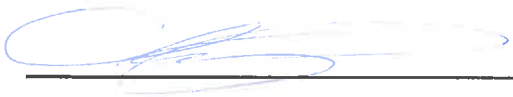


WORLD ACCORD
INTERNATIONAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
MARCH 31, 2018

Approved on behalf of the board of directors:





INDEPENDENT AUDITORS' REPORT

To the Directors of World Accord - International Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of World Accord - International Development Agency which comprise the statement of financial position as at March 31, 2018, the statement of operations and change in net assets, and the statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion

In common with many charitable organizations, World Accord - International Development Agency derives a portion of its revenues from the general public in the form of donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from these sources was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficit) of revenues over expenses, assets or net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of World Accord - International Development Agency as at March 31, 2018 and its results of operations, its change in net assets, and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Cardy Winters & Simon LLP

Chartered Professional Accountants
Licensed Public Accountants
May 29, 2018
Kitchener, ON

WORLD ACCORD

INTERNATIONAL DEVELOPMENT AGENCY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

(with comparative figures as at March 31, 2017)

(the accompanying notes are an integral part of these financial statements)

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT		
Cash	357,284	416,670
Investments - unrestricted (note 2)	29,479	29,005
Investments - Contingency Reserve (notes 1 and 2)	150,000	150,000
HST and travel advances recoverable	2,483	2,948
Prepaid expenses	682	7,882
	<hr/> 539,928	<hr/> 606,505
PROPERTY AND EQUIPMENT		
Office furniture and equipment	14,518	14,518
Accumulated amortization	12,020	8,826
	<hr/> 2,498	<hr/> 5,692
	<hr/> \$542,426	<hr/> \$612,197
LIABILITIES		
Accounts payable and accrued liabilities	4,391	6,080
Funds held in trust	0	20,470
Deferred revenue (note 3)	272,721	294,360
	<hr/> 277,112	<hr/> 320,910
NET ASSETS		
Unrestricted:		
Net operating assets	112,816	135,595
Investment in property and equipment	2,498	5,692
Internally restricted:		
Contingency Reserve - (note 1)	150,000	150,000
	<hr/> 265,314	<hr/> 291,287
	<hr/> \$542,426	<hr/> \$612,197

WORLD ACCORD

INTERNATIONAL DEVELOPMENT AGENCY

STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2018

(with comparative figures for the year ended March 31, 2017)

(the accompanying notes are an integral part of these financial statements)

	<u>2018</u>	<u>2017</u>
REVENUES		
Donations and fundraising - general and designated	435,370	514,763
Grants from charitable organizations	221,000	221,000
Investment income and other income	4,542	11,921
	<u>660,912</u>	<u>747,684</u>
EXPENSES		
Administration (note 4)	86,804	90,677
Fundraising (note 4)	90,159	93,013
Amortization of property and equipment	3,194	3,951
	<u>180,157</u>	<u>187,641</u>
Administrative funding:		
Private core funding donations	(12,251)	(18,474)
Core funding grants from charitable organizations	(18,160)	(40,404)
Government grants and subsidies	0	(615)
Operating total	<u>149,746</u>	<u>128,148</u>
Programming		
Project costs	396,176	409,845
Project development (note 4)	99,360	85,766
Development education (note 4)	41,603	36,816
Programming total	<u>537,139</u>	<u>532,427</u>
Total expenses	<u>686,885</u>	<u>660,575</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>(25,973)</u>	<u>87,109</u>
NET ASSETS - Opening	<u>291,287</u>	<u>204,178</u>
NET ASSETS - Closing	<u>\$265,314</u>	<u>\$291,287</u>

WORLD ACCORD

INTERNATIONAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

(with comparative figures for the year ended March 31, 2017)

(the accompanying notes are an integral part of these financial statements)

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Excess (deficit) of revenues over expenses	(25,973)	87,109
Items not requiring or generating cash:		
Amortization of property and equipment	3,194	3,951
Investment income capitalized	(474)	(11,769)
Change in non-cash current assets and liabilities :		
HST and travel advances recoverable	465	3,639
Prepaid expenses	7,200	(7,382)
Accounts payable and accrued liabilities	(1,689)	(165)
Funds held in trust	(20,470)	0
Deferred revenue (note 3)	(21,639)	(82,033)
	<hr/> (59,386)	<hr/> (6,650)
INVESTING ACTIVITIES		
Purchase of equipment	0	(573)
	<hr/> 0	<hr/> 0
FINANCING ACTIVITIES		
CASH FLOWS FOR THE YEAR	(59,386)	(7,223)
CASH - opening	416,670	423,893
CASH - closing	<hr/> \$357,284	<hr/> 416,670

