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

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**

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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, 2014, 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, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cooperthwaite Mehta

Chartered Accountants  
Licensed Public Accountants

July 3, 2014  
Toronto, Ontario

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

|  | 2014                | 2013                |
|--|---------------------|---------------------|
| <b>ASSETS</b>                            |                     |                     |
| Current assets                           |                     |                     |
| Cash and cash equivalents                | \$ 1,828,411        | \$ 1,234,938        |
| Marketable securities (note 3)           | 4,225,619           | 3,894,416           |
| HST rebate recoverable                   | 50,568              | 69,655              |
| Amounts receivable                       | 3,104               | 25,696              |
| Prepaid expenses                         | <u>15,508</u>       | <u>1,349</u>        |
|  | <u>\$ 6,123,210</u> | <u>\$ 5,226,054</u> |
| <b>LIABILITIES AND NET ASSETS</b>        |                     |                     |
| Current liabilities                      |                     |                     |
| Accounts payable and accrued liabilities | \$ 33,356           | \$ 71,187           |
| Deferred revenue (note 5)                | <u>748,163</u>      | <u>348,503</u>      |
|  | <u>781,519</u>      | <u>419,690</u>      |
| Net assets                               |                     |                     |
| Unrestricted                             | 1,358,644           | 871,717             |
| Designated funds (note 6)                | 3,244,834           | 3,196,434           |
| Endowment fund (note 7)                  | <u>738,213</u>      | <u>738,213</u>      |
|  | <u>5,341,691</u>    | <u>4,806,364</u>    |
|  | <u>\$ 6,123,210</u> | <u>\$ 5,226,054</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 YEAR ENDED MARCH 31, 2014

|  |                            |                            |                          | 2014                       | 2013                       |
|--|----------------------------|----------------------------|--------------------------|----------------------------|----------------------------|
|  | Unrestricted               | Designated<br>net assets   | Endowment                | Total                      | Total                      |
| Net assets, beginning of year                                | \$ 871,717                 | \$ 3,196,434               | \$ 738,213               | \$ 4,806,364               | \$ 4,879,799               |
| Transfer to committed funds (note 6)                         | (48,400)                   | 48,400                     |                          |                            |                            |
| Excess (deficiency) of revenue over<br>expenses for the year | <u>535,327</u>             | <u>          </u>          | <u>          </u>        | <u>535,327</u>             | <u>(73,435)</u>            |
| <b>NET ASSETS, END OF YEAR</b>                               | <b><u>\$ 1,358,644</u></b> | <b><u>\$ 3,244,834</u></b> | <b><u>\$ 738,213</u></b> | <b><u>\$ 5,341,691</u></b> | <b><u>\$ 4,806,364</u></b> |

