



Canadian
Race Relations
Foundation

Fondation
canadienne des
relations raciales

CANADIAN RACE RELATIONS FOUNDATION

QUARTELY FINANCIAL REPORT
PERIOD ENDED SEPTEMBER 30, 2024 SECOND
QUARTER OF FISCAL YEAR 2024-2025

UNAUDITED

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CANADIAN RACE RELATIONS FOUNDATION

Unaudited Quarterly Financial Report

Second quarter of fiscal year 2024-2025, ended September 30,2024

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Financial Management Discussion and Analysis

The second quarter of the fiscal year 2024-2025, six month period ended September 30, 2024

Refer to Management's Discussion and Analysis as presented in the March 31, 2024, Annual Report. Updates for the Second quarter of fiscal year 2024-2025, which ended September 30, 2023, are as follows:

Statement of Financial Position Discussion

	2024 September 30	2024 March 31	Changes	
	\$	\$	\$	%
Assets				
Cash and cash equivalents	2,604,575	3,402,239	(797,664)	(23)
Investments and Endowment Fund assets	30,247,679	28,320,182	1,927,497	7
Prepaid expenses and receivables	136,674	798,079	(661,405)	(83)
Capital assets	63,235	50,162	13,073	26
Total Assets	33,052,164	32,570,662	481,502	1
Liabilities and Net Assets				
Accounts payable and accrued liabilities	175,636	2,031,197	(1,855,561)	(91)
Accrued salaries	42,974	14,129	28,845	204
Deferred contributions and deferred revenues	-	20,000	(20,000)	(100)
Deferred appropriations	2,378,923	2,275,143	103,780	5
Net assets	30,454,631	28,230,193	2,224,438	8
Total Liabilities and Net Assets	33,052,164	32,570,662	481,502	1

Statement of Financial Position Discussion (continued)

Assets

Cash and cash equivalents are composed of a \$602,767 cash balance in the bank accounts, \$1,507 in the investment cash account held by the CRRF's investment manager, \$300 of petty cash, and \$2,000,000 in the cashable guaranteed investment certificate account at September 30, 2024.

Investments and Endowment Fund assets have increased by 7% or \$1,927,498 compared to the investment value at March 31, 2024. For the six months ended September 30, 2024, the combined portfolio returned 7.17% or \$1,909,205 gains (September 30, 2023, -1.04% or a loss of \$265,492) after all fees and taxes. The return rate excluding the remeasurement (unrealized) gains is 0.71% or \$189,553 gains (September 30, 2023, -3.70% or a loss of \$947,740).

Prepaid expenses, receivables decreased by \$661,405 compared to March 31, 2024. The decrease is mainly due to a reduction in prepaid expenses and receivables from pending trades.

Capital assets increased by \$13,073 compared to March 31, 2024. The increase is for an addition to the computer equipment of \$29,731, reduced by the amortization of all assets of \$16,658 for this period.

Liabilities

Accounts payable and accrued liabilities decreased by \$1,855,561 compared to March 31, 2024. The decrease is mainly due to a reduction in payables to trade accounts payable and pending investments trades.

Deferred contributions and deferred revenues decreased by \$20,000 for the six month period ended September 30, 2024, compared to March 31, 2024.

Deferred appropriations of \$2,378,923 are made up of the unused portion of the 2023/24 fiscal year appropriations of \$2,275,143 and appropriation received for the six month period ended September 30, 2024, of \$4,503,796, less the amount allocated to the program expenses of \$4,400,016 for this period.

Net Assets increased by 8% or \$2,224,438 in the six month period ended September 30, 2024, compared to March 31, 2024, mainly due to gains from the Net result of operations of \$504,787 and gains from remeasurement (unrealized) of \$1,719,652 from Investment and Endowment Fund assets for the period.

