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

FINANCIAL STATEMENTS

MARCH 31, 2024

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
	7-15.	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, 2024 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, 2024 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.

- 1 -

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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 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

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

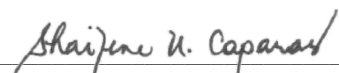
June 20, 2024

**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,	2024	2023
		As restated (Note 10)
ASSETS		
Current		
Cash	\$ 1,101,467	\$ 1,602,871
Canadian Foodgrains Bank Association Inc. (Note 3)	829,554	639,463
Investments (Note 2)	10,884,701	9,350,897
Grants receivable	67,500	67,500
HST recoverable	15,310	19,337
Other receivable	4,486	-
Prepaid expenses	10,338	22,981
	<u>\$ 12,913,356</u>	<u>\$ 11,703,049</u>
Long-Term Investments (Note 2)	<u>243,132</u>	<u>240,847</u>
	<u><u>\$ 13,156,488</u></u>	<u><u>\$ 11,943,896</u></u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 118,039	\$ 218,501
Deferred contributions (Note 5)	1,437,665	1,368,596
	<u>\$ 1,555,704</u>	<u>\$ 1,587,097</u>
Deferred Contributions (Note 5)	<u>669,917</u>	<u>669,917</u>
	<u><u>\$ 2,225,621</u></u>	<u><u>\$ 2,257,014</u></u>
NET ASSETS		
Canadian Foodgrains Bank Association Inc. (Note 3)	\$ 829,554	\$ 639,463
Unrestricted	5,903,748	4,794,750
Internally restricted (Note 6)	4,197,565	4,252,669
	<u>\$ 10,930,867</u>	<u>\$ 9,686,882</u>
	<u><u>\$ 13,156,488</u></u>	<u><u>\$ 11,943,896</u></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,

2024

2023

As restated
(Note 10)

	CFGB	Unrestricted	Internally Restricted (Note 6)	Total	Total
NET ASSETS - Beginning	\$ 639,463	\$ 4,794,750	\$ 4,252,669	\$ 9,686,882	\$ 10,957,669
Excess (deficiency) of revenues over expenses	1,861,989	(618,004)	-	1,243,985	(1,270,787)
Net transfers (Note 3)	(2,121,898)	2,121,898	-	-	-
Net transfers (Note 3)	450,000	(450,000)	-	-	-
Net transfers (Note 6)	-	55,104	(55,104)	-	-
NET ASSETS - Ending	<u>\$ 829,554</u>	<u>\$ 5,903,748</u>	<u>\$ 4,197,565</u>	<u>\$ 10,930,867</u>	<u>\$ 9,686,882</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,	2024	2023
		As restated (Note 10)
REVENUES		
Parish, foundation and individual contributions (Note 5)	\$ 5,363,369	\$ 4,472,277
Canadian Foodgrains Bank contributions (Note 3)	2,464,371	4,823,635
Bequests (Note 5)	698,341	758,823
Interest and dividends	331,727	253,934
Other	102,487	174,076
Global Affairs Canada (Note 4)	-	700,627
Realized loss on sale of investments	(22,858)	(200,615)
	<u>\$ 8,937,437</u>	<u>\$ 10,982,757</u>
EXPENSES		
Programs		
Canadian Foodgrains Bank program (Note 3)	\$ 2,587,819	\$ 5,470,502
PWRDF Development Program	1,686,144	1,291,595
Humanitarian response & refugees	981,414	1,356,427
Global Affairs Canada and PWRDF co-funded programs	-	648,339
Supporter Relations Program	216,341	233,292
Ecumenical Alliances	90,680	90,969
Strategic Plan Initiatives	55,680	500
	<u>\$ 5,618,078</u>	<u>\$ 9,091,624</u>
Programs Delivery		
Personnel	1,555,742	1,582,543
Occupancy and office	139,902	208,280
Travel and monitoring	35,227	33,789
	<u>\$ 7,348,949</u>	<u>\$ 10,916,236</u>
Administration		
Occupancy and office	\$ 151,878	\$ 175,793
Personnel	799,798	592,809
Professional fees	84,152	75,768
Governance	44,329	22,731
Travel	10,161	6,077
	<u>\$ 1,090,318</u>	<u>\$ 873,178</u>
Fundraising	<u>\$ 424,715</u>	<u>\$ 408,114</u>
TOTAL EXPENSES	<u>\$ 8,863,982</u>	<u>\$ 12,197,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:	<u>\$ 73,455</u>	<u>\$ (1,214,771)</u>
Unrealized gain (loss) on investments	1,170,530	(56,016)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 1,243,985</u>	<u>\$ (1,270,787)</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,	2024	2023
		As restated (Note 10)
CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 1,243,985	\$ (1,270,787)
Items not affecting cash:		
Change in unrealized (gain) loss on investments	<u>(1,170,530)</u>	<u>56,016</u>
	\$ 73,455	\$ (1,214,771)
Net change in non-cash working capital balances:		
Canadian Foodgrains Bank Association Inc.	(190,091)	(327,258)
Grants receivable	-	99,327
HST recoverable	4,027	(10,467)
Other receivable	(4,486)	-
Prepaid expenses	12,643	487,447
Accounts payable and accrued liabilities	(100,462)	119,392
Deferred contributions - Global Affairs Canada	-	(661,267)
Deferred contributions - Other	<u>69,069</u>	<u>617,044</u>
	<u>\$ (135,845)</u>	<u>\$ (890,553)</u>
INVESTING ACTIVITIES		
Purchase of investments	\$ (1,924,686)	\$ (2,281,648)
Proceeds from sale of investments	<u>1,559,127</u>	<u>1,389,356</u>
	<u>\$ (365,559)</u>	<u>\$ (892,292)</u>
DECREASE IN CASH	\$ (501,404)	\$ (1,782,845)
CASH - Beginning	<u>1,602,871</u>	<u>3,385,716</u>
CASH - Ending	<u>\$ 1,101,467</u>	<u>\$ 1,602,871</u>

