

**ADRA Canada**  
Financial Statements  
For the Year Ended March 31, 2017





*Smith  
Chappell  
Marsh  
Vilander* *LLP Chartered Accountants*

*H. Howard Smith, FCPA (Retired)  
Richard A. Chappell, CPA, CA  
Deborah L. Marsh, CPA, CA  
Vesa K. Vilander, CPA, CA*

---

## INDEPENDENT AUDITORS' REPORT

---

To the Directors of  
**ADRA Canada**

We have audited the accompanying financial statements of ADRA Canada which comprise the statement of financial position as at March 31, 2017 and the statements of operations and changes in net assets and 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 statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal controls as management determines 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.



*Auditors' Responsibility (continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk 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 ready 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 audit opinion.

*Basis for Qualified Opinion*

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donations, excess (deficiency) of revenue over expenses, current assets and net assets.

*Qualified Opinion*

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2017, 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.

*Smith Chuggall Mark Velankar LLP*

August 22, 2017  
Oshawa, Ontario

Chartered Accountants,  
Licensed Public Accountants



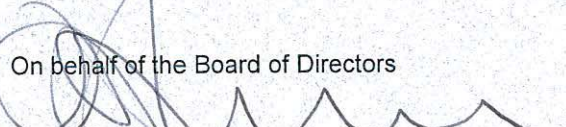
STATEMENT OF FINANCIAL POSITION

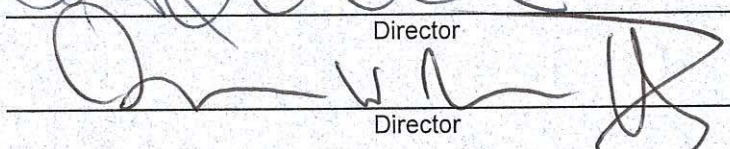
As at March 31

	2017	2016
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 7,737,365	\$ 9,387,941
Short-term investments [note 3]	1,757,152	1,144,757
Accounts receivable [note 4]	884,426	104,638
Prepaid program expenses	1,841,912	1,590,921
Prepaid expenses	46,791	32,936
<b>Total current assets</b>	<b>12,267,646</b>	<b>12,261,193</b>
Investments [note 3]	823,251	1,251,033
Capital assets, net [note 5]	1,576,570	1,610,370
	<b>\$14,667,467</b>	<b>\$15,122,596</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities [note 6]	\$ 214,581	\$ 254,140
Deferred income	471,331	547,413
Deferred contributions [note 7]	5,953,557	7,164,302
<b>Total liabilities</b>	<b>6,639,469</b>	<b>7,965,855</b>
Contingencies [note 12]		
<b>Net assets</b>		
Unrestricted	5,201,428	4,296,371
Internally restricted	1,250,000	1,250,000
Invested in capital assets	1,576,570	1,610,370
<b>Total net assets</b>	<b>8,027,998</b>	<b>7,156,741</b>
	<b>\$14,667,467</b>	<b>\$15,122,596</b>

