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

FINANCIAL STATEMENTS

MARCH 31, 2013

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, 2013, and the statements of changes in net assets, operations and cash flows for the year 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising, 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 and fundraising revenue, excess of revenue over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donation and fundraising revenue, 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, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

July 11, 2013
Toronto, Ontario

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	\$ 1,234,938	\$ 2,186,384
Marketable securities (note 4)	3,894,416	4,467,125
Amounts receivable	95,351	63,883
Prepaid expenses	<u>1,349</u>	<u>14,054</u>
	<u>\$ 5,226,054</u>	<u>\$ 6,731,446</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 71,187	\$ 72,016
Project grants payable		39,778
Deferred revenue (note 6)	<u>348,503</u>	<u>1,739,853</u>
	<u>419,690</u>	<u>1,851,647</u>
Net assets		
Designated funds (note 7)	3,196,434	3,046,599
Endowment fund (note 8)	738,213	738,213
Unrestricted	<u>871,717</u>	<u>1,094,987</u>
	<u>4,806,364</u>	<u>4,879,799</u>
	<u>\$ 5,226,054</u>	<u>\$ 6,731,446</u>

Approved on behalf of the Board:

Dan Watiston, Director

Adelle Finney, Director

see accompanying notes

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2013

	2013			2012	
	Unrestricted	Designated net assets	Endowment	Total	Total
Net assets, beginning of year	\$ 1,094,987	\$ 3,046,599	\$ 738,213	\$ 4,879,799	\$ 4,595,341
Transfer to committed funds (note 7)	(149,835)	149,835			
Excess (deficiency) of revenue over expenses for the year	<u>(73,435)</u>	<u> </u>	<u> </u>	<u>(73,435)</u>	<u>284,458</u>
NET ASSETS, END OF YEAR	<u>\$ 871,717</u>	<u>\$ 3,196,434</u>	<u>\$ 738,213</u>	<u>\$ 4,806,364</u>	<u>\$ 4,879,799</u>

see accompanying notes

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2013

	2013	2012
REVENUE		
Parish/Individual donations	\$ 4,976,627	\$ 3,923,295
Canadian International Development Agency (note 9)	1,776,538	312,119
Realized gain on sale of marketable securities	308,311	38,011
Bequests	307,425	422,140
Interest and dividends	182,753	172,363
Provincial governments (note 9)	37,743	27,808
Other	<u>36,794</u>	<u>36,794</u>
	<u>7,589,397</u>	<u>4,932,530</u>
EXPENSES		
Program		
Development and relief		
Africa and the Middle East	2,452,066	825,041
Relief/Refugees	2,128,652	843,151
Asia and the Pacific	401,911	327,432
Public Engagement	174,787	159,533
Latin America and the Caribbean	152,350	309,522
Indigenous People Canada	57,613	159,641
KAIROS Canada	<u>125,874</u>	<u>139,860</u>
	5,493,253	2,764,180
Personnel	940,565	879,020
Occupancy	136,669	222,088
Travel, monitoring and evaluation	<u>40,675</u>	<u>49,927</u>
Total program	<u>6,611,162</u>	<u>3,915,215</u>
Administration		
Personnel	441,406	374,397
Occupancy	101,900	110,110
Governance	48,547	59,225
Professional fees	27,142	33,287
Travel	<u>7,787</u>	<u>6,590</u>
Total administration	<u>626,782</u>	<u>583,609</u>
Fundraising	<u>164,362</u>	<u>127,997</u>
Total expenses	<u>7,402,306</u>	<u>4,626,821</u>
Excess of revenue over expenses from operations	187,091	305,709
Decrease in market value of marketable securities	<u>(260,526)</u>	<u>(21,251)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ (73,435)</u>	<u>\$ 284,458</u>

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2013

	2013	2012
Operating Activities		
Excess (deficiency) of revenue over expenses	\$ (73,435)	\$ 284,458
Subtract (add) items not involving the use of cash:		
Realized and unrealized gains on marketable securities	(47,785)	(16,760)
Add net change in non-cash working capital items (see below)	<u>(1,450,719)</u>	<u>104,646</u>
Cash generated from (used for) operations	<u>(1,571,939)</u>	<u>372,344</u>
Investing Activities		
Purchase of marketable securities	(4,742,978)	(538,443)
Proceeds from sale of marketable securities	<u>5,363,471</u>	<u>278,388</u>
Cash generated from (used for) investing activities	<u>620,493</u>	<u>(260,055)</u>
NET INCREASE (DECREASE) IN CASH IN THE YEAR	(951,446)	112,289
Cash, beginning of year	<u>2,186,384</u>	<u>2,074,095</u>
CASH, END OF YEAR	<u>\$ 1,234,938</u>	<u>\$ 2,186,384</u>
Decrease (increase) in current assets-		
Amounts receivable	\$ (31,468)	\$ 20,311
Prepaid expenses	12,705	1,346
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(829)	(51,424)
Deferred revenue (note 6)	(1,391,349)	659,894
Deferred grants payable	<u>(39,778)</u>	<u>(525,481)</u>
	<u>\$ (1,450,719)</u>	<u>\$ 104,646</u>
Interest received	<u>\$ 172,955</u>	<u>\$ 146,876</u>

