# Centre for International Studies and Cooperation

# Consolidated Financial Statements
# March 31, 2021

# Independent Auditor's Report

**Raymond Chabot**
**Grant Thornton LLP**
Suite 2000
National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec
H3B 4L8

**T** 514-878-2691

To the Board of Directors of
Centre for International Studies and Cooperation

## Opinion

We have audited the consolidated financial statements of Centre for International Studies and Cooperation (hereafter "the Organization"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, 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 consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other 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.

## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 group 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.

Raymond Chabot Grant Thornton LLP[1]

Montréal
July 13, 2021

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[1] CPA auditor, CA public accountancy permit no. A117472

# Centre for International Studies and Cooperation
## Consolidated Operations
Year ended March 31, 2021

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| **Revenues** | | |
| Cash contributions (Note 10) | | |
| Global Affairs Canada – Partnership | **4,763,716** | 7,788,333 |
| Global Affairs Canada – Bilateral and others | **15,512,686** | 11,580,104 |
| Other donors | **13,360,644** | 13,601,650 |
| Donations | **551,854** | 774,592 |
| | **34,188,900** | 33,744,679 |
| Others | | |
| Contributed volunteer services (Note 4) | **2,279,805** | 4,188,052 |
| Other revenues | **483,315** | 492,826 |
| | **36,952,020** | 38,425,557 |
| Expenses | | |
| Programs | **31,134,455** | 30,582,776 |
| Contributed volunteer services (Note 4) | **2,279,805** | 4,188,052 |
| Program development | **266,368** | 468,076 |
| Administration | **2,449,193** | 2,379,470 |
| Fundraising | **318,851** | 377,837 |
| Interest on long-term debt | **88,632** | 58,962 |
| Amortization of tangible capital assets | **266,298** | 280,432 |
| Amortization of intangible assets | **93,540** | 67,935 |
| | **36,897,142** | 38,403,540 |
| **Excess of revenues over expenses** | **54,878** | 22,017 |

The accompanying notes are an integral part of the consolidated financial statements and Note 3 provides other information on consolidated operations.

# Centre for International Studies and Cooperation
## Consolidated Changes in Net Assets
Year ended March 31, 2021

| | | | | 2021 | 2020 |
|---|---|---|---|---|---|
| | Invested in capital assets | Received for endowment purposes (Note 6) | Unrestricted | Total | Total |
| | $ | $ | $ | $ | $ |
| Balance, beginning of year | **4,782,465** | **1,049,630** | **1,731,816** | **7,563,911** | 7,480,589 |
| Excess (deficiency) of revenues over expenses (a) | **(356,662)** | | **411,540** | **54,878** | 22,017 |
| Acquisition of tangible capital assets | **126,896** | | **(126,896)** | | |
| Long-term debt | **(1,000,000)** | | **1,000,000** | | |
| Repayment of long-term debt | **263,733** | | **(263,733)** | | |
| Endowment contributions (Note 6) | | **10,000** | | **10,000** | 11,000 |
| Exchange gain (loss) relating to net assets received for endowment purposes | | **(62,936)** | | **(62,936)** | 50,305 |
| Balance, end of year | **3,816,432** | **996,694** | **2,752,727** | **7,565,853** | 7,563,911 |

(a) This amount includes the amortization of tangible capital assets and intangible assets of $359,838 less the amortization of deferred contributions relating to tangible capital assets of $3,176.

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

# Centre for International Studies and Cooperation
## Consolidated Cash Flows
Year ended March 31, 2021

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| ***OPERATING ACTIVITIES*** | | |
| Excess of revenues over expenses | **54,878** | 22,017 |
| Non-cash items | | |
| Amortization of tangible capital assets | **266,298** | 280,432 |
| Amortization of intangible assets | **93,540** | 67,935 |
| Amortization of deferred contributions relating to tangible capital assets | **(3,176)** | (3,176) |
| Net change in working capital items | **4,260,897** | (6,017,836) |
| Cash flows from operating activities | **4,672,437** | (5,650,628) |
| ***INVESTING ACTIVITIES*** | | |
| Acquisition of tangible capital assets and cash flows from investing activities | **(126,896)** | (437,648) |
| ***FINANCING ACTIVITIES*** | | |
| Bank loan | **(1,430,000)** | 1,430,000 |
| Endowment contributions received | **10,000** | 11,000 |
| Long-term debt | **1,000,000** | |
| Repayment of long-term debt | **(263,733)** | (210,567) |
| Cash flows from financing activities | **(683,733)** | 1,230,433 |
| **Increase (decrease) in cash** | **3,861,808** | (4,857,843) |
| Cash, beginning of year | **5,884,931** | 10,742,774 |
| Cash, end of year | **9,746,739** | 5,884,931 |

