

ADRA Canada
Financial Statements
For the Year Ended March 31, 2021



*Smith
Chappell
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INDEPENDENT AUDITOR'S REPORT

To the Directors of
ADRA Canada

Qualified Opinion

We have audited the financial statements of ADRA Canada (the Organization) which comprise the statement of financial position as at March 31, 2021 and March 31, 2020, and the statements of operations and changes in net assets and cash flows for the years then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the effect 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 Organization as at March 31, 2021 and March 31, 2020, and the results of its operations and 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 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.

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 Organization 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal controls 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 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.

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 judgement 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Smith Chuggall Mark Velanku LLP

September 14, 2021
Oshawa, Ontario

Chartered Professional Accountants,
Licensed Public Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

	2021	2020
ASSETS		
Current		
Cash	\$ 5,288,566	\$ 6,434,093
Short-term investments <i>[note 3]</i>	1,647,200	410,517
Accounts receivable <i>[note 4]</i>	219,651	1,031,126
Prepaid program expenses	2,216,697	608,825
Prepaid expenses	52,312	62,402
Total current assets	9,424,426	8,546,963
Investments <i>[note 3]</i>	1,278,504	879,075
Capital assets, net <i>[note 5]</i>	1,936,018	1,947,761
	\$ 12,638,948	\$ 11,373,799
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities <i>[note 6]</i>	\$ 422,470	\$ 566,705
Deferred income <i>[note 7]</i>	89,970	3,931
Deferred contributions <i>[note 7]</i>	2,669,422	2,643,509
Total liabilities	3,181,862	3,214,145
Contingencies <i>[note 12]</i>		
Net assets		
Unrestricted	6,271,068	4,961,893
Internally restricted	1,250,000	1,250,000
Invested in capital assets	1,936,018	1,947,761
Total net assets	\$ 9,457,086	\$ 8,159,654
	\$ 12,638,948	\$ 11,373,799

See accompanying notes

On behalf of the Board of Directors

Director_____
Director

STATEMENT OF OPERATIONS

Year ended March 31

	2021	2020
Unrestricted revenue		
Private donations	\$ 1,898,464	\$ 2,246,512
Administrative funding	1,253,338	1,418,363
Investment income	341,344	212,381
Other income	14,369	14,400
Total unrestricted revenue	3,507,515	3,891,657
Restricted revenue used		
Donations from other organizations	5,551,708	3,615,613
GAC contributions [note 2]	8,509,128	10,602,936
Private donations	2,110,729	1,656,092
Total restricted revenue [note 7]	16,171,565	15,874,642
Total revenue	19,679,080	19,766,299
Program activities		
Development program		
GAC projects	4,797,715	5,759,773
Projects	1,103,360	1,174,641
Program management	1,179,764	1,411,168
Monitoring and evaluation	52	151,397
Volunteer projects	1,044	131,822
Training and capacity building	-	9
Total development programs	7,081,935	8,628,810
Humanitarian and emergency assistance		
Projects	5,174,525	3,339,664
GAC - IHA projects	3,015,971	5,442,038
Program management	684,754	507,892
Monitoring and evaluation	25,337	105,788
Total humanitarian and emergency assistance	8,900,587	9,395,382
Canadian programs		
National Projects		
Emergency management projects	435,476	35,075
Development projects	11,852	-
Program management	153,771	41,608
Development Education		
Program costs	80,086	52,712
Program management	182,232	132,632
Total Canadian programs	863,417	262,027
Total program expenses	16,845,939	18,286,219
Support services		
Management and administration	804,473	754,963
Public fundraising and donor relations	731,236	717,041
	1,535,709	1,472,004
Total program and support service expenses	18,381,648	19,758,223
Excess (deficiency) of revenue over expenses	\$ 1,297,432	\$ 8,076

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2021	2020
Unrestricted net assets, beginning of year	\$ 4,961,893	\$ 4,893,995
Excess (deficiency) of revenue over expenses	1,351,216	(35,938)
Disposed capital assets	-	115,181
Capital assets acquired	(42,041)	(11,345)
Unrestricted net assets, end of year	6,271,068	4,961,893
Internally restricted net assets	1,250,000	1,250,000
Invested in capital assets, beginning of year	1,947,761	2,007,594
Excess (deficiency) of revenue over expenses	(53,784)	44,003
Disposed capital assets	-	(115,181)
Capital assets acquired	42,041	11,345
Invested in capital assets, end of year	1,936,018	1,947,761
Total net assets, end of year	\$ 9,457,086	\$ 8,159,654

