

ADRA Canada
Financial Statements
For the Year Ended March 31, 2024



*Smith
Chappell
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INDEPENDENT AUDITOR'S REPORT

To the Directors of
ADRA Canada

Opinion

We have audited the financial statements of ADRA Canada (the Organization) which comprise the statement of financial position as at March 31, 2024 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024 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 Opinion

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 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 Chappell Marsh Veinstra LLP

August 26, 2024
Oshawa, Ontario

Chartered Professional Accountants,
Licensed Public Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

	2024	2023
ASSETS		
Current		
Cash	\$ 3,072,093	\$ 8,181,857
Short-term investments [note 3]	2,215,325	1,877,964
Accounts receivable [note 4]	1,018,822	1,490,185
Prepaid program expenses	2,199,132	2,443,139
Prepaid expenses	213,825	36,291
Total current assets	8,719,198	14,029,436
Investments [note 3]	1,141,193	1,396,676
Capital assets, net [note 5]	1,910,936	1,945,396
	\$ 11,771,327	\$ 17,371,508
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities [note 6]	\$ 608,542	\$ 854,209
Deferred income [note 7]	55,120	431,829
Deferred contributions [note 7]	2,215,289	6,445,552
Total liabilities	2,878,951	7,731,590
Contingencies [note 12]		
Net assets		
Unrestricted	5,731,440	6,444,522
Internally restricted	1,250,000	1,250,000
Invested in capital assets	1,910,936	1,945,396
Total net assets	8,892,376	9,639,918
	\$ 11,771,327	\$ 17,371,508

See accompanying notes

On behalf of the Board of Directors



Director



Paul Musafili (Sep 17, 2024 10:45 EDT)

Director

STATEMENT OF OPERATIONS

Year ended March 31

	2024	2023
Unrestricted revenue		
Private donations	\$ 3,506,208	\$ 2,866,011
Administrative funding	2,076,548	2,556,428
Investment income	682,762	(315,814)
Other income	80,221	3,720
Total unrestricted revenue	6,345,739	5,110,345
Restricted revenue used		
Donations from other organizations	13,988,639	13,721,066
GAC contributions <i>[note 2]</i>	14,031,531	17,132,844
Private donations	1,006,119	3,538,109
Total restricted revenue <i>[note 7]</i>	29,026,289	34,392,019
Total revenue	35,372,028	39,502,364
Program activities		
Development program		
GAC projects	7,730,446	8,696,420
Projects	6,087,743	2,727,857
Program management	1,603,230	1,582,865
Total development programs	15,421,419	13,007,142
Humanitarian and emergency assistance		
Projects	9,534,359	13,873,368
GAC - IHA projects	5,997,829	8,020,978
Program management	1,027,003	993,003
Monitoring and evaluation	19,346	89,452
Total humanitarian and emergency assistance	16,578,537	22,976,801
Canadian programs		
National Projects		
Emergency management projects	510,136	350,781
Development projects	47,274	152,833
Monitoring and evaluation	3,108	8,316
Program management	294,078	194,673
Development Education		
Program costs	229,061	278,813
Program management	257,833	226,624
Total Canadian programs	1,341,490	1,212,040
Total program expenses	33,341,446	37,195,983
Support services		
Management and administration	1,428,160	851,267
Public fundraising and donor relations	1,349,964	1,025,579
	2,778,124	1,876,846
Total program and support service expenses	36,119,570	39,072,829
Excess (deficiency) of revenue over expenses	\$ (747,542)	\$ 429,535

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2024	2023
Unrestricted net assets, beginning of year	\$ 6,444,522	\$ 6,022,842
Excess (deficiency) of revenue over expenses	(687,376)	486,127
Disposed capital assets	-	916
Capital assets acquired	(25,706)	(65,363)
Unrestricted net assets, end of year	5,731,440	6,444,522
Internally restricted net assets	1,250,000	1,250,000
Invested in capital assets, beginning of year	1,945,396	1,937,541
Excess (deficiency) of revenue over expenses	(60,166)	(56,592)
Disposed capital assets	-	(916)
Capital assets acquired	25,706	65,363
Invested in capital assets, end of year	1,910,936	1,945,396
Total net assets, end of year	\$ 8,892,376	\$ 9,639,918

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended March 31

	2024	2023
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (747,542)	\$ 429,535
Add (deduct) items not involving cash:		
Depreciation expense	60,166	56,592
Loss on disposal of capital asset	-	916
Decrease (increase) in accounts receivable	471,363	(925,032)
Decrease (increase) in prepaid program expenses	244,007	(450,956)
Decrease (increase) in prepaid expenses	(177,534)	846
Increase (decrease) in accounts payable and accrued liabilities	(245,667)	(531,072)
Increase (decrease) in deferred income	(376,709)	100,848
Increase (decrease) in deferred contributions	(4,230,263)	1,438,309
Cash provided by (used in) operating activities	(5,002,180)	119,986
Investing activities		
Decrease (increase) in short-term investments	(337,361)	285,314
Decrease (increase) in long-term investments	255,483	43,229
Purchase of capital assets	(25,706)	(65,363)
Cash provided by (used in) investing activities	(107,584)	263,180
Net increase (decrease) in cash during the year	(5,109,764)	383,166
Cash, beginning of year	8,181,857	7,798,691
Cash, end of year	\$ 3,072,093	\$ 8,181,857

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

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.

