The Presbyterian Church in Canada – Presbyterian World Service & Development

Statement of Revenues and Expenditures
For the year ended December 31, 2021

Independent auditor's report

To the Venerable General Assembly of The Presbyterian Church in Canada – Presbyterian World Service & Development

Our opinion

In our opinion, the accompanying statement of revenues and expenditures of The Presbyterian Church in Canada – Presbyterian World Service & Development (PWS&D or the Entity) for the year ended December 31, 2021 is prepared, in all material respects, in accordance with the financial reporting framework of the 2012-2017 Building Sustainable Livelihoods Project and the 2016-2020 Maternal, Newborn and Child Health Project contribution agreements effective on July 18, 2012 and March 10, 2016, respectively, between Global Affairs Canada (GAC) and PWS&D (GAC agreements), as described in note 2.

What we have audited
PWS&D's statement of revenues and expenditures comprises the statement of revenues and expenditures for the year ended December 31, 2021 and the notes to the statement of revenues and expenditures, which include a summary of significant accounting policies.

Supplementary schedules
The accompanying schedules 1 to 5 of Presbyterian World Service & Development and schedule of Canadian Foodgrains Bank Association Inc. are presented as supplementary information only. These schedules have not been audited.

Basis for opinion

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 statement of revenues and expenditures* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the statement of revenues and expenditures in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to note 2 to the statement of revenues and expenditures, which describes the basis of accounting. The statement of revenues and expenditures is prepared to assist PWS&D to comply with the financial reporting requirements of the GAC agreements. As a result, the statement of revenues and expenditures may not be suitable for another purpose. Our report is intended solely for the Entity.

We acknowledge the disclosure of our report, in full only, by the Entity at its discretion, to the Venerable General Assembly of The Presbyterian Church in Canada, PWS&D and GAC without assuming or accepting any responsibility or liability to the Venerable General Assembly of The Presbyterian Church in Canada, PWS&D and GAC or any other third party in respect of this report.

Our report should not be distributed to parties other than the Entity or the Venerable General Assembly of the Presbyterian Church in Canada, PWS&D and GAC. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the statement of revenues and expenditures

Management is responsible for the preparation of the statement of revenues and expenditures in accordance with the basis of accounting described in note 2, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

In preparing the statement of revenues and expenditures, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the statement of revenues and expenditures

Our objectives are to obtain reasonable assurance about whether the statement of revenues and expenditures as a whole is 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 this statement of revenues and expenditures.

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 statement of revenues and expenditures, 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statement of revenues and expenditures 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement of revenues and expenditures, including the disclosures, and whether the statement of revenues and expenditures represents 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
March 28, 2022

The Presbyterian Church in Canada – Presbyterian World Service & Development

Statement of Revenues and Expenditures

For the year ended December 31, 2021

	2021 $	2020 $
Revenues		
Undesignated contributions	1,205,570	1,221,315
Transferred from Loaves and Fishes Fund (note 3)	1,063,692	760,520
Designated contributions (excluding relief projects)	278,654	256,108
Designated relief	413,541	390,178
Government funds from		
Global Affairs Canada (GAC)	-	261,305
Government of the Province of Manitoba	9,572	9,377
Income from Government (CEWS)	27,134	40,119
Other income – interest	2,692	3,429
	3,000,855	2,942,351
Expenditures		
Disaster, relief and rehabilitation (schedule 1a)	1,036,983	528,388
Overseas development projects (schedule 1b)	1,035,923	941,145
Relief and development programs support (schedule 1c)	416,735	433,539
GAC – PWS&D overseas program (schedule 2)	-	191,710
Memberships, partnerships and coalitions (schedule 3)	54,959	42,561
Resources, communication, promotion and grants (schedule 4)	289,837	238,323
Administration (schedule 5)	309,344	201,994
	3,143,781	2,577,660
(Deficiency) excess of revenues over expenditures for the year	(142,926)	364,691

The accompanying notes are an integral part of this statement of revenues and expenditures.

