
**THE PRIMATE'S WORLD RELIEF AND
DEVELOPMENT FUND / LE FONDS
DU PRIMAT POUR LE SECOURS ET
LE DÉVELOPPEMENT MONDIAL**

FINANCIAL STATEMENTS

MARCH 31, 2015

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of The Primate's World Relief and Development Fund / Le Fonds du Primat Pour le Secours et le Développement Mondial (the organization), which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in net assets 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations, 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 / Le Fonds du Primat Pour le Secours et le Développement Mondial as at March 31, 2015, 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.

Other matter

The financial statements of The Primate's World Relief and Development Fund / Le Fonds du Primat Pour le Secours et le Développement Mondial as at and for the year ended March 31, 2014 were audited by another auditor who expressed a qualified opinion on those financial statements on July 3, 2014. The qualification related to the auditor's inability to satisfy themselves concerning the completeness of revenue from donations.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

July 3, 2015
Toronto, Ontario

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND / LE FONDS DU PRIMAT POUR LE SECOURS ET LE DÉVELOPPEMENT MONDIAL


STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,173,371	\$ 1,828,411
Marketable securities (note 2)	4,390,312	4,225,619
HST rebate recoverable	49,766	50,568
Amounts receivable	2,909	3,104
Prepaid expenses	<u>23,275</u>	<u>15,508</u>
	<u>\$ 5,639,633</u>	<u>\$ 6,123,210</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 48,955	\$ 33,356
Deferred contributions from DFATD (note 4)	-	489,830
Deferred donor restricted donations (note 5)	<u>144,017</u>	<u>258,333</u>
	<u>192,972</u>	<u>781,519</u>
Net assets		
Unrestricted	2,297,196	1,358,644
Designated (note 7)	3,149,465	3,244,834
Endowment (note 8)	<u>-</u>	<u>738,213</u>
	<u>5,446,661</u>	<u>5,341,691</u>
	<u>\$ 5,639,633</u>	<u>\$ 6,123,210</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

**THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND / LE FONDS DU
PRIMAT POUR LE SECOURS ET LE DÉVELOPPEMENT MONDIAL**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2015

				2015	2014
	Unrestricted	Designated (note 7)	Endowment	Total	Total
Net assets, beginning of year	\$ 1,358,644	\$ 3,244,834	\$ 738,213	\$ 5,341,691	\$ 4,806,364
Transfer to designated	95,369	(95,369)	-	-	-
Transfer to unrestricted (note 8)	738,213	-	(738,213)	-	-
Excess of revenue over expenses for the year	<u>104,970</u>	<u>-</u>	<u>-</u>	<u>104,970</u>	<u>535,327</u>
NET ASSETS, END OF YEAR	<u>\$ 2,297,196</u>	<u>\$ 3,149,465</u>	<u>\$ -</u>	<u>\$ 5,446,661</u>	<u>\$ 5,341,691</u>

see accompanying notes

THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND / LE FONDS DU PRIMAT POUR LE SECOURS ET LE DÉVELOPPEMENT MONDIAL

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
REVENUE		
Parish and individual donations	\$ 3,834,535	\$ 4,059,967
Department of Foreign Affairs, Trade and Development (DFATD)	2,174,814	1,888,903
Bequests	594,846	779,265
Interest and dividends	145,783	132,837
Realized gain on sale of marketable securities	69,299	72,721
Other	<u>137,035</u>	<u>31,641</u>
	<u>6,956,312</u>	<u>6,965,334</u>
EXPENSES		
Program		
Development and relief		
Africa and the Middle East	3,150,822	2,461,057
Relief and refugees	731,473	924,235
Latin America and the Caribbean	335,291	269,728
Asia and the Pacific	282,711	319,120
Public Engagement	231,075	334,271
KAIROS Canada	197,714	213,103
Indigenous People Canada	<u>60,000</u>	<u>135,000</u>
	4,989,086	4,656,514
Personnel	1,037,194	978,206
Occupancy and office	145,587	167,440
Travel, monitoring and evaluation	<u>53,894</u>	<u>45,055</u>
Total program	<u>6,225,761</u>	<u>5,847,215</u>
Administration		
Personnel	491,303	451,522
Occupancy and office	84,025	92,514
Governance	35,468	27,294
Professional fees	24,596	17,042
Travel	<u>5,214</u>	<u>7,628</u>
Total administration	<u>640,606</u>	<u>596,000</u>
Fundraising	<u>184,851</u>	<u>128,325</u>
Total expenses	<u>7,051,218</u>	<u>6,571,540</u>
Excess (deficiency) of revenue over expenses for the year from operations	(94,906)	393,794
Increase in fair market value of marketable securities	<u>199,876</u>	<u>141,533</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 104,970</u>	<u>\$ 535,327</u>

