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

FINANCIAL STATEMENTS

MARCH 31, 2021

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the financial statements of The Primate's World Relief and Development Fund / Le Fonds du Primat Pour le Secours et le Développement Mondial (PWRDF or the organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of PWRDF as at March 31, 2021 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donation and fundraising 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. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

September 8, 2021
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, 2021

	2021	2020
		(note 10)
ASSETS		
Current assets		
Cash	\$ 2,478,599	\$ 1,225,388
Marketable securities (note 3)	7,632,733	7,250,386
Grants receivable	-	638,820
HST rebate recoverable	21,277	19,059
Canadian Emergency Wage Subsidy receivable	61,090	-
Prepaid expenses	<u>19,931</u>	<u>1,800</u>
	<u>\$10,213,630</u>	<u>\$ 9,135,453</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 47,523	\$ 44,522
Deferred contributions from Global Affairs Canada (note 4)	255,163	-
Other deferred contributions (note 5)	<u>959,617</u>	<u>1,552,197</u>
	<u>1,262,303</u>	<u>1,596,719</u>
Net assets		
Unrestricted	4,520,895	2,892,394
Designated (note 7)	<u>4,430,432</u>	<u>4,646,340</u>
	<u>8,951,327</u>	<u>7,538,734</u>
	<u>\$10,213,630</u>	<u>\$ 9,135,453</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, 2021

			2021	2020
	Unrestricted	Designated	Total	Total (note 10)
Net assets, beginning of year	\$ 2,892,394	\$ 4,646,340	\$ 7,538,734	\$ 7,105,614
Net transfer to designated (note 7)	215,908	(215,908)	-	-
Excess of revenue over expenses for the year	<u>1,412,593</u>	<u>-</u>	<u>1,412,593</u>	<u>433,120</u>
NET ASSETS, END OF YEAR	<u>\$ 4,520,895</u>	<u>\$ 4,430,432</u>	<u>\$ 8,951,327</u>	<u>\$ 7,538,734</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, 2021

	2021	2020
		(note 10)
REVENUE		
Parish and individual donations	\$ 4,344,298	\$ 3,979,633
Global Affairs Canada (note 4)	1,878,104	4,993,198
Canada Emergency Wage Subsidy (CEWS)	915,767	-
Bequests	254,331	1,727,398
Interest and dividends	215,220	300,301
Realized gain on sale of marketable securities	137,091	143,841
Other	<u>539,957</u>	<u>735,095</u>
	<u>8,284,768</u>	<u>11,879,466</u>
EXPENSES		
Program		
Development and relief		
Global Affairs Canada and PWRDF co-funded programs	1,972,798	5,244,954
Relief and Refugees	1,041,860	978,647
Africa and the Middle East	974,344	459,199
Canada - Indigenous Communities	435,836	74,994
Latin America and the Caribbean	364,020	371,398
KAIROS Canada and Ecumenical Relations	164,484	165,091
Canadian Anglican Partnership Program (CAPP)	82,615	250,777
Asia and the Pacific	<u>61,269</u>	<u>86,721</u>
	5,097,226	7,631,781
Personnel	1,676,189	1,628,741
Occupancy and office	171,477	218,783
Travel, monitoring and evaluation	<u>10,234</u>	<u>107,679</u>
Total program	<u>6,955,126</u>	<u>9,586,984</u>
Administration		
Personnel	520,366	511,890
Occupancy and office	148,942	121,696
Professional fees	29,621	26,028
Travel	5,191	19,047
Governance	<u>2,483</u>	<u>37,672</u>
Total administration	<u>706,603</u>	<u>716,333</u>
Fundraising	<u>315,411</u>	<u>369,179</u>
Total expenses	<u>7,977,140</u>	<u>10,672,496</u>
Excess of revenue over expenses for the year from operations	307,628	1,206,970
Change in unrealized gains on marketable securities	<u>1,104,965</u>	<u>(773,850)</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 1,412,593</u>	<u>\$ 433,120</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 CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
		(note 10)
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 1,412,593	\$ 433,120
Add back non-cash items -		
Change in unrealized gains on marketable securities	(1,104,965)	773,850
Net change in non-cash working capital items (see below)	<u>222,965</u>	<u>(2,292,650)</u>
Cash generated from (used for) operating activities	<u>530,593</u>	<u>(1,085,680)</u>
INVESTING ACTIVITIES		
Purchase of marketable securities	(1,555,759)	(3,809,266)
Proceeds from sale of marketable securities	<u>2,278,377</u>	<u>2,747,699</u>
Cash generated from (used for) investing activities	<u>722,618</u>	<u>(1,061,567)</u>
NET INCREASE (DECREASE) IN CASH IN THE YEAR	1,253,211	(2,147,247)
Cash, beginning of year	<u>1,225,388</u>	<u>3,372,635</u>
CASH, END OF YEAR	<u>\$ 2,478,599</u>	<u>\$ 1,225,388</u>
Decrease (increase) in current assets-		
Grants receivable	\$ 638,820	\$ (638,820)
HST rebate recoverable	(2,218)	15,300
Canadian Emergency Wage Subsidy receivable	(61,090)	-
Prepaid expenses	(18,131)	5,635
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	3,001	44,203
Deferred contributions from Global Affairs Canada	255,163	(1,698,275)
Other deferred contributions	<u>(592,580)</u>	<u>(20,693)</u>
	<u>\$ 222,965</u>	<u>\$ (2,292,650)</u>

see accompanying notes

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, 2021

The Primate's World Relief and Development Fund / Le Fonds du Primat Pour le Secours et le Développement Mondial (PWRDF or 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 are recorded when received or receivable. Externally restricted contributions 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. Bequests and pledges are recorded when received.

