in operating bank accounts amounted to \$411,979, and unrestricted cash balances held by the Foundation's investment managers amounted to \$157,305.

Investments and Endowment Fund asset have increased by 3% or \$901,147 for the three-month ended June 30, 2021 compared to the investment value at March 31, 2021. For the three-month period ended June 30, 2021 the combined portfolio returned 4.34% or \$1,091,633 (June 30, 2020 – 2.88% or \$726,102) after all fees and taxes. The return rate excluding the remeasurement (unrealized) gains is 0.61% or \$152,437 (June 30, 2020 – 0.59% or \$149,430).

Prepaid expenses, receivables decreased by \$50,339 compared to March 31, 2021. The decrease is mainly for a reduction of dividend and interest receivables of \$11,133, a reduction of HST and GST refund receivable of \$ 9,343, and a reduction of prepaid expenses of \$16,264.

Capital assets decreased by \$1,021 for the three-month ended June 30, 2021, compared to March 31, 2021. The decrease is for the amortization of all assets of \$ 2,688, offset by cost of a photocopier under capital lease of \$1,667.

Liabilities

Accounts payable and accrued liabilities decreased by \$1,357 for the three-month ended June 30, 2021, compared to March 31, 2021. The decrease is mainly for a reduction of \$13,908 in accrued liabilities, offset by an increase of \$12,551 in trade accounts payable.

Accrued salaries did not significantly change for the three-month ended June 30, 2021, compared to March 31, 2021.

Deferred contributions and deferred revenues increased by \$369,223 for the three-month ended June 30, 2021, compared to March 31, 2021, and is made up of an advance contribution of \$386,385 from the Mosaic Institute for Harnessing Diversity for implementation of the "Behind Racism" project by the Foundation, externally restricted donations of \$141,907, and an externally restricted program fund of \$150,000.

Net Assets increased by 3% or \$ 817,806 in the three-month ended June 30, 2021, compared to March 31, 2021, mainly due to the remeasurement (unrealized) gain on investments portfolio of \$ 939,196, offset by deficiency of revenues over expenses of \$121,391 for the three-month ended June 30, 2021.

Statement of Operations Discussion

	June 30 2021	June 30 2020	Changes	
	\$	\$	\$	%
Revenues				
Funded projects	777	110,933	(110,156)	(99)
Sponsorships, donations and contributions, honoraria and fundraising gala	75,959	134,016	(58,057)	(43)
Publications, in-kind and miscellaneous revenues	-	46	(46)	(100)
Total Revenues	76,736	244,995	(168,259)	(69)
Net investment income				
Investment income earned	103,950	54,587	49,363	90
Changes in fair value-realized	48,487	94,843	(46,356)	(49)
Net investment income	152,437	149,430	3,007	2

Revenues from **Funded projects** of \$777 is from Mosaic Institute for Harnessing Diversity for implementation of the “Behind Racism” project funded by the Department of Canadian Heritage that started in September 2019. The implementation of this project has been delayed due to Covid-19.

Revenues from **Sponsorships, donations and contributions, honoraria and fundraising gala** relate to honoraria received from public speaking engagements, donations, revenues from training workshops, revenues from sponsorships and fundraising gala and conferences registration fees. This revenues include donations of \$71,909 (June 30, 2020 - \$129,016) and training workshops of \$4,050.

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 three-month ended June 30, 2021, is \$103,950, an increase of \$49,363 compared to the three-month ended June 30, 2020.

Changes in fair value realized of investments for the three-month ended June 30, 2021, include realized gain on sales of investments of \$48,487, a decrease of \$46,356 compared to the three-month ended June 30, 2020.

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 three-month ended June 30, 2021, were \$939,196 gain compared to gain of \$576,672 in the

Statement of Operations Discussion (continued):

three-month ended June 30, 2020, an increase of \$362,524, mainly due to an increase in the market value of investments.