See accompanying notes

- 6 -

**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, 2024

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) 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.

**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, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

d) Revenue Recognition - Continued

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.

e) Allocation of Expenses

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

f) 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.

g) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures all of its financial assets and liabilities originated or exchanged in arm's length transitions 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.

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.

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, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

g) Financial Instruments - Continued

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:

	2024	2023
Fixed income securities, at amortized cost	\$ 4,017,772	\$ 3,722,113
International equities, at fair value	4,744,811	3,737,983
Canadian equities, at fair value	<u>2,365,250</u>	<u>2,131,648</u>
	\$ 11,127,833	\$ 9,591,744
Less: Current portion	<u>10,884,701</u>	<u>9,350,897</u>
	<u>\$ 243,132</u>	<u>\$ 240,847</u>

Included in equities is a \$217,363 investment in Oikocredit (\$275,903 as at March 31, 2023). 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.

Included in fixed income is a \$243,132 investment in Raven Indigenous Impact Fund I Limited Partnership (\$240,847 as at March 31, 2023). Raven is a specific investment vehicle designed to mobilize investment capital towards enhancing economic opportunities and social well-being for Indigenous peoples in Canada through responsible and impactful investment strategies.

**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, 2024

3. CANADIAN FOODGRAINS BANK ASSOCIATION INC.

The Organization is a member of Canadian Foodgrains Bank Association Inc. (CFGB). The balance at year end includes residual funds held by CFGB on behalf of PWRDF. PWRDF has control to direct the funds towards projects at its discretion. The funds earn no interest while held by CFGB.

CFGB contributions consist of cash and grain donations, grants from Global Affairs Canada (GAC), and fund transfers from CFGB food security account and other CFGB members. Historically, contributions to PWRDF's equity account at CFGB have been leveraged by Global Affairs Canada (GAC) on a 1:3 or 1:4 basis or leveraged through other CFGB sources on a 1:1 basis.

Expenditures made through CFGB on behalf of the Organization total \$602,382 (2023 - \$250,885) for PWRDF's programming.

Transfers from the Organization's unrestricted fund to CFGB totaling \$450,000 (2023 - \$481,936) were made to increase the Organization's equity in CFGB.

Transfers from the CFGB to Organization's unrestricted fund totaling \$2,121,898 (2023 - \$4,350,488) were made to cover program expenses.