See accompanying notes

On behalf of the Board of Directors

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director



## STATEMENT OF OPERATIONS

Year ended March 31

	2017	2016
<b>Unrestricted revenue</b>		
Private donations	\$ 2,159,742	\$ 1,815,538
Administrative funding	1,252,661	1,055,927
Investment income	228,466	77,198
Other income	25,178	19,931
<b>Total unrestricted revenue</b>	<b>3,666,047</b>	<b>2,968,594</b>
<b>Restricted revenue used</b>		
Donations from other organizations	3,567,626	4,552,639
DFATC/GAC contributions <i>[note 2]</i>	7,423,933	6,232,219
Provincial government contributions	854,508	-
Private donations	867,263	1,231,995
<b>Total restricted revenue <i>[note 7]</i></b>	<b>12,713,330</b>	<b>12,016,853</b>
<b>Total revenue</b>	<b>16,379,377</b>	<b>14,985,447</b>
<b>Program activities</b>		
<b>Development program</b>		
DFATD/GAC - development projects	5,866,701	928,273
Development projects	2,487,013	2,813,698
Development program management	840,091	441,315
Development program monitoring and evaluation	107,343	44,916
Volunteer projects	50,567	136,711
Training and capacity building	5,000	-
<b>Total development programs</b>	<b>9,356,715</b>	<b>4,364,913</b>
<b>Humanitarian and emergency assistance</b>		
Emergency management projects	1,499,705	2,704,499
DFATD/GAC - international humanitarian assistance	2,087,762	5,257,970
Emergency program management	351,274	272,416
Emergency program monitoring and evaluation	22,251	62,890
<b>Total humanitarian and emergency assistance</b>	<b>3,960,992</b>	<b>8,297,775</b>
<b>Canadian programs</b>		
Canadian projects	474,651	150,000
Canadian program management	447,668	134,093
Canadian monitoring and evaluation	57,095	-
Canadian development education	31,779	56,423
<b>Total program expenses</b>	<b>1,011,193</b>	<b>340,516</b>
<b>Support services</b>		
Management and administration	596,883	550,444
Public fundraising and donor relations	582,337	611,821
Investment loss	-	160,287
	1,179,220	1,322,552
<b>Total program and support service expenses</b>	<b>15,508,120</b>	<b>14,325,756</b>
<b>Excess of revenue over expenses</b>	<b>\$ 871,257</b>	<b>\$ 659,691</b>

See accompanying notes



## STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2017	2016
<b>Unrestricted net assets, beginning of year</b>	<b>\$ 4,296,371</b>	<b>\$ 3,613,006</b>
Excess (deficiency) of revenue over expenses	931,976	717,103
Capital assets acquired	(26,919)	(33,738)
<b>Unrestricted net assets, end of year</b>	<b>5,201,428</b>	<b>4,296,371</b>
<b>Internally restricted net assets</b>	<b>1,250,000</b>	<b>1,250,000</b>
<b>Invested in capital assets, beginning of year</b>	<b>1,610,370</b>	<b>1,634,044</b>
Excess (deficiency) of revenue over expenses	(60,719)	(57,412)
Capital assets acquired	26,919	33,738
<b>Invested in capital assets, end of year</b>	<b>1,576,570</b>	<b>1,610,370</b>
<b>Total net assets, end of year</b>	<b>\$ 8,027,998</b>	<b>\$ 7,156,741</b>

*See accompanying notes*



## STATEMENT OF CASH FLOWS

Year ended March 31

	2017	2016
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$ 871,257	\$ 659,691
Add (deduct) items not involving cash:		
Amortization of capital assets	60,719	57,412
Unrealized appreciation in market value	(92,754)	(152,271)
Decrease (increase) in accounts receivable	(779,788)	25,493
Decrease (increase) in prepaid program expenses	(250,991)	(965,735)
Decrease (increase) in prepaid expenses	(13,855)	(16,086)
Increase (decrease) in accounts payable and accrued liabilities	(39,559)	34,484
Increase (decrease) in deferred income	(76,082)	505,916
Increase (decrease) in deferred contributions	(1,210,745)	5,154,662
Gain (loss) on maturity of investments	(365)	1,405
<b>Cash provided by (used in) operating activities</b>	<b>(1,532,163)</b>	<b>5,304,971</b>
<b>Investing activities</b>		
Proceeds from maturity of investments	768,377	1,352,188
Purchase of investments	(859,871)	(994,509)
Purchase of capital assets	(26,919)	(33,738)
<b>Cash provided by (used in) investing activities</b>	<b>(118,413)</b>	<b>323,941</b>
<b>Net increase (decrease) in cash during the year</b>	<b>(1,650,576)</b>	<b>5,628,912</b>
Cash, beginning of year	9,387,941	3,759,029
<b>Cash, end of year</b>	<b>\$ 7,737,365</b>	<b>\$ 9,387,941</b>