Statement of Operations Discussion

Sources of Revenues	2024	2023	Changes	
	September 30	September 30	\$	%
	\$	\$	\$	%
Appropriations	4,400,016	2,586,450	1,813,566	70
Sponsorships, donations and contributions, honoraria and miscellaneous revenues	82,595	70,747	11,848	17
Total	4,482,611	2,657,197	1,825,414	69
Net investment income				
Investment income earned	221,350	345,199	(123,849)	(36)
Changes in fair value-realized	46,846	(1,216,368)	1,263,214	(104)
Total	268,196	(871,169)	1,139,365	(131)

The **Sources of Revenues** increased by \$1,825,414 for the six months period ended September 30, 2024, compared to September 30, 2023, mainly due to an increase in appropriations of \$1,813,566.

Net investment income earned- One of the primary sources of income for the CRRF is derived from the investment income earned on investments of the original contribution of the \$24 million Endowment Fund and other investments. The investment income earned includes cash and non-cash interest, dividends, and income distributions after portfolio management fees.

Investment income earned is \$221,350, a decrease of \$123,849 compared to the six months period ended September 30, 2023.

Changes in fair value-realized of Investments and Endowment Fund assets is \$46,846 from realized gains on the sale of investments for the six months period ended September 30, 2024 (September 30, 2023 - \$1,216,367 realized losses). No impairment loss was recognized during this period (2023 - nil).

Unrealized gains and losses on investments measured at fair value are recognized in the Statement of Remeasurement Gains and Losses. There was \$1,719,652 remeasurement gains for the six months period ended September 30, 2024 (September 30, 2023 – \$682,248 gains), an increase of \$1,037,403, mainly due to an increase in the market value of the Endowment fund and Investment portfolios in this period.

Parliamentary Appropriations- The CRRF received, on an accrual basis, appropriations through the main estimates of \$4,503,796 (September 30, 2023 - \$4,500,000) and recognized appropriations of \$4,400,016 (September 30, 2023 - \$2,586,450) as revenue in the Statements of Operation in this period and deferred appropriations of \$2,378,923 (September 30, 2023 - \$3,033,434).

Statement of Operations Discussion (continued)

The CRRF's **net results of operations** for the six months period ended September 30, 2024, reflect a surplus of \$504,787, compared to a deficit of \$1,216,360 in the prior period. The prior period's deficit was mainly due to realized losses on sales of investment of \$1,096,729.

Expenses	September 30, 2024	September 30, 2023	Changes	
	\$	\$	\$	%
Salaries and benefits	1,776,510	1,449,741	326,769	23
Public education and training	949,412	638,447	310,965	49
Grants-National Anti-Racism Fund	499,734	96,151	403,583	420
Community Information and Resource Hub	359,800	-	359,800	100
Communications	121,147	308,419	(187,272)	(61)
Professional fees	116,396	177,845	(61,449)	(35)
Board of Directors honoraria and travel	112,000	23,188	88,812	383
Staff recruitment and development	96,496	38,875	57,621	148
Office and general	85,616	85,992	(376)	(0.4)
Conferences, symposia and consultations	55,235	53,980	1,255	2
Rent	44,438	44,534	(96)	(0.2)
Amortization	16,658	15,274	1,384	9
Information systems and development	12,580	4,448	8,132	183
Research programs	-	65,494	(65,494)	(100)
Total Expenses	4,246,020	3,002,387	1,243,633	41

Total operating expenses were \$4,246,022 for the six months period ended September 30, 2024 (September 30, 2023 - \$3,002,388), with the three main uses of funds being Salaries and benefits, Public education and training, and Grants-National Anti-Racism Fund, totalling \$1,776,510, \$949,412, and \$499,734, respectively. The increase of \$1,243,634 to the operating expenses is mainly explained by increases in expenses of Salaries and benefits of \$326,769, Public education and training of 310,965, Grants-National Anti-Racism Fund of \$403,583, and Community Information and Resource Hub of \$359,800.

The increase of \$326,769 in Salaries and benefits compared to the prior period is mainly due to the creation of new positions in this period to increase the internal capacity of the CRRF.

