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

FINANCIAL STATEMENTS

MARCH 31, 2020

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, 2020, 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, 2020 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, 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.

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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 17, 2020
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, 2020

	2020	2019
ASSETS		
Current assets		
Cash	\$ 1,225,388	\$ 3,372,635
Marketable securities (note 3)	7,250,386	6,962,670
Grants receivable	638,820	-
HST rebate recoverable	19,059	34,359
Prepaid expenses	<u>1,800</u>	<u>7,434</u>
	<u>\$ 9,135,453</u>	<u>\$10,377,098</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 44,522	\$ 319
Deferred contributions from Global Affairs Canada (note 4)	-	1,698,275
Other deferred contributions (note 5)	<u>1,752,197</u>	<u>1,572,890</u>
	<u>1,796,719</u>	<u>3,271,484</u>
Net assets		
Unrestricted	2,692,394	2,923,457
Designated (note 7)	<u>4,646,340</u>	<u>4,182,157</u>
	<u>7,338,734</u>	<u>7,105,614</u>
	<u>\$ 9,135,453</u>	<u>\$10,377,098</u>

Approved on behalf of the Board:

Dan Waterston, Director

[Signature], 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, 2020

			2020	2019
	Unrestricted	Designated	Total	Total
Net assets, beginning of year	\$ 2,923,457	\$ 4,182,157	\$ 7,105,614	\$ 7,490,162
Net transfer to designated (note 7)	(464,183)	464,183	-	-
Excess of revenue over expenses for the year	<u>233,120</u>	<u>-</u>	<u>233,120</u>	<u>(384,548)</u>
NET ASSETS, END OF YEAR	<u>\$ 2,692,394</u>	<u>\$ 4,646,340</u>	<u>\$ 7,338,734</u>	<u>\$ 7,105,614</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, 2020

	2020	2019
REVENUE		
Global Affairs Canada (note 4)	\$ 4,993,198	\$ 3,645,530
Parish and individual donations	4,094,217	3,569,798
Bequests	1,727,398	728,219
Interest and dividends	300,301	225,227
Realized gain on sale of marketable securities	143,841	15,449
Other	<u>420,511</u>	<u>106,150</u>
	<u>11,679,466</u>	<u>8,290,373</u>
EXPENSES		
Program		
Development and relief		
Global Affairs Canada and PWRDF co-funded programs	5,244,954	3,829,338
Relief and Refugees	978,647	513,627
Africa and the Middle East	459,199	402,001
Latin America and the Caribbean	371,398	373,547
Canadian Anglican Partnership Program (CAPP)	250,777	287,762
KAIROS Canada and Ecumenical Relations	165,091	137,948
Asia and the Pacific	86,721	175,208
Canada - Indigenous Communities	<u>74,994</u>	<u>223,896</u>
	7,631,781	5,943,327
Personnel	1,628,741	1,635,850
Occupancy and office	218,783	204,445
Travel, monitoring and evaluation	<u>107,679</u>	<u>71,382</u>
Total program	<u>9,586,984</u>	<u>7,855,004</u>
Administration		
Personnel	511,890	514,124
Occupancy and office	121,696	104,302
Governance	37,672	72,593
Professional fees	26,028	20,351
Travel	<u>19,047</u>	<u>21,873</u>
Total administration	<u>716,333</u>	<u>733,243</u>
Fundraising	<u>369,179</u>	<u>260,721</u>
Total expenses	<u>10,672,496</u>	<u>8,848,968</u>
Excess of revenue over expenses for the year from operations	1,006,970	(558,595)
Change in unrealized gains on marketable securities	<u>(773,850)</u>	<u>174,047</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 233,120</u>	<u>\$ (384,548)</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, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 233,120	\$ (384,548)
Add back non-cash items -		
Donated marketable securities received	118,250	99,159
Change in unrealized gains on marketable securities	773,850	(174,047)
Net change in non-cash working capital items (see below)	<u>(2,092,650)</u>	<u>1,434,232</u>
Cash generated from (used for) operating activities	<u>(967,430)</u>	<u>974,796</u>
INVESTING ACTIVITIES		
Purchase of marketable securities	(3,927,516)	(1,187,851)
Proceeds from sale of marketable securities	<u>2,747,699</u>	<u>812,487</u>
Cash used for investing activities	<u>(1,179,817)</u>	<u>(375,364)</u>
NET INCREASE (DECREASE) IN CASH IN THE YEAR	(2,147,247)	599,432
Cash, beginning of year	<u>3,372,635</u>	<u>2,773,203</u>
CASH, END OF YEAR	<u>\$ 1,225,388</u>	<u>\$ 3,372,635</u>
Decrease (increase) in current assets-		
HST rebate recoverable	\$ 15,300	\$ (19,445)
Grants receivable	(638,820)	-
Prepaid expenses	5,635	(207)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	44,203	(930)
Deferred contributions from Global Affairs Canada	(1,698,275)	1,330,209
Other deferred contributions	<u>179,307</u>	<u>124,605</u>
	<u>\$ (2,092,650)</u>	<u>\$ 1,434,232</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, 2020