The following is a summary of the activity within PWRDF's CFGB account for the year ended March 31, 2024, with comparative figures for the year 2023:

	2024	2023
Global Affairs Canada grants	\$ 2,166,882	\$ 2,526,384
Cash and grain donations	167,297	193,018
Transfer from other CFGB Member	126,245	1,067,605
Transfer from CFGB Food Security Account	<u>3,947</u>	<u>5,172</u>
Total revenue received through CFGB	<u>\$ 2,464,371</u>	<u>\$ 3,792,179</u>
Programs as per CFGB	\$ 2,724,280	\$ 4,601,373
Less: Program funding transferred to PWRDF included above	<u>(2,121,898)</u>	<u>(4,350,488)</u>
Expenses incurred through CFGB on behalf of PWRDF	<u>\$ 602,382</u>	<u>\$ 250,885</u>
CFGB fund excess of revenues over expenses	\$ 1,861,989	\$ 3,541,294
Funds transferred to PWRDF's for programs	(2,121,898)	(4,350,488)
Funds transferred from PWRDF to CFGB	450,000	481,936
CFGB fund balance - Beginning	<u>639,463</u>	<u>966,721</u>
CFGB fund balance - Ending	<u>\$ 829,554</u>	<u>\$ 639,463</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, 2024

4. DEFERRED CONTRIBUTIONS - GLOBAL AFFAIRS CANADA

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

	2024	2023
Balance - Beginning	\$ -	\$ 661,267
Add: grants received during the year	-	39,360
Less: amount recognized as revenue	<u>-</u>	<u>(700,627)</u>
Balance - Ending	<u>\$ -</u>	<u>\$ -</u>

5. DEFERRED CONTRIBUTIONS

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

	2024	2023
Balance - Beginning (parish, foundation and individual contributions)	\$ 1,176,479	\$ 559,437
Add: contributions received during the year	1,103,366	1,117,287
Less: amount recognized as revenue	<u>(842,180)</u>	<u>(500,245)</u>
Balance - Ending (parish, foundation and individual contributions)	<u>\$ 1,437,665</u>	<u>\$ 1,176,479</u>
Balance - Beginning (bequests)	\$ 192,117	\$ 192,117
Add: contributions received during the year	-	-
Less: amount recognized as revenue	<u>(192,117)</u>	<u>-</u>
Balance - Ending (bequests)	<u>\$ -</u>	<u>\$ 192,117</u>
Balance - Beginning (other)	\$ 669,917	\$ 669,917
Add: contributions received during the year	-	-
Less: amount recognized as revenue	<u>-</u>	<u>-</u>
Balance - Ending (other)	<u>\$ 669,917</u>	<u>\$ 669,917</u>

In 2016, PWRDF received a bequest of \$669,917 from a donor, with the stipulation that the capital funds must remain restricted for 21 years following the donor's death, until February 20, 2036.

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, 2024

6. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of the following:

	2024	2023
Contingency	\$ 4,000,000	\$ 4,000,000
Project grants	<u>197,565</u>	<u>252,669</u>
	<u>\$ 4,197,565</u>	<u>\$ 4,252,669</u>

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

- i) The Board has assigned net assets of \$4,000,000 (2023 - \$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.
- ii) The Board has assigned net assets of \$197,565 (2023 - \$252,669) for commitments made during the year to fund projects in subsequent years. The transfer of \$55,104 (2023 - \$160,867) from internally restricted 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 December 31, 2022 disclosed net assets available for benefits of \$1,043,883,000 with pension obligations of \$830,731,000, resulting in a surplus of \$213,152,000. During the year, PWRDF made contributions of \$363,533 (2023 - \$318,537) to the plan. From the share of contribution towards the Plan, 5% is contributed by employees and 12.5% is contributed by the Organization.

**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, 2024

8. 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, 2024:

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.

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, 2024, cash and investments in the amounts of \$47,392 and \$2,985,316 respectively (2023 - \$46,711 and \$2,207,381) 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.

**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, 2024

8. FINANCIAL INSTRUMENTS - Continued

Risks and Concentrations - Continued

c) Market Risk - Continued

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.

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, 2024, fixed income and investments in equity investments are \$11,116,136 (2023 - \$9,591,744). The exposure to this risk fluctuates as the Organization's investments change from year to year.

9. 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.

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, 2024

10. PRIOR PERIOD ADJUSTMENT

In the prior year, the Organization did not record the CFGB reserve account balance. This adjustment resulted in an increase to CFGB fund with a corresponding increase in cash of \$254,861 and a increase in revenue of \$129,509 for the year ended March 31, 2023.

2023

Impact on Net Assets as at March 31, 2023

Balance - as originally stated	\$ 9,432,021
Increase in net assets	<u>254,861</u>
Balance - Ending	<u>\$ 9,686,882</u>

Impact on Cash as at March 31, 2023

Balance - as originally stated	\$ 1,987,473
Increase in cash	<u>254,861</u>
Balance - Ending	<u>\$ 2,242,334</u>

11. PRIOR PERIOD ADJUSTMENT

Certain comparative figures have been restated to conform with the presentation adopted in the current year.