

Financial Statements of

WORLD VISION CANADA

Year ended September 30, 2021

WORLD VISION CANADA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of World Vision Canada

Opinion

We have audited the financial statements of World Vision Canada (the Entity), which comprise:

- the statement of financial position as at September 30, 2021
- the statement of revenue and expenditures for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at September 30, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 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 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.

Auditors' 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 auditors' 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 the 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.



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- 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 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

December 7, 2021

WORLD VISION CANADA

Statement of Financial Position

September 30, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 46,522,221	\$ 51,456,982
Accounts receivable	2,823,347	2,073,581
Prepaid expenses	1,894,770	1,943,951
Notes receivable (notes 4 and 8)	495,000	140,000
	<u>51,735,338</u>	<u>55,614,514</u>
Investments (note 2)	4,063,181	3,428,529
Notes receivable (notes 4 and 8)	723,386	1,164,370
Capital assets (note 5)	18,386,956	17,904,833
	<u>\$ 74,908,861</u>	<u>\$ 78,112,246</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued charges (note 6)	\$ 9,137,797	\$ 10,414,887
Due to affiliates (note 8)	881,555	908,437
Deferred contributions (note 9)	37,880,167	40,651,961
Notes payable (note 4)	205,000	290,000
	<u>48,104,519</u>	<u>52,265,285</u>
Deferred capital contributions (note 10)	1,811,109	1,927,955
Notes payable (note 4)	500,000	705,000
Net assets:		
Net investment in capital assets (note 11)	16,575,847	15,976,878
Unrestricted	5,468,208	4,787,950
Endowments	2,449,178	2,449,178
	<u>24,493,233</u>	<u>23,214,006</u>
Commitments (note 18)		
	<u>\$ 74,908,861</u>	<u>\$ 78,112,246</u>

See accompanying notes to financial statements.

On behalf of the Board:



Board Chair



Board Treasurer

WORLD VISION CANADA

Statement of Revenue and Expenditures

Year ended September 30, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Pledges collected (note 12)	\$ 174,671,950	\$ 175,618,505
Single gifts (note 13)	51,595,016	41,984,300
Gifts-in-kind (note 14)	140,951,120	116,222,467
Grants (note 15)	71,884,822	59,766,193
Investment and other income (note 16)	1,728,865	780,023
	<u>440,831,773</u>	<u>394,371,488</u>
Expenditures:		
Programs:		
International relief, development and advocacy	382,454,632	324,182,400
Public awareness and education	2,026,151	2,809,088
	<u>384,480,783</u>	<u>326,991,488</u>
Support:		
Fundraising	35,343,163	43,671,973
Administration:		
Domestic	15,516,600	19,635,513
International	4,212,000	4,560,000
	<u>19,728,600</u>	<u>24,195,513</u>
	<u>55,071,763</u>	<u>67,867,486</u>
	<u>439,552,546</u>	<u>394,858,974</u>
Excess (deficiency) of revenue over expenditures	\$ 1,279,227	\$ (487,486)

See accompanying notes to financial statements.

WORLD VISION CANADA

Statement of Changes in Net Assets

Year ended September 30, 2021, with comparative information for 2020

				2021	2020
	Net investment in capital assets (note 11)	Unrestricted	Endowments	Total	Total
Net assets, beginning of year	\$ 15,976,878	\$ 4,787,950	\$ 2,449,178	\$ 23,214,006	\$ 23,596,992
Excess (deficiency) of revenue over expenditures	(1,811,274)	3,090,501	–	1,279,227	(487,486)
Endowment contributions	–	–	–	–	104,500
Investment in capital assets, net	2,410,243	(2,410,243)	–	–	–
Net assets, end of year	\$ 16,575,847	\$ 5,468,208	\$ 2,449,178	\$ 24,493,233	\$ 23,214,006

See accompanying notes to financial statements.

