

ADRA Canada
Consolidated Financial Statements
For the Year Ended March 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Directors of
ADRA Canada

Opinion

We have audited the consolidated financial statements of ADRA Canada (the Organization) which comprise the statement of financial position as at March 31, 2025 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 consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025 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 Chugall Mark Vitaranta LLP

August 28, 2025
Oshawa, Ontario

Chartered Professional Accountants,
Licensed Public Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31

	ADRA	HopeWorks	2025 Total	2024 Total
ASSETS				
Current				
Cash	\$ 5,106,565	\$ -	\$ 5,106,565	\$ 3,072,093
Short-term investments <i>[note 3]</i>	3,130,550	-	3,130,550	2,215,325
Accounts receivable <i>[note 4]</i>	846,841	-	846,841	1,018,822
Prepaid program expenses	1,074,300	-	1,074,300	2,199,133
Prepaid expenses	24,733	398,751	423,484	213,825
Total current assets	10,182,989	398,751	10,581,740	8,719,198
Investments <i>[note 3]</i>	136,879	-	136,879	1,141,193
Intercompany loan <i>[note 5]</i>	870,000	(870,000)	-	-
Capital assets, net <i>[note 6]</i>	1,851,027	-	1,851,027	1,910,936
	\$ 13,040,895	\$ (471,249)	\$ 12,569,646	\$ 11,771,327
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued liabilities <i>[note 7]</i>	\$ 1,545,544	\$ -	\$ 1,545,544	\$ 608,542
Deferred income <i>[note 8]</i>	353,700	-	353,700	55,120
Deferred contributions <i>[note 8]</i>	4,490,723	-	4,490,723	2,215,289
Total liabilities	6,389,967	-	6,389,967	2,878,951
Contingencies <i>[note 13]</i>				
Net assets				
Unrestricted	3,549,901	(471,249)	3,078,652	5,731,440
Internally restricted	1,250,000	-	1,250,000	1,250,000
Invested in capital assets	1,851,027	-	1,851,027	1,910,936
Total net assets	6,650,928	(471,249)	6,179,679	8,892,376
	\$ 13,040,895	\$ (471,249)	\$ 12,569,646	\$ 11,771,327

See accompanying notes

Reporting currency is Canadian Dollar

On behalf of the Board of Directors

 Director

 Director

CONSOLIDATED STATEMENT OF OPERATIONS

Year ended March 31

	ADRA	HopeWorks	2025 Total	2024 Total
Unrestricted revenue				
Private donations	\$ 2,558,430	\$ -	\$ 2,558,430	\$ 3,506,208
Administrative funding	1,404,154	-	1,404,154	2,076,548
Investment income	158,414	-	158,414	682,762
Other income	97,033	-	97,033	80,221
Total unrestricted revenue	4,218,031	-	4,218,031	6,345,739
Restricted revenue used				
Donations from other organizations	10,086,507	-	10,086,507	13,988,639
GAC contributions [note 2]	6,753,969	-	6,753,969	14,031,531
Private donations	1,300,589	-	1,300,589	1,006,119
Total restricted revenue [note 8]	18,141,065	-	18,141,065	29,026,289
Total revenue [note 11]	22,359,096	-	22,359,096	35,372,028
Program activities				
Development program				
GAC projects	5,060,714	-	5,060,714	7,730,446
CFGB Projects	5,071,977	-	5,071,977	6,087,743
Program management	1,434,217	-	1,434,217	1,603,230
Special projects	444,092	-	444,092	-
Total development programs	12,011,000	-	12,011,000	15,421,419
Humanitarian and emergency assistance				
CFGB emergency management projects	5,745,078	-	5,745,078	9,534,359
GAC - IHA projects	1,754,086	-	1,754,086	5,997,829
Program management	860,704	-	860,704	1,046,349
Emergency management projects	690,995	-	690,995	-
Total humanitarian and emergency assistance	9,050,863	-	9,050,863	16,578,537
Canadian programs				
National Projects				
Canadian projects	442,276	-	442,276	557,410
Program management	569,145	-	569,145	297,186
Public engagement				
Program management	476,224	-	476,224	486,894
Total Canadian programs	1,487,645	-	1,487,645	1,341,490
Total program expenses	22,549,508	-	22,549,508	33,341,446
Support services				
Management and administration	810,165	110,568	920,733	1,428,160
Professional services	-	360,681	360,681	-
Public fundraising and donor relations	1,240,871	-	1,240,871	1,349,964
	2,051,036	471,249	2,522,285	2,778,124
Total program and support service expenses	24,600,544	471,249	25,071,793	36,119,570
Excess (deficiency) of revenue over expenses	\$ (2,241,448)	\$ (471,249)	\$ (2,712,697)	\$ (747,542)