Expenses	June 30, 2021			June 30, 2020			Changes	
	CRRF	Funded Project	Total	CRRF	Funded Project	Total		
	\$	\$	\$	\$	\$	\$	\$	%
Salaries and benefits	148,082	598	148,680	101,575	14,172	115,747	32,933	28
Public education	120,561	-	120,561	3,044	88,349	91,393	29,168	32
Research	30,591	-	30,591	-	-	-	30,591	100
Rent	22,314	-	22,314	23,507	-	23,507	(1,193)	(5)
Office and general	9,543	179	9,722	7,346	4,922	12,268	(2,546)	(21)
Board of Directors honoraria and travel	6,050	-	6,050	10,375	-	10,375	(4,325)	(42)
Communication	4,015	-	4,015	4,847	211	5,058	(1,043)	(21)
Staff recruitment and development	3,296	-	3,296	298	-	298	2,998	1,006
Amortization	2,688	-	2,688	2,278	-	2,278	410	18
Information systems and development	2,131	-	2,131	1,923	-	1,923	208	11
Professional fees	516	-	516	24	5,082	5,106	(4,590)	(90)
Interest expenses	-	-	-	13	-	13	(13)	(100)
Total Expenses	349,787	777	350,564	155,230	112,736	267,966	82,598	31

The Foundation's total expenses is \$350,564 for the three-month ended June 30, 2021, with the three main users of funds being Salaries and benefits, Public education, and Research, totaling \$148,680, \$120,561, and \$30,591, respectively.

There was \$32,933 increase in **Salaries and benefits** expenses compared to June 30, 2020, mainly due to the hiring of new personnel and pay increases in this period.

Public education and training are the expenses for webinars, Directions, community support, Clearinghouse, resource library, public service announcements, publicity and program-related translation. There was an increase of \$29,168 in Public education expenses compared to June 30, 2020, mainly to lower Public education expenses for the "Behind Racism" project.

Statement of Operations Discussion (continued):

Research programs - There was an increase of \$30,591 in Research programs expenses compared to June 30, 2020. This period's expenses include two research programs with Canadian Centre for Policy Alternatives of \$15,000, and Abacus Data of \$15,591.

Rent expense for the office space for the three-month ended June 30, 2021, decreased by \$1,193 compared to June 30, 2020, mainly due to a decrease in operating cost of the building.

Office and general expenses decreased by \$2,546 in the three-month ended June 30, 2021, compared to June 30, 2020.

Honoraria and travel expenses for the **Board of Directors** decreased by \$4,325 in the three-month ended June 30, 2021, compared to June 30, 2020, mainly due to the COVID-19 outbreak, which caused to have no in-person meetings to be held in this period. During this period, the Board of Directors had one video conferencing meeting. The value of in-kind contributions from board members has not been included in the expenses.

Communications are public and media relations expenses. There was a \$1,043 decrease in communications expenses compared to June 30, 2020.

Staff recruitment and development increased by \$2,998 in the three-month ended June 30, 2021, compared to June 30, 2020.

Professional fees are for legal, accounting and corporate services fees. There was a decrease of \$4,590 in professional fees expenses compared to June 30, 2020, mainly due reduction in the projects' professional fees.

Outlook for the Future

Fiscal Year 2021-2022

The Canadian Race Relations Foundation is dedicated to the development and application of knowledge and expertise to contribute to the elimination of racism and all forms of racial discrimination in Canadian society.

The COVID-19 pandemic has had an incredible impact on society leading into this current fiscal year, as it has exposed many of the systemic barriers felt by racialized communities in new and unique ways. This past year, Canada has seen a sharp increase in anti-Asian racism, precipitated by fear and conspiracies related to the pandemic. Additionally, we have witnessed a sharp increase in antisemitism, and Islamophobia most notably, with the hate motivated murder of a family in London, ON. The discovery of 215 bodies of children in unmarked graves next to a residential school in Kamloops, BC has shocked the country with renewed calls to tackle recommendations of the Truth and Reconciliation Commission. Far too little progress has been made on anti-black racism, despite the outpouring of support after the murder of George Floyd. The CRRF is committed to working on these important issues and will continue our support of movements seeking equality and fairness for all.

In Budget 2021, the Federal Government allocated \$11M over two years to the Canadian Race Relations Foundation to increase its organizational capacity, support a National

Coalition against Anti-Asian Racism, and provide grants to community organizations. The current investment portfolio is \$26,789,745, which is expected to yield \$600,000 in 2021-22. In addition to these revenue streams, the CRRF is expecting to raise approximately \$200,000 in funds from corporations and individuals.