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

# Centre for International Studies and Cooperation
## Consolidated Financial Position
March 31, 2021

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| ***ASSETS*** | | |
| Current | | |
| Cash | **9,746,739** | 5,884,931 |
| Trade and other receivables (Note 5) | **3,105,881** | 7,839,547 |
| Advances to partners | **829,989** | 167,570 |
| Prepaid expenses | **398,488** | 292,335 |
| | **14,081,097** | 14,184,383 |
| Long-term | | |
| Cash and term deposit in trust (Note 6 (c)) | **749,989** | 812,925 |
| Tangible capital assets (Note 7) | **6,114,400** | 6,253,802 |
| Intangible assets (Note 8) | **22,347** | 115,887 |
| | **20,967,833** | 21,366,997 |
| ***LIABILITIES*** | | |
| Current | | |
| Bank loan (Note 9) | | 1,430,000 |
| Accounts payable and accrued liabilities | **2,075,286** | 2,413,275 |
| Government remittances | **53,949** | 43,630 |
| Deferred contributions (Note 10) | **8,952,430** | 8,328,957 |
| Current portion of long-term debt | **234,074** | 216,608 |
| | **11,315,739** | 12,432,470 |
| Long-term | | |
| Deferred contributions relating to tangible capital assets (Note 11) | **70,918** | 74,094 |
| Long-term debt (Note 12) | **2,015,323** | 1,296,522 |
| | **13,401,980** | 13,803,086 |
| ***NET ASSETS*** | | |
| Invested in capital assets | **3,816,432** | 4,782,465 |
| Received for endowment purposes | **996,694** | 1,049,630 |
| Unrestricted | **2,752,727** | 1,731,816 |
| | **7,565,853** | 7,563,911 |
| | **20,967,833** | 21,366,997 |

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

On behalf of the Board,

Director

Director

# Centre for International Studies and Cooperation
## Notes to Consolidated Financial Statements
March 31, 2021

### *1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION*

The Organization is incorporated under Part III of the Companies Act (Quebec). The Organization is a not-for-profit organization under the Income Tax Act and, as such, it is exempt from income taxes.

The Organization participates in economic, social and cultural development activities in third-world countries through training, by sending volunteers and technical assistants, completing projects, researching and publishing specialized work.

### *2 - SIGNIFICANT ACCOUNTING POLICIES*

**Basis of presentation**

The Organization's consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Accounting estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts recorded in the consolidated financial statements and notes to consolidated financial statements. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

**Financial assets and liabilities**

*Initial measurement*

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs.

*Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in the consolidated statement of operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in the consolidated statement of operations in the year the reversal occurs.

# Centre for International Studies and Cooperation
# Notes to Consolidated Financial Statements
March 31, 2021

***2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)***

### Principles of consolidation

The Organization has elected to present consolidated financial statements and to recognize interests in joint arrangements using the proportionate consolidation method. Accordingly, these consolidated financial statements include the share in the assets, liabilities, revenues and expenses of joint arrangements in which the Organization has an interest.

### Revenue recognition

*Contributions*

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses 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. Endowment contributions are reported as direct increases in net assets.

Moreover, the Organization recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

*Net investment income*

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

*Rental income*

The Organization recognizes rental income on a straight-line basis over the lease term when collection is reasonably assured. The excess of rent recognized over amounts receivable under the leases is shown, as applicable, as rent receivable in the consolidated statement of financial position.