See accompanying notes

Reporting currency is Canadian Dollar

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	ADRA	HopeWorks	2025 Total	2024 Total
Unrestricted net assets, beginning of year	\$ 5,731,440	\$ -	\$ 5,731,440	\$ 6,444,522
Excess (deficiency) of revenue over expenses	(2,182,872)	(471,249)	(2,654,121)	(687,376)
Disposed capital assets	13,859	-	13,859	-
Capital assets acquired	(12,526)	-	(12,526)	(25,706)
Unrestricted net assets, end of year	3,549,901	(471,249)	3,078,652	5,731,440
Internally restricted net assets	1,250,000	-	1,250,000	1,250,000
Invested in capital assets, beginning of year	1,910,936	-	1,910,936	1,945,396
Excess (deficiency) of revenue over expenses	(58,576)	-	(58,576)	(60,166)
Disposed capital assets	(13,859)	-	(13,859)	-
Capital assets acquired	12,526	-	12,526	25,706
Invested in capital assets, end of year	1,851,027	-	1,851,027	1,910,936
Total net assets, end of year	\$ 6,650,928	\$ (471,249)	\$ 6,179,679	\$ 8,892,376

See accompanying notes

Reporting currency is Canadian Dollar

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31

	ADRA	HopeWorks	2025 Total	2024 Total
Operating activities				
Excess (deficiency) of revenue over expenses for the year	\$ (2,241,448)	\$ (471,249)	\$ (2,712,697)	\$ (747,542)
Add (deduct) items not involving cash:				
Depreciation expense	58,576	-	58,576	60,166
Loss on disposal of capital asset	13,859	-	13,859	-
Decrease (increase) in accounts receivable	171,981	-	171,981	471,363
Decrease (increase) in prepaid program expenses	1,124,833	-	1,124,833	244,007
Decrease (increase) in prepaid expenses	189,092	(398,751)	(209,659)	(177,535)
Increase (decrease) in accounts payable and accrued liabilities	937,002	-	937,002	(245,667)
Increase (decrease) in deferred income	298,580	-	298,580	(376,709)
Increase (decrease) in deferred contributions	2,275,434	-	2,275,434	(4,230,263)
Cash provided by (used in) operating activities	2,827,909	(870,000)	1,957,909	(5,002,180)
Investing activities				
Decrease (increase) in short-term investments	(915,225)	-	(915,225)	(337,361)
Decrease (increase) in long-term investments	1,004,314	-	1,004,314	255,483
Addition of intercompany loan	(870,000)	870,000	-	-
Purchase of capital assets	(12,526)	-	(12,526)	(25,706)
Cash provided by (used in) investing activities	(793,437)	870,000	76,563	(107,584)
Net increase (decrease) in cash during the year	2,034,472	-	2,034,472	(5,109,764)
Cash, beginning of year	3,072,093	-	3,072,093	8,181,857
Cash, end of year	\$ 5,106,565	\$ -	\$ 5,106,565	\$ 3,072,093

See accompanying notes

Reporting currency is Canadian Dollar

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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. Contributions externally restricted are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received 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/IHA), 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 CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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, 2025, 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 **\$1,071,707** [2024 - \$2,530,712].

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.

Controlled Entity

HopeWorks Canada Ltd (HopeWorks), a for profit social enterprise was registered on June 4, 2024. It is controlled by ADRA Canada, its sole owner.

Hope Harvest, a division of HopeWorks, imports food products—currently cashews from Ghana—partnering with local farmers and reinvesting in local communities. The purpose of this company is to enable ADRA to diversify funding outside of traditional sources. The profit from HopeWorks goes directly into ADRA's humanitarian and development work enhancing its programs in vulnerable communities around the world.

HopeWorks has been consolidated in these financial statements.

3. INVESTMENTS

	2025	2024
Publicly traded securities	\$ -	\$ 2,215,325
Fixed income	-	1,141,193
Mutual funds	3,130,550	-
Investment in Skuling	136,879	-
	3,267,429	3,356,518
Less short-term portion	(3,130,550)	(2,215,325)
	\$ 136,879	\$ 1,141,193

ADRA Canada's Investment in Skuling

ADRA Canada has invested in Skuling, an innovative educational technology company that develops computer-based learning applications and software. Skuling's applications are designed to support students from primary to senior high school in preparing for public university entrance exams across Indonesia.