Canada Emergency Wage Subsidy

CEWS revenue is recognized in the period to which it relates.

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 or space used on each.

Pension plan

The organization participates in a multi-employer defined benefit plan. As required under Canadian accounting standards for not-for-profit organizations, defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the participating employers do not individually have sufficient information to apply defined benefit plan accounting.

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, 2021

2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, marketable securities, grants 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. Grants 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 is exposed to interest rate risk with respect to its investments in fixed income investments and pooled funds that hold fixed income securities because the fair value of the underlying investments will fluctuate due to changes in market interest rates.

The organization is exposed to currency risk through fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on investments held in U.S. and international equities.

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.

3. MARKETABLE SECURITIES

Marketable securities are as follows:

	2021	2020
Canadian and international equities	\$ 3,960,684	\$ 3,278,813
Fixed income securities	<u>3,672,049</u>	<u>3,971,573</u>
	<u>\$ 7,632,733</u>	<u>\$ 7,250,386</u>

Included in equities is a \$255,473 investment in Oikocredit (\$265,809 as at March 31, 2020). 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. DEFERRED CONTRIBUTIONS FROM GLOBAL AFFAIRS CANADA

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

	2021	2020
Deferred contributions from GAC, beginning of year	\$ -	\$ 1,698,275
Add cash received from GAC	2,133,267	3,294,923
Less GAC contribution revenue recognized	<u>(1,878,104)</u>	<u>(4,993,198)</u>
Deferred GAC contributions, end of year	<u>\$ 255,163</u>	<u>\$ -</u>

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NOTES TO THE FINANCIAL STATEMENTS

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5. OTHER DEFERRED CONTRIBUTIONS

Continuity of other deferred contributions for the year is as follows:

	2021	2020 (note 10)
Other deferred contributions, beginning of year	\$ 1,552,197	\$ 1,572,890
Add cash received from donor restricted donations	(42,024)	380,933
Less donor restricted donation revenue recognized	<u>(550,556)</u>	<u>(401,626)</u>
Other deferred contributions, end of year	<u>\$ 959,617</u>	<u>\$ 1,552,197</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 \$140,413 (\$138,925 in 2020).

7. DESIGNATED NET ASSETS

Designated net assets are as follows:

	2021	2020
Contingency fund	\$ 4,000,000	\$ 4,000,000
Funds committed for project grants	<u>430,432</u>	<u>646,340</u>
	<u>\$ 4,430,432</u>	<u>\$ 4,646,340</u>

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

- The Board has designated net assets of \$4,000,000 to provide for a responsible wind-down of projects in progress and other related expenses in the event of an unexpected cessation of funding (\$4,000,000 as at March 31, 2020).
- The Board has designated net assets of \$430,432 as at March 31, 2021 for commitments made during the year to fund projects in the following year (\$646,340 as at March 31, 2020). The transfer of \$215,908 from designated net assets to unrestricted net assets in the year was approved by the Board.

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

NOTES TO THE FINANCIAL STATEMENTS

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8. GLOBAL AFFAIRS CANADA FUNDS

The following is a continuity of Global Affairs Canada funds transferred by PWRDF to the implementing partners and not yet spent by the implementing partners to projects at year end:

	2021	2020
Undisbursed GAC cash, beginning of year	\$ 83,332	\$ 123,374
Add GAC cash transferred by PWRDF to the implementing partners in the year	1,676,879	4,458,213
Less GAC cash disbursed by the implementing partners to projects in the year	<u>(1,581,065)</u>	<u>(4,498,255)</u>
Undisbursed GAC cash, end of year	<u>\$ 179,146</u>	<u>\$ 83,332</u>

9. PENSION

The organization and its employees make contributions to The General Synod Pension Plan (the Plan), a multi-employer defined benefit pension plan administered by the Board of Trustees of the Plan which covers certain dioceses and other church institutions. The most recent valuation for financial reporting purposes completed by the Plan as of January 1, 2020 disclosed net assets available for benefits of \$893,288,000 with pension obligations of \$672,264,000, resulting in a surplus of \$221,000,000. During the year, PWRDF made contributions of \$348,037 (2020 - \$310,602) to the Plan.

10. PRIOR PERIOD RESTATEMENT

For the year ended March 31, 2020, the organization recorded a \$200,000 contribution received in the year as a deferred contribution in the statement of financial position. The contribution should have been recognized as revenue in the statement of operations.

The error, corrected in the comparative statements presented for the year ended March 31, 2020, resulted in the following changes:

- Revenue, the excess of revenue over expenses for the year, cash generated from operating activities, and unrestricted net assets were all increased by \$200,000;
- Deferred contributions was decreased by \$200,000.