These new revenues will change the fiscal and operational capacity of the organization enormously. The organization will grow from a budget for revenue of \$1.7M in 2020/21 to \$7.6M in 2021/22 and \$6M in 2022/23 with the commitments from the Federal Government.

This organizational shift will produce a variety of new programs and an expanded geographic reach across Canada, necessary to serve a national mandate to address racism from coast to coast.

Since November 2020, the organization, through its Strategic Plan Implementation Committee, an ad hoc committee of the Board of Directors, has been discussing ways to increase its programmatic capacity. These discussions led to funding proposals through Heritage Canada, for Budget 2021, with recommendations of programs approved by the Board of Directors.

The organization will be increasing its staff to have geographic representations across Canada, as well as increase capacity for administration and communications and

Outlook for the Future (continued)

program management. It is expected that the organization will grow from 6 to 20 full time equivalents in 2021 and potentially additional staff in the following year.

Of the \$7.6M budget, approximately \$2M will be allotted in 2021-22 to grants to address racism caused by COVID. The remaining will be spent on additional programming and staff across the country to increase the national capacity of the organization.

In 2021-2022, the Foundation will continue implementing the "Behind Racism" project, which aims to develop a public exhibition related to the science behind the racial bias on a contract from the Mosaic Institute for Harnessing Diversity. The project is funded by the Department of Canadian Heritage.

In 2021-2022, the Foundation will introduce new programs, including a media fellowship, revamping the Directions Journal, Regional conferences, new educational workshops, public awareness campaigns, strategic research projects and much more.

In 2020-2021, based on the Foundation's Strategic Plan direction, in order to enhance organizational sustainability and position the Foundation to the evolving leadership role in the elimination of racism in Canada, we will focus on strengthening the Foundation in areas of capacity-building of staff and the Board of Directors; development of the underpinnings to support meaningful partnerships with leaders, groups, organizations, as well as the Government; upgraded website and social media presence; and good governance processes.

The Foundation has about \$5.5 million in investments that it can use to cover requirements for annual operations and running programs should the Endowment Fund not generate sufficient investment income. 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 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 approval of the Executive Committee of the Board of Directors for any line-item expenditures 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.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines are 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.

August 27, 2021



Mohammed Hashim
Executive Director



Arsalan Tavassoli MA, CPA, CGA
Finance and Administration Director

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

	June 30 2021	March 31 2021
	\$	\$
Assets		
Current assets		
Cash (note 3)	569,284	231,936
Prepaid expenses	26,158	42,422
Receivables (note 6)	12,230	46,305
	<u>607,672</u>	<u>320,663</u>
Endowment Fund assets (note 5)	21,784,508	21,429,656
Investments (note 4)	5,906,385	5,360,089
Capital assets (note 8)	20,348	21,370
	<u>28,318,913</u>	<u>27,131,778</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	18,273	19,630
Accrued salaries (note 6)	22,537	22,594
Deferred contributions and deferred revenues (note 10)	678,292	309,069
	<u>719,102</u>	<u>351,293</u>
Obligation under capital lease (note 9)	1,520	-
	<u>720,622</u>	<u>351,293</u>
Net assets		
Unrestricted	1,918,867	2,037,717
Invested in capital assets (note 13)	18,829	21,370
Accumulated remeasurement gains	1,660,595	721,398
Restricted for endowment purposes (note 5)	24,000,000	24,000,000
	<u>27,598,291</u>	<u>26,780,485</u>
	<u>28,318,913</u>	<u>27,131,778</u>

Contractual rights and obligations (note 11)

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

CANADIAN RACE RELATIONS FOUNDATION
UNAUDITED QUARTERLY FINANCIAL STATEMENTS
Statement of Operations