WORLD VISION CANADA

Statement of Cash Flows

Year ended September 30, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 1,279,227	\$ (487,486)
Items not involving cash:		
Amortization of capital assets	1,931,401	2,084,528
Amortization of deferred capital contributions	(116,846)	(116,846)
Gains on sale of capital assets	(3,281)	(4,860)
Unrealized losses (gains) on investments	(488,870)	405,151
Realized gains on sale of investments	(62,498)	(304,688)
Write down of notes receivable	1,618,838	-
Change in non-cash operating working capital:		
Accounts receivable	(749,766)	2,342,511
Prepaid expenses	49,181	847,216
Accounts payable and accrued charges	(1,277,090)	(852,240)
Due to affiliates	(26,882)	(213,302)
Deferred contributions	(2,771,794)	13,135,621
	(618,380)	16,835,605
Financing activities:		
Additions to notes payable	-	500,000
Repayment of notes payable	(290,000)	(140,000)
Endowment contributions	-	104,500
	(290,000)	464,500
Investing activities:		
Additions to notes receivable	(1,672,854)	(519,364)
Repayment of notes receivable	140,000	-
Change in investments, net	(83,284)	5,313,593
Net proceeds on sale of capital assets	3,281	4,860
Purchase of capital assets	(2,413,524)	(4,536,233)
	(4,026,381)	262,856
Increase (decrease) in cash	(4,934,761)	17,562,961
Cash, beginning of year	51,456,982	33,894,021
Cash, end of year	\$ 46,522,221	\$ 51,456,982

See accompanying notes to financial statements.

WORLD VISION CANADA

Notes to Financial Statements

Year ended September 30, 2021

Operations of the Organization:

World Vision Canada (the "Organization") is a Christian relief, development and advocacy organization incorporated under the laws of Canada as a not-for-profit organization without share capital. The Organization is registered with the Canada Revenue Agency as a charitable organization (registration number 1193 04855 RR0001) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

Inspired by Christian values, the Organization is dedicated to working with the most vulnerable people around the world, especially children. The Organization serves all people regardless of age, religion, ethnicity or gender without prejudice.

The Organization is part of an international affiliation of World Vision ("WV") entities that operates in more than 100 countries around the world. Through this affiliation, the Organization is able to connect with local communities to meet specific needs with the aim to overcome poverty and injustice and to empower those communities to achieve lasting and sustainable change. The Organization remits funds to World Vision International ("WVI") which provides coordination to all of WV by facilitating the implementation and monitoring of overseas programs to ensure that funds and goods provided by the Organization's supporters are used to directly benefit the most vulnerable people of the world, especially children.

VisionFund International ("VFI") is a corporation wholly owned by WVI that manages a number of social venture programs with small businesses and proprietors across WVI locations. The Organization loans funds to VFI which are used to provide financial assistance to individuals and communities within WV's areas of international development to help unlock economic potential for communities to thrive.

The Organization gains support from individuals, businesses and governments, in Canada and internationally. The Organization receives both unrestricted and restricted donations and all restricted donations are reviewed prior to acceptance to ensure that the gifts are consistent with the Organization's mission, purposes, values and priorities.

The Organization and WV subscribe and are subject to a series of internal and external checks and balances, including audits by regulatory bodies, to ensure revenue is being used for the purpose intended.

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

(a) Recognition of revenue:

The Organization follows the deferral method of accounting for contributions. Revenue containing conditions as to its use (restricted contributions) is deferred until the conditions are fulfilled. Revenue not containing conditions as to its use is recognized when received. The disbursement of government grant revenue is subject to audit by the grantor.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate of the related capital assets.

The recognition of gifts-in-kind ("GIK") revenue is limited to donations where the Organization was the original recipient of the gift or was involved in partnership with the end-user agency. GIK are valued at fair market value. Multilateral GIK are recorded as revenue at such time as the Organization takes possession or constructive title of the contributed goods. Corporate GIK are recorded as revenue when goods are shipped to WV.

The Organization is named as a beneficiary in certain wills. In some cases, the bequests involve trust arrangements administered by third parties that are not controlled by the Organization. Revenue on these arrangements, whether interest or capital, is recognized on receipt.

Endowments are recognized as direct increases in net assets and required to be maintained on a permanent basis. Only the income earned on endowments is available to support the Organization's activities.

Investment income, which is recorded on the accrual basis, includes interest income, dividends, realized gains on sale of investments and change in unrealized gains (losses) on investments.

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

1. Significant accounting policies (continued):

(b) Volunteer services:

The efforts of volunteer workers are not reflected in the accompanying financial statements as no objective basis is available to measure the value of such services. The Organization has a substantial number of volunteers donating significant amounts of their time to the Organization, though most volunteer activities were paused during 2021 due to the pandemic.

(c) Allocation of expenditures:

The Organization reports its expenditures by function between program activities, including international relief, development and advocacy, and public awareness and education, and support activities, namely fundraising and administration.

