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

FINANCIAL STATEMENTS

MARCH 31, 2023

INDEX

Page	1-2.	Independent Auditor's Report
	3.	Statement of Financial Position
	4.	Statement of Net Assets
	5.	Statement of Operations
	6.	Statement of Cash Flows
	7-13.	Notes to Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of The Primate's World Relief and Development Fund / Le Fonds du Primat Pour le Secours et le Développement Mondial which comprise the statement of financial position as at March 31, 2023 and the statement of operations, statement of net assets and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2023 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 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 Financial Statements section of our 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 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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:

- 1 -

- 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 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 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 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.

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.

Norton McMullen LLP

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

June 20, 2023

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

STATEMENT OF FINANCIAL POSITION

As at March 31,

2023

2022

ASSETS

Current

Cash	\$ 1,987,474	\$ 3,572,569
Investments (Note 2)	9,591,744	8,755,468
Grants receivable	67,500	166,827
HST recoverable	19,337	8,870
Prepaid expenses (Note 3)	<u>22,981</u>	<u>510,428</u>
	<u>\$ 11,689,036</u>	<u>\$ 13,014,162</u>

LIABILITIES

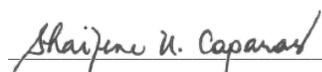
Current

Accounts payable and accrued liabilities (Note 11)	\$ 218,500	\$ 99,108
Deferred contributions - Global Affairs Canada (Note 4)	-	661,267
Deferred contributions - Other (Note 5)	<u>2,038,515</u>	<u>1,421,471</u>
	<u>\$ 2,257,015</u>	<u>\$ 2,181,846</u>

NET ASSETS

Unrestricted	\$ 5,179,352	\$ 6,418,780
Restricted (Note 6)	<u>4,252,669</u>	<u>4,413,536</u>
	<u>\$ 9,432,021</u>	<u>\$ 10,832,316</u>
	<u>\$ 11,689,036</u>	<u>\$ 13,014,162</u>

Approved by the Board:



Director



Director

See accompanying notes

- 3 -

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

STATEMENT OF NET ASSETS

For the year ended March 31,

2023

2022

	Unrestricted	Restricted (Note 6)	Total	Total
NET ASSETS - Beginning	\$ 6,418,780	\$ 4,413,536	\$ 10,832,316	\$ 8,951,327
Excess (deficiency) of revenues over expenses	(1,400,295)	-	(1,400,295)	1,880,989
Net transfers (Note 6)	<u>160,867</u>	<u>(160,867)</u>	<u>-</u>	<u>-</u>
NET ASSETS - Ending	<u>\$ 5,179,352</u>	<u>\$ 4,252,669</u>	<u>\$ 9,432,021</u>	<u>\$ 10,832,316</u>

See accompanying notes

- 4 -

**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,	2023	2022
REVENUES		
Canadian Foodgrains Bank contributions	\$ 4,694,126	\$ 1,456,417
Parish, foundation and individual contributions	4,472,277	5,067,827
Bequests	758,823	1,155,336
Global Affairs Canada (Note 4)	700,627	2,642,492
Interest and dividends	253,934	221,230
Other	174,077	100,297
Canada Emergency Wage Subsidy (CEWS) (Note 8)	-	310,951
Realized gain (loss) on sale of investments	(200,615)	694,299
	<u>\$ 10,853,249</u>	<u>\$ 11,648,849</u>
EXPENSES		
Programs		
Relief and Refugees	\$ 6,826,929	\$ 2,368,716
Africa and the Middle East	714,261	954,702
Development and relief Global Affairs Canada and PWRDF co-funded programs	648,339	2,419,266
Latin America and the Caribbean	374,852	300,297
Supporter Relations Program	233,292	63,615
Canada - Indigenous Communities	118,160	163,150
Ecumenical Alliances	91,469	122,948
Asia and the Pacific	84,322	68,380
	<u>\$ 9,091,624</u>	<u>\$ 6,461,074</u>
Personnel (Note 11)	1,582,543	1,383,626
Occupancy and office	208,280	174,597
Travel and monitoring	33,789	1,080
	<u>\$ 10,916,236</u>	<u>\$ 8,020,377</u>
Administration		
Occupancy and office	\$ 175,793	\$ 149,576
Personnel (Note 11)	592,809	479,843
Professional fees	75,768	96,033
Governance	22,731	415
Travel	6,077	2,037
	<u>\$ 873,178</u>	<u>\$ 727,904</u>
Fundraising	<u>\$ 408,114</u>	<u>\$ 336,920</u>
TOTAL EXPENSES	<u>\$ 12,197,528</u>	<u>\$ 9,085,201</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:	<u>\$ (1,344,279)</u>	<u>\$ 2,563,648</u>
Unrealized loss on investments	(56,016)	(682,659)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (1,400,295)</u>	<u>\$ 1,880,989</u>