Financial Risk

The CRRF is exposed to a variety of financial risks related to sources of funding, including Endowment Fund and Investment incomes, which have an impact on its operations. These financial risks include credit risk, liquidity risk and market risk (foreign currency, interest rate and other price risks). In accordance with the CRRF's Investment Policy Statement approved by the Board, the capital of the endowment funds cannot be used for operations and the CRRF can only draw upon the endowment earnings to fund its operation, public programming and other priorities of the CRRF. The overall investment objective is to provide liquidity to meet annual spending requirements while providing adequate growth to maintain the purchasing power of the endowment funds' capital. A reserve has been established to cover the annual income requirements in times where the Endowment does not generate the annual income required

Outlook for the Future

Fiscal Year 2024-2025

To date, the Canadian Race Relations Foundation has relied upon its Endowment incomes and mostly temporary funding from the Government of Canada.

The CRRF, a Federal Crown Corporation within the Department of Canadian Heritage, does not currently receive ongoing permanent appropriations for core operations. Funding provided by the Government of Canada in the amount of \$18 million will sunset in March 2025.

Historically, the Endowment was established to serve the vision of the 1988 Japanese Canadian Redress Agreement between Canada and the Japanese Canadian community, and it generates approximately \$0.7 million per annum.

However, in Budget 2024, on April 16, 2024, the Government of Canada announced the following for funding for the CRRF:

- \$18 million over six years, starting in 2024-25, and \$3 million ongoing, to the Canadian Race Relations Foundation to expand the scope of their work and create a stand-alone Combatting Hate: Community Information Resource Hub. The Hub will bring together, government, law enforcement and professionals to collect hate-crime related data, develop common standards for reporting and defining hate crimes; and provide important hate-crime related training.
- and, \$45 million over five years, starting in 2025-26, and \$9 million ongoing, to support the capacity of the Canadian Race Relations Foundation.

Once Treasury Board processes are complete, the funding will be available to CRRF on an ongoing basis. This approval will dramatically change the sustainability of the CRRF's programs and staffing and will have significant impacts on the continuity of work and innovation in race relations in Canada.

The Future –

The Board-approved budget for 2024-25 is regularly assessed by Senior Management, the Board's Finance & Audit Committee of the Board of Directors. Where needed, adjustments are

Outlook for the Future (continued)

provided in consultation with the Board, after recommendation from the Finance & Audit Committee. Expenditures are governed by the approved budget and Board resolutions, as well as any applicable guidelines and policies of the Government. Quarterly financial statements and related notes are prepared in accordance with Treasury Board standards and are posted on the website for transparency and accountability.

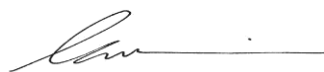
The CRRF developed and will continue to implement a variety of strengthened and focused programs across Canada's regions, necessary to serve the CRRF's national mandate to address racism from coast to coast to coast and to help support the federal government's commitment to greater inclusion.

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.

November 20, 2024



Mohammed Hashim
Executive Director



Arsalan Tavassoli MA, CPA
Finance and Administration Director

UNAUDITED QUARTERLY FINANCIAL STATEMENTS
Statement of Financial Position
As at September 30, 2024

	September 30 2024	March 31 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 3)	2,604,575	3,402,239
Prepaid expenses	38,399	360,884
Receivables (note 6)	98,276	437,195
Investments (note 4)	1,051,596	1,008,582
	<u>3,792,846</u>	<u>5,208,900</u>
Endowment Fund assets (note 5)	28,975,213	27,080,171
Investments (note 4)	220,870	231,429
Capital assets (note 8)	63,235	50,162
	<u>33,052,164</u>	<u>32,570,662</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	175,636	2,031,197
Accrued salaries (note 6)	42,974	14,129
Deferred contributions and deferred revenues (note 9)	-	20,000
Deferred appropriations (note 14)	2,378,923	2,275,143
	<u>2,597,533</u>	<u>4,340,469</u>
Net assets		
Unrestricted	2,836,196	2,344,483
Invested in capital assets (note 12)	63,235	50,162
Accumulated remeasurement gains	3,555,200	1,835,548
Restricted for endowment purposes (note 5)	24,000,000	24,000,000
	<u>30,454,631</u>	<u>28,230,193</u>
	<u>33,052,164</u>	<u>32,570,662</u>

