

FINANCIAL STATEMENTS
For
COOPERATION CANADA
For year ended
MARCH 31, 2024

COOPERATION CANADA
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of

COOPERATION CANADA

Opinion

We have audited the financial statements of Cooperation Canada (the Organization), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Organization for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 20, 2023.

*Responsibilities of Management and Those Charged with Governance
for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
September 12, 2024.

COOPERATION CANADA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 859,678	\$ 1,612,749
Trade and other receivables (note 3)	279,159	253,094
Prepaid expenses	<u>30,793</u>	<u>28,896</u>
	1,169,630	1,894,739
INVESTMENT (note 4)	259,184	250,210
TANGIBLE CAPITAL ASSETS (note 5)	<u>7,783</u>	<u>7,867</u>
	<u>\$ 1,436,597</u>	<u>\$ 2,152,816</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payables and accrued liabilities	\$ 198,282	\$ 143,000
Current portion of long-term debt (note 6)	-	30,000
Deferred contributions (note 7)	<u>812,231</u>	<u>1,635,843</u>
	<u>1,010,513</u>	<u>1,808,843</u>
NET ASSETS		
Internally restricted		
Invested in tangible capital assets	7,783	7,867
Restricted reserve fund	225,000	225,000
General reserve fund	97,899	97,899
Unrestricted net assets	<u>95,402</u>	<u>13,207</u>
	<u>426,084</u>	<u>343,973</u>
	<u>\$ 1,436,597</u>	<u>\$ 2,152,816</u>

Approved by the Board:

Marc Bonomo

..... Director

Christine Bui

..... Director

(See accompanying notes)

COOPERATION CANADA
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2024

	Internally Restricted - Invested in Tangible Capital Assets	Internally Restricted - Restricted Reserve Fund	Internally Restricted - General Reserve Fund	Unrestricted net assets	Total 2024	Total 2023
Balance, beginning of year	\$ 7,867	\$ 225,000	\$ 97,899	\$ 13,207	\$ 343,973	\$ 514,568
Net revenues (expenses) for the year	(3,335)	-	-	85,446	82,111	(170,595)
Purchase of tangible capital assets	<u>3,251</u>	<u>-</u>	<u>-</u>	<u>(3,251)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 7,783</u>	<u>\$ 225,000</u>	<u>\$ 97,899</u>	<u>\$ 95,402</u>	<u>\$ 426,084</u>	<u>\$ 343,973</u>

(See accompanying notes)

COOPERATION CANADA
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Revenues		
Institutional donors	\$ 1,790,096	\$ 1,427,371
Membership fees	844,983	735,725
Event registration fees and sponsorships	44,560	607,449
Other revenues	256,215	283,725
Interest revenue	56,290	53,980
Humanitarian Response Network - membership fees	<u>58,655</u>	<u>29,917</u>
	<u>3,050,799</u>	<u>3,138,167</u>
Expenses (Schedule)		
Annual conference and events	37,268	579,974
Anti-racism Cooperation Hub	292,491	229,541
Canada's Indo-Pacific Strategy	25,079	-
Communications	171,408	229,215
Enhanced Canadian support for sustainable development	190,122	485,591
Humanitarian Response Network	279,421	185,958
International Development Research Centre	148,543	28,539
InterAction	225,434	211,530
Member engagement	73,662	183,368
Operations management	681,229	665,164
Operational Grant	337,173	50,172
Open Philanthropy	188,599	18,255
PSEA Sector Hub	215,617	305,403
Research and policy	102,051	136,052
Resilient Societies	<u>591</u>	<u>-</u>
	<u>2,968,688</u>	<u>3,308,762</u>
Net revenues (expenses) for the year	<u>\$ 82,111</u>	<u>\$ (170,595)</u>

(See accompanying notes)