1 Nature of organization

The Presbyterian Church in Canada – Presbyterian World Service & Development (PWS&D) is an organization established by the General Assembly to raise funds and support relief, development and refugee work around the world. It is part of The Presbyterian Church in Canada (the Church), which is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2 Summary of significant accounting policies

Basis of accounting

This statement includes the 2016-2020 Maternal, Newborn and Child Health Project. This statement has been prepared in accordance with the significant accounting policies set out below to assist PWS&D with the financial reporting requirements of the contribution agreement effective on March 10, 2016 between PWS&D and Global Affairs Canada (the Department for Foreign Affairs, Trade and Development (DFATD), formerly Canadian International Development Agency (CIDA)). This special statement has been prepared to show the financial position of PWS&D as the relief, development and refugee agency of The Presbyterian Church in Canada.

Revenue recognition

All contributions and other income are recognized as revenue of the appropriate fund in the year received or receivable.

Cash receipts

Cash receipts from congregations as at December 31, 2021, which were received by the treasurer of the Church within 11 business days after the year-end, have been included in revenue for the year. The receipts, as described, amounted to $290,713 (2020 – $595,368).

Expenditures

Expenses are recorded in the period incurred on the cash basis of accounting.

Estimates

In preparation of the statement, management is required to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting year. Actual results could differ from those estimates.

3 Loaves and Fishes fund

In 2007, the Church created a restricted fund from undesignated bequests and undesignated planned gifts for PWS&D. Each year, one-seventh of all amounts received in the year and one-seventh of the opening balance will be transferred to PWS&D as an undesignated contribution. The remaining balance of the fund is invested in the consolidated portfolio of the Church. Interest earned on the fund balance during the year will also be transferred to PWS&D as other income.

	2021 $	2020 $
Opening fund balance	5,306,796	3,939,095
Bequests and planned gifts	391,171	1,386,119
Interest and market revaluation	563,766	742,102
Transfer to PWS&D	(1,063,692)	(760,520)
Closing fund balance	5,198,041	5,306,796

The Presbyterian Church in Canada – Presbyterian World Service & Development

Schedule 1(a)

Disaster, Relief and Rehabilitation Expenditures

(Unaudited)

For the year ended December 31, 2021

	2021 $	2020 $
Presbyterian Constituency Funded Projects		
Disaster, relief and rehabilitation expenditures		
Africa/Middle East		
Israel/Palestine COVID-19 Relief ACT	25,000	20,000
Ethiopia Tigray Crisis Response – ACT	50,000	-
Somalia COVID-19 Relief ACT)	-	25,000
Sudan/South Sudan COVID-19 Relief – ACT	-	25,000
Beirut Relief – ACT (note 5b)	-	62,923
Beirut/Lebanon Relief – ACT	50,000	-
Beirut Relief – CFGB	-	69,000
	125,000	201,923
Asia		
Afghanistan – Food Assistance – CFGB	68,613	-
Bangladesh COVID-19 Relief – ACT	-	25,000
India COVID-19 Response – CFGB	25,000	-
India COVID-19 Support for Hospitals – CMAI	40,000	-
India COVID-19 Relief – ACT	50,000	-
Myanmar Emergency Response – ACT	20,000	-
Nepal COVID-19 Relief – ACT	25,000	-
Pakistan Emergency Response – ACT	25,000	-
Philippines Relief – ACT	-	20,000
	253,613	45,000
Latin America/Caribbean/South America		
British Columbia Fire Response – St. Andrew's Chalmers	2,000	-
Bahamas Hurricane Dorian Relief – CWSA	-	81,854
Guatemala Relief Project – CEDEPCA	30,000	-
Guatemala Migrant Humanitarian Relief – AMMID	5,000	-
Haiti Humanitarian Response – ACT	158,000	-
Honduran Migrant Support – ACT	-	6,449
Nicaragua Hurricanes Eta and Iota Relief – CEPAD	-	16,702
Nicaragua COVID-19 Relief – CEPAD	40,200	13,298
Nicaragua COVID-19 and Hurricanes Eta & Iota Relief – SOYNICA	3,200	6,745
	238,400	125,048
ACT		
Global COVID-19 Relief	-	25,000
ACT Alliance Rapid Response Fund	50,000	50,000
CFGB		
Designated and Equity Transfer	360,970	81,417
Danforth Grow Hope Project Transfer	9,000	-
	419,970	156,417
Total Disaster, relief and rehabilitation expenditures	1,036,983	528,388

The Presbyterian Church in Canada – Presbyterian World Service & Development

Schedule 1(b)

Overseas Development Projects Expenditures

(Unaudited)