see accompanying notes

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2014

|   | 2014              | 2013               |
|---|-------------------|--------------------|
| <b>REVENUE</b>  |                   |                    |
| Parish and individual donations                                       | \$ 4,059,967      | \$ 4,976,627       |
| Department of Foreign Affairs, Trade and Development (DFATD) (note 8) | 1,888,903         | 1,776,538          |
| Bequests  | 779,265           | 307,425            |
| Interest and dividends  | 132,837           | 182,753            |
| Realized gain on sale of marketable securities                        | 72,721            | 308,311            |
| Provincial governments (note 8)                                       |                   | 37,743             |
| Other   | <u>31,641</u>     |                    |
|   | <u>6,965,334</u>  | <u>7,589,397</u>   |
| <b>EXPENSES</b>   |                   |                    |
| <b>Program</b>  |                   |                    |
| Development and relief  |                   |                    |
| Africa and the Middle East  | 2,461,057         | 2,452,066          |
| Relief and refugees   | 924,235           | 2,128,652          |
| Public Engagement   | 334,271           | 174,787            |
| Asia and the Pacific  | 319,120           | 401,911            |
| Latin America and the Caribbean                                       | 269,728           | 152,350            |
| KAIROS Canada   | 213,103           | 125,874            |
| Indigenous People Canada  | <u>135,000</u>    | <u>57,613</u>      |
|   | 4,656,514         | 5,493,253          |
| Personnel   | 978,206           | 940,565            |
| Occupancy and office  | 167,440           | 136,669            |
| Travel, monitoring and evaluation                                     | <u>45,055</u>     | <u>40,675</u>      |
| Total program   | <u>5,847,215</u>  | <u>6,611,162</u>   |
| <b>Administration</b>   |                   |                    |
| Personnel   | 451,522           | 441,406            |
| Occupancy and office  | 92,514            | 101,900            |
| Governance  | 27,294            | 48,547             |
| Professional fees   | 17,042            | 27,142             |
| Travel  | <u>7,628</u>      | <u>7,787</u>       |
| Total administration  | <u>596,000</u>    | <u>626,782</u>     |
| <b>Fundraising</b>  | <u>128,325</u>    | <u>164,362</u>     |
| Total expenses  | <u>6,571,540</u>  | <u>7,402,306</u>   |
| Excess of revenue over expenses from operations                       | 393,794           | 187,091            |
| Increase (decrease) in market value of marketable securities          | <u>141,533</u>    | <u>(260,526)</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>      | <u>\$ 535,327</u> | <u>\$ (73,435)</u> |

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2014

|  | 2014                        | 2013                 |
|--|-----------------------------|----------------------|
| <b>Operating Activities</b>                                  |                             |                      |
| Excess (deficiency) of revenue over expenses                 | \$ 535,327                  | \$ (73,435)          |
| Subtract (add) items not involving the use of cash:          |                             |                      |
| Realized and unrealized gains on marketable securities       | (214,254)                   | (47,785)             |
| Add net change in non-cash working capital items (see below) | <u>389,349</u>              | <u>(1,450,719)</u>   |
| Cash generated from (used for) operations                    | <u>710,422</u>              | <u>(1,571,939)</u>   |
| <b>Investing Activities</b>                                  |                             |                      |
| Purchase of marketable securities                            | (1,305,610)                 | (4,742,978)          |
| Proceeds from sale of marketable securities                  | <u>1,188,661</u>            | <u>5,363,471</u>     |
| Cash generated from (used for) investing activities          | <u>(116,949)</u>            | <u>620,493</u>       |
| <b>NET INCREASE (DECREASE) IN CASH IN THE YEAR</b>           | 593,473                     | (951,446)            |
| Cash, beginning of year                                      | <u>1,234,938</u>            | <u>2,186,384</u>     |
| <b>CASH, END OF YEAR</b>                                     | <u>\$ 1,828,411</u>         | <u>\$ 1,234,938</u>  |
|  |                             |                      |
| Decrease (increase) in current assets-                       |                             |                      |
| Amounts receivable   | \$ 22,592                   | \$ (7,328)           |
| Prepaid expenses   | (14,159)                    | 12,705               |
| HST rebate recoverable                                       | 19,087                      | (24,140)             |
| Increase (decrease) in current liabilities-                  |                             |                      |
| Accounts payable and accrued liabilities                     | (37,831)                    | (829)                |
| Deferred revenue   | 399,660                     | (1,391,349)          |
| Grants payable   | <u>                    </u> | <u>(39,778)</u>      |
|  | <u>\$ 389,349</u>           | <u>\$(1,450,719)</u> |
|  |                             |                      |
| Interest received  | <u>\$ 91,956</u>            | <u>\$ 172,955</u>    |

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

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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 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 respectively, 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, 2014

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### 3. MARKETABLE SECURITIES

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

|                         | 2014                | 2013                |
|-------------------------|---------------------|---------------------|
| Fixed income securities | \$ 1,977,086        | \$ 554,728          |
| Equities                | <u>2,248,536</u>    | <u>3,339,688</u>    |
|                         | <u>\$ 4,225,622</u> | <u>\$ 3,894,416</u> |

Included in equities is a \$187,754 investment in Oikocredit (\$169,202 as at March 31, 2013). 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.