COOPERATION CANADA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net revenues (expenses) for the year	\$ 82,111	\$ (170,595)
Adjustment for non-cash item		
Amortization of tangible capital assets	<u>3,335</u>	<u>3,372</u>
	85,446	(167,223)
Change in non-cash working capital items		
Trade and other receivables	(26,065)	(83,699)
Prepaid expenses	(1,897)	(15,153)
Accounts payables and accrued liabilities.	55,282	11,715
Deferred contributions	<u>(823,612)</u>	<u>644,786</u>
	<u>(710,846)</u>	<u>390,426</u>
INVESTING ACTIVITIES		
Purchase of investments	(568,566)	(250,210)
Proceeds from sale of investments	559,592	250,336
Purchase of tangible capital assets	<u>(3,251)</u>	<u>-</u>
	<u>(12,225)</u>	<u>126</u>
FINANCING ACTIVITIES		
Repayment of long term debt	<u>(30,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	(753,071)	390,552
CASH AT BEGINNING OF YEAR	<u>1,612,749</u>	<u>1,222,197</u>
CASH AT END OF YEAR	<u>\$ 859,678</u>	<u>\$ 1,612,749</u>

(See accompanying notes)

COOPERATION CANADA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

1. NATURE OF OPERATIONS

Cooperation Canada (the "Organization") is incorporated, without share capital, under the provisions of the Canada Not-for-Profit Corporations Act. It is a coalition of Canadian voluntary sector organizations working globally to achieve sustainable human development. The Organization seeks to end global poverty and to promote social justice and human dignity for all.

The Organization is a registered charitable organization is not subject to income taxes under paragraph 149(1)(f) of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Financial instruments

Financial instruments are financial assets or financial liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or has obligation to pay another party cash or other financial assets.

The Organization initially measures its arm's length financial assets and liabilities at fair value. The Organization subsequently measures all its arm's length financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that could have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Tangible capital assets

Tangible capital assets are initially recorded at cost and then are amortized over their useful lives according to the following methods, annual rates and periods. Furniture is amortized on a straight-line basis over useful lives ranging from 5 years to 10 years. Computers and equipment are amortized over their useful lives on a diminishing balance basis at a rate of 30%. Leasehold improvements are amortized on a straight-line basis over a period of 5 years.

When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date or to a nominal value of \$1 if the fair value cannot be reasonably determined.

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost, and is recognized in operations as an expense at that time. A writedown is not reversed in subsequent years.

COOPERATION CANADA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Reserve Funds

The Organization has established a restricted reserve fund to be used to meet the Organization's financial obligations in the event that it is necessary to scale back operations or to cease operations all together. The amounts required to meet the Organization's financial obligations in the event of closure are to approximate a four month operating period and will be reviewed annually. Additional funds will be transferred to the restricted reserve fund, as authorized by the Board of Directors, if needed to ensure that the funds will be able to cover all financial obligations. In the event that the amounts are lower than the balance in the restricted reserve fund, the Board of Directors may agree to transfer excess funds to the general reserve fund. This fund may only be spent in extraordinary circumstances as authorized by the Board of Directors.

The Organization has also established a general reserve fund to be used to increase the restricted reserve fund if needed, to fund special projects or defined expenditures and to respond to emergencies.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses such as projects and administration fees, are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized in the period to which they relate.

Registration fees are recognized as revenue in accordance with the agreement between the parties, during the period for which the fees apply and when the fees are fixed or determinable and collection is reasonably assured. The liability relating to the received but unearned portion of revenues from registration fees is recognized in the statement of financial position as deferred contributions.

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting. Interest income is recognized on a time apportionment basis.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. The balance of investment income is unrestricted and recognized as revenue.

Foreign currency transactions

Revenue and expenses are translated at the rate of exchange in effect on the transaction date. Exchange gains or losses are included in the determination of the statement of revenues and expenses. Monetary assets and liabilities are translated using the exchange rate in effect at the balance sheet date.