See accompanying notes

- 5 -

**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, 2023 2022

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$ (1,400,295)	\$ 1,880,989
Items not affecting cash:		
Change in unrealized loss on investments	<u>56,016</u>	<u>682,659</u>
	\$ (1,344,279)	\$ 2,563,648
 Net change in non-cash working capital balances:		
Grants receivable	99,327	(166,827)
HST recoverable	(10,467)	12,407
Canadian Emergency Wage Subsidy receivable	-	61,090
Prepaid expenses	487,447	(311,350)
Accounts payable and accrued liabilities	119,392	51,586
Deferred contributions - Global Affairs Canada	(661,267)	226,956
Deferred contributions - Other	<u>617,044</u>	<u>461,854</u>
	\$ (692,803)	\$ 2,899,364

INVESTING ACTIVITIES

Purchase of investments	\$ (2,281,648)	\$ (5,467,011)
Proceeds from sale of investments	<u>1,389,356</u>	<u>3,661,617</u>
	\$ (892,292)	\$ (1,805,394)

INCREASE (DECREASE) IN CASH

\$ (1,585,095) \$ 1,093,970

CASH - Beginning

3,572,569 2,478,599

CASH - Ending

\$ 1,987,474 \$ 3,572,569

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

NATURE OF OPERATIONS

The Primate's World Relief and Development Fund / Le Fonds du Primate Pour le Secours et le Développement Mondial (PWRDF or the "Organization") was incorporated without share capital under the provisions of Part II of the Canada Corporations Act on September 1, 2000 and was granted continuance under the Canada Not-for-profit Corporations Act on January 30, 2014. 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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

b) Foreign Currency Translation

Foreign currency transactions are translated at the rate in effect when the transactions occur. Monetary assets and liabilities denominated in a foreign currency have been translated at the rate in effect at the end of the year.

c) Investments

Investments held in marketable securities traded in an active market are measured at fair value.

d) Partner Advances

Partner advances represent funding advanced to Global Affairs Canada (GAC) project partners and are recognized as program expenses when the underlying costs are incurred and reconciled. Advances that have not been spent by the partner by the end of the year are recorded within prepaid expenses.

**THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND /
LE FONDS DU PRIMAT POUR LE SECOURS ET LE DÉVELOPPEMENT MONDIAL**
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

e) Revenue Recognition

The Organization follows the deferral method of accounting for contributions and grants. Under this method, restricted contributions and grants are deferred and recognized as revenue when related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance is recognized when received or receivable and collection is reasonably assured.

Bequests are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment and dividend revenue is comprised of interest on cash balances, interest and dividends from fixed income and equity securities respectively, and reinvested distributions from index funds and unrealized and realized gains and losses on the sale of investments. Interest on fixed income investments is recognized over the terms of these investments are recognized on the difference between the cost of the disposed of investments and its fair value at the time of disposition.

f) Allocation of Expenses

Personnel, occupancy and office expenses are allocated to programs based on the proportional hours spent or space used on each.

g) Employee Future Benefits

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. See pension plan details in Note 7.

h) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures all of its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. The Organization subsequently measures all of its financial assets and liabilities at amortized cost, except for investments quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenues over expenses.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

h) **Financial Instruments - Continued**

Measurement of Financial Instruments - Continued

Financial assets subsequently measured at amortized cost include cash, investments (other than those quoted in an active market) and grants receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. The Organization's financial assets measured at fair value include equity funds.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. INVESTMENTS

Investments consist of the following:

	2023	2022
Fixed income securities, at amortized cost	\$ 3,722,113	\$ 3,555,508
International equities, at fair value	3,737,983	3,252,586
Canadian equities, at fair value	<u>2,131,648</u>	<u>1,947,374</u>
	<u>\$ 9,591,744</u>	<u>\$ 8,755,468</u>

Included in equities is a \$275,903 investment in Oikocredit (\$255,870 as at March 31, 2022). Oikocredit is a worldwide ecumenical co-operative society of churches and individuals whose purpose is to mobilize financial resources for further development of poor areas of the world.

3. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2023	2022
Partner advances	\$ -	\$ 490,746
Prepaid expenses	<u>22,981</u>	<u>19,682</u>
	<u>\$ 22,981</u>	<u>\$ 510,428</u>

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

4. DEFERRED CONTRIBUTIONS - GLOBAL AFFAIRS CANADA

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

	2023	2022
Balance - Beginning	\$ 661,267	\$ 434,309
Add: grants received during the year	39,360	3,048,594
Less: amount recognized as revenue	<u>(700,627)</u>	<u>(2,821,636)</u>
Balance - Ending	<u>\$ -</u>	<u>\$ 661,267</u>

5. DEFERRED CONTRIBUTIONS - OTHER

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

	2023	2022
Balance - Beginning	\$ 1,421,471	\$ 959,617
Add: contributions received during the year	1,117,289	1,053,295
Less: amount recognized as revenue	<u>(500,245)</u>	<u>(591,441)</u>
Balance - Ending	<u>\$ 2,038,515</u>	<u>\$ 1,421,471</u>

6. RESTRICTED NET ASSETS

Restricted net assets consist of the following:

	2023	2022
Contingency	\$ 4,000,000	\$ 4,000,000
Project grants	<u>252,669</u>	<u>413,536</u>
	<u>\$ 4,252,669</u>	<u>\$ 4,413,536</u>

The Board of Directors of the Organization has restricted portions of the net assets for the following purposes:

- i) The Board has designated net assets of \$4,000,000 (2022 - \$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.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

6. RESTRICTED NET ASSETS - Continued

- ii) The Board has designated net assets of \$252,669 (2022 - \$413,536) for commitments made during the year to fund projects in subsequent years. The transfer of \$160,867 (2022 - \$16,896) from designated net assets to unrestricted net assets in the year was approved by the Board.

7. EMPLOYEE FUTURE BENEFITS

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, 2022 disclosed net assets available for benefits of \$977,642,000 with pension obligations of \$766,489,000, resulting in a surplus of \$231,153,000. During the year, PWRDF made contributions of \$318,537 (2022 - \$287,087) to the plan. From the share of contribution towards the Plan, 5% is contributed by employees and 12.5% is contributed by the Organization.

8. CANADA EMERGENCY WAGE SUBSIDY

As a result of the COVID-19 pandemic, the federal government provided assistance in the form of the Canada Emergency Wage Subsidy (CEWS). The Organization claimed \$310,951 in 2022 and \$Nil in 2023. The measurement of the CEWS is subject to uncertainty as the claims are subject to review and possible adjustment by the Canada Revenue Agency.

9. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at March 31, 2023:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its various receivable amounts. The majority of the Organization's receivables relate to funds receivable from government organizations. There has been no change in the assessment of credit risk from the prior year.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

9. FINANCIAL INSTRUMENTS - Continued

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency rate risk, and price risk. The Organization is exposed to market risk as follows:

i) Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization's functional currency is the Canadian Dollar. The value of cash and investments denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. The Organization manages this risk by limiting concentration levels. As at March 31, 2023, cash and investments in the amounts of \$46,711 and \$2,207,381 respectively (2022 - \$56,886 and \$1,690,174) are denominated in foreign currencies and have been converted into equivalent Canadian dollars at the exchange rate in effect at the year end. The exposure to this risk changes as the transaction and balance amounts change and as the exchange rate fluctuates.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Organization has invested its excess cash in a mix of fixed income and marketable securities as the means of managing its interest rate risk. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.

**THE PRIMATE'S WORLD RELIEF AND DEVELOPMENT FUND /
LE FONDS DU PRIMAT POUR LE SECOURS ET LE DÉVELOPPEMENT MONDIAL**
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

9. FINANCIAL INSTRUMENTS - Continued

c) **Market Risk - Continued**

iii) **Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization maintains its investments in a mix of fixed income and marketable securities and as a result is subject to price risk associated with the fluctuations in the market price for these marketable securities. Based on the Organization's risk tolerance, an asset allocation model was developed and implemented for investments. As at March 31, 2023, fixed income and investments in equity investments are \$9,624,622 (2022 - \$8,755,468). The exposure to this risk fluctuates as the Organization's investments change from year to year.

10. ADHERENCE TO AGREEMENTS WITH FUNDING AGENCIES

The Organization receives contributions from Global Affairs Canada ("GAC") and other funding agencies that are subject to restrictions as to the use of the funds. The Organization's accounting records are subject to audit by GAC and other funding agencies to identify instances, if any, in which amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Any adjustments to the financial statements as a result of these audits would be recorded in the period in which they become known.

11. PERSONNEL COSTS

Personnel costs include \$170,402 in retroactive payments to cover the new wage grid in the Collective Bargaining Agreement. The amount is included within accounts payable and accrued liabilities.