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments**

Financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. As at March 31, 2024, 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. 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 **\$2,530,712** [2023 - \$1,588,574].

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.

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

	2024	2023
Publicly traded securities	\$ 2,215,325	\$ 1,707,218
Fixed income	1,141,193	1,396,676
Mutual funds	-	170,746
	3,356,518	3,274,640
Less short-term portion	(2,215,325)	(1,877,964)
	\$ 1,141,193	\$ 1,396,676

Fixed income bonds have varying maturity dates from 3 to 27 years and bear interest between 1.75% and 5.85%.

4. ACCOUNTS RECEIVABLE

	2024	2023
Global Affairs Canada (BRIGHT)	\$ -	\$ 723,514
Canadian Foodgrains Bank (CFGB)	495,455	453,357
Seventh-day Adventist Church in Canada	154,196	155,059
Government sales tax rebate	146,937	79,691
Accrued interest	10,316	36,305
Seventh-day Adventist organizations	174,368	-
Other	37,550	42,259
	\$ 1,018,822	\$ 1,490,185

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

5. CAPITAL ASSETS

	2024		Net	2023
	Cost	Accumulated amortization	book value	Net book value
Land	\$ 488,161		\$ 488,161	\$ 488,161
Land Improvement	14,811	6,438	8,373	9,357
Building	1,459,222	200,182	1,259,040	1,278,513
Furniture and equipment	277,245	184,259	92,986	94,703
Computer equipment	154,625	92,249	62,376	74,662
	\$ 2,394,064	\$ 483,128	\$ 1,910,936	\$ 1,945,396

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	\$ 315,504	\$ 571,002
Accrued vacation	153,120	172,976
Wages payable	139,918	110,231
	\$ 608,542	\$ 854,209

7. DEFERRED CONTRIBUTIONS

	Deferred balance 2023	Total received	Total expended	Transfers	Deferred balance 2024
Private donations	\$ 301,775	\$ 786,762	\$ (1,006,054)	\$ 191,700	274,183
Partner contributions	600,751	14,602,349	(13,988,640)	(191,700)	1,022,760
Volunteer programs	20	-	-	-	20
Annuitant contributions	5,000	-	-	-	5,000
GAC program advances	5,538,006	9,406,915	(14,031,595)	-	913,326
	\$ 6,445,552	\$ 24,796,026	\$ (29,026,289)	\$ -	\$ 2,215,289

DEFERRED INCOME:

GAC Administrative Income	431,829	1,027,409	(1,404,118)	-	55,120
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NOTES TO FINANCIAL STATEMENTS

March 31, 2024

8. GLOBAL AFFAIRS CANADA (GAC) CONTRACTS

Breaking Barriers, Improving Girls' Education, Hope and Totality (BRIGHT)

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 20, 2024.

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	(2,163,300)	
Total expense for 2021/22	(3,176,506)	
Total expense for 2022/23	(3,897,327)	
Total expense for 2023/24 (see below)	(3,767,072)	(13,004,205)
Balance to be expensed	\$	(8,076)

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	\$ 2,907,542	\$ 46,694	\$ 2,954,236
Salaries and benefits	-	425,697	425,697
Overhead	348,905		348,905
Consultants	-	38,234	38,234
	\$ 3,256,447	\$ 510,625	\$ 3,767,072

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

8. GAC CONTRACTS (continued)**Uniting Towards Gender Equality for enjoyment of Women's and Girls' Total Health and rights (TOGETHER)**

GAC approved the grant for the TOGETHER project to be implemented in Cambodia, Kenya, the Philippines, and Uganda. The consortium project includes ADRA Canada, implementing partners namely ADRA Cambodia, ADRA Kenya, ADRA Philippines, and ADRA Uganda as well as Canadian based consortium partners - SickKids and Salanga. This agreement runs from September 13, 2021 to February 29, 2028.

GAC's commitment	\$	27,224,263
ADRA Canada's commitment		5,100,000
Total value of contracts		32,324,263
Total expense for 2021/22	(3,196,027)	
Total expense for 2022/23	(5,783,818)	
Total expense for 2023/24 [see below]	(6,409,790)	(15,389,635)
Balance to be expensed	\$	16,934,628

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

	TOGETHER Project GAC	TOGETHER Project ADRA	Total expenditure
Programs	\$ 5,045,493	\$ -	\$ 5,045,493
Salaries and benefits	-	484,871	484,871
Consultants	-	273,126	273,126
Overhead	606,300	-	606,300
	\$ 5,651,793	\$ 757,998	\$ 6,409,790

Marib Health and Nutrition Integrated Response Project (MHNIR-3), Yemen

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 April 1, 2022 through March 31, 2024

ADRA Canada's commitment	\$	94,773
Interest earned		25,608
GAC's commitment		1,750,000

Lifesaving Evacuation, Assistance and Protection (LEAP) in Ukraine, Moldova & Romania

GAC approved the grant for assistance to conflict affected population in Ukraine, Moldova, and Romania. This agreement runs from May 25, 2022 through July 31, 2024.