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended March 31

	2021	2020
Operating activities		
Excess of revenue over expenses for the year	\$ 1,297,432	\$ 8,077
Add (deduct) items not involving cash:		
Depreciation expense	53,783	58,999
Loss on disposal of capital asset	-	12,179
Decrease (increase) in accounts receivable	811,475	(862,434)
Decrease (increase) in prepaid program expenses	(1,607,872)	1,151,431
Decrease (increase) in prepaid expenses	10,090	(10,539)
Increase (decrease) in accounts payable and accrued liabilities	(144,235)	256,152
Increase (decrease) in deferred income	86,039	(110,014)
Increase (decrease) in deferred contributions	25,913	(442,045)
Gain (loss) on maturity of investments	211,756	233,736
Cash provided by (used in) operating activities	744,381	295,542
Investing activities		
Proceeds from maturity of investments	1,741,290	2,785,562
Purchase of investments	(3,589,157)	(1,357,142)
Purchase of capital assets	(42,041)	(11,345)
Cash provided by (used in) investing activities	(1,889,908)	1,417,075
Net increase (decrease) in cash during the year	(1,145,527)	1,712,617
Cash, beginning of year	6,434,093	4,721,476
Cash, end of year	\$ 5,288,566	\$ 6,434,093

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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 continued under the Canada Not-for-Profit Corporations Act (CNCA) in 2013. 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* adopted 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, 2021

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. Depreciation 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 to 6 years
Furniture and equipment	5 to 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, 2021, 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 **\$704,005** [2020 - \$1,206,204].

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, 2021

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

	2021	2020
Publicly traded securities	\$ 1,476,186	\$ 347,491
Fixed income	1,278,504	879,075
Mutual funds	171,014	63,026
	2,925,704	1,289,592
Less short-term portion	(1,647,200)	(410,517)
	\$ 1,278,504	\$ 879,075

Fixed income bonds have varying maturity dates from 1 to 28 years and bear interest between 1.9% and 5.85%.

4. ACCOUNTS RECEIVABLE

	2021	2020
DFATD/GAC	\$ -	\$ 854,245
Children Believe	-	44,643
Accrued interest	20,507	12,309
Government sales tax rebate	27,094	36,198
Ministry of Finance	5,373	-
CFGB	7,150	-
ADRA Bangladesh	133,030	-
Other	26,497	83,732
	\$ 219,651	\$ 1,031,126

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

5. CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 488,161	\$ -	\$ 488,161	\$ 488,161
Land Improvement	15,386	3,486	11,900	12,875
Building	1,459,222	141,764	1,317,458	1,336,932
Furniture and equipment	213,200	134,578	78,622	76,905
Computer equipment	122,776	82,899	39,877	32,889
	\$ 2,298,745	\$ 362,727	1,936,018	\$ 1,947,761

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables	\$ 230,752	\$ 404,565
Accrued vacation	114,626	78,789
Wages payable	77,092	83,351
	\$ 422,470	\$ 566,705

7. DEFERRED CONTRIBUTIONS

	Deferred balance 2020	Total received	Total expended	Transfers	Deferred balance 2021
Private donations	\$ 1,327,434	\$ 1,479,541	\$ (2,110,729)	\$ 594,247	\$ 1,290,493
Partner contributions	1,164,791	5,592,056	(5,551,709)	(594,247)	610,891
Volunteer programs	20	-	-	-	20
Annuitant contributions	5,000	-	-	-	5,000
DFATD/GAC program advances	146,263	9,283,048	(8,509,127)	(157,166)	763,018
	\$ 2,643,509	\$ 16,354,645	\$ (16,171,565)	\$ (157,166)	\$ 2,669,422

DEFERRED INCOME:

DFATD/GAC Administrative Income	\$ 3,931	884,410	(798,371)	-	\$ 89,970
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NOTES TO FINANCIAL STATEMENTS

March 31, 2021

8. DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT CANADA/GLOBAL AFFAIRS CANADA (DFATD/GAC) CONTRACTS**Breaking Barriers, Improving Girls' Education, Hope and Totality (BRIGHT)**

DFATD/GAC approved the grant for the BRIGHT project, a consortium project which includes ADRA Canada (lead), ADRA Myanmar (implementing), ADRA Niger (implementing), and ADRA Sudan (implementing). This agreement runs from May 1, 2020 through March 31, 2024.

