

**Financial Statements**  
**Friends of Canadian Crossroads**  
**Foundation**  
Toronto, ON  
*March 31, 2013*

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## Independent Auditors' Report

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

We have audited the accompanying financial statements of Friends of Canadian Crossroads Foundation, which comprise the statement of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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## Independent Auditors' Report - continued

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Foundation derives revenue from donations and the completeness of donations is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we are not able to determine whether any adjustments might be necessary to contributions, surplus, current assets and net assets.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Friends of Canadian Crossroads Foundation as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario  
June 8, 2013



Chartered Accountants, Licensed Public Accountants

## Friends of Canadian Crossroads Foundation

*March 31, 2013*

<b>Statement of Financial Position</b>	2013	2012	April 1, 2011
<b>Current Assets</b>			
Cash	\$ 1,967	\$ 2,087	\$ 2,033
Investments	0	0	966,790
	1,967	2,087	968,823
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	718	900	801
Due to Crossroads, Note 5	1,249	0	5,045
<b>Total Liabilities</b>	1,967	900	5,846
<b>Net Assets</b>			
Endowment Fund	0	0	200,000
One World Fund	0	0	762,977
Unrestricted accumulated surplus	0	1,187	0
	0	1,187	962,977
	1,967	2,087	968,823

### Approved by The Board

Karen Takacs

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Director

Guy Ouellet

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Director

The notes on pages 9 through 11 form an integral part of these financial statements.

## Friends of Canadian Crossroads Foundation

Year ended March 31, 2013

<b>Statement of Operations</b>	2013	2012
<b>Revenues</b>		
Investment income	\$ 0	\$ 18,361
Regional fundraising	0	198
Other revenue	0	10,561
	<hr/>	<hr/>
	0	29,120
<b>Expenses</b>		
Donations	0	989,781
Audit	1,067	926
Bank charges and other	120	143
Memberships	0	60
	<hr/>	<hr/>
	1,187	990,910
<b>Deficit</b>	<hr/>	<hr/>
	(1,187)	(961,790)

**Friends of Canadian Crossroads Foundation**

*Year ended March 31, 2013*

<b>Statement of Changes in Net Assets</b>	2013	2012
Balance, beginning of year	\$ 1,187	\$ 962,977
Deduct		
Deficit	(1,187)	(961,790)
<b><i>Balance March 31</i></b>	<b>0</b>	<b>1,187</b>

## Friends of Canadian Crossroads Foundation

Year ended March 31, 2013

<b>Statement of Cash Flows</b>	2013	2012
<b>Operating Activities</b>		
Cash receipts	\$ 0	\$ 29,120
Cash disbursements	(120)	(995,856)
<b>Net Cash Provided By Operating Activities</b>	(120)	(966,736)
<b>Financing and Investing Activities</b>		
Decrease in investments	0	966,790
<b>Cash Provided By Financing and Investing Activities</b>	0	966,790
Net increase (decrease) in cash	(120)	54
Cash, beginning of year	2,087	2,033
<b>Cash, End Of Year</b>	<b>1,967</b>	<b>2,087</b>

## Friends of Canadian Crossroads Foundation

March 31, 2013

### Notes to Financial Statements

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#### **Note 1 Association with Canadian Crossroads International**

Friends of Canadian Crossroads Foundation (FCCF) 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**

##### **Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for non-for-profit organizations.

##### **Revenue Recognition**

Investment income includes interest from cash and fixed income investments, reinvested distributions from mutual funds and realized (and unrealized) gains and losses on investments. Revenue is recognized on an accrual basis.

##### **Financial Instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in income.

Financial assets measured at amortized cost consist of cash. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Crossroads, amounts due to members and long-term debt.

##### **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 Impact of the Change in the Basis of Accounting**

The Foundation has elected to apply Canadian accounting standards for Not-for-Profit Organizations (NFPOs). These financial statements are the first financial statements for which the Foundation has applied Canadian accounting standards for NFPOs.

The financial statements for the year ended March 31, 2013 were prepared in accordance with the accounting principles and provisions set out in the First-Time Adoption, Section 1501, for first-time adopters of this basis of accounting.

**Note 3      Impact of the Change in the Basis of Accounting - continued**

The application of adopting this new financial reporting framework had no impact on the previously reported financial position as at April 1, 2011 and March 31, 2012 or to previously reported deficit or accumulated surplus for the year ended March 31, 2012. Consequently, a reconciliation of previously reported deficit as reported using accounting standards for NFPOs was not prepared.

**Note 4      Financial Instruments**

**Risk Management Policy**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2013.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Foundation is subject to concentrations of credit risk through cash and its accounts receivable. The Foundation maintains substantially all of its cash at a single major Canadian financial institution. The maximum credit risk is equivalent to the carrying value. It is the opinion of management that the Foundation is not exposed to significant credit risks.

**Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. These fluctuations may be significant. The methods and assumptions management uses when accessing market risks have not changed substantially, with the exception of adding equity mutual funds to its investment portfolio, from the prior period and are summarized below:

**(i) Interest Rate Risk**

The Foundation does not have any interest bearing investments. It is the opinion of management that the Foundation is not exposed to any significant interest rate risks.

**(ii) Foreign Currency Risk**

The Foundation's functional currency is the Canadian Dollar. It is the opinion of management that the Foundation is not exposed to any significant foreign currency risk.

**(iii) Commodity Price Risk**

The Foundation is subject to normal price risk associated with consumer products.

## Friends of Canadian Crossroads Foundation

March 31, 2013

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### **Note 4      Financial Instruments - continued**

#### **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 (Crossroads), an associated charitable organization, by virtue of a shared board of directors. Crossroads 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, 2013, the Foundation owes Crossroads \$1,249 related to expenditures incurred.