ADRA Canada's commitment	\$	8,135
Interest earned		146,900
GAC's commitment		10,000,000

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

9. U.S. Agency for International Development (USAID)/ADRA International CONTRACTS

Canada: Wildfires in Canada

USAID/ADRA International approved the grant to provide emergency assistance in response to the Wildfires in Canada. This agreement runs from July 25, 2023 to January 24, 2024

ADRA Canada Commitment	\$	14,020
USAID / ADRA International Commitment		133,580

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) Supplemental pension and other post-retirement benefits are provided by The Seventh-day Adventist Church Retirement Plan for Canadian Employees (Supplemental Plan). These benefits include post-retirement healthcare, non-registered pension, funeral allowance and retirement 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 Registered Plan's 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. Required contributions during the year are included in program and support services in the statement of operations and changes in net assets.

Based on the latest full valuation of the Registered Plan as a whole, as at January 1, 2023 and rolled forward to December 31, 2023, the actuarially computed value of accumulated benefits was estimated to be \$171,319,000, and the market value of net assets was estimated to be \$148,541,00 for the Registered Plan as a whole, resulting in a deficit of \$22,778,000. As a participating employer, ADRA Canada is required to make contributions to the Registered Plan in amounts which are subject to change as determined by the Registered Plan's governing board."

Based on the latest valuation of the Supplemental Plan, as at January 1, 2023 for non-registered pensions and as at January 1, 2022 for other post-retirement benefits, both rolled forward to December 31, 2023, the actuarially computed value of accumulated plan benefits was estimated to be \$54,534,000 and the market value of net assets was estimated to be \$0 for the Supplemental Plan as a whole, resulting in a deficit of \$54,534,000.

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

	2024	2023
Registered plan - amortization payment	\$ -	\$ 3,215
Registered plan - normal cost	56,676	77,946
Supplemental plan - pension benefits	27,069	31,314
Supplemental plan - other post-retirement benefits	37,809	41,072
Total pension and other post-retirement benefits expense	\$ 121,554	\$ 153,547

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 **\$1,863,800** in donations [2023 - \$2,044,991] from the Seventh-day Adventist Church in Canada and various Conferences across Canada.

An amount receivable of **\$154,196** [2023 - \$155,059] from the Seventh-day Adventist Church in Canada is included in accounts receivable at year-end.

An amount payable of **\$13,793** [2023 - \$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, 2024

12. CONTINGENCY

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. RECOMMENDED WORKING CAPITAL AND LIQUIDITY

The following is a summary of working capital and liquidity as recommended and defined by the Working Policy of the North American Division of the General Conference of Seventh-day Adventists.

Canadian generally accepted accounting principles allow the use of current assets only in the calculation of working capital; however, ADRA invests operating funds in non-current investments for a better rate of return. Table A shows working capital and liquidity according to Canadian generally accepted accounting principles and Working Policy of the North American Division of the General Conference of Seventh-day Adventists. Table B shows the Organization's operating fund's working capital combined with noncurrent operating fund investments.

	2024	2023
Core expenses		
Operating Expenses	\$ 36,119,570	\$ 39,072,829
Minus: operating expenses from deferred contributions	(29,026,289)	(34,392,019)
Total core expenses	7,093,281	4,680,810
Available working capital		
Current assets	8,719,198	14,029,436
Current liabilities	(2,878,951)	(7,731,590)
Available working capital	5,840,247	6,297,846
Recommended working capital		
Six months of total core expenses	3,546,641	2,340,405
Surplus/(Shortfall) in Recommended Minimum Available Working Capital	\$ 2,293,606	3,957,441
Available working capital in months (a minimum of six months recommended)	9.9	16.1
Liquidity		
Cash	\$ 3,072,093	8,181,857
Short-term investments	2,215,325	1,877,964
Receivable from higher organizations	154,196	155,059
Total liquid current assets	5,441,614	10,214,880
Minus: current liabilities	(2,878,951)	(7,731,590)
Available liquid assets	2,562,663	2,483,290
Recommended minimum available liquid assets		
Three months of total core expenses	1,773,320	1,170,203
Surplus/(shortfall) in recommended minimum available liquid assets	\$ 789,343	1,313,088
Available liquid assets in months (a minimum of three months recommended)	4.3	6.4

14. CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the organization operates ("the functional currency"). The financial statements are presented in Canadian Dollars, which is the Organization's functional and presentation currency.