CANADIAN RACE RELATIONS FOUNDATION
UNAUDITED QUARTERLY FINANCIAL STATEMENTS
Statement of Operations
For the period ended September 30, 2024

	Three months ended		Six Months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenues	\$	\$	\$	\$
Sponsorships, donations, and workshop fees	2,566	26,970	82,595	70,747
Expenses (note 16)				
Programs expenses	776,113	676,249	1,458,184	1,362,988
Public Education and training	4,225	283,926	949,412	638,447
Grants-National Anti-Racism Fund	322,656	84,702	499,734	96,151
Administration expense	259,823	218,715	483,910	439,706
Operating expenses	114,602	150,667	218,669	279,111
Board of Directors meetings	39,732	8,364	112,000	23,188
Staff recruitment and development	75,867	26,842	96,496	38,875
Conferences, symposia and consultations	21,763	21,096	55,235	53,980
Information systems and development	7,068	2,109	12,580	4,448
Research	-	38,352	-	65,494
	1,981,650	1,511,022	4,246,020	3,002,387
Net result of operations before appropriations and endowment and investment net income	(1,979,085)	(1,484,052)	(4,163,425)	(2,931,640)
Appropriations (note 15)	2,215,000	1,152,177	4,400,016	2,586,450
Endowment and investment net income (note 12)	99,519	152,998	268,196	(871,169)
Net result of operations	335,434	(178,877)	504,787	(1,216,360)

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

	Six months ended	
	September 30 2024	September 30 2023
	\$	\$
Accumulated remeasurement gains (losses), beginning of period	1,835,548	(804,685)
Unrealized gains (losses) attributable to:		
Portfolio investments and Endowment Fund assets in equity instruments quoted in an active market	1,520,814	(1,553,859)
Financial instruments designated to the fair value category	245,684	1,019,740
Amounts reclassified to the Statement of Operations:		
Portfolio investments and Endowment Fund assets in equity instruments quoted in an active market	(46,846)	1,159,159
Financial instruments designated to the fair value category	-	57,208
Net remeasurement gains for the period	1,719,652	682,248
Accumulated remeasurement gains (losses), end of period	3,555,200	(122,437)

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
Unaudited

September 30,2024	Unrestricted	Invested in capital assets	Accumulated remeasurement gains (losses)	Endowment	September 30,2024
	\$	\$	\$	\$	\$
Net assets, beginning of period	2,344,483	50,162	1,835,548	24,000,000	28,230,193
Net result of operations	504,787	-	-	-	504,787
Remeasurement gain	-	-	1,719,652	-	1,719,652
Net change in investment in capital assets (note 12)	(13,073)	13,073	-	-	-
Net assets, end of period	2,836,197	63,235	3,555,200	24,000,000	30,454,632

March 31,2024	Unrestricted	Invested in capital assets	Accumulated remeasurement gains	Endowment	March 31,2024
	\$	\$	\$	\$	\$
Net assets, beginning of year	2,464,419	53,846	(804,686)	24,000,000	25,713,579
Net result of operations	(123,620)	-	-	-	(123,620)
Remeasurement loss	-	-	2,640,234	-	2,640,234
Net change in investment in capital assets (note 12)	3,684	(3,684)	-	-	-
Net assets, end of year	2,344,483	50,162	1,835,548	24,000,000	28,230,193