Three months ended

	June 30 2021	June 30 2020
Revenues	\$	\$
Funded projects	777	110,933
Sponsorships, donations and contributions, honoraria and fundraising gala	75,959	134,016
Publications, in-kind and miscellaneous revenues	-	46
	76,736	244,994
Expenses (note 15)		
Programs expenses	128,778	95,339
Public Education and training	120,561	3,044
Administration expense	45,633	34,591
Research	30,591	-
Operating expenses	12,747	9,648
Board of Directors meetings	6,050	10,375
Staff recruitment and development	3,296	298
Information systems and development	2,131	1,923
Funded projects	777	112,735
Finance cost	-	13
	350,564	267,966
Deficiency of revenues over expenses before net investment income	(273,828)	(22,972)
Net investment income (note 12)	152,437	149,430
Excess (deficiency) of revenues over expenses	(121,391)	126,458

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

	Three months ended	
	June 30 2021	June 30 2020
	\$	\$
Accumulated remeasurement gains, beginning of period	721,398	167,330
Unrealized gains (losses) attributable to:		
Portfolio investments and Endowment Fund assets in equity instruments quoted in an active market	871,484	-
Financial instruments designated to the fair value category	116,201	671,515
Amounts reclassified to the Statement of Operations:		
Portfolio investments and Endowment Fund assets in equity instruments quoted in an active market	(92,648)	-
Financial instruments designated to the fair value category	44,161	(94,843)
Net remeasurement gains for the period	939,198	576,672
Accumulated remeasurement gains, end of period	1,660,595	744,002

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

June 30, 2021	Unrestricted	Invested in capital assets	Accumulated remeasurement losses	Endowment	June 30, 2021
	\$	\$	\$	\$	\$
Net assets, beginning of period	2,037,717	21,370	721,398	24,000,000	26,780,485
Deficiency of revenues over expenses	(121,391)	-	-	-	(121,391)
Remeasurement gains	-	-	939,196	-	939,196
Net change in investment in capital assets (note 13)	2,541	(2,541)	-	-	-
Net assets, end of period	1,918,867	18,829	1,660,594	24,000,000	27,598,291

March 31, 2021	Unrestricted	Invested in capital assets	Accumulated remeasurement losses	Endowment	March 31, 2021
	\$	\$	\$	\$	\$
Net assets, beginning of year	1,743,365	19,660	167,330	24,000,000	25,930,355
Excess of revenues over expenses	296,062	-	-	-	296,062
Remeasurement gains	-	-	554,068	-	554,068
Net change in investment in capital assets (note 13)	(1,710)	1,710	-	-	-
Net assets, end of year	2,037,717	21,370	721,398	24,000,000	26,780,485

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

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

Three months ended

	2021	2020
	June 30	June 30
	\$	\$
Operating activities:		
Excess of revenue over expenses	(121,391)	126,459
Items not affecting cash:		
Non cash interest and dividend income	2,688	9,135
Amortization	2,981	2,278
Realized gains on sale of investments (note 12)	(48,487)	(94,843)
	(164,209)	43,029
Changes in non-cash operating assets and liabilities:		
Decrease in prepaid expenses	16,264	4,589
Decrease in receivables	34,074	54,063
Decrease in accounts payable and accrued liabilities, accrued salaries	(1,413)	(93,950)
Increase (decrease) in deferred contributions and deferred revenues	369,223	(95,493)
Net cash provided by (used in) operating activities	253,939	(87,762)
Capital activities:		
Addition to capital assets	(1,667)	-
Net cash used in capital activities	(1,667)	-
Investing activities:		
Proceeds from sale of endowment investments and other investments	1,834,609	2,649,852
Purchase of endowment investments and other investments	(1,749,534)	(2,433,268)
Net cash provided by investing activities	85,075	216,584
Financing activities:		
Repayment of capital lease obligations	-	(320)
Net cash used in capital activities	-	(320)
Increase in cash and cash equivalents	337,348	128,502
Cash , beginning of period	231,936	163,874
Cash , end of period	569,284	292,376

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

THE CANADIAN RACE RELATIONS FOUNDATION

SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

First quarter of fiscal year 2021/2022 ended June 30, 2021

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 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.

Contributions related to capital assets represent restricted contributions for the acquisition of capital assets. Deferred contributions related to capital assets are amortized to income over the same periods as the related capital assets acquired.

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 net 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. They are recognized under Publications, in-kind and miscellaneous revenues in the Statement of Operations.