The expenditures of each cost centre in the Organization include personnel, procured services, materials, premises and other expenses. Most cost centres have a primary program or support function. Other cost centres represent a combination of program, fundraising and administrative activities. In this case, the expenditures are allocated between program and support based on the proportion of staff time dedicated between the activities, though certain direct expenditures that have a clear and specific activity are directly attributed to the appropriate activity. Cost centres that are administrative in nature could have an allocation to program activities while other cost centres that are more programmatic in nature could conversely have an allocation to support activities. Allocation ratios are reviewed annually and are updated and applied on a prospective basis.

Funds remitted to WV and to Canadian partners, as well as other expenditures incurred in the support of those programs, are recorded as program expenditures less relevant international administration costs, which are reported as administration.

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Notes to Financial Statements (continued)

Year ended September 30, 2021

1. Significant accounting policies (continued):

(d) Financial instruments:

Unless otherwise noted, financial instruments are recorded at fair value on initial recognition and subsequently at amortized cost.

The Organization may hold investments in short-term investments, equity, bonds or other fixed income instruments, or derivative instruments (note 2). These are recorded at fair value on initial recognition and at each year end. Transaction costs related to the purchase of investments are included in the fair value on the statement of financial position and transaction costs related to the sale of investments are expensed in the year incurred. Changes in fair value are treated as an unrealized gain or loss in the statement of revenue and expenditures.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Capital assets:

Capital assets are carried at cost and are amortized over their estimated useful lives on a straight-line basis at the following annual rates:

Building	2.5% - 20.0%
Furniture and fixtures	10.0% - 33.3%
Information systems	10.0% - 33.3%

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

1. Significant accounting policies (continued):

When conditions indicate that the assets no longer contribute to the Organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the long lived assets are less than their net carrying amounts, long-lived assets, including capital assets, are written down to fair value or replacement cost to reflect partial impairments.

(f) Translation of foreign currencies:

Assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at exchange rates prevailing at the year-end date. Gains and losses arising from these translation policies are included in the statement of revenue and expenditures in investment and other income.

Revenue and expenditures have been translated using exchange rates prevailing on the transaction date.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.

2. Investments:

	2021	2020
Short-term investments	\$ 341,200	\$ 543,490
Bonds	1,500,565	1,247,750
Equities:		
Canadian	889,425	703,184
Foreign	1,331,991	934,105
	<hr/>	<hr/>
	\$ 4,063,181	\$ 3,428,529

The bonds bear a yield to maturity ranging from 1.00% to 10.13% (2020 - 1.00% to 10.95%) maturing between October 2021 and August 2027 (2020 - November 2020 and June 2027).

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Notes to Financial Statements (continued)

Year ended September 30, 2021

3. Financial risks:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate, market and foreign currency risks. The Organization has formal policies and procedures that establish target asset mix. The Organization's policies also require diversification of investments within categories and set limits on exposure to individual investments. There has been no change to the risk exposure from 2020, inclusive of COVID-19.

(a) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect the value of short-term investments held by the Organization. The Organization manages this risk by holding primarily term deposits and by staggering the terms of the investments held.

(b) Market price risk:

Market risk arises as a result of trading in equity securities, bonds and short-term investments. Fluctuations in the market expose the Organization to a risk of loss. The Organization mitigates this risk through controls to monitor and limit concentration levels.

(c) Foreign currency risk:

Foreign currency risk arises from gains and losses due to fluctuations in foreign currency exchange rates on the Organization's foreign equity securities. The Organization manages this risk by setting asset mix limits on foreign equity securities to limit exposure.

4. Notes receivable and payable:

Notes receivable represents unsecured loans issued to VFI for supporting international social investment lending programs with proprietors of small businesses (note 8). They bear an annual interest rate ranging from 3% to 9% (2020 - 3% to 9%) and with the principal due at maturity with dates ranging from October 2021 to May 2024 (2020 - July 2021 to May 2024).

Notes payable represents loans received from supporters to fund notes receivable. The loans are unsecured and bear an annual interest rate ranging from 0% to 3% (2020 - 0% to 3%) and with the principal due at maturity with dates ranging from January 2022 to November 2022 (2020 - November 2020 to November 2022).