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
Operating Activities		
Excess of revenue over expenses for the year	\$ 104,970	\$ 535,327
Items not involving the use of cash:		
Realized and unrealized gains on marketable securities	(269,175)	(214,254)
Net change in non-cash working capital items (see below)	<u>(595,317)</u>	<u>389,349</u>
Cash generated from (used for) operations	<u>(759,522)</u>	<u>710,422</u>
Investing Activities		
Purchase of marketable securities	(944,459)	(1,305,610)
Proceeds from sale of marketable securities	<u>1,048,941</u>	<u>1,188,661</u>
Cash generated from (used for) investing activities	<u>104,482</u>	<u>(116,949)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR	(655,040)	593,473
Cash and cash equivalents, beginning of year	<u>1,828,411</u>	<u>1,234,938</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,173,371</u>	<u>\$ 1,828,411</u>
Decrease (increase) in current assets-		
Amounts receivable	\$ 195	\$ 22,592
Prepaid expenses	(7,767)	(14,159)
HST rebate recoverable	802	19,087
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	15,599	(37,831)
Deferred donor restricted donations	(114,316)	150,501
Deferred contributions from DFATD	<u>(489,830)</u>	<u>249,159</u>
	<u>\$ (595,317)</u>	<u>\$ 389,349</u>

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

The Primate's World Relief and Development Fund/Le Fonds du Primat Pour le Secours et le Développement Mondial (PWRDF, the organization) is incorporated without share capital under the provisions of Part II of the Canada Corporations Act and continued under the Canada Not-for-profit 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.

1. 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:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The organization follows the deferral method of revenue recognition for contributions. Externally restricted contributions, including project grants and donor restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions, including donations and amounts received from fundraising, are recorded when received. Endowment Fund contributions are reported as direct increases to net assets.

Contributed materials and services

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

Investment income

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.

Cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the date of the statement of financial position. Exchange gains and losses are included in the statement of operations.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of expenses

Personnel, occupancy and other expenses allocated to programs are based on the proportional hours spent on each.

2. MARKETABLE SECURITIES

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

	2015	2014
Equities	\$ 2,665,758	\$ 2,464,313
Fixed income securities	<u>1,724,554</u>	<u>1,761,306</u>
	<u>\$ 4,390,312</u>	<u>\$ 4,225,619</u>

Included in equities is a \$219,375 investment in Oikocredit (\$187,754 as at March 31, 2014). 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.

3. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, marketable securities, amounts receivable, accounts payable and accrued liabilities.

Marketable securities, which comprise fixed income securities and equities are measured at fair market value, determined by reference to published price quotations in an active market at year end. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

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.

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.

It is management's opinion that the organization's existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities and that the organization's financial instruments are not exposed to significant financial risks.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

4. DEFERRED CONTRIBUTIONS FROM DFATD

	2015	2014
Deferred contributions from DFATD, end of year	<u>\$ -</u>	<u>\$ 489,830</u>

Continuity of deferred contributions from DFATD for the year is as follows:

Deferred contributions from DFATD, beginning of year	\$ 489,830	\$ 107,832
Add cash received from DFATD	1,684,984	2,270,901
Less DFATD contribution revenue recognized	<u>(2,174,814)</u>	<u>(1,888,903)</u>
Deferred contributions from DFATD, end of year	<u>\$ -</u>	<u>\$ 489,830</u>

5. DEFERRED DONOR RESTRICTED DONATIONS

	2015	2014
Deferred donor restricted donations, end of year	<u>\$ 144,017</u>	<u>\$ 258,333</u>

Continuity of deferred donor restricted donations for the year is as follows:

Deferred donor restricted donations, beginning of year	\$ 258,333	\$ 107,832
Add cash received from donor restricted donations	203,164	858,347
Less donor restricted donation revenue recognized (*)	<u>(317,480)</u>	<u>(707,846)</u>
Deferred donor restricted donations, end of year	<u>\$ 144,017</u>	<u>\$ 258,333</u>

(*) Included in \$317,480 disbursed to donor restricted projects in 2015 is funding of \$258,333 received before March 31, 2014. Included in \$707,846 disbursed to donor restricted projects in 2014 is funding of \$65,313 received before March 31, 2013.

6. 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 \$94,480 (\$83,406 in 2014).

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

7. DESIGNATED NET ASSETS

Designated net assets were as follows at year end.

	2015	2014
Contingency fund	\$ 3,000,000	\$ 3,000,000
Funds committed for project grants	<u>149,465</u>	<u>244,834</u>
	<u>\$ 3,149,465</u>	<u>\$ 3,244,834</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, 2014).

Included in program expenses in the statement of operations for the year ended March 31, 2015 are project payments made of \$244,834 related to funds committed as at March 31, 2014.

The Board of Directors has designated net assets of \$149,465 as at March 31, 2015 for commitments made during the year to fund projects in the following year (\$244,834 as at March 31, 2014).

8. TRANSFER TO UNRESTRICTED NET ASSETS

Endowment donations received prior to March 31, 2014 were amounts to be held and invested for endowment purposes for a period of no fewer than 10 years. During the year, these net assets held for endowment purposes matured, having all been held for 10 years. In 2015, the Board of Directors transferred the net assets held for endowment purposes to unrestricted net assets and these funds are now available for use for general purposes and for the programs of the organization.

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

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:

	2015	2014
Undisbursed DFATD cash, beginning of year	\$ 182,267	\$ 143,789
Add DFATD cash transferred by PWRDF to the implementing partners in the year	1,880,075	1,686,521
Less DFATD cash disbursed by the implementing partners to projects in the year	<u>(2,006,349)</u>	<u>(1,648,043)</u>
Undisbursed DFATD cash, end of year	<u>\$ 55,993</u>	<u>\$ 182,267</u>
