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

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Members,

The Primate's World Relief and Development Fund /  
Le Fonds du Primat Pour le Secours et le Développement Mondial

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, 2018, 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 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 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, 2018, 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.

*Pennylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

July 26, 2018  
Toronto, Ontario

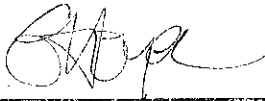
THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND (PWRDF) / LE  
FONDS DU PRIMAT POUR LE SECOURS ET LE DÉVELOPPEMENT MONDIAL

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	2018	2017
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,773,203	\$ 1,474,159
Marketable securities (note 2)	6,512,418	6,087,059
Grants receivable	-	359,802
HST rebate recoverable	14,914	38,771
Prepaid expenses	<u>7,227</u>	<u>2,776</u>
	<u>\$ 9,307,762</u>	<u>\$ 7,962,567</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,249	\$ 26,189
Deferred contributions from Global Affairs Canada (note 4)	368,066	405,917
Deferred contributions (note 5)	<u>1,448,285</u>	<u>988,742</u>
	<u>1,817,600</u>	<u>1,420,848</u>
Net assets		
Unrestricted	4,317,927	3,316,169
Designated (note 7)	<u>3,172,235</u>	<u>3,225,550</u>
	<u>7,490,162</u>	<u>6,541,719</u>
	<u>\$ 9,307,762</u>	<u>\$ 7,962,567</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, 2018**

	<b>2018</b>		<b>2017</b>	
	Unrestricted	Designated	Total	Total
Net assets, beginning of year	\$ 3,316,169	\$ 3,225,550	\$ 6,541,719	\$ 6,839,052
Net transfer to designated (note 7)	53,315	(53,315)	-	-
Excess of revenue over expenses for the year	<u>948,443</u>	<u>-</u>	<u>948,443</u>	<u>(297,333)</u>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 4,317,927</u></b>	<b><u>\$ 3,172,235</u></b>	<b><u>\$ 7,490,162</u></b>	<b><u>\$ 6,541,719</u></b>

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, 2018**

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Parish and individual donations	\$ 4,405,477	\$ 3,831,108
Global Affairs Canada (note 4)	4,197,635	6,326,165
Bequests	1,646,852	406,938
Interest and dividends	187,630	196,714
Realized gain on sale of marketable securities	34,161	233,955
Province of Manitoba	34,000	-
Other	<u>313,544</u>	<u>559,515</u>
	<u>10,819,299</u>	<u>11,554,395</u>
<b>EXPENSES</b>		
<b>Program</b>		
Development and relief		
Global Affairs Canada and PWRDF co-funded programs	4,344,912	6,880,314
Relief and Refugees	871,117	904,204
Africa and the Middle East	516,504	370,261
Latin America and the Caribbean	408,482	294,377
Canada - Indigenous Communities	253,240	430,500
KAIROS Canada and Ecumenical Relations	219,554	165,182
Canadian Anglican Partnership Program (CAPP)	205,277	196,504
Asia and the Pacific	<u>146,551</u>	<u>222,391</u>
	6,965,637	9,463,733
Personnel	1,600,035	1,445,388
Occupancy and office	180,071	138,271
Travel, monitoring and evaluation	<u>96,872</u>	<u>87,750</u>
Total program	<u>8,842,615</u>	<u>11,135,142</u>
<b>Administration</b>		
Personnel	510,156	492,921
Occupancy and office	111,559	95,739
Professional fees	46,268	34,958
Governance	35,347	33,876
Travel	<u>15,116</u>	<u>16,710</u>
Total administration	<u>718,446</u>	<u>674,204</u>
<b>Fundraising</b>	<u>240,418</u>	<u>191,667</u>
Total expenses	<u>9,801,479</u>	<u>12,001,013</u>
Excess of revenue over expenses for the year from operations	1,017,820	(446,618)
Increase (decrease) in fair market value of marketable securities	<u>(69,377)</u>	<u>149,285</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 948,443</u>	<u>\$ (297,333)</u>