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

5. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,396,720	\$ –	\$ 1,396,720	\$ 1,406,720
Building	18,294,101	8,741,067	9,553,034	10,084,079
Furniture and fixtures	6,885,884	6,113,677	772,207	901,620
Information systems	14,637,799	7,972,804	6,664,995	5,512,414
	<u>\$ 41,214,504</u>	<u>\$ 22,827,548</u>	<u>\$ 18,386,956</u>	<u>\$ 17,904,833</u>

Included in information systems is work in progress of \$1,387,190, which is currently not amortized (2020 - \$3,944,936).

6. Accounts payable and accrued charges:

(a) Government remittance:

Included in accounts payable and accrued charges are government remittances payable of \$130,560 (2020 - \$120,090), which includes amounts payable for harmonized sales tax and payroll-related taxes.

(b) Severance:

The Organization took restructuring measures during 2020 in order to enhance sustainability and effectiveness and proactively respond to the continued, challenging fundraising environment. Included in accounts payable and accrued charges are \$1,314,943 (2020 - \$4,821,314) in severance accruals relating to individuals who will be paid in agreed amounts ending in 2023.

7. Credit facility:

The Organization has a credit facility collaterally secured by a general security agreement, at no fee, that provides an operating loan to a maximum of \$5,000,000. The operating loan, when drawn, bears interest at bank prime and is due on demand. The Organization has no outstanding balance against the operating loan as at September 30, 2021 (2020 - nil).

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

8. Related party transactions and balances:

During the year, the Organization transacted with related parties as follows:

	2021	2020
With WV:		
Cash funding sent to WV during the year	\$ 200,075,064	\$ 171,484,426
In-kind donations deployed to WV during the year	140,951,120	116,023,807
Total amounts due to WV as of September 30	881,555	908,437
With VFI:		
Cash funding sent to support VFI operations during the year	\$ 683,431	\$ 102,504
Loans issued to VFI during the year	1,618,840	500,000
VFI repayments during the year	140,000	–
Loans receivable written down during the year ⁽ⁱ⁾	1,618,838	–
Notes receivable due from VFI as of September 30	995,008	1,135,006
Notes receivable due from VisionFund Kenya as of September 30	\$ 73,378	\$ 19,364

⁽ⁱ⁾ During the year, the Organization advanced non-interest bearing loans to VFI as program-related investments to fund microfinance programs that support recovery loans for low-income and vulnerable clients. Upon expiry of these loans, it is the Organization's charitable purpose and business intent for any loans repaid to VFI to be reinvested in VFI's microfinance programs. As such management has assessed the collectability of these loans to be low and have written down the loans to a nominal amount. The amounts of the write-downs have been recorded as program expenditures.

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Notes to Financial Statements (continued)

Year ended September 30, 2021

9. Deferred contributions:

Deferred contributions include pledges collected, single gifts and grants, which remain unspent at September 30, 2021 as set out in the following table:

	2020	Received	Recognized as revenue	2021
Pledges collected	\$ 27,338,334	\$ 177,161,258	\$ 174,671,950	\$ 29,827,642
Single gifts	887,272	52,579,288	51,595,016	1,871,544
Grants	12,426,355	65,639,448	71,884,822	6,180,981
	<u>\$ 40,651,961</u>	<u>\$ 295,379,994</u>	<u>\$ 298,151,788</u>	<u>\$ 37,880,167</u>

10. Deferred capital contributions:

	2021	2020
Balance, beginning of year	\$ 1,927,955	\$ 2,044,801
Less amounts amortized to revenue	116,846	116,846
<u>Balance, end of year</u>	<u>\$ 1,811,109</u>	<u>\$ 1,927,955</u>

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets. Amortization of deferred capital contributions is recorded in single gifts on the statement of revenue and expenditures.

11. Net investment in capital assets:

(a) Net investment in capital assets is calculated as follows:

	2021	2020
Capital assets	\$ 18,386,956	\$ 17,904,833
Amounts financed by deferred capital contributions	(1,811,109)	(1,927,955)
	<u>\$ 16,575,847</u>	<u>\$ 15,976,878</u>

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

11. Net investment in capital assets (continued):

(b) The change in net assets invested in capital assets is calculated as follows:

	2021	2020
Excess of expenditures over revenue:		
Amortization of deferred capital contributions related to capital assets	\$ 116,846	\$ 116,846
Amortization of capital assets	(1,931,401)	(2,084,528)
Gains on sale of capital assets	3,281	4,860
	<u>\$ (1,811,274)</u>	<u>\$ (1,962,822)</u>
Investment in capital assets, net:		
Purchase of capital assets	\$ 2,413,524	\$ 4,536,233
Net proceeds on sale of capital assets	(3,281)	(4,860)
	<u>\$ 2,410,243</u>	<u>\$ 4,531,373</u>

