

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Fund Balances	6
Consolidated Statement of Revenue and Expenditures	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: ERDO (Emergency Relief and Development Overseas)

Opinion

We have audited the accompanying financial statements of ERDO (Emergency Relief and Development Overseas) and its controlled entities, which comprise the consolidated statement of financial position as at September 30, 2024 and the consolidated statements of revenue and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of ERDO (Emergency Relief and Development Overseas) as at September 30, 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 of 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 ERDO (Emergency Relief and Development Overseas) in accordance with the ethical requirements that are relevant to our audit of the 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 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 a 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 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 judgement 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 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 consolidated 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.



Guelph, Ontario
January 29, 2025

Chartered Professional Accountants
Licensed Public Accountants

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 129,847	\$ 158,697
Restricted cash	530,729	76,618
Restricted term deposits (note 5)	3,419,261	4,644,261
Unrestricted term deposits (note 5)	1,200,000	1,525,000
Due from the PAOC (note 4)	-	1,577
Accounts receivable	103,698	126,143
Prepaid expenses	73,174	63,685
	<u>5,456,709</u>	<u>6,595,981</u>
CFGB ACCOUNT (note 6)	2,056,441	2,005,785
INTANGIBLE ASSETS (note 7)	<u>90,048</u>	<u>173,170</u>
	<u>\$ 7,603,198</u>	<u>\$ 8,774,936</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 356,114	\$ 402,657
Due to the PAOC (note 4)	21,908	-
	<u>378,022</u>	<u>402,657</u>
FUND BALANCES		
OPERATIONS - UNRESTRICTED	1,218,740	1,645,610
INTERNALLY RESTRICTED	599,261	599,261
EXTERNALLY RESTRICTED - DESIGNATED FUNDS	3,350,734	4,121,623
CFGB ACCOUNT (note 6)	<u>2,056,441</u>	<u>2,005,785</u>
	<u>7,225,176</u>	<u>8,372,279</u>
	<u>\$ 7,603,198</u>	<u>\$ 8,774,936</u>

APPROVED BY THE BOARD OF DIRECTORS:



Len Hummel - Audit and Finance
Committee Chair



Murray Cornelius - Board Chair

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Operations	Internally restricted	Designated funds	CFGB Account (note 6)	Total 2024	Total 2023
FUND BALANCES, beginning of year	\$ 1,645,610	\$ 599,261	\$ 4,121,623	\$ 2,005,785	\$ 8,372,279	\$ 9,363,204
Deficiency of revenue over expenditures for the year	(376,870)	-	(20,889)	(749,344)	(1,147,103)	(990,925)
Interfund transfers (note 10)	<u>(50,000)</u>	<u>-</u>	<u>(750,000)</u>	<u>800,000</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,218,740</u>	<u>\$ 599,261</u>	<u>\$ 3,350,734</u>	<u>\$ 2,056,441</u>	<u>\$ 7,225,176</u>	<u>\$ 8,372,279</u>

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

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Operations (note 4)	Designated funds	CFGB Account (note 6)	Total 2024	Total 2023
REVENUE					
Child sponsorships	\$ 696,405	\$ 3,663,853	\$ -	\$ 4,360,258	\$ 4,398,579
Donations	1,052,029	3,104,173	-	4,156,202	4,917,870
Cash and grain contributions	-	-	525,015	525,015	453,421
GAC grants and other	9,386	63,686	1,951,055	2,024,127	4,399,927
Incoming transfers within CFGB account	-	-	776,164	776,164	2,363,503
Bequests	82,935	-	-	82,935	136,003
Other	435,736	-	-	435,736	424,727
	<u>2,276,491</u>	<u>6,831,712</u>	<u>3,252,234</u>	<u>12,360,437</u>	<u>17,094,030</u>
EXPENDITURES					
Child sponsorships disbursed (note 8)	203,564	3,575,226	-	3,778,790	3,917,114
Crisis response (note 8)	136,853	2,403,565	-	2,540,418	3,493,517
Community development (note 8)	49,753	873,810	-	923,563	783,424
CFGB projects (including GAC grants)	-	-	3,613,186	3,613,186	7,677,062
Outgoing transfers within CFGB account	-	-	388,392	388,392	312,314
	390,170	6,852,601	4,001,578	11,244,349	16,183,431
Resource development (note 8)	1,471,999	-	-	1,471,999	1,148,227
Support services (note 8)	791,192	-	-	791,192	753,297
	<u>2,653,361</u>	<u>6,852,601</u>	<u>4,001,578</u>	<u>13,507,540</u>	<u>18,084,955</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ (376,870)</u>	<u>\$ (20,889)</u>	<u>\$ (749,344)</u>	<u>\$ (1,147,103)</u>	<u>\$ (990,925)</u>