DFATD/GAC's commitment			\$ 11,100,949
ADRA Canada's commitment			1,895,180
Total value of contracts			12,996,129
Total expense for 2020/21 [see below]		(2,223,448)	(2,223,448)
Balance to be expensed			\$ 10,772,681

The following is a summary of the expenditures for the BRIGHT project in Myanmar, Niger, Sudan and Canada:

	BRIGHT Project GAC	BRIGHT Project ADRA	Total expenditure
Programs	\$ 1,414,961		\$ 1,414,961
Salaries and benefits		303,118	303,118
Overhead	149,118	-	149,118
Monitoring and evaluation	3,805	-	3,805
Consultants	115,656	236,791	352,447
	\$ 1,683,539	\$ 539,909	\$ 2,223,448

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

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. In August 2020, GAC extended the EMBRACE project as a response to COVID-19. The extension was to help in the Philippines & Cambodia and is to last until June 2021.

DFATD/GAC's commitment			\$ 24,780,689
ADRA Canada's commitment			5,202,523
Total value of contracts			29,983,212
Total expense for 2015/16		(282,059)	
Total expense for 2016/17		(5,005,014)	
Total expense for 2017/18		(5,851,825)	
Total expense for 2018/19		(8,117,761)	
Total expense for 2019/20		(6,487,483)	
Total Expense for 2020/21 [see below]		(4,112,885)	(29,857,027)
Balance to be expensed			\$ 126,185

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

8. DFATD/GAC CONTRACTS (continued)

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

	EMBRACE Project GAC	EMBRACE Project GAC- COVID	EMBRACE Project GAC- INTEREST	EMBRACE Project ADRA	Total expenditure
Programs	\$ 90,133	\$ 3,161,947	\$ 64,825	\$ 39,083	\$ 3,355,988
Salaries and benefits	109,351	168,325		27,973	\$ 305,649
Consultants	25,442			6,508	\$ 31,950
Monitoring and evaluation	467			119	\$ 586
Overhead	19,079	399,633		-	\$ 418,712
	\$ 244,472	\$ 3,729,904	\$ 64,825	\$ 73,683	\$ 4,112,885

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%. GAC also contributed \$15,000 extra but with no OH cost.

DFATD/GAC's commitment	\$ 2,395,973
ADRA Canada's commitment	386,716
Total value of contracts	2,782,689
Total expense for 2016/17	(604,558)
Total expense for 2017/18	(993,840)
Total expense for 2018/19	(662,343)
Total expense for 2019/20 [see below]	(423,229)
	(106,815)
Balance to be expensed	\$ (8,097)

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

	PROMISE Project GAC	PROMISE Project ADRA	Total expenditure
Programs	\$ 1,514,949	\$ 267,344	\$ 1,782,293
Salaries and benefits	405,906	71,630	477,536
Consultants	128,208	22,625	150,834
Monitoring and evaluation	69,920	12,339	82,259
Overhead	191,049	-	191,049
	\$ 2,310,032	\$ 373,938	\$ 2,683,970

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

8. DFATD/GAC CONTRACTS (continued)**Critical Emergency Assistance for Rohingya Refugees Phase II (CEARR II), Bangladesh**

DFATD/GAC approved the grant for assistance to refugee influx in Bangladesh. This agreement runs from April 1, 2019 to May 31, 2020

ADRA Canada's commitment	\$ 18,599
Interest earned	\$ 9,854
DFATD/GAC's commitment	<u>\$ 1,100,000</u>

Support for Conflict Affected IDPs in Kachin & Northern Shan States V (SCAIDP V), Myanmar

DFATD/GAC approved the grant for assistance to conflict affected population in Myanmar. This agreement runs from April 1, 2019 through February 28, 2020.

ADRA Canada's commitment	\$ 20,233
Interest earned	\$ 5,417
DFATD/GAC's commitment	<u>\$ 1,000,000</u>

Marib Health and Nutrition Integrated Response Project (MHNIR), Yemen

DFATD/GAC approved the grant to provide emergency health and nutrition support to conflict affected people in the Marib Governorate in Yemen. This agreement runs from May 23, 2018 through March 31, 2020.