For the year ended December 31, 2021

	2021 $	2020 $
Overseas initiatives		
Africa and Middle East		
Ghana		
Ghana – Garu – Presbyterian Church in Ghana (PCG)	120,919	50,000
Ghana – Gambaga – PCG	33,881	35,536
Malawi		
Blantyre Synod Education – Neno school	29,332	-
Ekwendeni Hospital 2018 Transition Project	116,922	112,920
Livingstonia Synod Maternal, Newborn and Child Health (MNCH)	-	25,000
Livingstonia Synod AIDS Program	68,669	76,307
Mulanje Mission Hospital – Orphan Care	58,343	60,392
Mulanje Mission Hospital Partnerships for Strengthening Maternal, Newborn and Child Health (PSMNCH)	49,610	25,000
CFGB – Agriculture and Livelihood transfers	72,619	27,008
Total Africa and Middle East	550,295	412,163
Asia		
Afghanistan		
CWSA – Girls' education	20,025	49,969
Post MNCH transition	-	21,306
India		
Christian Medical Association of India (CMAI) – Bihar – MNCH	-	12,322
Nepal		
INF Green Pastures Hospital	4,500	9,000
INF Banke Health Project	53,716	59,142
CFGB – Agriculture & Livelihood Transfers	34,001	62,260
Total Asia	112,242	213,999
Latin America and Caribbean		
Guatemala		
Francisco Coll School	33,472	35,150
Maya-Mam Association of Research and Development (AMMID) – Women's program	30,412	24,499
Nicaragua		
Institute for Human Promotion (INPRHU) – Peer to Peer Youth Training and Prevention	44,415	45,000
Soya Association of Nicaragua (SOYNICA) – Infant nutritional and developmental program	21,256	36,116
CFGB – Agriculture & Livelihood Transfers	178,563	43,990
Total Latin America and Caribbean	308,118	184,755
Global Kairos Women of Courage	65,000	130,000
Refugee initiatives		
Refugee Ministry Initiative	268	228
Total Overseas Development Projects expenditures	1,035,923	941,145

The Presbyterian Church in Canada – Presbyterian World Service & Development

Schedule 1(c)

Relief and Development Program Support Expenditures

(Unaudited)

For the year ended December 31, 2021

	2021 $	2020 $
Relief and Development Program Support expenditures		
Program staff costs		
Salaries and benefits	404,066	304,715
Contract employment	1,243	53,055
Overseas contract employment	9,092	53,060
Staff support	1,845	-
	416,246	410,830
General program costs		
Emergency appeal administration/travel	34	-
Development travel/monitoring	455	4,028
	489	4,028
Program evaluations	-	16,949
Capacity building for southern partners		
Southern partner representation	-	1,732
	416,735	433,539
Total Presbyterian constituency funded projects	2,489,641	1,903,072

The Presbyterian Church in Canada – Presbyterian World Service & Development

Schedule 2

GAC – PWS&D Overseas Program Expenditures

(Unaudited)

For the year ended December 31, 2021

	2021 $	2020 $
GAC – PWS&D Overseas Program expenditures (note 4)		
GAC Maternal Health Program 2016 – 2020		
Malawi		
Livingstonia Synod Health Dept	-	10,749
Consultant fees	-	32,869
Consultant expenses	-	21,993
Program travel	-	3,393
Direct salaries and benefits	-	29,498
Administration overhead	-	93,208
Total GAC – PWS&D Overseas Program expenditures	-	191,710

The Presbyterian Church in Canada – Presbyterian World Service & Development

Schedule 3

Memberships, Partnerships and Coalitions Expenditures

(Unaudited)

For the year ended December 31, 2021

	2021 $	2020 $
Memberships, Partnerships and Coalitions expenditures		
Ecumenical		
CFGB – membership	6,000	6,000
World Council of Churches	5,000	5,000
ACT Alliance	16,201	5,965
Ecumenical Advocacy Alliance	15,000	15,000
Total ecumenical	42,201	31,965
Inter-agency		
Canadian Council for International Co-operation	8,000	7,990
Ontario Council for International Co-operation	721	721
Manitoba Council for International Co-operation	1,157	200
Total inter-agency	9,878	8,911
Coalitions		
Coalition representation	20	85
Canadian Council for Refugees	1,500	1,500
Americas Policy Group	1,210	-
Refugee Sponsorship Agreement Holder Association	150	100
Total coalitions	2,880	1,685
Total Memberships, Partnerships and Coalitions expenditures	54,959	42,561

