

Financial Statements

Friends of Canadian Crossroads Foundation

Toronto, Ontario

March 31, 2010

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Auditors' Report

**To the Members of
Friends of Canadian Crossroads Foundation:**

We have audited the statement of financial position of **Friends of Canadian Crossroads Foundation** as at March 31, 2010 and the statement of revenues and expenses and accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
May 14, 2010

PRENTICE YATES & CLARK

Chartered Accountants, Licensed Public Accountants

D.L.S. ROBERTSON, C.A.
C.A. PETRALITO, B.A., C.A.
L.K. TURNER, B.A., C.A.
T.W. McGIVNEY, C.A.
J.J. PAUZE, B.Acc., C.A.

Friends of Canadian Crossroads Foundation

March 31, 2010

Statement of Financial Position

Assets	2010	2009
Assets		
Cash on hand	\$ 1,901	\$ 2,027
Investments	484,039	479,481
Accounts receivable	97	98
	<hr/>	<hr/>
	486,037	481,606

Liabilities and Net Assets

Liabilities		
Due to Canadian Crossroads International, Note 5	1,600	0
Accounts payable	0	800
	<hr/>	<hr/>
	1,600	800
 Net Assets		
Accumulated surplus, per statement	484,437	480,806
	<hr/>	<hr/>
	486,037	481,606

Approved by The Board

Karen Takacs


Executive Director

Jonathan Carlzon


Treasurer

The notes on pages 7 to 9 form an integral part of these financial statements.

Friends of Canadian Crossroads Foundation

Year ended March 31, 2010

Statement of Revenues and Expenses and Accumulated Surplus

	2010	2009
Revenues		
Investment income	\$ 22,757	\$ 25,201
Expenses		
Donations, Note 5	18,200	18,200
Audit	800	800
Bank charges and other	126	128
	<u>19,126</u>	<u>19,128</u>
Surplus	3,631	6,073
Accumulated surplus, beginning of year	480,806	474,733
Accumulated Surplus, End of Year	<u>484,437</u>	<u>480,806</u>

Friends of Canadian Crossroads Foundation

Year ended March 31, 2010

Statement of Cash Flows	2010	2009
Operating Activities		
Cash receipts	\$ 22,758	\$ 25,201
Cash disbursements	(18,326)	(22,725)
Net increase in cash and cash equivalents	4,432	2,476
Net cash and investments, beginning of year	481,508	479,032
<i>Net Cash And Investments, End of Year</i>	485,940	481,508

Notes to Financial Statements

Note 1 Association with Canadian Crossroads International (FCCF)

Friends of Canadian Crossroads Foundation is designated by Canada Revenue Agency as being associated with Canadian Crossroads International. FCCF is a separate charitable foundation that supports other registered charities and, in particular, Canadian Crossroads International. The Foundation is a registered charity within the meaning of the Income Tax Act.

Note 2 Summary of Accounting Policies

Revenue Recognition

Revenue is recognized as it is earned.

Investments

Investments are designated and classified as held-for-trading financial assets. They are measured at fair value determined on the basis of market value.

The Corporation has elected to use the exemption provided by The Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations to not apply the following sections of the CICA Handbook: Section 3862, Financial Instruments- Disclosures, and Section 3863, Financial Instruments - Presentation, which would otherwise have been applied to the financial statements of the Corporation for the year ended March 31, 2010. The Corporation applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 3 Disbursement Quota

The Foundation is required to spend 80% of tax receipted donations received and 3.5% of investment property on charitable activities in the following year to maintain its charitable status. If charitable expenditures during a particular year exceed the required expenditure level, the excess can be carried forward for up to five years and counted as charitable expenditures in the future years. At March 31, 2010 the Foundation has \$ 3,233 in expenditure excess.

Note 4 Financial Instruments

Credit Risk

It is the opinion of management that the Foundation is not exposed to significant credit risks.

Interest Rate Risk and Currency Risk

It is the opinion of management that the Foundation is not exposed to significant interest rate risks or currency risks.

Fair Value

The fair values of cash, accounts receivable and accounts payable are approximately equal to their carrying value due to their short term nature.

Note 5 Related Party Transactions

The Foundation is related to Canadian Crossroads International (CCI) by virtue of a shared board of directors. During the year the foundation donated funds to CCI in the amount of \$18,200. CCI also pays for expenditures incurred by the foundation. These transactions are in the normal course of operations and are measured at the carrying value. As of March 31, 2010, the foundation owes CCI \$1,600 related to expenditures incurred.

Note 6 Capital Management

The Foundation's objectives when managing capital are:

- (a) to safeguard its ability to continue as a going concern; and
- (b) to ensure that enough funds are available to perform all necessary program activities.

The above objectives are considered in the preparation of its annual budget and in monitoring of cash flows and actual operating results compared to the budget.

Funds are secured through obtaining grants from various organizations and by soliciting donations.

Friends of Canadian Crossroads Foundation

March 31, 2010

Note 6 Capital Management - continued

Capital is described as follows:

	<u>2010</u>	<u>2009</u>
Accumulated surplus	\$ 486,437	\$ 480,806

The accumulated surplus must be expended in accordance with Canada Revenue Agency guidelines for charities.

As of the audit report date the Foundation was in compliance with all of its externally imposed restrictions.