### Cash and cash equivalents

The Organization's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

# Centre for International Studies and Cooperation
# Notes to Consolidated Financial Statements
March 31, 2021

***2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)***

**Recognition of foreign transactions**

The Organization recognizes its expenses by using the following accounting practices:

(a) The purchase of tangible capital assets incurred for overseas operations is charged as operating expenses, except for the tangible capital assets of regional divisions which are capitalized;

(b) Most gains and losses due to exchange rate fluctuations are charged to programs in which they are realized.

**Tangible capital assets and intangible assets subject to amortization**

Tangible capital assets and intangible assets subject to amortization acquired are recorded at cost. When the Organization receives contributions of tangible capital assets or intangible assets subject to amortization, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets or intangible assets subject to amortization, or at a nominal value if fair value cannot be reasonable determined.

*Amortization*

Tangible capital assets and intangible assets subject to amortization are amortized over their estimated useful lives according to the straight-line method over the following periods:

| | Periods |
|---|---|
| Buildings | 40 years |
| Furniture, equipment and automotive equipment | 5 years |
| Computer equipment | 4 years |
| Website and software | 4 to 5 years |

*Write-down*

When conditions indicate that a tangible capital asset or an intangible asset subject to amortization is impaired, the net carrying amount of the tangible capital asset or the intangible asset subject to amortization is written down to the tangible capital asset's or the intangible asset subject to amortization's fair value or replacement cost. The write-down is accounted for in the consolidated statement of operations and cannot be reversed.

**Advances to partners**

In connection with economic, social and cultural development activities, the Organization works in collaboration with partners on certain international projects. According to agreement protocols, amounts paid to partners are initially recognized as advances to partners. Upon receipt of the financial reports and corresponding supporting documents, project expenses are recognized in the consolidated statement of operations.

# Centre for International Studies and Cooperation
# Notes to Consolidated Financial Statements
March 31, 2021

## *2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)*

### Foreign currency translation

The Organization considers its offices as integrated establishments operating internationally and uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the year-end date. Non-monetary assets and liabilities are translated at historical exchange rates, except those recognized at fair value, which are translated at the exchange rate in effect at the year-end date. Revenues and expenses are translated at the average rate for the period, with the exception of the amortization of assets translated at the historical exchange rates, which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in consolidated operations for the year.

## *3 - INFORMATION INCLUDED IN CONSOLIDATED OPERATIONS*

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| Other revenues | | |
| Rental | **481,625** | 486,742 |
| Exchange loss (gain) | | |
| Programs | **(119,127)** | 338,476 |
| Administration | **209,199** | (140,523) |

## *4 - CONTRIBUTED VOLUNTEER SERVICES*

Contributed volunteer services represent the value of the contribution provided by the participants of the volunteer cooperation programs.

The contribution is established using a predetermined rate in the agreement signed with Global Affairs Canada for the Uniterra program. The amount specified in the agreement is $200 to $470 per day per person.

## *5 - TRADE AND OTHER RECEIVABLES*

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| Contributions receivable – Donors (a) | **2,975,485** | 7,826,736 |
| Other receivables | **189,533** | 287,710 |
| Allowance for doubtful accounts relating to contributions receivable – Donors | **(59,137)** | (274,899) |
| | **3,105,881** | 7,839,547 |

(a) As at March 31, 2021, a donor represents 35% of contributions receivable (45% as at March 31, 2020).

### *6 - NET ASSETS RECEIVED FOR ENDOWMENT PURPOSES*

Net assets received for endowment purposes include the following items:

(a) An amount of $4,305 subject to externally restrictions stipulating that the resources be maintained permanently in the Fonds Pelletier; the related investment income is restricted for the funding of projects concerning the education and training of girls and women;

(b) An amount of $242,400 ($232,400 as at March 31, 2020) subject to externally restrictions stipulating that the resources be maintained permanently in the Fonds Jean Bouchard; the related investment income is restricted for the funding of projects concerning basic human needs;

(c) An amount of $749,989 ($812,925 as at March 31, 2020) subject to externally restrictions stipulating that the resources may be used to grant loans; loan beneficiaries are local, rural Guatemalan organizations and associations and the loans enable them to fund the purchase of farming equipment and products. On the recommendations of the trust's credit committee, the Organization could also support the funding of new initiatives. The assets relating to these amounts received for endowment purposes are presented in the consolidated statement of financial position in the long-term assets section.