See accompanying notes



## NOTES TO FINANCIAL STATEMENTS

---

March 31, 2017

### 1. PURPOSE OF THE ORGANIZATION

ADRA Canada is an independent humanitarian agency working around the globe and within Canada to help people overcome poverty, disease, and illiteracy, as well as the suffering that results from crisis situations and natural disasters. With the specific purpose of relief and development, ADRA Canada extends emergency aid and promotes self-reliance around the world and within Canada. ADRA Canada was established in 1985 and is incorporated without share capital under Part II of the Canada Corporations Act. ADRA Canada is a registered charity which is exempt from income taxes under the Income Tax Act (Canada).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of ADRA Canada. The significant policies have been described below to enhance the usefulness of the financial statements to the reader. The financial statements of ADRA Canada have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations Part III of the CPA Canada Standards and Guidance Collection which is generally accepted by the Seventh-day Adventist denomination.

#### Revenue recognition

ADRA Canada follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes interest income, dividend income, and realized and unrealized investment gains and losses. Investment income is recognized as revenue when earned.

#### Government of Canada and other contributions

ADRA Canada enters into contracts with the Government of Canada, namely, the Department of Foreign Affairs, Trade and Development Canada/Global Affairs Canada (DFATD/GAC), and other donors for the funding of projects in various countries. These funds are to be kept in a separate interest-bearing bank account. When expenses are incurred, revenue is recorded in the statement of operations. Any indirect cost recovery, management fee or procurement fee that is applicable to ADRA Canada is recorded as revenue in the statement of operations in accordance with the terms of the individual contracts.

Contributions received in excess of donors' share of funds expended in the current year for project activities represent unspent externally restricted contributions for expenditures in future years, and are shown on the statement of financial position as deferred contributions. Funds advanced to fund projects but not yet spent are shown on the statement of financial position as prepaid program expenses.

#### Investments

Investments are initially recorded at their acquisition cost, including related transaction costs, on the date of trade. Investments in publicly-traded securities, debt instruments, and mutual funds are subsequently adjusted to fair value at year-end, and the corresponding unrealized gain or loss is reflected in the statement of operations.



## NOTES TO FINANCIAL STATEMENTS

---

March 31, 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Capital assets

Capital assets are recorded at cost when purchased or at fair market value at date of gift. Capital assets that cost less than \$1,000 are not capitalized, but are charged to expense. Amortization is provided annually on a straight-line basis at rates calculated to write-off the assets over their estimated lives as follows. The building has a residual value of \$400,000.

Computer equipment	3 - 6 years
Furniture and equipment	5 - 15 years
Building	50 years

#### Contributed services

Volunteers contribute a significant number of hours each year to assist ADRA Canada in fundraising campaigns and implementing programs provided by ADRA Canada. Because of the difficulty of measurement, contributed services are not reflected in the financial statements.

#### Employee future benefits

Defined contribution plan accounting is applied to a multi-employer, defined benefit, final average earnings non-contributory pension plan. Accordingly, contributions are expensed as due.

#### Financial instruments

Financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. As at March 31, 2017, the fair market value of these financial instruments approximated their carrying value. ADRA Canada is subject to credit risk with respect to its accounts receivable and interest rate. Cash has a concentration risk due to the amounts exceeding the maximum covered by the Canadian Deposit Insurance Corporation.

ADRA Canada is subject to the following significant risks arising from financial instruments with respect to its investments:

ADRA Canada operates internationally, giving rise to significant exposure to market risks from changes in foreign exchange rates.

ADRA Canada held financial instruments in foreign currencies. Financial instruments included assets in U.S. dollars of **\$706,464** [2016 - \$289,064].

#### Foreign currency translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the statement of financial position. Non-monetary items are translated into Canadian dollars at the exchange rate in effect on the date of the transaction.

Revenues and expenses denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect on the date of the transactions. Any foreign exchange gain or loss is included in the determination of excess (deficiency) of revenue over expenses for the year.