The Presbyterian Church in Canada – Presbyterian World Service & Development

Schedule 4 and 5

Resources, Communication, Promotion and Grants Expenditures
(Unaudited)

For the year ended December 31, 2021

	2021 $	2020 $
Resources, Communication, Promotion and Grants expenditures		
Resources		
Worship resources	4,999	776
Educational resources	22	141
Resource distribution	9,327	4,342
Total Resources, Communication, Promotion and Grants expenditures	14,348	5,259
Communication		
Speaking engagements	442	135
Equipment	60	188
Travel	-	5,772
Network development	1,509	600
Public engagement contract	46,528	39,860
Salaries and benefits – communications	164,840	148,230
	213,379	194,785
Promotion and advertising		
Advertising	25,030	25,156
Promotional resources	32,208	10,613
Fundraising	4,872	1,918
Audiovisual resources	-	592
	62,110	38,279
	289,837	238,323
Administration expenditures		
Audit fees	11,424	11,185
Committee	1,145	1,734
Office equipment	637	-
Office expenses	12,916	17,507
Salaries and benefits	283,009	171,273
Administrative staff support	215	295
Total Administration expenditures	309,346	201,994

The Presbyterian Church in Canada – Presbyterian World Service & Development

Schedule of PWS&D Member Activities

(Unaudited)

For the year ended December 31, 2021

The Canadian Foodgrains Bank Association Inc. (the Association) is a not-for-profit organization without share capital, incorporated under the laws of Canada, and is registered with the Canada Customs Revenue Agency as a charitable organization under registration number 11883 1106 RR0001. The Association's principal activity is providing resources for relief and development activities in developing countries. PWS&D is a member of the Association and as such, it initiates and implements projects that are funded by the equity in its account along with funds from the Association, including funds from the Government of Canada, from the General Account of the Association, and from contributions from other members of the Association. PWS&D transfers funds to its account at the CFGB through cash member transfers and receives donations into its account directly.

	2021 $	2020 $
Member's equity – Opening balance	282,328	335,085
Revenue		
Government funds		
Global Affairs Canada	415,415	970,851
Material and food resources		
Donations	348,326	307,336
Cash member transfers	739,326	277,597
Interest and other revenue	-	24,736
	1,503,067	1,580,520
Expenditures	869,583	1,230,101
Excess of revenues over expenditures for the year	633,484	350,419
Net transfers	(257,830)	(403,176)
Member's equity – Closing balance	657,982	282,328

	2021 $	2020 $
(CFGB and PWS&D – led activity expenditures)		
Agriculture & livelihood		
Guatemala – Comiteca Food Security (AMMID)	12,300	66,632
Guatemala – Pre Project (FPM)	9,102	-
Malawi – Mpata Drought Mitigation Project (CCAP Livingstonia)	26,565	84,626
Malawi – Strengthening Production Capacity in Balaka (CARD)	67,582	72,723
Malawi – Pre Project in Lupembe (SOLDEV)	4,233	-
	119,782	223,981
Food assistance		
Afghanistan		
COVID-19 Response in Bamyan (CWSA)	403,149	418,980
Malawi – Cyclone Idai – Humanitarian Coalition (CARD)	-	7,861
Malawi – Cyclone Idai – Mulanje District Phase 1 (CARD)	-	191,608
Pakistan – Drought in Umerkot (CWSA)*	-	(45,053)
	403,149	573,396
Nutrition		
Haiti – Child Nutrition (PIH)	328,066	415,755
Other member expenditures (support to PWS&D)	18,586	16,969
Total expenditures	869,583	1,230,101

In 2021, CFGB members contributed their resources to PWS&D-led programs in Afghanistan, Guatemala, Haiti and Malawi. Members who shared their equity at CFGB with PWS&D are the United Church of Canada (UCC), Primate's World Relief and Development Fund (PWRDF), Nazarene Compassionate Ministries Canada (NCM) and World Renew (Christian Reform). PWS&D is grateful to these member agencies at CFGB for generously contributing to these initiatives.

**In 2020, due to exchange rate fluctuations, there was a surplus in funds available for the Pakistan – Drought Response in Umerkot project. As the funds were advanced from by CFGB, the balance was returned to CFGB.*