ADRA Canada's & others commitment	\$ 37,230
Interest earned	\$ 8,002
DFATD/GAC's commitment	<u>\$ 1,500,000</u>

Marib Health and Nutrition Integrated Response Project (MHNIR-2), Yemen

DFATD/GAC approved the grant to provide emergency health and nutrition support to conflict affected people in the Marib Governorate in

ADRA Canada's & others commitment	\$ 212,861
Interest earned	\$ 2,823
DFATD/GAC's commitment	<u>\$ 1,300,000</u>

Essential Water and Sanitation and Protection in Blue Nile (EWASAP), Sudan

DFATD/GAC approved the grant for assistance to conflict affected population in Sudan. This agreement runs from May 29, 2019 through March 31, 2021.

ADRA Canada's commitment	\$ 23,852
Interest earned	\$ 2,952
DFATD/GAC's commitment	<u>\$ 1,500,000</u>

Sembrando Esperanza Para (SEP), Venezuela

DFATD/GAC approved the grant for assistance to conflict affected population in Venezuela. This agreement runs from April 1, 2019 through March 31, 2020.

ADRA Canada's commitment	\$ 99,815
Interest earned	\$ 5,534
DFATD/GAC's commitment	<u>\$ 800,000</u>

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

9. CANADIAN FOODGRAINS BANK (CFGB) CONTRACTS

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

Mongolia: Sustainable Agriculture, Food, Economics and Resilience (SAFER) Project

The contract runs from June 31, 2019 to March 31, 2020

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2019	\$ 100,933	\$ 50,467

Mongolia: Sustainable Agriculture, Food, Economics and Resilience (SAFER-2) Project

The contract runs from April 1, 2020 to March 31, 2023

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2021	\$ 143,698	\$ 71,849
Food security for 2020	\$ 150,000	\$ 75,000

Sudan: Algzaa L'Latfal (All) Project

The contract runs from December 1, 2018 to November 30, 2019

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance for 2018	\$ 500,000	\$ 100,000

Cambodia: Baray-Santunk Nutrition for Under- 2's & Mothers (BSNUM II) Project

The contract runs from February 1, 2020 to January 31, 2023

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2020	\$ 150,000	\$ 30,000
Nutrition for 2020	\$ 184,785	\$ 46,196
Nutrition for 2020	\$ 125,000	\$ 31,250
Nutrition for 2019	\$ 175,000	\$ 35,000

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

9. CANADIAN FOODGRAINS BANK (CFGB) CONTRACTS (continued)**Laos: Enhanced Nutrition & Health for Upland Phoukoud (ENHUP) Project**

The contract runs from November 1, 2016 to January 31, 2020.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2019	\$ 250,509	\$ 125,255
Nutrition for 2018	\$ 246,715	\$ 123,358
Nutrition for 2017	\$ 299,957	\$ 149,979

Laos: Enhanced Nutrition & Health for Upland Phoukoud (ENHUP II) Project 2

The contract runs from December 1, 2019 to March 31, 2023.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2019	\$ 9,867	\$ 9,867
Nutrition for 2019	\$ 233,080	\$ 46,616
Agriculture & Livelihoods for 2019	\$ 125,750	\$ 31,438

Kenya: Rehabilitating Agriculture & Rangeland Ecosystems (RARE/COVID) Project

The contract runs from April 1, 2017 to Sep 30, 2021.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Agriculture & Livelihoods for 2020	\$ 146,485	\$ 4,321
Agriculture & Livelihoods for 2019	\$ 385,327	\$ 96,332
Agriculture & Livelihoods for 2018	\$ 12,304	\$ 6,152
Agriculture & Livelihoods for 2018	\$ 286,611	\$ 71,653
Agriculture & Livelihoods for 2017	\$ 16,337	\$ 8,169
Agriculture & Livelihoods for 2017	\$ 400,000	\$ 100,000

Nepal: Food Security Enhancement & Agricultural Resilience of the Earthquake- Affected Rural Nepalese Farmers (FOSTER) Project

The contract runs from April 1, 2017 to March 31, 2020.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Agriculture & Livelihoods for 2018	\$ 273,500	\$ 136,750
Agriculture & Livelihoods for 2018	\$ 296,471	\$ 148,236
Agriculture & Livelihoods for 2017	\$ 200,518	\$ 100,259

Nepal: Food Security Enhancement & Agricultural Resilience of the Earthquake- Affected Rural Nepalese Farmers (FOSTER-2) Project

The contract runs from May 1, 2020 to March 31, 2023.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Agriculture & Livelihoods for 2020	\$ 300,000	\$ 150,000

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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

