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**THE PRIMATE'S WORLD RELIEF AND  
DEVELOPMENT FUND**

**FINANCIAL STATEMENTS**

**MARCH 31, 2012 AND MARCH 31, 2011**

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
The Primate's World Relief and Development Fund

### Report on the Financial Statements

We have audited the accompanying financial statements of The Primate's World Relief and Development Fund, which comprise the statement of financial position as at March 31, 2012 and March 31, 2011 and the statements of changes in net assets, operations and cash flows for the years then ended, 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 organization'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 organization'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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the organization derives revenue from donation revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses for the year, assets and net assets.

#### *Qualified Opinion*

In our opinion, except for the possible 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 The Primate's World Relief and Development Fund as at March 31, 2012 and March 31, 2011, and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cooperthwaite Mehta

Chartered Accountants  
Licensed Public Accountants

Report date  
Toronto, Ontario


THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012 AND MARCH 31, 2011

	2012	2011
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,186,384	\$ 2,074,095
Marketable securities (note 3)	4,467,125	4,190,310
Amounts receivable	63,883	84,194
Prepaid expenses	<u>14,054</u>	<u>15,400</u>
	<u>\$ 6,731,446</u>	<u>\$ 6,363,999</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 72,016	\$ 123,439
Project grants payable	39,778	565,260
Deferred revenue (note 4)	<u>1,739,853</u>	<u>1,079,959</u>
	<u>1,851,647</u>	<u>1,768,658</u>
Net assets		
Designated funds (note 5)	3,046,599	3,046,599
Endowment fund (note 6)	738,213	738,213
Unrestricted	<u>1,094,987</u>	<u>810,529</u>
	<u>4,879,799</u>	<u>4,595,341</u>
	<u>\$ 6,731,446</u>	<u>\$ 6,363,999</u>

Approved on behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

see accompanying notes

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED MARCH 31, 2012 AND MARCH 31, 2011

				2012	2011
	Unrestricted	Designated net assets	Endowment	Total	Total
Net assets, beginning of year	\$ 810,529	\$ 3,046,599	\$ 738,213	\$ 4,595,341	\$ 4,933,316
Excess (deficiency) of revenue over expenses for the year	<u>284,458</u>	<u>          </u>	<u>          </u>	<u>284,458</u>	<u>(337,975)</u>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 1,094,987</u></b>	<b><u>\$ 3,046,599</u></b>	<b><u>\$ 738,213</u></b>	<b><u>\$ 4,879,799</u></b>	<b><u>\$ 4,595,341</u></b>

see accompanying notes

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## STATEMENT OF OPERATIONS

FOR THE YEARS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	<b>2012</b>	<b>2011</b>
<b>REVENUE</b>		
Parish/Individual donations	\$ 3,923,295	\$ 3,961,910
Bequests	422,140	389,777
Canadian International Development Agency (note 7)	312,119	991,200
Interest and dividends	172,363	148,362
Provincial governments (note 7)	27,808	101,139
50th Anniversary		41,263
Other	<u>36,794</u>	<u>20,331</u>
	<u>4,894,519</u>	<u>5,653,982</u>
<b>EXPENSES</b>		
<b>Program</b>		
Development and relief		
Relief/Refugees	843,151	1,335,960
Africa and the Middle East	825,041	1,475,491
Asia and the Pacific	327,432	563,695
Latin America and the Caribbean	309,522	337,683
Indigenous People Canada	159,641	163,000
Public Engagement	159,533	221,308
Kairos	<u>139,860</u>	<u>155,400</u>
	2,764,180	4,252,537
Personnel	879,020	882,600
Occupancy	222,088	232,890
Travel, monitoring and evaluation	<u>49,927</u>	<u>64,238</u>
Total program	<u>3,915,215</u>	<u>5,432,265</u>
<b>Administration</b>		
Personnel	374,397	375,922
Occupancy	110,110	95,076
Governance	59,225	56,005
Professional fees	33,287	12,634
Travel	<u>6,590</u>	<u>8,167</u>
Total administration	<u>583,609</u>	<u>547,804</u>
<b>Fundraising</b>	<u>127,997</u>	<u>201,421</u>
Total expenses	<u>4,626,821</u>	<u>6,181,490</u>
Excess (deficiency) of revenue over expenses from operations	267,698	(527,508)
Increase in market value of marketable securities	<u>16,760</u>	<u>189,533</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 284,458</u>	<u>\$ (337,975)</u>

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	<u>2012</u>	<u>2011</u>
<b>Operating Activities</b>		
Excess (deficiency) of revenue over expenses	\$ 284,458	\$ (337,975)
Subtract items not involving the use of cash:		
Increase in market value of marketable securities	(16,760)	(189,533)
Add net change in non-cash working capital items (see below)	<u>104,646</u>	<u>391,197</u>
Cash generated from operations	372,344	(136,311)
<b>Investing Activities</b>		
Purchase of marketable securities	(538,443)	(1,029,756)
Proceeds from sale of marketable securities	<u>278,388</u>	<u>793,487</u>
Cash used for investing activities	<u>(260,055)</u>	<u>(236,269)</u>
<b>NET INCREASE (DECREASE) IN CASH IN THE YEAR</b>	112,289	(372,580)
Cash, beginning of year	<u>2,074,095</u>	<u>2,446,675</u>
<b>CASH, END OF YEAR</b>	<u>\$ 2,186,384</u>	<u>\$ 2,074,095</u>
Decrease (increase) in current assets-		
Amounts receivable	\$ 20,311	\$ (54,101)
Prepaid expenses	1,346	(11,197)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(51,424)	39,534
Deferred revenue	659,894	142,483
Deferred grants payable	<u>(525,481)</u>	<u>274,478</u>
	<u>\$ 104,646</u>	<u>\$ 391,197</u>
Interest received	<u>\$ 146,876</u>	<u>\$ 122,200</u>