WORLD ACCORD
INTERNATIONAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

PURPOSE

World Accord's mission is to promote the flourishing well-being of all, where; basic human needs are met; every person has the opportunity to fulfill their potential; diverse people live peacefully in global community; and care of earth and love of neighbour shape lives together. World Accord is incorporated under the laws of Ontario without share capital and a charity registered under the Income Tax Act, and as such is exempt from income tax.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations.

Revenue recognition - The organization uses the deferral method of accounting for contributions. All contributions are only recognized when received or receivable provided collection is reasonably assured and amounts can be reasonably estimated. Restricted contributions are reflected as deferred income until the related expenses are incurred, whereupon they are reflected as revenue. Unrestricted contributions are recognized as revenue when received or receivable.

Project costs - Project costs are reflected as an expense when funds are disbursed to project partners, not when the funds are subsequently spent by partners on actual project costs. Management monitors subsequent expenditures by partners to ensure funds are being spent as designated.

Property and equipment - Property and equipment are reflected at cost and amortized at 30% per annum using the declining balance method.

Contingency Reserve - Represents funds which have been set aside by the Board to accommodate unforeseen future financial obligations. Income from these investments is included in investment income and accumulated in unrestricted net assets, unless designated otherwise by the Board.

Financial instruments - A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another. The organization initially measures its financial assets and liabilities at fair value, except for non-arm's length transactions, if any. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments with quoted fair values in an active market, if any, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized on the statement of operations and changes in net assets. Any previously recognized impairment losses may be reversed and reflected income to the extent of improvement, provided they are no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

WORLD ACCORD
INTERNATIONAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

2. FINANCIAL ASSETS

	<u>Contingency</u> <u>Reserve</u>	<u>Unrestricted</u>	<u>2018</u>	<u>2017</u>
Financial assets reflected at fair value:				
Assante Investments - CI Managed Mutual Funds	135,796	0	135,796	135,750
Financial assets reflected at amortized cost:				
CIBC Wood Gundy savings accounts	14,204	29,479	43,683	43,255
	150,000	29,479	179,479	179,005
Cash and accounts receivable	0	357,762	357,762	417,284
	<u>\$150,000</u>	<u>\$387,241</u>	<u>\$537,241</u>	<u>\$596,289</u>

The organization has no equity instruments measured at cost less a reduction for impairment.

As in the prior year, management believes the organization does face some market risk, in that fluctuations in investment markets can impact the value of investments held by the organization. As in the prior year, management believes the organization does not face any significant credit, currency, interest rate or liquidity risk with respect to any of its financial instruments.

3. DEFERRED REVENUES

As explained in the Accounting Policies note, the organization receives restricted contributions. As these contributions are designated by donors to be spent on specific programs, they are reflected as deferred revenue until such expenditures are incurred, where upon they are moved to the Statement of Operations and Change in Net Assets and reflected as Revenues.

	<u>2018</u>	<u>2017</u>
Opening balance	294,360	376,393
Restricted contributions received	404,948	386,690
Restricted contributions spent	(426,587)	(468,723)
Closing balance	<u>\$272,721</u>	<u>\$294,360</u>

4. ALLOCATION OF EXPENSES TO STATEMENT OF OPERATIONS

Management allocates all expenses, other than direct payments to projects, to the Statement of Operations and Change in Net Assets based on their best estimates of time spent and expenses actually incurred by each function. The allocation of non-project expenses is as follows:

	<u>Administrator</u>	<u>Fundraising</u>	<u>Project</u> <u>Development</u>	<u>Development</u> <u>Education</u>
Salaries and benefits	57,834	49,346	67,449	26,656
Occupancy	4,926	4,221	5,770	2,280
Office and administration	11,462	3,360	8,090	1,123
Advertising and promotion	1,414	8,408	2,381	655
Board expenses	4,364	0	0	0
Professional fees and consulting	3,165	2,119	3,589	544
Fundraising events	0	21,231	2,000	3,595
Travel	3,639	1,474	10,081	6,750
	<u>\$86,804</u>	<u>\$90,159</u>	<u>\$99,360</u>	<u>\$41,603</u>