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	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
Operating activities:	\$	\$	\$	\$
Excess (deficiency) of revenue over expenses	335,434	(208,878)	504,787	(1,216,360)
Items not affecting cash:				
Non-cash interest and dividend income	(34,364)	(107,202)	(186,341)	(68,013)
Amortization	9,348	7,774	16,658	15,274
Realized (gains) losses related to financial instruments in investments and Endowment Fund assets (note 12)	(47,256)	1,070	(46,846)	1,216,367
	263,162	(307,237)	288,257	(52,732)
Changes in non-cash operating assets and liabilities:				
Decrease (increase) in prepaid expenses	16,914	5,006	322,486	64,266
Decrease (increase) in receivables	(59,019)	(55,036)	39,578	46,548
Increase (decrease) in accounts payable and accrued liabilities, accrued salaries	(295,711)	35,033	(1,556,690)	(83,955)
Increase (decrease) in deferred contributions and deferred revenues and appropriations	33,103	1,081,823	83,780	1,872,550
Net cash provided by (used in) operating activities	(41,551)	759,589	(822,589)	1,374,988
Capital activities:				
Addition to capital assets	(24,623)	-	(29,731)	(11,760)
Net cash used in capital activities	(24,623)	-	(29,731)	(11,760)
Investing activities:				
Proceeds from sale of Endowment Fund assets and investments	405,380	25,960,711	720,787	33,305,751
Purchase of Endowment Fund assets and investments	(390,492)	(26,400,987)	(666,132)	(33,750,707)
Net cash used in investing activities	14,888	(440,276)	54,656	(444,956)
Financing activities:				
Repayment of capital lease obligations	-	(144)	-	(286)
Net cash used in Financing activities	-	(144)	-	(286)
Increase (decrease) in cash	(51,286)	754,765	(797,664)	917,986
Cash, beginning of period	2,655,860	2,282,931	3,402,239	2,119,710
Cash, end of period	2,604,575	3,037,696	2,604,575	3,037,696

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

THE CANADIAN RACE RELATIONS FOUNDATION

SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

Second quarter of fiscal year 2024/2025 ended September 30, 2024

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):

(b) Revenue recognition (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) Appropriations:

The Government of Canada provides funding to the Canadian Race Relations Foundation through parliamentary appropriations.

Appropriations restricted for specific expenses are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period that those expenses are incurred.

Appropriations received and that are not restricted to a specific purpose are recognized as revenue in the Statements of Operations in the year in which the appropriations is authorized.

(iv) 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.

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

(v) 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.

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

(vii) 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 and Cash equivalents, receivables and accounts payable and accrued liabilities

Cash and Cash equivalents 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 September 30, 2024 (September 30, 2022 – 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.

THE CANADIAN RACE RELATIONS FOUNDATION

SELECTED NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

Second quarter of fiscal year 2024/2025 ended September 30, 2024

2. Significant accounting policies (continued):

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

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 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 March 31. 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

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Second quarter of fiscal year 2024/2025 ended September 30, 2024

2. Significant accounting policies (continued):

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

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.

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.

2. Significant accounting policies (continued):

(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.

The Foundation, in accordance with its human resources policy, provides Registered Retirement Savings Plans equal to 4% of annual earnings to its permanent employees and 9% to its Executive Director.

There is no obligation for employees to make contributions. In this period, the Foundation's contributions were \$43,662 (September 30, 2023 - \$25,825). 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 September 30, 2024, there are no outstanding claims (September 30, 2023 – 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 16 of the financial statements. Expenses are allocated to functions according to rates based on the Foundation's activities and programs. The rates adopted for the

2. Significant accounting policies (continued):

(l) Functional allocation of expenses (continued):

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:

<u>Object</u>	<u>% of allocation</u>	<u>Funcation</u>
Salaries and benefits	75%	Programs expenses
	25%	Administration expenses
Grants – National Anti-Racism Fund	100%	Grants – National Anti-Racism Fund
Communication	75%	Programs expenses
	25%	Administration expenses
Rent	65%	Programs expenses
	35%	Administration expenses

(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.