Allocation of expenses

The Organization's expenses are presented in the statement of operations on a functional basis. Expenses attributed to a particular function are directly related to the output of that functional category and are therefore not considered indirect allocated expenses. The Organization's expenses are also presented by object in a schedule accompanying the financial statements.

COOPERATION CANADA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Management makes accounting estimates when determining its allowance for doubtful accounts receivable, the useful lives of tangible capital assets, and in determining certain accrued liabilities. Actual results could differ from these estimates.

3. **TRADE AND OTHER RECEIVABLES**

	<u>2024</u>	<u>2023</u>
Trade accounts receivable	\$ 102,660	\$ 84,844
Government contributions receivable	5,779	55,884
Sales taxes receivable	<u>170,720</u>	<u>112,366</u>
	<u>\$ 279,159</u>	<u>\$ 253,094</u>

4. **INVESTMENT**

The investment is comprised of a market linked guaranteed investment held with a Canadian chartered bank. The investment bears a guaranteed cumulative rate of return of 10.75% over its 3 year term and matures in February 2026.

5. **TANGIBLE CAPITAL ASSETS**

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Furniture, computers and equipment	\$ 69,168	\$ 61,385	\$ 7,783	\$ 7,867
Leasehold improvements	<u>36,356</u>	<u>36,356</u>	<u>-</u>	<u>-</u>
	<u>\$ 105,524</u>	<u>\$ 97,741</u>	<u>\$ 7,783</u>	<u>\$ 7,867</u>

Cost and accumulated amortization at March 31, 2023 amounted to \$102,273 and \$94,406, respectively.

6. **LONG-TERM DEBT**

During the 2021 fiscal year, the Organization applied for a \$40,000 loan under the Canada Emergency Business Account ("CEBA") relief program established by the Federal Government of Canada.

Under the loan agreement, a maximum amount of \$10,000 can be forgiven, if at least 75% of the initial principal amount has been repaid as of December 31, 2023. The balance was repaid during the year. The forgivable portion of the loan has been recognized as government assistance revenue in fiscal year 2021.

COOPERATION CANADA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover the Organization's expenses for the coming year.

The changes in the deferred contributions balance for the year ended March 31, 2024 are as follows:

	Balance, beginning of year	Received during the year	Recognized as revenue	Receivable at year-end	Balance, end of of year
Bill and Melinda Gates Foundation	\$ 374,115	\$ -	\$ (374,115)	\$ -	\$ -
Humanitarian Response Network	325,657	222,461	(237,717)	-	310,401
Anti-Racism Cooperation Hub	-	509,996	(327,590)	(55,884)	126,522
PSEA Sector Hub	342,811	1,512	(241,491)	-	102,832
ODA Campaign	117,504	80,000	(203,283)	5,779	-
Open Philanthropy	380,955	-	(199,459)	-	181,496
International Development Research Centre	67,751	191,083	(167,854)	-	90,980
Other deferred revenue	27,050	-	(27,050)	-	-
	<u>\$ 1,635,843</u>	<u>\$ 1,005,052</u>	<u>\$ (1,778,559)</u>	<u>\$ (50,105)</u>	<u>\$ 812,231</u>

The changes in the deferred contributions balance for the year ended March 31, 2023 are as follows:

	Balance, beginning of year	Received during the year	Recognized as revenue	Receivable at year-end	Balance, end of of year
Bill and Melinda Gates Foundation	\$ 130,375	\$ 673,581	\$ (429,841)	\$ -	\$ 374,115
Humanitarian Response Network	307,281	194,220	(175,844)	-	325,657
Anti-Racism Cooperation Hub	-	201,202	(257,086)	55,884	-
PSEA Sector Hub	328,637	355,505	(341,331)	-	342,811
ODA Campaign	206,264	90,000	(178,760)	-	117,504
Open Philanthropy	-	399,210	(18,255)	-	380,955
International Development Research Centre	-	100,000	(32,249)	-	67,751
Other deferred revenue	18,500	27,050	(18,500)	-	27,050
	<u>\$ 991,057</u>	<u>\$ 2,040,768</u>	<u>\$ (1,451,866)</u>	<u>\$ 55,884</u>	<u>\$ 1,635,843</u>

Included in deferred contributions is deferred contributions from government bodies of \$276,176 (2023 - \$532,530). Included in Institutional Donors revenue on the Statement of Operations is \$845,385 (2023 - \$768,267) of revenue from government bodies.