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.

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, 2020

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:

	2020	2019
Fixed income securities	\$ 3,971,573	\$ 3,050,435
Canadian and international equities	<u>3,278,813</u>	<u>3,912,235</u>
	<u>\$ 7,250,386</u>	<u>\$ 6,962,670</u>

Included in equities is a \$265,809 investment in Oikocredit (\$247,904 as at March 31, 2019). 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:

	2020	2019
Deferred contributions from GAC, beginning of year	\$ 1,698,275	\$ 368,066
Add cash received from GAC	3,294,923	4,975,739
Less GAC contribution revenue recognized	<u>(4,993,198)</u>	<u>(3,645,530)</u>
Deferred GAC contributions, end of year	<u>\$ -</u>	<u>\$ 1,698,275</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

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5. OTHER DEFERRED CONTRIBUTIONS

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

	2020	2019
Other deferred contributions, beginning of year	\$ 1,572,890	\$ 1,448,285
Add cash received from donor restricted donations	580,933	932,822
Less donor restricted donation revenue recognized	<u>(401,626)</u>	<u>(808,217)</u>
Other deferred contributions, end of year	<u>\$ 1,752,197</u>	<u>\$ 1,572,890</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 \$138,925 (\$130,633 in 2019).

7. DESIGNATED NET ASSETS

Designated net assets are as follows:

	2020	2019
Contingency fund	\$ 4,000,000	\$ 4,000,000
Funds committed for project grants	<u>646,340</u>	<u>182,157</u>
	<u>\$ 4,646,340</u>	<u>\$ 4,182,157</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 \$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, 2019).
- The Board of Directors has designated net assets of \$646,340 as at March 31, 2020 for commitments made during the year to fund projects in the following year (\$182,157 as at March 31, 2019).

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:

	2020	2019
Undisbursed GAC cash, beginning of year	\$ 123,374	\$ 426,679
Add GAC cash transferred by PWRDF to the implementing partners in the year	4,458,213	3,254,938
Less GAC cash disbursed by the implementing partners to projects in the year	<u>(4,498,255)</u>	<u>(3,558,243)</u>
Undisbursed GAC cash, end of year	<u>\$ 83,332</u>	<u>\$ 123,374</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 December 31, 2017 disclosed net assets available for benefits of \$818,420,000 with pension obligations of \$662,235,000, resulting in a surplus of \$156,185,000. The next valuation as of December 31, 2019 is expected to be completed in the fourth quarter of 2020. During the year, PWRDF made contributions of \$310,602 (2019 - \$297,150) to the Plan.

10. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. This presents uncertainty regarding the organization's future cash flows and the valuation of the organization's investments. The impact of social distancing may significantly impact the organization's future operations. An estimate of the financial impact of the pandemic on these financial statements is not practicable and therefore no adjustments related thereto have been made.