## NOTES TO FINANCIAL STATEMENTS

March 31, 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of estimates and assumptions

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures made to the financial statements and accompanying notes. These estimates and assumptions are based on management's historic experiences, best knowledge of current events, and conditions and activities that may be undertaken in the future. Actual results could differ from those estimates.

### 3. INVESTMENTS

	2017	2016
Publicly traded securities	\$ 1,695,339	\$ 1,087,814
Fixed income	823,251	1,251,033
Mutual funds	61,813	56,943
	<u>2,580,403</u>	<u>2,395,790</u>
Less short-term portion	<u>(1,757,152)</u>	<u>(1,144,757)</u>
	<u>\$ 823,251</u>	<u>\$ 1,251,033</u>

Fixed income bonds have varying maturity dates from 3 to 21 years and bear interest between 1.7% and 6.4%.

### 4. ACCOUNTS RECEIVABLE

	2017	2016
Government of Alberta	\$ 605,137	\$ -
Christian Children's Fund of Canada	139,896	-
Government sales tax rebate	29,782	43,973
Accrued interest	13,803	13,257
Seventh-day Adventist Church in Canada	10,438	-
Other	85,370	47,408
	<u>\$ 884,426</u>	<u>\$ 104,638</u>



## NOTES TO FINANCIAL STATEMENTS

March 31, 2017

## 5. CAPITAL ASSETS

	2017		2016	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 194,520	\$ -	\$ 194,520	\$ 194,520
Building	1,317,694	63,236	1,254,458	1,272,715
Furniture and equipment	174,826	93,275	81,551	87,256
Computer equipment	175,151	129,110	46,041	55,879
	\$ 1,862,191	\$ 285,621	\$ 1,576,570	\$ 1,610,370

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade payables	\$ 126,035	\$ 177,730
Accrued vacation	58,504	48,815
Wages payable	30,042	27,595
	\$ 214,581	\$ 254,140

## 7. DEFERRED CONTRIBUTIONS

	Deferred balance 2016	Total received	Total expended	Transfers	Deferred balance 2017
Private donations	\$ 1,047,151	\$ 777,282	\$ (826,760)	\$ 179,010	\$ 1,176,683
Partner contributions	722,448	3,808,560	(3,567,953)	(179,010)	784,045
Volunteer programs	22,607	54,532	(40,176)	-	36,963
Annuitant contributions	5,000	-	-	-	5,000
Provincial government contributions	-	854,508	(854,508)	-	-
DFATD/GAC program advances	5,367,096	6,007,703	(7,423,933)	-	3,950,866
	\$ 7,164,302	\$ 11,502,585	\$ (12,713,330)	\$ -	\$ 5,953,557



## NOTES TO FINANCIAL STATEMENTS

March 31, 2017

## 8. DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT CANADA/GLOBAL AFFAIRS CANADA (DFATD/GAC) CONTRACTS

## Restoring, Empowering, and Protecting Livelihood (REAP) post Typhoon Haiyan consortium contract

DFATD/GAC approved the grant for the REAP project in the Philippines. This consortium project includes ADRA Canada (lead), ADRA Philippines (implementing), World Renew Canada (co-donor), and World Renew Philippines (implementing). This agreement runs from August 24, 2015 through March 31, 2019.

DFATD/GAC's commitment	\$ 4,215,986
ADRA Canada's commitment	869,358
World Renew's commitment	596,434
Total value of contracts	5,681,778
Total expense for 2015/16	(556,883)
Total expense for 2016/17 <i>[see below]</i>	(1,642,401)
<b>Balance to be expensed</b>	<b>\$ 3,482,494</b>

The following is a summary of the expenditures for the REAP project in the Philippines:

	REAP Project GAC	REAP Project ADRA	REAP Project World Renew	Total expenditure
Programs	\$ 1,110,757	\$ 113,512	\$ 163,024	\$ 1,387,293
Salaries and benefits	-	102,371	8,640	111,011
Overhead	134,034	-	-	134,034
Monitoring and evaluation	6,196	1,549	2,318	10,063
Consultants	-	-	-	-
	<b>\$ 1,250,987</b>	<b>\$ 217,432</b>	<b>\$ 173,982</b>	<b>\$ 1,642,401</b>

