


**WORLD ACCORD**  
INTERNATIONAL DEVELOPMENT AGENCY  
FINANCIAL STATEMENTS  
MARCH 31, 2019

Approved on behalf of the board of directors:



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## INDEPENDENT AUDITORS' REPORT

To the Directors of World Accord - International Development Agency

### Qualified Opinion

We have audited the financial statements of World Accord - International Development Agency, which comprise the statement of financial position as at March 31, 2019, and the statement of operations and changes in net assets, and the 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, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of World Accord - International Development Agency as at March 31, 2019 and its results of operations, changes in net assets, and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

### 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 World Accord - International Development Agency. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess (deficit) of revenues over expenses, and cash flows for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1, 2018 and March 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended March 31, 2018 was also modified because of the possible effects of the same limitation in scope.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 these financial statements.

As part of an audit in accordance with Canadian 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 organization'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 organization'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 organization 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.

*Cardy Winters & Simon LLP*

June 8, 2018  
Kitchener, ON

**Cardy Winters & Simon LLP**  
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# WORLD ACCORD

## INTERNATIONAL DEVELOPMENT AGENCY

### STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

(with comparative figures as at March 31, 2018)

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

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	371,866	357,284
Investments - unrestricted (note 2)	40,685	29,479
Investments - Contingency Reserve (notes 1 and 2)	150,000	150,000
HST and travel advances recoverable	2,798	2,483
Prepaid expenses	3,351	682
	<hr/> 568,700	<hr/> 539,928
<b>PROPERTY AND EQUIPMENT</b>		
Office furniture and equipment	8,544	14,518
Accumulated amortization	5,808	12,020
	<hr/> 2,736	<hr/> 2,498
	<hr/> <hr/> \$571,436	<hr/> <hr/> \$542,426
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	6,835	4,391
Deferred revenue (note 3)	256,571	272,721
	<hr/> 263,406	<hr/> 277,112
<b>NET ASSETS</b>		
Unrestricted:		
Net operating assets	155,294	112,816
Investment in property and equipment	2,736	2,498
Internally restricted:		
Contingency Reserve - (note 1)	150,000	150,000
	<hr/> 308,030	<hr/> 265,314
	<hr/> <hr/> \$571,436	<hr/> <hr/> \$542,426

# WORLD ACCORD

## INTERNATIONAL DEVELOPMENT AGENCY

### STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS

#### FOR THE YEAR ENDED MARCH 31, 2019

(with comparative figures for the year ended March 31, 2018)

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

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Donations and fundraising - general and designated	461,759	435,370
Grants from charitable organizations	139,920	221,000
Investment income and other income	13,079	4,542
	<hr/> 614,758	<hr/> 660,912
<b>EXPENSES</b>		
Administration (note 4)	89,140	86,804
Fundraising (note 4)	83,163	90,159
Amortization of property and equipment	923	3,194
	<hr/> 173,226	<hr/> 180,157
Administrative funding:		
Private core funding donations	(14,451)	(12,251)
Core funding grants from charitable organizations	(20,000)	(18,160)
Operating total	<hr/> 138,775	<hr/> 149,746
Programming		
Project costs	316,197	396,176
Project development (note 4)	81,757	99,360
Development education (note 4)	35,313	41,603
Programming total	<hr/> 433,267	<hr/> 537,139
Total expenses	<hr/> 572,042	<hr/> 686,885
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</b>	42,716	(25,973)
<b>NET ASSETS - Opening</b>	265,314	291,287
<b>NET ASSETS - Closing</b>	<hr/> <b>\$308,030</b>	<hr/> <b>\$265,314</b>

# WORLD ACCORD

## INTERNATIONAL DEVELOPMENT AGENCY

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

(with comparative figures for the year ended March 31, 2018)

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

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficit) of revenues over expenses	42,716	(25,973)
Items not requiring or generating cash:		
Amortization of property and equipment	923	3,194
Investment income capitalized	(11,206)	(474)
Change in non-cash current assets and liabilities :		
HST and travel advances recoverable	(315)	465
Prepaid expenses	(2,669)	7,200
Accounts payable and accrued liabilities	2,444	(1,689)
Funds held in trust	0	(20,470)
Deferred revenue (note 3)	(16,150)	(21,639)
	15,743	(59,386)
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(1,161)	0
<b>FINANCING ACTIVITIES</b>	0	0
<b>CASH FLOWS FOR THE YEAR</b>	14,582	(59,386)
<b>CASH - opening</b>	357,284	416,670
<b>CASH - closing</b>	\$371,866	357,284

**WORLD ACCORD**  
**INTERNATIONAL DEVELOPMENT AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

**PURPOSE**

World Accord's mission is to cultivate communities that thrive. 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, 2019**

**2. FINANCIAL ASSETS**

	<u>Contingency</u>	<u>Unrestricted</u>	<u>2019</u>	<u>2018</u>
	<u>Reserve</u>			
Financial assets reflected at fair value:				
Assante Investments - CI Managed Mutual Funds	138,495	0	138,495	135,796
Financial assets reflected at amortized cost:				
CIBC Wood Gundy savings accounts	11,505	40,685	52,190	43,683
	150,000	40,685	190,685	179,479
Cash and accounts receivable	0	372,182	372,182	357,762
	\$150,000	\$412,867	\$562,867	\$537,241

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>2019</u>	<u>2018</u>
Opening balance	272,721	294,360
Restricted contributions received	334,498	404,948
Restricted contributions spent	(350,648)	(426,587)
Closing balance	\$256,571	\$272,721

**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>Administration</u>	<u>Fundraising</u>	<u>Project</u>	<u>Development</u>
			<u>Development</u>	<u>Education</u>
Salaries and benefits	59,347	49,022	67,006	27,079
Occupancy	3,987	3,417	4,670	1,846
Office and administration	13,499	2,509	4,821	1,354
Advertising and promotion	3,886	10,545	0	0
Board expenses	2,341	0	0	0
Professional fees and consulting	2,251	945	3,461	510
Fundraising events	0	16,419	0	3,338
Travel	3,629	306	1,799	1,186
	\$89,140	\$83,163	\$81,757	\$35,313