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012 AND MARCH 31, 2011

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### 1. THE ORGANIZATION

The Primate's World Relief and Development Fund/Le Fonds du Primat Pour le Secours et le Développement Mondial ("PWRDF") is a not-for-profit organization incorporated without share capital under the provisions of Part II of the Canada Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

PWRDF is a Christian organization committed to a vision of international development and global justice founded on theological reflection and faith-based analysis. The organization engages in development work, responding to emergencies, working to protect refugees, and educating and advocating for change on a non-partisan basis.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

#### **Marketable Securities**

Marketable securities are measured at fair value, determined on the basis of fair market value. Fair market values are determined by reference to published price quotations in an active market at year end.

#### **Foreign Currency Translation**

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange prevailing at the year end.

#### **Revenue recognition**

The organization follows the deferral method of revenue recognition. Under the deferral method, amounts received in the year for expenses to be incurred in the following year are recorded as deferred revenue. The organization's principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants and donations are recognized as revenue when they are received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured. Endowment Fund contributions are reported as direct increases in net assets.
- ii) Donated materials and services which are normally purchased by the organization are not recorded in the accounts.
- iii) Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, is recognized as revenue when earned. Transactions costs are expensed as incurred.

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012 AND MARCH 31, 2011

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### 3. MARKETABLE SECURITIES AND RISK MANAGEMENT

Marketable securities at March 31 were as follows:

	2012	2011
	Market value	Market value
Fixed income securities	\$ 2,482,806	\$ 3,381,295
Equities	<u>1,984,319</u>	<u>809,015</u>
	<u>\$ 4,467,125</u>	<u>\$ 4,190,310</u>

Included in equities is a \$162,895 investment in Oikocredit (\$162,651 as at March 31, 2011). Oikocredit is a world-wide ecumenical co-operative society of churches and individuals whose purpose is to mobilize financial resources for further development of poor areas of the world.

It is management's opinion that the organization is not exposed to significant interest or credit risks.

### 4. DEFERRED REVENUE

Continuity of deferred revenue for the year is as follows:

	2012	2011
Deferred revenue, beginning of year	\$ 1,079,959	\$ 937,476
Add cash received from donor restricted donations	1,146,064	155,148
Less donor restricted donation revenue recognized	<u>(486,170)</u>	<u>(12,665)</u>
Deferred revenue, end of year	<u>\$ 1,739,853</u>	<u>\$ 1,079,959</u>

### 5. DESIGNATED FUNDS

Designated funds were as follows at year end.

	2012	2011
Contingency fund	\$ 3,000,000	\$ 3,000,000
Funds committed for project grants	<u>46,599</u>	<u>46,599</u>
	<u>\$ 3,046,599</u>	<u>\$ 3,046,599</u>

Designated Funds are amounts set aside for various special purposes based on decisions of the Board of Directors. As at March 31, the amounts designated are for the following purposes;

The Board of Directors of the organization has designated net assets of \$3,000,000 to provide for a responsible wind-down of projects in progress and other related expenses in the event of an unexpected cessation of funding (\$3,000,000 as at March 31, 2011).

The Board of Directors has designated net assets of \$46,599 as at March 31, 2012 for commitments made during the year to fund projects in the following year (\$46,599 as at March 31, 2011).



# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012 AND MARCH 31, 2011

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### 6. ENDOWMENT FUND

The organization received no endowment donations in 2012 or 2011. Endowment donations are to be held and invested as a permanent endowment for a period of no less than 10 years. Income earned on endowment funds is available for use for general purposes and for the program of the organization.

### 7. GOVERNMENT FUNDING

Government funding recognized in the year was from the following sources:

	2012	2011
Canadian International Development Agency (CIDA) Canadian Partnership Branch	<u>\$ 312,119</u>	<u>\$ 991,200</u>
Provincial governments		
Manitoba Council for International Cooperation	16,316	75,000
Saskatchewan Council for International Cooperation	<u>11,492</u>	<u>26,139</u>
	<u>27,808</u>	<u>101,139</u>
	<u>\$ 339,927</u>	<u>\$ 1,092,339</u>

### 8. OCCUPANCY AND SHARED OPERATING COSTS

The organization has an arrangement with The General Synod of the Anglican Church of Canada (General Synod) to share operating and occupancy costs at 80 Hayden Street, Toronto where the organization's offices are located. The building is owned by the General Synod. During the year, the organization made payments to the General Synod in respect of this arrangement amounting to \$175,783 (\$167,979 in 2011).

### 9. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective April 1, 2011, the organization elected to adopt the Canadian accounting standards for not-for-profit organizations. These are the first financial statements prepared in accordance with this new framework which have been applied retrospectively.

Management reviewed the exemptions provided on transition to the Canadian accounting standards for not-for-profit organizations and has elected to designate all investments to be subsequently measured at fair value, which is consistent with the accounting policy in place at the time of the transition. The adoption of Canadian accounting standards for not-for-profit organizations had no impact on the previously reported assets, liabilities and net assets of the organization, and accordingly, there has been no restatement of previously reported amounts as at the date of the transition, being April 1, 2010. The presentation and disclosures in the financial statements reflect the requirements under the new accounting framework.