## Enhance Mother/newborn/child Health in Remote Areas through Health Care and Community Engagement (EMBRACE) consortium contract

DFATD/GAC approved the grant for the EMBRACE project to be implemented in Cambodia, Myanmar, the Philippines and Rwanda. The consortium project includes ADRA Canada, implementing partners namely ADRA Cambodia, ADRA Myanmar, ADRA Philippines, and ADRA Rwanda as well as Canadian based consortium partners - Hincks Dellcrest Institute, Laurentian University of Sudbury, and Youth Challenge International. This agreement runs from February 8, 2016 to September 30, 2020. Project activities will terminate on March 31, 2020.

DFATD/GAC's commitment	\$20,805,689
ADRA Canada's commitment	5,202,523
Total value of contracts	26,008,212
Total expense for 2015/16	(282,059)
Total expense for 2016/17 <i>[see below]</i>	(5,005,014)
<b>Balance to be expensed</b>	<b>\$20,721,139</b>



## NOTES TO FINANCIAL STATEMENTS

March 31, 2017

## 8. DFATD/GAC CONTRACTS (continued)

The following is a summary of the expenditures for the EMBRACE project:

	EMBRACE Project DFATD	EMBRACE Project ADRA	Total expenditure
Programs	\$ 3,135,941	\$ 639,980	\$ 3,775,921
Salaries and benefits	295,221	199,574	494,795
Consultants	172,351	42,258	214,609
Monitoring and evaluation	61,265	18,445	79,710
Overhead	439,979	-	439,979
	\$ 4,104,757	\$ 900,257	\$ 5,005,014

## Promoting Maternal, Newborn, Infant and Child Sustainable Health Efforts (PROMISE) consortium project

DFATD/GAC approved the grant for the PROMISE project in the Ghana, Rwanda and Malawi. This consortium project includes CCFC (lead), ADRA Canada (implementing), and Emmanuel International Canada (implementing). This agreement runs from April 1, 2016 - September 30, 2020. GAC's commitment is 85% of the \$2,571,096 while ADRA Canada is responsible for 15%.

DFATD/GAC's commitment	\$ 2,184,380
ADRA Canada's commitment	386,716
Total value of contracts	2,571,096
Total expense for 2016/17 [see below]	(604,558)
<b>Balance to be expensed</b>	<b>\$ 1,966,538</b>

The following is a summary of the expenditures for the PROMISE project:

	PROMISE Project GAC	PROMISE Project ADRA	Total expenditure
Programs	\$ 291,424	\$ 51,428	\$ 342,852
Salaries and benefits	114,464	20,200	134,664
Consultants	42,144	7,437	49,581
Monitoring and evaluation	29,324	5,175	34,499
Overhead	42,962	-	42,962
	\$ 520,319	\$ 84,239	\$ 604,558

## Emergency Response for Internally Displaced Persons (ERI), Ukraine

DFATD/GAC approved the grant for Early Recovery for Internally Displaced Persons (IDPs) in Ukraine. This agreement ran from October 21, 2014 through March 31, 2016.

ADRA Canada's commitment	\$ 19,792
DFATD/GAC's commitment	\$ 1,650,000



---

**NOTES TO FINANCIAL STATEMENTS**


---

March 31, 2017

**8. DFATD/GAC CONTRACTS (continued)****Iraq Crisis - Winterization Assistance ERI, Iraq**

DFATD/GAC approved the grant for essential relief items for IDPs in Iraq. This agreement ran from January 14, 2015 through December 31, 2015.

ADRA Canada's commitment	\$ 18,534
Interest earned	\$ 2,102
DFATD/GAC's commitment	<u>\$ 1,100,000</u>

**Support for Conflict Affected IDPs (SCAIDP) Kachin State, Myanmar**

DFATD/GAC approved the grant for assistance to conflict affected population in Kachin State. This agreement ran from March 25, 2015 through March 31, 2016.

