

WORLD ACCORD - INTERNATIONAL DEVELOPMENT AGENCY

AUDITED FINANCIAL STATEMENTS
MARCH 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members,
World Accord - International Development Agency:

Qualified opinion

We have audited the financial statements of World Accord - International Development Agency ("the Entity"), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations and 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 for qualified opinion section of our report, 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 qualified opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net revenue for the year, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 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 qualified audit opinion.

Other matter

The financial statements for the year ended March 31, 2022, were audited by another auditor

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:

- 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.

OHCD LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

November 25, 2023

WORLD ACCORD - INTERNATIONAL DEVELOPMENT AGENCY

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Total 2023	Total 2022
CURRENT ASSETS		
Cash	\$ 538,500	\$ 697,514
Accounts receivable	11,998	-
Investments unrestricted (note 2)	60,595	64,650
Investments unrestricted (notes 1 and 2)	150,000	150,000
HST and travel advances recoverable	4,092	3,720
Prepaid project expenses - RENEW (note 1, 5)	77,955	61,218
	<u>843,140</u>	<u>977,102</u>
CAPITAL ASSETS (note 3)	<u>2,107</u>	<u>2,182</u>
	<u>\$ 845,247</u>	<u>\$ 979,284</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 21,744	\$ 9,869
Deferred revenue (note 2, 5)	230,404	253,237
	<u>252,148</u>	<u>263,106</u>
NET ASSETS		
Contingency Reserve	150,000	150,000
Unrestricted net assets	443,099	566,178
	<u>593,099</u>	<u>716,178</u>
	<u>\$ 845,247</u>	<u>\$ 979,284</u>

Approved on behalf of the Board:



Chairman



Director

WORLD ACCORD - INTERNATIONAL DEVELOPMENT AGENCY

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	2023		2022	
INTERNALLY RESTRICTED NET ASSETS FOR CONTINGENCY				
Balance beginning and end of year	\$	150,000	\$	150,000
UNRESTRICTED NET ASSETS				
Balance beginning of year	\$	566,178	\$	504,397
Net revenue (expense) for the year		(123,079)		61,781
Balance end of year	\$	443,099	\$	566,178

WORLD ACCORD - INTERNATIONAL DEVELOPMENT AGENCY

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUE		
Donations and fundraising - general and designated	276,794	404,891
Grants from charitable organizations (note 5)	94,501	57,663
Government Grants (note 5)	224,257	191,357
Other grants	25,021	-
Investment and other income	9,713	3,359
	<u>630,286</u>	<u>657,270</u>
EXPENSE		
Administration (note 4)	114,681	92,646
Fundraising (note 4)	63,687	48,274
Amortization of property and equipment	656	641
	<u>179,024</u>	<u>141,561</u>
Administrative funding		
Core funding	(11,500)	(46,036)
Wage Subsidy	(9,372)	(2,352)
	<u>158,152</u>	<u>93,173</u>
Programming		
Project costs (note 5)	434,165	373,950
Project development (note 4)	127,107	102,619
Development education (note 4)	33,941	25,747
	<u>595,213</u>	<u>502,316</u>
Total expenses	753,365	595,489
NET REVENUE (EXPENSE) FOR THE YEAR	\$ (123,079) \$	61,781

WORLD ACCORD - INTERNATIONAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ (123,079)	\$ 61,781
Items not affecting cash		
Amortization of capital assets	756	641
Investments purchased and investment income capitalized	4,055	34,122
Change in non-cash working capital items:		
Accounts receivable	(11,998)	-
HST and travel advances recoverable	(372)	(2,192)
Prepaid project expenses - RENEW (note 1)	(16,737)	2,360
Accounts payable and accrued liabilities	11,875	381
Deferred revenue	(22,833)	(13,448)
	<u>(158,333)</u>	<u>83,645</u>
INVESTING ACTIVITIES		
Purchase of equipment	(681)	(1,371)
CHANGE IN CASH	(159,014)	82,274
CASH - BEGINNING OF THE YEAR	697,514	615,240
CASH - END OF YEAR	\$ 538,500	\$ 697,514

WORLD ACCORD - INTERNATIONAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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

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) 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.

(b) Project costs

Project costs are reflected as an expense when funds are disbursed to project partners, not when subsequently spent by partners on actual project costs, except when the funder, such as a government agency, requires deferral of expense recognition until documentation has been received from partners reflecting that the funds forwarded have been spent as required (as is the case with a project in Nepal known as RENEW). Management monitors subsequent expenditures by partners to ensure all funds forwarded are being spent as designated.

(c) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

(d) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities at amortized cost, except for investments which are measured at fair value. Financial instruments consist of cash, investments, and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

(e) 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.

WORLD ACCORD - INTERNATIONAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

2. INVESTMENTS

Investments consist of \$139,800 held in a managed portfolio (2022 - \$143,854) and \$70,795 in a high interest savings account (2022 - \$70,796)

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net book value	2022 Net book value
Office furniture and equipment	\$ 6,198	\$ 4,091	\$ 2,107	\$ 2,182

3. DEFERRED REVENUE

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

	2023	2022
Opening balance	\$ 253,237	\$ 266,695
Restricted contributions received	62,943	406,538
Restricted contributions spent - Project and Administration	(85,776)	(419,986)
Closing balance	\$ 230,404	\$ 253,247

4. ALLOCATION OF EXPENSES

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:

	Administration	Fundraising	Project Development	Development Education	Total
Salaries and benefits	\$ 73,134	47,719	29,426	99,266	\$ 249,546
Printing & Copying	1,486	6,500	-	-	7,986
Courier & Postage	2,378	2,000	-	-	4,378
Occupancy costs	2,845	2,245	1,494	5,030	11,614
Office and administration Program	5,753	4,539	3,021	10,171	23,484
Professional fees and consulting	-	684	-	-	684
Board expenses	4,380	-	-	12,640	17,020
Travel	11,661	-	-	-	11,661
Advertising and promotion	11,179	-	-	-	11,179
	1,865	-	-	-	1,865
Total	\$ 114,681	63,687	33,941	127,107	339,417

5. ADJUSTMENT OF REVENUE AND EXPENSES CLAIMED

During this fiscal year, it was determined that there was adjustments to revenue and expenses claimed in prior periods related to RENEW project. This has been corrected in the current period. The net effect was a decrease of revenue of \$17,520 (government grants \$13,140, grants from charitable organizations \$3,480), decrease of project costs of \$17,520, decreased of prepaid project expenses RENEW of \$43,814, and an increase in deferred revenue of \$43,814.