### *7 - TANGIBLE CAPITAL ASSETS*

| | | | **2021** | 2020 |
|---|---|---|---|---|
| | **Cost** | **Accumulated amortization** | **Net carrying amount** | Net carrying amount |
| | **$** | **$** | **$** | $ |
| Land | **869,445** | | **869,445** | 869,445 |
| Buildings | **6,654,953** | **1,540,472** | **5,114,481** | 5,176,541 |
| Furniture and equipment | **308,850** | **271,824** | **37,026** | 72,222 |
| Computer equipment | **447,371** | **403,280** | **44,091** | 39,554 |
| Automotive equipment | **809,776** | **760,419** | **49,357** | 96,040 |
| Leasehold improvements | **70,541** | **70,541** | | |
| | **9,160,936** | **3,046,536** | **6,114,400** | 6,253,802 |

### *8 - INTANGIBLE ASSETS*

| | | | **2021** | 2020 |
|---|---|---|---|---|
| | **Cost** | **Accumulated amortization** | **Net carrying amount** | Net carrying amount |
| | **$** | **$** | **$** | $ |
| Website | **150,305** | **128,963** | **21,342** | 85,342 |
| Software | **253,893** | **252,888** | **1,005** | 30,545 |
| | **404,198** | **381,851** | **22,347** | 115,887 |

# Centre for International Studies and Cooperation
## Notes to Consolidated Financial Statements
March 31, 2021

### *9 - BANK LOAN*

The Organization has a line of credit for an authorized amount of $3,000,000, bearing interest at the Fédération des Caisses Desjardins's prime rate plus 0.5% (2.95%; 2.95% as at March 31, 2020) and secured by a $3,000,000 movable hypothec on the universality of accounts receivable. The bank loan is renegotiable in April 2020. An amount of $200,000 is available for letters of guarantee and an amount of $200,000 is available for exchange contracts which have not been used as at March 31, 2021.

Under the terms of the credit agreement, the Organization is required to respect certain covenants.

### *10 - DEFERRED CONTRIBUTIONS*

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| Balance, beginning of year | **8,328,957** | 10,718,023 |
| Amounts received during the year | **39,663,624** | 27,546,921 |
| Contributions receivable, beginning of year | **(7,826,736)** | (4,018,044) |
| | **31,836,888** | 23,528,877 |
| Amounts recognized as income for the year | **34,188,900** | 33,744,679 |
| Contributions receivable, end of year | **(2,975,485)** | (7,826,736) |
| | **31,213,415** | 25,917,943 |
| Balance, end of year | **8,952,430** | 8,328,957 |

### *11 - DEFERRED CONTRIBUTIONS RELATING TO TANGIBLE CAPITAL ASSETS*

Deferred contributions relating to tangible capital assets include contributions received to acquire tangible capital assets. They are amortized using the same methods and periods as the corresponding tangible capital assets. Changes during the year are as follows:

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| Balance, beginning of year | **74,094** | 77,270 |
| Amortization | **3,176** | 3,176 |
| Balance, end of year | **70,918** | 74,094 |

# Centre for International Studies and Cooperation
## Notes to Consolidated Financial Statements
March 31, 2021

### *12 - LONG-TERM DEBT*

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| Loan, secured by an immovable hypothec on a building with a net carrying amount of $4,179,361, payable in monthly instalments of $6,297, including interest of 3.15%, maturing on January 2024 | **937,165** | 968,962 |
| Loan, of a maximum authorized amount of $1,121,250, secured by an immovable hypothec on a building with a net carrying amount of $4,179,361, payable in monthly instalments of $3,893, plus interest of 3.15%, maturing on January 2024 | **272,526** | 306,475 |
| Loan, of a maximum authorized amount of $1,510,000, secured by an immovable hypothec on a building with a net carrying amount of $4,179,361, payable in monthly instalments of $7,142, plus interest of 3.49%, maturing on April 2022 | **952,522** | |
| Loan, secured by an immovable hypothec on a building with a net carrying amount of $935,120, payable in monthly instalments of $9,783, including interest of 2.75%, maturing on September 2021 | **87,184** | 199,549 |
| Loan, 3.9 % | | 38,144 |
| | **2,249,397** | 1,513,130 |
| Current portion | **234,074** | 216,608 |
| | **2,015,323** | 1,296,522 |