(n) Change in accounting policy:

Effective April 1, 2023, the Foundation adopted the new public sector accounting standard for PS 3400, *Revenue*. This new standard addresses the accounting and reporting of revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when the performance obligation is satisfied.

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2. Significant accounting policies (continued):

(n) Change in accounting policy (continued):

PS 3400 has been applied prospectively to these financial statements and, as permitted by the transitional provisions, prior periods were not restated. The implementation of this new standard did not result in any financial impact on the Foundation's financial statements.

3. Cash and Cash equivalent:

Cash and cash equivalents comprise cash on hand, Canadian dollar deposits held at Canadian chartered banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

4. Investments:

September 30, 2024	Current Amount	Non-Current Amount	Total Investment
	\$	\$	\$
Canadian fixed income mutual fund	35,657	220,870	256,527
Canadian money market fund	1,015,939	-	1,015,939
	1,051,596	220,870	1,272,466

The carrying amount of the Investments has no impairment investments in this period (2023 – nil).

March 31, 2024	Current Amount	Non-Current Amount	Total Investment
	\$	\$	\$
Canadian fixed income mutual fund	17,956	231,429	249,385
Canadian money market fund	990,626	-	990,626
	1,008,582	231,429	1,240,011

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.

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5. Endowment Fund (continued):

The Endowment Fund is composed of the following assets at September 30,2024:

September 30,2024	Current Amount	Non-Current Amount	Total Investment
	\$	\$	\$
Cash	52,430		52,430
Fixed income investments – Canadian	779,309	6,714,046	7,493,355
Equity securities- Canadian		5,951,754	5,951,754
Equity securities- Foreign		10,289,050	10,289,050
Alternatives	480,026	4,708,599	5,188,625
	1,311,765	27,663,449	28,975,214

The carrying amount of the Endowment Fund assets has no impairment investments in this period (2023 – nil).

The Endowment Fund is composed of the following assets at March 31, 2024:

March 31, 2024	Current Amount	Non-Current Amount	Total Investment
	\$	\$	\$
Cash	16,750	-	16,750
Fixed income investments – Canadian	367,003	6,690,749	7,057,752
Equity securities- Canadian	-	5,451,793	5,451,793
Equity securities- Foreign	-	9,468,393	9,468,393
Alternatives	324,745	4,760,738	5,085,483
	708,498	26,371,673	27,080,171

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

6. Financial risk management (continued):

(a) Asset Mix:

As of September 30, 2024, the Foundation's investment asset mix was as follows:

Asset Mix	IPS Target	Range Permitted
80% in Cash & short-term (March 31, 2024 – 80%)	80%	65% – 100%
20% in Fixed Income (March 31, 2024 – 20%)	20%	0% – 35%

As of September 30, 2024, the Foundation's Endowment Fund asset mix was as follows:

Asset Mix	IPS Target	Range Permitted
1% in Cash & short-term (March 31, 2024 – 1%)	0%	0% - 10%
26% in Fixed Income (March 31, 2024 – 26%)	25%	20% - 35%
Equities	55%	40% – 65%
20% in Canadian Equities (March 31, 2024 – 20%)	20%	
30% in Global Equities (March 31, 2024 – 30%)	30%	
5% in Emerging Markets (March 31, 2024 - 5%)	5%	
18% Alternatives (March 31, 2024 – 18%)	20%	5% - 30%

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.

6. Financial risk management (continued):

(b) Credit risk (continued):

(j) Fixed income securities (continued):

As at September 30, 2024, the Foundation's **Investment** invested in fixed income securities with the following credit ratings:

Debt instrument by credit rating	September 30	March 31, 2024
	Percentage of Value	
AAA (+ R1 rated short-term)	35.15%	34.19%
AA	21.32%	20.90%
A	11.77%	11.62%
BBB & BB Other	31.78%	33.29%

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, 2024, accounts receivable comprise of balances of \$ 98,140 (March 31, 2024 - \$436,987) less than 3 months, 208 (March 31, 2024 - \$208) between 3 to 12 months and nil (March 31, 2024 - nil) greater than one year.