Certain restricted contributions received may be subject to audit or final reconciliation under the terms and conditions of the related contribution agreement. Should an audit or reconciliation reveal that any of the expenditures on the project are not in accordance with funding guidelines, the Organization may be required to reimburse a portion of the funds advanced. No claim for reimbursement is currently pending and management is of the opinion that no claim is forthcoming.

Consequently, no provision for reimbursement of funds related to these projects has been made in the financial statements. In the event of any adjustment, it will be charged or credited to operations in the period of determination.

COOPERATION CANADA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

8. PENSION PLAN

The Organization participates in an employer pension plan. The plan is a defined contribution pension plan. Contributions made during the year were \$27,121 (2023 - \$31,039).

9. COMMITMENTS

During the year, the Organization renewed its lease agreement for office space which expires on August 30, 2025 with annual lease payments of \$35,444.

10. CONTROLLED ORGANIZATION

The Organization controls Co-Oper Inc., a not-for-profit organization with minimal activity, of which the Organization is the sole member. Co-Oper Inc. was incorporated in Canada by Letters Patent in 1997. The Organization has the right to appoint the Board of Directors of Co-Oper Inc., which is comprised on an annual basis of certain Board Members from the Organization.

Co-Oper Inc.'s financial statements are unaudited and are as follows:

Statement of Financial Position

	<u>2024</u>	<u>2023</u>
Assets	\$ 548	\$ 548
Liabilities	<u>-</u>	<u>-</u>
Net assets	<u>\$ 548</u>	<u>\$ 548</u>

Statement of Operations

Revenue	\$ 1	\$ 1
Expenses	<u>-</u>	<u>-</u>
Excess of revenue over expenses	<u>\$ 1</u>	<u>\$ 1</u>

There have been no transactions between the Organization and Co-Oper Inc. during the year.

11. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payables and accrued liabilities.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its cash and trade and other receivables. The Organization assesses, on a continuous basis, trade and other amounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year end, there were no amounts allowed.

COOPERATION CANADA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

11. **FINANCIAL INSTRUMENTS - Cont'd.**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At year end, the Organization's accounts payables and accrued liabilities has \$8,672 Canadian denominated in U.S. dollars (2023 - \$Nil Canadian denominated in U.S. dollars).

ii) *Interest rate risk*

The Organization is mainly exposed to interest rate risk with respect to financial assets bearing variable interest rates. As set out in Note 4, the Organization's market linked investment bears interest at a variable rate. The Organization is therefore exposed to cash flow risk on its market linked investment resulting from interest rate fluctuations. The Organization's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year ended.

COOPERATION CANADA
EXPENSES BY OBJECT
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Amortization of tangible capital assets	\$ 3,335	\$ 3,372
Bad debts	2,198	12,981
Bank and service charges	7,639	10,037
Communications	149,979	35,889
Consultants and software support	315,630	449,217
Equipment rental	20,168	4,186
Foreign exchange loss	589	1,397
Meeting expenses	63,219	383,063
Memberships and hospitality	8,249	89,195
Photocopies, postage and office supplies	7,692	13,453
Professional fees	67,870	34,572
Publications and subscriptions	167,043	65,148
Recruitment and training	29,833	8,780
Rent and insurance	55,256	48,927
Salaries and benefits	1,962,678	2,039,161
Translation	51,744	46,458
Travel	<u>55,566</u>	<u>62,926</u>
	<u>\$ 2,968,688</u>	<u>\$ 3,308,762</u>