The estimated capital reimbursements for the next years are as follows:

| | $ |
|---|---|
| 2022 | 234,074 |
| 2023 | 993,982 |
| 2024 | 1,021,341 |
| | 2,249,397 |

### *13 - PENSION PLAN*

The Organization participates in a defined contribution pension plan for its employees. It contributes equally with employees. However, the Organization's contribution is limited to 5% of employees' gross salaries. The contributions paid as well as the expenses for the year totalled $264,114 ($269,337 in 2020).

# Centre for International Studies and Cooperation
# Notes to Consolidated Financial Statements
March 31, 2021

### *14 - FINANCIAL RISKS*

**Credit risk**

The Organization is exposed to credit risk regarding the financial assets recognized in the consolidated statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are trade and other receivables and advances to partners since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

**Market risk**

The Organization's financial instruments expose it to market risk, in particular, to currency risk and interest rate risk, resulting from its operating, investing and financing activities.

*Currency risk*

The Organization undertakes several of its transactions in foreign currency and is, therefore, exposed to foreign currency fluctuations.

As at March 31, 2021 and 2020, the Organization is exposed to currency risk due to cash, trade and other receivables, advances to partners and cash and term deposit in trust as well as accounts payable and accrued liabilities denominated in foreign currencies as follows:

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| Cash | | |
| U.S. dollars | **2,695,714** | 1,404,362 |
| CFA francs | **1,144,546** | 1,417,655 |
| Haitian gourdes | **715,092** | 840,257 |
| Guinean francs | **817,495** | 1,582,728 |
| Other currencies | **373,233** | 468,499 |
| Trade and other receivables | | |
| U.S. dollars | **873,936** | 1,293,246 |
| CFA francs | **25,151** | 337,271 |
| Haitian gourdes | **1,722,103** | 2,049,287 |
| Other currencies | **220,780** | 400,289 |
| Advances to partners | | |
| U.S. dollars | **290,847** | – |
| CFA francs | **117,598** | 32,270 |
| Haitian gourdes | **365,298** | 52,083 |
| Guinean francs | **31,174** | 73,986 |
| Other currencies | **25,832** | 9,231 |
| Cash and term deposit in trust | | |
| Other currencies | **749,989** | 812,925 |

# Centre for International Studies and Cooperation
## Notes to Consolidated Financial Statements
March 31, 2021

### *14 - FINANCIAL RISKS (Continued)*

| | **2021** | 2020 |
|---|---|---|
| | **$** | $ |
| Accounts payable and accrued liabilities | | |
| U.S. dollars | **140,089** | 146,729 |
| CFA francs | **68,176** | 258,370 |
| Haitian gourdes | **745,380** | 737,596 |
| Other currencies | **33,792** | 65,557 |

*Interest rate risk*

The Organization is exposed to interest rate risk with respect to financial liabilities bearing fixed and variable interest rates.

The long-term debt bears interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

The bank loan bears interest at a variable rate and the Organization is, therefore, exposed to the cash flow risk resulting from interest rate fluctuations.

**Liquidity risk**

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the consolidated statement of financial position.

### *15 - COMMITMENTS*

The Organization has entered into long-term lease agreements expiring in June 2024 which call for lease payments of $49,085 for the rental of office equipment. Minimum lease payments for the next years are $15,820 in 2022, 2023 and 2024 and $1,625 in 2025.

### *16 - CONTINGENCIES*

The Organization entered into partnership agreements with other organizations to realize projects. With respect to donors, under these agreements, the Organization is jointly and severally liable for the realization of these projects with these other organizations. As at March 31, 2021, the signed agreements total $155,809,464 ($299,457,221 as at March 31, 2020) and mature until May 2025. In the opinion of management, there is no significant risk because to complete the projects all partnerships are subject to contracts between the organizations, in which the partners' respective financial liabilities are clearly specified.