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

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 948,443	\$ (297,333)
Items not involving the use of cash:		
Donated marketable securities received	563,815	78,991
Change in unrealized gains on marketable securities	35,216	(383,240)
Net change in non-cash working capital items (see below)	<u>775,960</u>	<u>(1,450,709)</u>
Cash generated from (used for) operating activities	<u>2,323,434</u>	<u>(2,052,291)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of marketable securities	(5,168,221)	(3,800,666)
Proceeds from sale of marketable securities	<u>4,143,831</u>	<u>3,775,759</u>
Cash used for investing activities	<u>(1,024,390)</u>	<u>(24,907)</u>
<b>NET INCREASE (DECREASE) IN CASH IN THE YEAR</b>	1,299,044	(2,077,198)
Cash, beginning of year	<u>1,474,159</u>	<u>3,551,357</u>
<b>CASH, END OF YEAR</b>	<u>\$ 2,773,203</u>	<u>\$ 1,474,159</u>
Decrease (increase) in current assets-		
HST rebate recoverable	\$ 23,856	\$ 37,271
Interest receivable	-	6,817
Prepaid expenses	(4,451)	(2,776)
Grants receivable	359,802	(359,802)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(24,940)	2,392
Deferred contributions from Global Affairs Canada	(37,851)	(1,494,996)
Deferred contributions	<u>459,544</u>	<u>360,385</u>
	<u>\$ 775,960</u>	<u>\$ (1,450,709)</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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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, bequests 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.

##### *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.

#### **Allocation of expenses**

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

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**2. MARKETABLE SECURITIES**

Marketable securities as at March 31 were as follows:

	2018	2017
Equities	\$ 3,183,673	\$ 3,132,153
Fixed income securities	<u>3,328,745</u>	<u>2,954,906</u>
	<u>\$ 6,512,418</u>	<u>\$ 6,087,059</u>

Included in equities is a \$236,857 investment in Oikocredit (\$239,552 as at March 31, 2017). 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, 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. 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 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.

**4. DEFERRED CONTRIBUTIONS FROM GLOBAL AFFAIRS CANADA**

Continuity of deferred contributions from Global Affairs Canada (GAC) for the year is as follows:

	2018	2017
Deferred contributions from GAC, beginning of year	\$ 405,917	\$ 1,900,913
Add cash received from GAC	4,159,784	4,831,169
Less GAC contribution revenue recognized	<u>(4,197,635)</u>	<u>(6,326,165)</u>
Deferred contributions from GAC, end of year	<u>\$ 368,066</u>	<u>\$ 405,917</u>



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**5. DEFERRED CONTRIBUTIONS**

Continuity of deferred contributions for the year is as follows:

	2018	2017
Deferred contributions, beginning of year	\$ 988,742	\$ 628,357
Add cash received from donor restricted donations	1,267,760	1,061,930
Less donor restricted donation revenue recognized	<u>(808,217)</u>	<u>(701,545)</u>
Deferred contributions, end of year	<u>\$ 1,448,285</u>	<u>\$ 988,742</u>

**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 \$142,096 (\$94,212 in 2017).

**7. DESIGNATED NET ASSETS**

Designated net assets as at March 31 are as follows:

	2018	2017
Contingency fund	\$ 3,000,000	\$ 3,000,000
Funds committed for project grants	<u>172,235</u>	<u>225,550</u>
	<u>\$ 3,172,235</u>	<u>\$ 3,225,550</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, 2017).
- The Board of Directors has designated net assets of \$172,235 as at March 31, 2018 for commitments made during the year to fund projects in the following year (\$225,550 as at March 31, 2017).

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**8. GLOBAL AFFAIRS CANADA 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). In June 2015, DFATD was renamed Global Affairs Canada (GAC).

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

	2018	2017
Undisbursed GAC cash, beginning of year	\$ 1,057,250	\$ 283,031
Add GAC cash transferred by PWRDF to the implementing partners in the year	3,691,766	5,648,362
Less GAC cash disbursed by the implementing partners to projects in the year	<u>(4,322,337)</u>	<u>(4,874,143)</u>
Undisbursed GAC cash, end of year	<u>\$ 426,679</u>	<u>\$ 1,057,250</u>