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

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures for the year	\$(1,147,103)	\$ (990,925)
Items not involving cash		
Amortization of intangible assets	83,122	76,195
Net expenditures from CFGB's ERDO-PAOC equity account, net of transfers from ERDO	<u>749,344</u>	<u>902,741</u>
	(314,637)	(11,989)
Net change in working capital		
Accounts receivable	22,445	(61,938)
Prepaid expenses	(9,490)	(64)
Due to/from the PAOC	23,486	(114,971)
Accounts payable and accrued liabilities	<u>(46,543)</u>	<u>(47,640)</u>
	<u>(324,739)</u>	<u>(236,602)</u>
INVESTING ACTIVITIES		
Transfers from ERDO to CFGB account	(800,000)	(850,000)
Changes in restricted cash	(454,111)	16,156
Changes in restricted term deposits	1,225,000	1,000,000
Changes in unrestricted term deposit	325,000	(1,025,000)
Intangible assets purchases	-	(7,766)
	<u>295,889</u>	<u>(866,610)</u>
CHANGE IN CASH DURING THE YEAR	(28,850)	(1,103,212)
CASH, BEGINNING OF YEAR	<u>158,697</u>	<u>1,261,909</u>
CASH, END OF YEAR	<u>\$ 129,847</u>	<u>\$ 158,697</u>

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

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. PURPOSE OF ORGANIZATION

ERDO (Emergency Relief and Development Overseas), or 'the organization', was established to provide compassionate response internationally to basic human needs where there is poverty, disaster and injustice. Its primary activities are:

- Crisis response;
- A child sponsorship program, known as ChildCARE Plus;
- Community development

Funds for some crisis response and community development programs are generated by Canadian farm-based growing projects and the organization's partnership with Canadian Foodgrains Bank Association Inc. (CFGB). This partnership gives access to funds from Global Affairs Canada (GAC), which enhances the capacity for effective food assistance and food security overseas.

The organization is governed by an elected board of directors. The board directs and monitors organizational performance and is responsible for its strategic direction, policy decisions and financial accountability. The board reports to its corporate members on an annual basis to ensure the agreed upon organizational outcomes are being fulfilled.

2. CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements include ERDO, SIPHO, ERDO Foundation and ERDO Services Inc., together operating as ERDO (Emergency Relief and Development Overseas). ERDO, SIPHO and ERDO Foundation are not for profit corporations without share capital, incorporated under the laws of Canada in 2003 and registered as Canadian charities with the Canada Revenue Agency. As such, they are exempt from income taxes under the Income Tax Act (Canada). ERDO Services Inc. is a not for profit corporation without share capital, incorporated under the laws of Canada in 2003.

Historically, ERDO operated as a department of the Pentecostal Assemblies of Canada (PAOC) - International Missions Division. Effective December 1, 2005, ERDO began to operate as a corporate entity distinct from the PAOC and its related assets were transferred from the PAOC to ERDO. These consolidated financial statements include the results of ERDO's operations for the year ended September 30, 2024. Currently, SIPHO, ERDO Foundation and ERDO Services Inc. are inactive.

ERDO's international program work involves the receipt of designated donations, followed by the design and implementation of effective program responses to facilitate the disbursement of those donations. Depending on timing, amounts from one fiscal period can be carried over for disbursement in a subsequent fiscal period, producing a surplus in one period followed by a deficit in a subsequent period.

The partnership interest in CFGB joint arrangement is accounted for using the equity method.

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not for profit organizations (ASNPO) (Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook, as issued by the Canadian Accounting Standards Board). The consolidated financial statements include the following significant accounting policies:

(a) **FUND ACCOUNTING**

The organization's funds are comprised of the following:

- The operations fund consists of donations, other revenues and related expenditures pertaining to the operations of the organization, which are not included in designated funds or in the CFGB fund. The fund also reports the assets, revenue and expenditures related to ERDO's capital and intangible assets.
- The internally restricted fund accounts for activities for which the use of the funds is restricted by the board. The internally restricted fund may only be used for strategic initiatives with specific approval from the board of directors.
- Designated funds include donations designated by contributors for specific projects, child sponsorships and gifts for children and related program expenditures.
- The externally restricted CFGB Account reports cash and grain contributions, as well as GAC grants and other revenue and related program expenditures pertaining to the organization's partnership with the CFGB.