(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 Foundation's operations and

THE CANADIAN RACE RELATIONS FOUNDATION

SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

First quarter of fiscal year 2021/2022 ended June 30, 2021

2. Significant accounting policies (continued):

(v) Volunteer services (continued):

would otherwise have been purchased. If the fair value cannot be estimated, a footnote disclosure is provided in the notes to financial statements.

(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 expenses 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 was recorded at June 30, 2021 (March 31, 2021 – nil).

(d) Financial assets and financial liabilities

The Foundation's financial assets and financial liabilities consist of cash, investments, Endowment Fund assets, receivables, accounts payable and 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

2. Significant accounting policies (continued):

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

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 three or four years; severe losses by the investee in the current year or current and prior years; continued losses by the 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 the balance sheet date. 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 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.

2. Significant accounting policies (continued):

(f) Capital assets (continued):

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:

Assets	Estimated Useful Lives
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

(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:

The Foundation does not have any 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.

2. Significant accounting policies (continued):

(i) Employees future benefits (continued):

The Foundation, in accordance with its human resources 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. At June 30, 2021, the Foundation's contributions were \$3,885. These contributions represent the total obligation of the Foundation and are recognized in the Statement of Operations.

(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.

(k) Contingent liabilities:

In the normal course of its operations, the Foundation may become 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 June 30, 2021, there are no outstanding claims (March 31, 2021 – 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 15 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.

2. Significant accounting policies (continued):

(m) Related Party Transactions:

Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i) Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where cost provided are recovered.
- ii) Goods or services received without charge between commonly controlled entities when used in the normal course of the Foundation's operations and would otherwise have been purchased, are recorded as revenues and expenses at estimated fair value.

Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

3. Cash:

Cash includes \$411,979 (March 31, 2021 - \$71,410) in the bank account and \$157,305 (March 31, 2021 – \$160,227) in the unrestricted investment cash accounts at June 30, 2021.

4. Investments:

June 30, 2021	Current Amount	Non Current Amount	Total Investment
	\$	\$	\$
Fixed income investments – Canadian	-	2,552,022	2,552,022
Equity securities- Canadian	-	637,861	637,861
Equity securities- Foreign	-	2,716,501	2,716,501
	-	5,906,385	5,906,385

The carrying amount of the Investments has no impairment investments in this period (March 31, 2021 – nil).

March 31, 2021	Current Amount	Non Current Amount	Total Investment
	\$	\$	\$
Fixed income investments – Canadian	-	2,201,144	2,201,144
Equity securities- Canadian	-	629,190	629,190
Equity securities- Foreign	-	2,529,755	2,529,755
	-	5,360,089	5,360,089

THE CANADIAN RACE RELATIONS FOUNDATION
 SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
 First quarter of fiscal year 2021/2022 ended June 30, 2021

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 and capital gains realized from the Endowment Fund are available to fund the Foundation's activities.

The Endowment Fund is composed of the following assets at June 30, 2021:

June 30, 2021	Current Amount	Non Current Amount	Total Investment
	\$	\$	\$
Cash	494,034	-	494,034
Fixed income investments – Canadian	-	8,722,380	8,722,380
Equity securities- Canadian	-	2,452,514	2,452,514
Equity securities- Foreign	-	10,115,580	10,115,580
	494,034	21,290,474	21,784,508

The carrying amount of the Endowment Fund assets has no impairment investments in this period (March 31, 2021 – nil).

The Endowment Fund is composed of the following assets at March 31, 2021:

March 31, 2021	Current Amount	Non Current Amount	Total Investment
	\$	\$	\$
Cash	639,894	-	639,894
Fixed income investments – Canadian	-	8,555,658	8,555,658
Equity securities- Canadian	-	2,404,084	2,404,084
Equity securities- Foreign	-	9,830,020	9,830,020
	639,894	20,789,762	21,429,656

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.

6. Financial risk management (continued):

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 in the level of risk compared to the prior period, and no changes in the risk management practices used to manage risks.