Yemen: Emergency Food Assistance (EFA) Project

The contract runs from December 2018 to June 2019

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2018	\$ 1,149,353	\$ -

Yemen: Emergency Food Assistance (EFA-2) Project 2

The contract runs from September 2019 to March 31, 2020

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2020	\$ 105,850	\$ 1,615
Food Assistance 2019	\$ 1,137,500	\$ -

Yemen: Emergency Food Assistance (EFA3) Project

The contract runs from October 1, 2020 to June 30, 2021

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2020	\$ 706,835	\$ -
Food Assistance 2020	\$ 335,266	\$ 46,933
Food Assistance 2020	\$ 14,137	\$ 7,068

DR Congo: Kasai Emergency Nutrition and Food Assistance (KENFA) Project

The contract runs from January 2019 to April 2019

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2019	\$ 1,020,000	\$ 203,900

DR Congo: Kasai Emergency Nutrition and Food Assistance (KENFA 2) Project

The contract runs from June 15, 2020 to October 15, 2020

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition 2020	\$ 91,740	\$ 18,348
Nutrition 2020	\$ 26,102	\$ 13,051
Nutrition 2019	\$ 500,000	\$ 100,000
Nutrition 2019	\$ 168,018	\$ 11,325

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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

Indonesia: Food Security Enhancement and Livelihood Recovery (REAF) Project

The contract runs from September 1, 2019 to August 31, 2021

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Agriculture & Livelihoods for 2020	\$ 300,000	\$ 150,000
Agriculture & Livelihoods for 2019	\$ 8,916	\$ 8,916
Agriculture & Livelihoods for 2019	\$ 189,023	\$ 67,887
Food Assistance for 2019	\$ 127,619	\$ 63,810

Venezuela: Comida para la Esperanza (Food for Hope) (CEV) Project

The contract runs from February 1, 2019 to July 15, 2020

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2019	\$ 400,000	\$ 80,000
Food Assistance 2019	\$ 100,000	\$ 50,000

Venezuela: Comida para la Esperanza (Food for Hope) (CEV-2) Project

The contract runs from September 21, 2020 to May 21, 2021

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2020	\$ 544,219	\$ 107,597
Food Assistance 2020	\$ 66,824	\$ 16,706

Lebanon: Emergency Food Security & Livelihood (FSL) Project

The contract runs from October 1, 2020 to March 31, 2021.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2020	\$ 580,263	\$ 145,066
Food Assistance 2020	\$ 490,137	\$ 30,069

Mozambique: Zambezia Integrated Food security Program (ZIFSEP) Project

The contract runs from December 1, 2020 to March 31, 2021

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Agriculture & Livelihoods for 2020	\$ 12,237	\$ 6,119

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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 Regulatory Authority 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) The Supplemental Plan of the Seventh-day Adventist Church Retirement Plan for Canadian 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 is considered a multi-employer plan for accounting purposes only. It is not reasonably possible to determine the funded position by each participating employer since plan assets are held in aggregate only. As a result, ADRA Canada is required to account for its participation as if the plans were defined contribution plans.

However, based on the latest actuarial information of the Registered Plan as a whole, as at December 31, 2020, the actuarially computed value of accumulated benefits was estimated to be \$221,927,000, and the market value of net assets was estimated to be \$178,624,000 for the Registered Plan as a whole, resulting in a funding deficit of \$43,303,000. 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:

	2021	2020
Registered plan - amortization payment	\$ 8,825	\$ 10,212
Registered plan - normal cost	63,729	55,697
Supplemental plan - pension benefits	21,222	19,942
Supplemental plan - other post-retirement benefits	30,706	28,539
	\$ 124,482	\$ 114,390

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 **\$1,481,824** in donations [2020 - \$1,407,737] from the Seventh-day Adventist Church in Canada and various Conferences across Canada.

An amount receivable of **\$11,513** [2020 - \$0] from the Seventh-day Adventist Church in Canada is included in accounts receivable at year-end.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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. IMPACT OF COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

As at September 14, 2021, the organization is aware of changes in its operations as a result of the COVID-19 crisis, including capacity limits and travel restrictions for the foreseeable future. During the year, ADRA Canada received \$699,869 of wages subsidy funding from the Government of Canada.

Management is uncertain of the effects of these changes on its future operations and believes that any disruption will be temporary; however, there is uncertainty about the length and potential impact of the disruption. Management is confident that they have been successful in adapting the organization's operations to minimize the impact of this disruption and continue to meet the objectives of the organization.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the method of presentation in the current period.