ADRA Canada's commitment	\$ 21,684
Interest earned	\$ 4,491
DFATD/GAC's commitment	<u>\$ 1,000,000</u>

**Shelter and Non-food Items Assistance Project (SNAP), Iraq**

DFATD/GAC approved the grant for shelter and non-food items assistance for IDPs in Iraq. This agreement ran from March 25, 2015 through March 31, 2016.

ADRA Canada's commitment	\$ 3,259
Interest earned	\$ 6,685
DFATD/GAC's commitment	<u>\$ 1,400,000</u>

**Health Care to Earthquake Affected People in Nepal 2015 (HCN), Nepal**

DFATD/GAC approved the grant for health care to earthquake affected in Nepal. This agreement ran from July 13, 2015 through December 31, 2015.

ADRA Canada's commitment	\$ 114,787
Interest earned	\$ 4,289
DFATD/GAC's commitment	<u>\$ 1,400,000</u>

**Myanmar Flood Assistance Project (MFAP), Myanmar**

DFATD/GAC approved the grant for Myanmar flood assistance project. This agreement ran from August 27, 2015 through February 28, 2016.

ADRA Canada's commitment	\$ 23,146
Interest earned	\$ 1,607
DFATD/GAC's commitment	<u>\$ 840,000</u>



NOTES TO FINANCIAL STATEMENTS

March 31, 2017

8. DFATD/GAC CONTRACTS (continued)

Assistance to Conflict Affected Population (ACAP), Ukraine

DFATD/GAC approved the grant for assistance to conflict affected population in Ukraine. This agreement runs from March 15, 2016 through March 31, 2017.

ADRA Canada's commitment	\$ -
DFATD/GAC's commitment	\$ 1,000,000

Support to Conflict Affected IDPs in Kachin and Northern Shan States II (SCAIDP II), Myanmar

DFATD/GAC approved the grant for assistance to conflict affected population in Myanmar. This agreement runs from March 17, 2016 through March 31, 2017.

ADRA Canada's commitment	\$ 11,442
DFATD/GAC's commitment	\$ 1,200,000

9. CANADIAN FOODGRAINS BANK (CFGB) CONTRACTS

ADRA Canada has entered into agreements with Canadian Foodgrains Bank (CFGB) covering periods from 6 months to 5 years, to administer and manage projects in various parts of the world. The agreements require variable contribution on a case by case basis.

The Mongolia MEAL contract runs from October 1, 2012 to September 30, 2017. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2016	\$ 255,092	\$ 63,773

The Cambodia contract runs from November 1, 2012 to October 31, 2016. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 267,656	\$ 53,531



## NOTES TO FINANCIAL STATEMENTS

March 31, 2017

## 9. CANADIAN FOODGRAINS BANK (CFGB) CONTRACTS (continued)

The Laos ONWARD contract runs from December 1, 2013 to May 31, 2017. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 236,657	\$ 53,248

The Cambodia FSFA contract runs from June 1, 2013 to October 31, 2016. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2016	\$ 166,418	\$ 1,605

The Kenya contract runs from September 1, 2014 to February 28, 2017. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2016	\$ 383,104	\$ 82,375
Food security for 2015	\$ 380,567	\$ 95,142
Food assistance for 2016	\$ 112,756	\$ 28,189

The Rwanda contract runs from July 1, 2014 to June 30, 2017. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 249,733	\$ 49,947

The Cambodia contract runs from March 1, 2015 to April 30, 2019. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 723,520	\$ 94,704
Nutrition for 2015	\$ 246,760	\$ 49,352



## NOTES TO FINANCIAL STATEMENTS

March 31, 2017

## 9. CFGB CONTRACTS (continued)

The Mongolia contract runs from January 1, 2015 to March 31, 2018. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2016	\$ 437,961	\$ 109,490

The Philippines contract runs from July 1, 2015 to September 30, 2018. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 395,920	\$ 79,184