(a) Asset Mix:

As of June 30, 2021, the Foundation's investment asset mix was as follows:

Asset Mix	IPS Target	Range Permitted *
2.59% in Cash (March 31, 2021 – 2.90% %)	1%	0%-5%
42.09% in Fixed Income (March 31, 2021 – 39.88%)	45%	40%-60%
7.39% in Canadian Equities (March 31, 2021 – 11.40%)	25%	10%-30%
44.80% in Global Equities (March 31, 2021 – 42.75%)	25%	20%-40%
3.13% in Real Estate (March 31, 2021 – 3.07%)	4%	4%-5%

* Investment asset with Market Value in Excess of \$1.5M

The asset mix for the first \$1.5M of market value of the investment was as follows:

Asset Mix	IPS Target	Range Permitted
Cash and Investment Savings Account	0%	0-5%
Fixed Income Securities	80%	40-80%
Canadian Equities	10%	10-30%
Global Equities	10 %	10-40%

6. Financial risk management (continued):

(a) Asset Mix (continued):

As of June 30, 2021, the Foundation's Endowment Fund asset mix was as follows:

Asset Mix	IPS Target	Range Permitted
2.27% in Cash (March 31, 2021 – 2.99%)	1%	0%-5%
40.04% in Fixed Income (March 31, 2021 – 39.92%)	45%	40%-60%
7.95% in Canadian Equities (March 31, 2021 – 11.22%)	25%	10%-30%
46.43% in Global Equities (March 31, 2021 – 42.79%)	25%	20%-40%
3.31% in Real Estate (March 31, 2021 – 3.08%)	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. 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 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 June 30, 2021 was not available at the time of this report. As at March 31, 2021, the Foundation invested in fixed income securities with the following credit ratings:

6. Financial risk management (continued):

(i) Fixed income securities (continued):

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

Debt instrument by credit rating	2021	2020
	Percentage of Value	
AAA (+ R1 rated short-term)	20.74%	23.23%
AA	2.92%	7.51%
A	64.63%	62.66%
BBB	11.71%	6.60%

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 June 30, 2021, accounts receivable comprise of balances of \$12,215 (March 31, 2021 - \$46,244) less than 3 months, nil (March 31, 2021 - \$46) between 3 to 12 months and \$15 (March 31, 2021 - 15) greater than one year.

The maximum exposure to credit risk for accounts receivable by type of customer as at June 30, 2021 is as follows:

	June 30 2021	March 31 2021
	\$	\$
Government of Canada	9,515	18,859
Dividends, interest and income distribution	-	11,133
Other organizations	2,715	16,313
	12,230	46,305

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 securities fair value in Investments and Endowment Fund assets as at June 30, 2021, comprise:

	June 30 2021	March 31 2021
	\$	\$
Fixed income securities– Canadian	11,274,402	10,756,802
	11,274,402	10,756,802

As at June 30, 2021, the Foundation's exposure to debt instruments by maturity and the impact on the Statement of Remeasurement Gains and Losses had the yield curve shifted in parallel by 25 basis points with all other variables held constant ("sensitivity analysis"), is as follows:

Fixed income securities fair value by maturity date:

	June 30 2021	March 31 2021
	\$	\$
Less than 1 year	-	-
1-3 years	1,736,338	1,478,897
3-5 years	756,941	839,434
Greater than 5 years	8,781,123	8,438,471
	11,274,402	10,756,802

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 Currency risk information for June 30, 2021 was not available at the time of this report.

As at March 31, 2021, the Foundation currency risk information was as follows:

Approximately 26.40% (2020 - 0.25%) of the Foundation's Endowment Fund was subject to direct currency risk during the year. The remaining assets in the Endowment Fund were held directly in Canadian dollars, and underlying foreign holdings were hedged back to Canadian dollars.

Approximately 26.40% (2020 – 0.21%) of the Foundation's investment account was subject to direct currency risk during the year. The remaining assets in the unrestricted investment account were held directly in Canadian dollars, and underlying foreign holdings were hedged back to 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 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 and had two more revisions in July 19, 2017, and October 13, 2017, 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 June 30, 2021, is as follows:

6. Financial risk management (continued):

(e) Other price risk (continued)

Proportion & Asset Class	Benchmark Index
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)

(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 June 30, 2021 the Foundation has a total cash balance of \$569,284 (March 31, 2021 - \$231,936), which is lower than the total liabilities recorded at June 30, 2021 of \$720,622 (March 31, 2021 - \$351,293).