The maximum exposure to credit risk for accounts receivable by type of customer as at September 30, 2024, is as follows:

	September 30, 2024	March 31, 2024
Amounts receivable from pending trades	-	299,341
Government of Canada	97,140	105,163
Other organizations	1,136	32,691
	98,276	437,195

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 September 30, 2024 comprise:

	September 30, 2024	March 31, 2024
	\$	\$
	10,088,207	9,577,293

As at September 30, 2024, 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:

	September 30, 2024	March 31, 2024
	\$	\$
Less than 1 year	2,310,931	1,700,330
1-5 years	2,785,477	3,206,083
Greater than 5 years	4,991,799	4,670,880
	10,088,207	9,577,293

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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.

Fixed income pooled funds are majority hedged to Canadian dollars. Equity pooled funds held within the accounts encompass allocations to Canadian stocks (denominated in Canadian dollars) and global developed market foreign stocks, denominated in a variety of developed market currencies (USD and other currencies), which are not hedged to Canadian dollars. Because the global equity fund includes currencies other than the USD that have differing correlations with the Canadian dollar, it is not possible to predict the impact of an appreciation or depreciation of the Canadian dollar on the global equity holdings.

(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 three more revisions in July 19, 2017, October 13, 2017, and May 25, 2023 and 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, 2024, is as follows:

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Second quarter of fiscal year 2024/2025 ended September 30, 2024

6. Financial risk management (continued):

(f) Other price risk (continued):

Endowment Fund

Asset Class	Proportion	Benchmark
Cash & short-term	0%	FTSE Canada 30-Day T-Bill Index
Fixed Income	25%	
Core Plus Bonds	20%	FTSE Canada Universe Bond Index
Short Term Bonds	5%	FTSE Canada Short Term Overall Bond Index
Equities	55%	
Canadian	20%	S&P/TSX Composite Index
Global	30%	MSCI World Net Index
Emerging Markets	5%	MSCI Emerging Markets Net Index
Alternatives	20%	

Investment Unrestricted Fund

Asset Class	Proportion	Benchmark
Cash & short-term	80%	FTSE Canada 30-Day T-Bill Index
Fixed Income	20%	
Short Term Bonds	20%	FTSE Canada Short Term Overall Bond Index

(g) 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 \$300,000 and capital management that allows the Foundation to have sufficient liquidity to settle its obligations when they become due.

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6. Financial risk management (continued):

(f) Liquidity risk (continued):

As at September 30, 2024, 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	174,665	-	972	175,636
Accrued salaries	42,974	-	-	42,974
Total	217,639	-	972	218,610

As at March 31, 2024, 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	275,640	-	-	275,640
Other accounts payable and accrued liabilities	1,752,866	-	2,691	1,755,557
Accrued salaries	14,129	-	-	14,129
Total	2,042,635	-	2,691	2,045,326

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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, 2024, was not available at the time of this report.

Financial assets at fair value for investments and Endowment Fund assets as at March 31, 2024:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash & Cash equivalents	1,007,376	-	-	1,007,376
Fixed income securities	-	7,307,137	-	7,307,137
Equity securities- Canadian	-	5,451,793	-	5,451,793
Equity securities- Foreign	-	9,468,393	-	9,468,393
Alternatives	-	1,279,940	3,805,543	5,085,483
Total investments and Endowment Fund assets	1,007,376	23,507,263	3,805,543	28,320,182

8. Capital assets:

Capital assets at net book value as at September 30, 2024:

	Cost	Accumulated amortization	2024 Net book value
	\$	\$	\$
Office furniture and equipment	127,046	124,273	2,773
Computer hardware	194,607	134,145	60,462
	321,653	258,418	63,235

Amortization of capital assets expense is \$16,658 (2023 – \$15,274).