The South Sudan contract runs from January 25, 2016 to January 24, 2017. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 467,170	\$ -

The Laos ENHUP contract runs from Dec 1, 2016 to Feb 29, 2020. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 299,957	\$ 149,979

The Somalia FAIDALS contract runs from Mar 15, 2017 to Aug 14, 2017. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2016	\$ 500,000	\$ -

The Nepal FOSTER contract runs from Apr 1, 2017 to Mar 31, 2020. The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2016	\$ 200,518	\$ 100,259



## NOTES TO FINANCIAL STATEMENTS

March 31, 2017

### 10. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

ADRA Canada is a participating employer in the following non-contributory, defined benefit pension plans:

1) Seventh-day Adventist Church Retirement Plan for Canadian Employees (Registered Plan) is registered with the Financial Services Commission of Ontario and with the Canada Revenue Agency. The Registered Plan covers substantially all employees who have completed two years of service and provides a defined benefit pension based on a benefit rate factor, pension factor, and credited service. Under the terms of the Registered Plan, each participating employer's required contribution consists of two parts; a pro-rated "amortization" portion of the unfunded past service cost and a "normal cost" amount for current service cost of active employees.

2) Supplemental Plan for Canadian Retired Employees (Supplemental Plan) provides benefits for healthcare, pension, retirement allowance and funeral allowance for all employees who meet the specified requirements. The Supplemental Plan is not a registered plan. The Supplemental Plan is unfunded; it receives contributions from participating employers in amounts sufficient only to cover the benefits actually paid each year.

The Registered Plan and Supplemental Plan are considered multi-employer plans for accounting purposes only. It is not reasonably possible to determine the actuarial present value of the accumulated benefit obligation or the plans' net assets for employees of ADRA Canada apart from other plan participants. As a result, ADRA Canada is required to account for its participation as if the plans were defined contribution plans. Required contributions during the year are included in program and support services expense in the statement of operations.

However, based on the latest actuarial information of the Registered Plan as a whole, as at December 31, 2016, the actuarially computed value of accumulated benefits was estimated to be \$163,443,000, and the market value of net assets was estimated to be \$131,324,000 for the Registered Plan as a whole, resulting in a funding deficit of \$32,119,000. As a participating employer, ADRA Canada is required to make contributions to the Plan in amounts which are subject to change as determined by the Plan's governing board.

The required contributions and expense recorded by ADRA Canada are as follows:

	2017	2016
Registered plan - amortization payment	\$ 21,718	\$ 13,248
Registered plan - normal cost	28,225	23,461
Supplemental plan - pension benefits	15,483	14,184
Supplemental plan - other post-retirement benefits	18,052	16,824
	<b>\$ 83,478</b>	<b>\$ 67,717</b>

### 11. RELATED PARTY TRANSACTIONS

ADRA Canada is affiliated with the Seventh-day Adventist Church in Canada by reason of shared board membership.

During the year, ADRA Canada received \$959,770 in donations [2016 - \$851,773] from the Seventh-day Adventist Church in Canada and various Conferences across Canada.

An amount receivable of \$10,438 [2016 - \$0] from the Seventh-day Adventist Church in Canada is included in accounts receivable at year-end.

An amount payable of \$0 [2016 - \$0] to the Seventh-day Adventist Church in Canada is included in accounts payable and accrued liabilities at year-end.



## NOTES TO FINANCIAL STATEMENTS

---

March 31, 2017

### 12. CONTINGENCIES

As stated in Note 2, GAC and other donor contributions are subject to conditions regarding the expenditure of the funds. ADRA Canada's accounting records, as well as those of the institutions subcontracted to execute the projects, are subject to audit by GAC and other funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the terms and conditions, and which, therefore, would be refundable to the funding agency. Should any amounts become repayable as a result of these audits, such amount, if any, would be recorded in the period in which the liability becomes known. ADRA Canada is not aware of any non-compliance with the terms of donations received from GAC or other donors.

### 13. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2017 financial statements.