As at June 30, 2021, the Foundation's liabilities have contractual maturities as follows:

	Less than 3 months	3 to 12 months	Over 1 year	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities				
Other accounts payable and accrued liabilities	15,008	420	2,846	18,274
Accrued salaries	22,537	-	-	22,537
Total	37,545	420	2,846	40,811

THE CANADIAN RACE RELATIONS FOUNDATION
 SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
 First quarter of fiscal year 2021/2022 ended June 30, 2021

6. Financial risk management (continued):

(f) Liquidity risk (continued):

As at March 31, 2021, the Foundation's liabilities have contractual maturities as follows:

	Less than 3 months \$	3 to 12 months \$	Over 1 year \$	Total \$
Accounts payable and accrued liabilities				
Other accounts payable and accrued liabilities	16,364	420	2,846	19,630
Accrued salaries	22,594	-	-	22,594
Total	38,958	420	2,846	42,224

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 June 30, 2021 was not available at the time of this report.

Financial assets at fair value for investments and Endowment Fund assets as at March 31, 2021:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Cash	639,894	-	-	639,894
Fixed income securities	-	10,756,802	-	10,756,802
Equity securities- Canadian	3,033,274	-	-	3,033,274
Equity securities- Foreign	6,842,822	5,516,953	-	12,359,775
Total investments and Endowment Fund assets	10,515,990	16,273,755	-	26,789,745

THE CANADIAN RACE RELATIONS FOUNDATION
 SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
 First quarter of fiscal year 2021/2022 ended June 30, 2021

8. Capital assets:

Capital assets at net book value as at June 30, 2021:

	Cost	Accumulated amortization	2021 Net book value
	\$	\$	\$
Office furniture and equipment	125,127	120,458	4,669
Computer hardware	64,506	50,347	14,159
Equipment under capital lease	1,667	147	1,520
	191,301	170,953	20,348

Amortization of capital assets expense is \$2,688 (June 30, 2020 - \$2,278).

Capital assets at net book value as at March 31, 2021:

	Cost	Accumulated amortization	2021 Net book value
	\$	\$	\$
Office furniture and equipment	125,127	120,145	4,982
Computer hardware	64,506	48,118	16,388
Equipment under capital lease	6,076	6,076	-
	195,709	174,339	21,370

9. Obligation under capital lease:

The Foundation signed an agreement to rent office equipment under capital lease in March 2021 with an effective lease date of April 1, 2021. The obligation under capital lease, repayable in blended quarterly installments of \$147 for a total of \$1,764, including principal and interest at 4.20% with a maturing date of March 31, 2024, is secured by related equipment.

Obligation under capital lease as at June 30, 2021:

	June 30 2021	March 31 2021
Obligation under capital lease	1,520	-

10. Deferred contributions and deferred revenues:

Contributions received from government and 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.

THE CANADIAN RACE RELATIONS FOUNDATION
 SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
 First quarter of fiscal year 2021/2022 ended June 30, 2021

10. Deferred contributions and deferred revenues (continued):

Funds received by the Foundation through projects, donations or subscriptions that are not yet earned through the provision of goods or services and donor designation 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 June 30, 2021, are as follows:

	June 30 2021	March 31 2021
	\$	\$
Deferred contributions from non-government sources	386,385	67,162
Deferred revenue from non-government sources	291,907	241,907
Balance, end of period	678,292	309,069

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

	June 30 2021	March 31 2021
	\$	\$
Balance, beginning of year	309,069	95,493
Add: restricted contributions received from non-government sources	320,000	186,090
Add: designated donation received	-	168,811
Add: restricted fund for programs received	50,000	100,000
Less: amounts recognized as revenue	(777)	(241,325)
Balance, end of period	678,292	309,069