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Second quarter of fiscal year 2024/2025 ended September 30, 2024

8. Capital assets (continued):

Capital assets at net book value as at March 31, 2024:

	Cost	Accumulated amortization	2024 Net book value
	\$	\$	\$
Office furniture and equipment	127,046	123,886	3,160
Computer hardware	164,876	117,874	47,002
Equipment under capital lease	1,667	1,667	-
	293,589	243,427	50,162

9. 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.

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 September 30, 2024, are as follows:

	September 30, 2024	March 31, 2024
	\$	\$
Deferred revenue from non-government sources	-	20,000
Balance, end of period	-	20,000

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

	September 30, 2024	March 31, 2024
	\$	\$
Balance, beginning of period	20,000	288,030
Less: amounts recognized as revenue	(20,000)	(268,030)
Balance, end of period	-	20,000

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10. Contractual rights and obligations:

As at September 30, 2024, future minimum contractual payments total is \$2,208,841 (March 31, 2024, \$3,414,980). There are no contractual rights for this year.

Fiscal Year	Contractual obligations
	\$
2024-25	1,858,462
2025-26	115,098
2026-27	117,640
2027-28	117,640
Total	2,208,841

11. Net investment income:

Net investment income from Endowment Fund assets	September 30 2024	September 30 2023
	\$	\$
Realized gains (losses) on sale of Endowment Fund assets	46,774	(1,015,092)
Interest from cash and fixed income investments, dividends from Endowment Fund assets	182,063	292,903
Less: transaction costs and investment counsel fees	(64,353)	(53,264)
	164,484	(775,454)
Net investment income from investments		
Realized gains (losses) on sale of investments	72	(201,275)
Interest from cash and fixed income investments, dividends	106,281	114,177
Less: transaction costs and investment counsel fees	(2,641)	(8,617)
	103,712	(95,715)
Net investment Income (loss)	268,196	(871,169)

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12. Investment in capital assets:

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

	September 30, 2024	March 31, 2024
	\$	\$
Capital assets	63,235	50,162
	63,235	50,162

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

	September 30, 2024	March 31, 2024
	\$	\$
Capital asset additions	29,731	28,323
Less: Capital asset leased	-	-
Capital assets purchased with Foundation funds	29,731	28,323
Amortization of capital assets	(16,658)	(32,578)
Repayment of capital lease obligation	-	571
Net change in investment in capital assets	13,073	(3,684)

13. 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 the period, the Foundation incurred expenses totalling \$192,585 (September 30, 2023 - \$150,453) with respect to salaries and benefits, honorarium and travel of members of the Board of Directors and the Executive Director.

As September 30, 2024, the Foundation had accounts receivable of \$97,140 (March 31, 2024 - \$105,163) from the Canada Revenue Agency for recoverable sales taxes.

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14. Appropriations:

Government funding comprised of following:

	September 30, 2024	September 30, 2023
Parliamentary appropriations provided	\$	\$
Appropriations deferred - beginning of the period	2,275,143	1,119,884
Appropriations received -Main estimate	4,503,796	4,500,000
	6,778,939	5,619,884
Appropriations recognized as revenue	4,400,016	2,586,450
Appropriations deferred	2,378,923	3,033,434
	6,778,939	5,619,884

15. Schedule of Expenses by Object:

Expenses:

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
	\$	\$
Salaries and benefits	1,776,510	1,449,741
Public education and training	949,412	638,447
National Anti-Racism Fund	499,734	96,151
Community Information and Resource Hub	359,800	-
Communication	121,147	308,419
Professional fees	116,396	177,845
Board of Directors honoraria and travel	112,000	23,188
Staff recruitment and development	96,496	38,875
Office and general	85,616	85,992
Conferences, symposia and consultations	55,235	53,980
Rent	44,438	44,534
Amortization	16,658	15,274
Information systems and development	12,580	4,448
Research	-	65,494
	\$4,246,020	\$3,002,387