(b) **REVENUE RECOGNITION**

ERDO follows the restricted fund method of accounting for contributions. Child sponsorships, donations, and bequests are recognized as revenue in the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

GAC grants relating to CFGB are recognized as received or receivable when the related funds are expended.

(c) **RESTRICTED CASH AND TERM DEPOSITS**

Restricted cash and term deposits consist of funds in the internally restricted and the designated fund balances.

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) INTANGIBLE ASSETS

Intangible assets acquired individually or as a part of a group of other assets are initially recognized and measured at cost. The amortization methods and estimated useful lives of intangible assets are reviewed annually. ERDO's intangible assets consist of website development and computer software. Amortization commences in the year the asset is purchased or put in use and the cost is amortized over the estimated useful lives on a straight line basis as follows:

Computer software	3 year straight-line
Website development	3 year straight-line

The organization follows a minimum capitalization threshold of \$5,000.

(e) IMPAIRMENT OF LONG-LIVED ASSETS

An impairment charge is recognized for long-lived assets whenever an event or change in circumstances causes an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the assets and the carrying value.

(f) FOREIGN OPERATIONS, ASSETS AND MEASUREMENT UNCERTAINTY

The organization has consistently followed the policy of expensing all costs for overseas operations, and property and equipment, through its overseas project expenditures, unless these amounts represent advances that are to be repaid to the organization. This policy is based on the practice that such assets, while generally redeployable under the direction of the organization's board, are not always accessible for redeployment due to foreign property titling regulations and international fund transfer and foreign currency exchange limitations. While the organization may specifically assign title to national overseas partners, it generally retains control of title while considering an orderly transfer of assets to stable national overseas partners. Accordingly, these assets and operations are not included in the consolidated financial statements.

(g) CONTRIBUTED SERVICES

The value of contributed services is not reflected in these consolidated financial statements as the fair value of these services cannot be reasonably estimated.

(h) FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Transaction costs relating to financial assets and liabilities not carried at fair value are capitalized and amortized on a straight-line basis over the useful life of the related financial instrument.

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates as additional information becomes available in the future.

4. RELATED PARTY TRANSACTIONS

Due to (from) the PAOC

The organization is related to the PAOC through the membership level of the organization. In addition, two of the members of the board of directors of the organization are also Executive Officers of the PAOC. The organization has a covenant/partnership agreement with the PAOC that identifies mutually agreed on goals and defines a scope of services provided by the PAOC.

The amounts due to the PAOC are unsecured, non-interest bearing, with no set terms of repayment. The payable balance as at September 30, 2024 (receivable balance as at September 30, 2023) represents the net of donations collected by the PAOC on behalf of ERDO and the amounts owed to the PAOC for expenses incurred on behalf of ERDO.

Included in expenditures is \$165,067 (2023 - \$154,670) paid by the organization to the PAOC in fulfillment of the services agreed on in the partnership agreement.

Term deposits held with Pentecostal Financial Services Group

There are \$1.72 million (2023 - \$2.32 million) of term deposits held with Pentecostal Financial Services Group (PFSG), a wholly owned subsidiary of PAOC. PFSG is the financial arm of the PAOC that assists churches to fund their capital projects.

The above transactions are recorded at their exchange amount, which is the amount agreed on by the two parties.

5. TERM DEPOSITS

Restricted term deposits are comprised of the following:

	2024	2023
PFSG on-demand fixed income promissory notes, maturity dates ranging from May 1, 2025 to December 1, 2025 (2023 - April 1, 2024 to December 1, 2025), interest ranging from 2.75% to 4.00%	\$ 1,719,261	\$ 2,319,261
Restricted term deposits, maturity dates ranging from November 4, 2024 to June 25, 2025 (2023 - December 20, 2023 to August 14, 2024), interest ranging from 4.45% to 5.05% (2023 - 4.65% to 5.35%)	<u>1,700,000</u>	<u>2,325,000</u>
	<u>\$ 3,419,261</u>	<u>\$ 4,644,261</u>