THE CANADIAN RACE RELATIONS FOUNDATION

SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

First quarter of fiscal year 2021/2022 ended June 30, 2021

11. Contractual rights and obligations:

The Foundation has entered into one revenue and two payment contracts. The revenue contract is with the Mosaic Institute for Harnessing Diversity for an amount of \$728,860 for implementation of the "Behind Racism" project funded by the Department of Canadian Heritage that started in September 2019 and will run to September 30, 2023. The payment contracts include a lease agreement for office premises and extends to February 28, 2023, with future minimum contractual payments total of \$169,818 (March 31, 2021 - \$185,991), and an agreement with Ontario Science Centre for an amount of \$271,200 (March 31, 2021 - \$271,200), for design, development, fabrication, and installation of exhibit for "Behind Racism" project that started in January 2019 and extends to April 30, 2022. As at June 30, 2021, future minimum contractual receipts total \$510,411 (March 31, 2021 - \$511,188) and future minimum contractual payments total \$529,961 (March 31, 2021 - \$561,134).

The payment contracts include two research contracts with Canadian Centre for Policy Alternatives of \$30,000 and Environics Institute for Survey Research of \$39,550.

Fiscal Year	Contractual rights \$	Contractual obligations \$
2021-22	472,411	386,009
2022-23	38,000	143,952
Total	510,411	529,961

12. Net investment income:

Net investment income from Endowment Fund assets	June 30 2021	June 30 2020
	\$	\$
Realized gains on sale of Endowment Fund assets	41,834	73,309
Interest from cash and fixed income investments, dividends from Endowment Fund assets	118,220	72,286
Less: transaction costs and investment counsel fees	(34,108)	(30,504)
	125,946	115,091
Net investment income from investments		
Realized gains (losses) on sale of investments	6,653	21,534
Interest from cash and fixed income investments, dividends	28,628	21,225
Less: transaction costs and investment counsel fees	(8,790)	(8,420)
	26,491	34,339
Net investment income	152,437	149,430

THE CANADIAN RACE RELATIONS FOUNDATION
 SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
 First quarter of fiscal year 2021/2022 ended June 30, 2021

13. Investment in capital assets:

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

	June 30, 2021	March 31, 2021
	\$	\$
Capital assets	20,349	21,370
Less: obligation under capital lease	(1,520)	-
	18,829	21,370

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

	June 30, 2021	March 31, 2021
	\$	\$
Capital asset additions	1,667	11,425
Less: Capital asset leased	(1,667)	-
Capital assets purchased with Foundation funds	-	11,425
Amortization of capital assets	(2,688)	(11,015)
Repayment of capital lease obligation	147	1,300
Net change in investment in capital assets	2,541	1,710

14. Related party transactions:

The Foundation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The related party also includes key management personnel having authority and responsibility for planning, directing and controlling the activities of the Foundation. This includes the Executive Director, all members of the Board of Directors and immediate family members thereof. The Foundation enters into transactions with these entities and in the normal course of business. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to be paid by the related parties.

During this quarter, the Foundation incurred expenses totalling \$48,873 (June 30, 2020 - \$50,989) with respect to salaries and benefits, honorarium and travel of members of the Board of Directors and the Executive Director.

At June 30, 2021, the Foundation had accounts receivable of \$9,515 (March 31, 2021 – \$18,859) from the Canada Revenue Agency for recoverable sales taxes.

THE CANADIAN RACE RELATIONS FOUNDATION
 SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
 First quarter of fiscal year 2021/2022 ended June 30, 2021

15. Schedule of Expenses by Object:

Expenses	June 30, 2021	June 30, 2020
	\$	\$
Salaries and benefits	148,680	115,747
Public education and training	120,561	91,393
Research	30,591	-
Rent	22,314	23,507
Office and general	9,722	12,268
Board of Directors honoraria and travel	6,050	10,375
Communication	4,015	5,058
Staff recruitment and development	3,296	298
Amortization	2,688	2,278
Information systems and development	2,131	1,923
Professional fees	516	5,106
Interest expenses	-	13
	350,564	267,966

16. The COVID-19 Impact:

The COVID-19 outbreak has and will continue to have a negative impact on our results of operations. The Foundation closed its office doors to the public on March 17, 2020, and most operations have continued or adapted to digital delivery during the period of closure.

Given the uncertainty around the extent and duration of COVID-19, the Foundation cannot estimate the full impact on its future results of operations and financial position.