12. Pledges collected:

	2021	2020
Child sponsorship	\$ 170,624,396	\$ 171,726,296
Other	4,047,554	3,892,209
	<u>\$ 174,671,950</u>	<u>\$ 175,618,505</u>

13. Single gifts:

	2021	2020
Development	\$ 37,798,923	\$ 30,533,480
Emergency relief	2,992,753	2,705,244
Other	10,803,340	8,745,576
	<u>\$ 51,595,016</u>	<u>\$ 41,984,300</u>

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

14. Gifts-in-kind:

	2021	2020
Corporate	\$ 7,433,517	\$ 13,997,446
Multilateral	133,517,603	102,225,021
	<u>\$ 140,951,120</u>	<u>\$ 116,222,467</u>

15. Grants:

	2021	2020
Government of Canada	\$ 26,705,942	\$ 21,848,880
Multilateral, United Nations Agencies and other foundations	38,676,551	33,940,664
Other	6,502,329	3,976,649
	<u>\$ 71,884,822</u>	<u>\$ 59,766,193</u>

16. Investment and other income:

	2021	2020
Dividend income	\$ 20,737	\$ 54,399
Interest income	522,651	730,954
Realized gains on sale of investments	62,498	304,688
Unrealized gains (losses) on investments	488,870	(405,151)
Other	634,109	95,133
	<u>\$ 1,728,865</u>	<u>\$ 780,023</u>

17. Pension plan:

The Organization operates a defined contribution pension plan. The assets of the plan are held separately from those of the Organization in an independently administered fund. The pension expense is equal to the contributions paid by the Organization.

The contributions paid and expensed by the Organization for the year amounted to \$1,443,365 (2020 - \$1,763,111).

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Notes to Financial Statements (continued)

Year ended September 30, 2021

18. Commitments:

The Organization received funding from Global Affairs Canada and other grantors to support projects in various countries. The funding is dependent upon agreements, which require, in some cases, that the Organization contribute to the project(s) a set percentage in the form of cash and/or GIK. Future payments consisted of the following at September 30, 2021:

2022	\$	946,734
2023		620,276
2024		452,002
2025		243,788
2026		81,703
	\$	2,344,503

The Organization has certain agreements to lease premises and office equipment. Future minimum payments under non-cancellable leases consisted of the following at September 30, 2021:

2022	\$	134,000
2023		127,000
2024		112,000
2025		112,000
2026		112,000
Thereafter		252,000
	\$	849,000

19. Fundraising solicitations:

Fundraising businesses were contracted to solicit donations, primarily focused on pledges, on behalf of the Organization. During the year, \$603,911 (2020 - \$4,532,810) was paid as remuneration to third party fundraising businesses.

WORLD VISION CANADA

Notes to Financial Statements (continued)

Year ended September 30, 2021

20. Allocation of expenditures:

Certain cost centres represent a combination of program and support activities. The following table shows how cost centres that are primarily administrative in nature, such as executive office, information technology, finance and facilities, directly support programs. The effect of these allocations is captured in the statement of revenue and expenditures:

	2021	2020
Support:		
Fundraising	\$ (1,268,920)	\$ (1,388,247)
Administration	(2,240,449)	(2,629,393)
	<u>\$ (3,509,369)</u>	<u>\$ (4,017,640)</u>
Programs:		
International relief, development and advocacy	\$ 2,421,504	\$ 2,629,093
Public awareness and education	1,087,865	1,388,547
	<u>\$ 3,509,369</u>	<u>\$ 4,017,640</u>

The following table shows how cost centres that are primarily programmatic in nature, including international relief, development and advocacy and public awareness and education, are related to fundraising and administration. The effect of these allocations is captured in the statement of revenue and expenditures:

	2021	2020
Programs:		
International relief, development and advocacy	\$ (917,906)	\$ (881,419)
Public awareness and education	(701,890)	(887,564)
	<u>\$ (1,619,796)</u>	<u>\$ (1,768,983)</u>
Support:		
Fundraising	\$ 1,000,363	\$ 1,123,210
Administration	619,433	645,773
	<u>\$ 1,619,796</u>	<u>\$ 1,768,983</u>