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

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 applied on a basis consistent with the prior year. Outlined below are those policies considered particularly significant:

Marketable Securities

Marketable securities are measured at fair market value, which is 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) Unrestricted grants and donations are recognized as revenue when they are received. Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred. Contributed materials and services which are normally purchased by the organization are not recorded in the accounts. Endowment Fund contributions are reported as direct increases in net assets.
- ii) Investment income comprises interest from cash, interest and dividends from fixed income and equity securities, reinvested distributions from index pooled funds and unrealized and realized gains and losses on the sale of marketable securities. Interest on fixed income investments is recognized over the terms of these investments. Transaction costs associated with the acquisition and disposal of marketable securities are expensed as incurred.

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

3. CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA) CASH

Continuity of CIDA cash for the year is as follows:

	2013	2012
Undisbursed CIDA cash, beginning of year	\$ 40,612	\$ nil
Add cash received from CIDA funding in the year	2,017,209	312,119
Less cash disbursed to CIDA projects in the year	<u>(1,897,825)</u>	<u>(271,507)</u>
Undisbursed CIDA cash, end of year	<u>\$ 159,996</u>	<u>\$ 40,612</u>

Included in \$1,897,825 of cash disbursed to CIDA projects in the year is \$143,789 that is unspent by the implementing partners as at March 31, 2013.

4. MARKETABLE SECURITIES

Marketable securities, carried at market value, as at March 31 were as follows:

	2013	2012
Equities	\$ 3,339,688	\$ 1,984,319
Fixed income securities	<u>554,728</u>	<u>2,482,806</u>
	<u>\$ 3,894,416</u>	<u>\$ 4,467,125</u>

Included in equities is a \$169,202 investment in Oikocredit (\$162,895 as at March 31, 2012). 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.

5. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, marketable securities, amounts receivable and accounts payable and accrued liabilities. The following are those financial instruments and related financial risks considered particularly important:

- i) The organization minimizes the likelihood of uncollected revenue by regularly monitoring amounts receivable.
- ii) The organization regularly monitors the prevailing market rates for foreign exchange. Management attempts to mitigate fluctuations in cash flows resulting from changes in foreign exchange rates for amounts received from foreign funders and amounts paid to foreign suppliers. Management does this by maintaining sufficient currency on hand to meet financial liabilities such that it is not necessary to convert currency when conditions are unfavourable.
- ii) Existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities.

It is management's opinion that the organization's financial instruments are not exposed to significant financial risks.

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6. DEFERRED REVENUE

Deferred revenue is composed of the following:

	2013	2012
CIDA	\$ 240,671	\$
Donor restricted donations (see below)	<u>107,832</u>	<u>1,739,853</u>
Deferred revenue, end of year	<u>\$ 348,503</u>	<u>\$ 1,739,853</u>

Continuity of deferred revenue for the year is as follows:

Deferred revenue, beginning of year	\$ 1,739,853	\$ 1,079,959
Add cash received from CIDA and donor restricted donations	2,076,483	1,458,183
Less donor restricted donations and CIDA grant revenue recognized	<u>(3,467,833)</u>	<u>(798,289)</u>
Deferred revenue, end of year (see below)	<u>\$ 348,503</u>	<u>\$ 1,739,853</u>

Donor restricted donations as at March 31, 2012 of \$1,739,853 represent cash received from donors before March 31, 2012 not yet disbursed to donor-designated projects. The net reduction in total deferred revenue from March 31, 2012 to March 31, 2013 of \$1,391,349 comprises disbursements to projects, including those in Haiti, of \$1,632,021 for which the cash was received in fiscal 2012, net of an increase in deferred CIDA funding of \$240,671.

7. DESIGNATED FUNDS

Designated funds were as follows at year end.

	2013	2012
Contingency fund	\$ 3,000,000	\$ 3,000,000
Funds committed for project grants	<u>196,434</u>	<u>46,599</u>
	<u>\$ 3,196,434</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, 2012).

The Board of Directors has designated net assets of \$196,434 as at March 31, 2013 for commitments made during the year to fund projects in the following year (\$46,599 as at March 31, 2012).

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NOTES TO THE FINANCIAL STATEMENTS

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8. ENDOWMENT FUND

The organization received no endowment donations in 2013 or 2012. Endowment donations are to be held and invested as an 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 programs of the organization.

9. GOVERNMENT FUNDING

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

	2013	2012
CIDA		
Canadian Partnership Branch	<u>\$ 1,776,538</u>	<u>\$ 312,119</u>
Provincial governments		
Manitoba Council for International Cooperation	37,743	16,316
Saskatchewan Council for International Cooperation	<u> </u>	<u>11,492</u>
	<u>37,743</u>	<u>27,808</u>
	<u>\$ 1,814,281</u>	<u>\$ 339,927</u>

10. 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 office premises are owned by General Synod. During the year, the organization made payments to the General Synod in respect of this arrangement amounting to \$96,617 (\$175,783 in 2012).