### 4. 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.
- iii) The organization is exposed to other price risk through changes in market prices (other than changes arising from interest rate risks) in connection with investments in equities. This risk can be caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in the market.
- iv) 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.



# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

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### 5. DEFERRED REVENUE

Deferred revenue is composed of the following:

|  | 2014              | 2013              |
|--|-------------------|-------------------|
| DFATD                                  | \$ 489,830        | \$ 240,671        |
| Donor restricted donations (see below) | <u>258,333</u>    | <u>107,832</u>    |
| Deferred revenue, end of year          | <u>\$ 748,163</u> | <u>\$ 348,503</u> |

Continuity of deferred revenue for the year is as follows:

|   |                    |                    |
|---|--------------------|--------------------|
| Deferred revenue, beginning of year                                   | \$ 348,503         | \$ 1,739,853       |
| Add cash received from DFATD<br>and donor restricted donations        | 2,996,409          | 2,076,483          |
| Less donor restricted donations and<br>DFATD grant revenue recognized | <u>(2,596,749)</u> | <u>(3,467,833)</u> |
| Deferred revenue, end of year   | <u>\$ 748,163</u>  | <u>\$ 348,503</u>  |

Deferred donor restricted donations as at March 31, 2013 of \$107,832 represent cash received from donors before March 31, 2013 not yet disbursed to donor-designated projects. The net increase in total deferred donor restricted donations from March 31, 2013 to March 31, 2014 of \$150,501 is a function of \$858,914 in cash received in the year, net of \$707,845 disbursed to projects including the Philippines and Haiti. Of the \$707,845 disbursed to projects in the year, \$65,313 related to donor restricted funding received before March 31, 2013.

### 6. DESIGNATED FUNDS

Designated funds were as follows at year end.

|                                    | 2014                | 2013                |
|------------------------------------|---------------------|---------------------|
| Contingency fund                   | \$ 3,000,000        | \$ 3,000,000        |
| Funds committed for project grants | <u>244,834</u>      | <u>196,434</u>      |
|                                    | <u>\$ 3,244,834</u> | <u>\$ 3,196,434</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, 2013).

The Board of Directors has designated net assets of \$244,834 as at March 31, 2014 for commitments made during the year to fund projects in the following year (\$196,434 as at March 31, 2013).

# THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

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### 7. ENDOWMENT FUND

The organization received no endowment donations in 2014 or 2013. 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.

### 8. GOVERNMENT FUNDING

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

|  | 2014                | 2013                |
|--|---------------------|---------------------|
| DFATD  | \$ 1,888,903        | \$ 1,776,538        |
| Provincial governments                         |                     |                     |
| Manitoba Council for International Cooperation | <u>nil</u>          | <u>37,743</u>       |
|  | <u>\$ 1,888,903</u> | <u>\$ 1,814,281</u> |

### 9. DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT (DFATD) FUNDS

In June 2013, the Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT) merged to form a new department known as the Department of Foreign Affairs, Trade and Development (DFATD).

The following is a continuity of DFATD funds transferred by PWRDF to the implementing partners and not yet disbursed by the implementing partners to projects at year end:

|  | 2014               | 2013               |
|--|--------------------|--------------------|
| Undisbursed DFATD cash, beginning of year                                      | \$ 143,789         | \$ 40,612          |
| Add DFATD cash transferred by PWRDF to the implementing partners in the year   | 1,686,521          | 1,622,456          |
| Less DFATD cash disbursed by the implementing partners to projects in the year | <u>(1,648,043)</u> | <u>(1,478,667)</u> |
| Undisbursed DFATD cash, end of year  | <u>\$ 182,267</u>  | <u>\$ 143,789</u>  |

### 10. SHARED PREMISES 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 \$83,406 (\$90,528 in 2013).