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

5. TERM DEPOSITS (continued)

The unrestricted term deposit is comprised of the following:

	2024	2023
Guaranteed investment certificates, maturity dates ranging from October 3, 2024, to July 29, 2025 (2023 - October 24, 2023 to February 8, 2024), interest ranging from 3.45% to 5.05% (2023 - 4.40% to 5.00%)	<u>\$ 1,200,000</u>	<u>\$ 1,525,000</u>

6. CANADIAN FOODGRAINS BANK ASSOCIATION INC.

The organization is one of 15 members in Canadian Foodgrains Bank (CFGB). ERDO has a 7.69% equity interest in the internally restricted member funds held in CFGB at September 30, 2024 (2023 - 7.87%). CFGB, with support from its partners and GAC, provides support to developing countries. The amount in the CFGB account is maintained under the guidance and control of the mandate of CFGB as a registered Canadian charity in partnership with the Canadian government for international food assistance. As part of the operating agreement, should the organization ever cease to be a member, the balance with CFGB is non-refundable and remains with CFGB, to be directed to other equity partners as project needs arise.

The objective is to create an equity account for each member which is used for food programming and projects that would suit the organization's purposes alongside the PAOC Mission's focus. For approved food assistance programming based on compliance with government standards, the organization typically receives matching funds from GAC. This requires the organization to invest other resources in necessary staffing as CFGB equity cannot be used for the organization's own staffing or organizational costs.

The CFGB account represents residual funds held by CFGB for the organization. The balance and results of operations related to CFGB were extracted from the September 30, 2024 internal records of CFGB. CFGB has a year end of March 31 and the most recent auditor report offered an unqualified opinion. The accounting policies followed by CFGB are consistent with the accounting policies followed by ERDO, except for the revenue recognition of GAC grants, which are recorded as revenue when the related funds are expended.

7. INTANGIBLE ASSETS

	Cost	Accumulated Amortization	Net 2024	Net 2023
Computer software	\$ 108,909	\$ 69,581	\$ 39,328	\$ 75,631
Website development	<u>140,456</u>	<u>89,736</u>	<u>50,720</u>	<u>97,539</u>
	<u>\$ 249,365</u>	<u>\$ 159,317</u>	<u>\$ 90,048</u>	<u>\$ 173,170</u>

ERDO (EMERGENCY RELIEF AND DEVELOPMENT OVERSEAS)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

8. ALLOCATION OF EXPENSES

The organization is engaged in providing international assistance programs. The costs of each program include the costs of personnel and other expenses that relate to providing the programs. In addition, the organization allocates the amortization and administration service costs from the PAOC (note 4) based on the head count of ERDO employees who are directly involved in providing the program services. Administration services are allocated as follows:

	2024	2023
Child sponsorships disbursed	\$ 22,738	\$ 20,275
Crisis response	15,304	17,741
Community development	5,684	4,224
Resource development	84,175	73,466
Support services	<u>37,166</u>	<u>38,964</u>
	<u>\$ 165,067</u>	<u>\$ 154,670</u>

9. FINANCIAL RISK MANAGEMENT

The main risks to which the organization's financial instruments are exposed are as follows:

Foreign exchange risk

Foreign exchange risk arises from the difference between the Canadian dollar and the operating currency of the foreign country in which the organization carries out its activities. The risk in this area is considered to be low. At year end, the organization had an exchange gain of \$134,836 (2023 - \$47,228) denominated in Canadian dollars on the USD bank account balance. There was also an unrealized exchange loss of \$1,266 (2023 - unrealized exchange loss of \$27,838).

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk primarily through its term deposits with various financial institutions and PFSG (note 5). Management considers the credit risk to be low as the organization only places its investments with reputable and financially stable organizations.

Liquidity risk

The organization believes it has low to moderate liquidity risk given the makeup of its accounts payable and accrued liabilities.

Interest rate risk

The term deposits bear interest at a fixed rate and, as such, are subject to interest rate price risk resulting from changes in fair value from market fluctuations in interest rates. Management believes the risk is low.

10. INTERFUND TRANSFERS

The organization had material interfund transfers during the period which resulted in \$750,000 (2023 - \$850,000) being transferred from the designated fund to the CFGB fund for equity contributions.

An additional \$50,000 was transferred from the operations fund to the CFGB fund (2023 - \$125,000 transferred from the operations fund to the designated fund).