This investment was made in partnership with ADRA Indonesia, who represents ADRA Canada's interest locally. Through this collaboration, ADRA Canada holds a 5% equity stake in Skuling. ADRA Indonesia maintains an active seat on Skuling's board of directors, ensuring ongoing engagement and oversight on behalf of ADRA Canada.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

4. ACCOUNTS RECEIVABLE

	2025	2024
Canadian Foodgrains Bank (CFGB)	\$ 498,612	\$ 495,455
Seventh-day Adventist Church in Canada	222,524	154,196
Government sales tax rebate	43,255	146,937
Accrued interest	-	10,316
Seventh-day Adventist organizations	40,888	174,368
Other	41,562	37,550
	\$ 846,841	\$ 1,018,822

5. INTERCOMPANY LOAN

HopeWorks Canada Ltd has received a loan from ADRA Canada in the amount of \$870,000 during the fiscal year ended 2025, with the likelihood of an additional \$300,000 in the subsequent fiscal year. The loan is intended to finance start-up and operating costs prior to the generation of sufficient profits.

Repayment of the loan is scheduled to commence in 2030, once HopeWorks Canada Ltd attains adequate profitability and cash flow.

	2025	2024
HopeWorks Canada Ltd, due March 2035, non-interest bearing repayable starting 2030, annual payments of \$174,000	\$ 870,000	\$ -

The repayment schedule for the current loan balance of \$870,000 is as follows:

Year ended March 31	
2030	\$ 174,000
2031	174,000
2032	174,000
2033	174,000
2034	174,000
	\$ 870,000

6. CAPITAL ASSETS

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 488,161	\$ -	\$ 488,161	\$ 488,161
Land Improvement	14,811	7,425	7,386	8,373
Building	1,459,222	219,655	1,239,567	1,259,040
Furniture and equipment	260,800	190,716	70,084	92,986
Computer equipment	151,551	105,722	45,829	62,376
	\$ 2,374,545	\$ 523,518	\$ 1,851,027	\$ 1,910,936

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade payables	\$ 1,247,598	\$ 315,504
Accrued vacation	167,983	153,120
Wages payable	129,963	139,918
	\$ 1,545,544	\$ 608,542

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

8. DEFERRED CONTRIBUTIONS

	Deferred balance 2024	Total received	Total expended	Transfers	Deferred balance 2025
Private donations	\$ 279,203	\$ 1,242,299	\$ (1,300,590)	\$ (164,767)	\$ 56,145
Partner contributions	1,022,760	10,174,950	(10,086,507)	164,767	1,275,970
DFATD/GAC program advances	913,326	8,999,250	(6,753,968)	-	3,158,608
	\$ 2,215,289	\$ 20,416,499	\$ (18,141,065)	\$ -	\$ 4,490,723

DEFERRED INCOME:

DFATD/GAC Administrative Income	\$ 55,120	\$ 1,013,689	\$ (715,109)	\$ -	\$ 353,700
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9. DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT CANADA/GLOBAL AFFAIRS CANADA (DFATD/GAC) CONTRACTS

Resilient Health Systems 4 SRHR (STRONGER)

DFATD/GAC approved the grant for the STRONGER project to be implemented in Cambodia, Kenya, and the Philippines. The consortium project includes ADRA Canada, implementing partners namely ADRA Cambodia, ADRA Kenya, and ADRA Philippines as well as Canadian based consortium partners - SickKids and Salanga. This agreement runs from February 2025 to March 31, 2032.

DFATD/GAC's commitment	\$ 30,000,000
ADRA Canada's commitment	1,499,999
Total value of contracts	31,499,999
Total expense for 2024/25 (see below)	(23,574)
Balance to be expensed	\$ 31,476,425

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

	STRONGER Project GAC	STRONGER Project ADRA	Total expenditure
Salaries and benefits	\$ -	\$ 23,574	\$ 23,574
	\$ -	\$ 23,574	\$ 23,574

Uniting Towards Gender Equality for enjoyment of Women's and Girls' Total Health and rights (TOGETHER)

DFATD/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.

DFATD/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	(6,409,790)
Total expense for 2024/25 (see below)	(6,369,534)
Balance to be expensed	\$ 10,565,094

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

	TOGETHER Project GAC	TOGETHER Project ADRA	Total expenditure
Programs	\$ 5,035,773	\$ -	\$ 5,035,773
Salaries and benefits	-	527,751	527,751
Consultants	-	201,717	201,717
Overhead	604,293	-	604,293
	\$ 5,640,066	\$ 729,468	\$ 6,369,534

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

9. DFATD/GAC CONTRACTS (continued)**Mental Health, Winterization & Protection (EMH24016), Ukraine**

DFATD/GAC approved the grant to provide mental health, winterization and protection in Ukraine. This agreement runs from January 07, 2025 through May 31, 2026

ADRA Canada's commitment	\$	6,352
Interest earned		5,181
DFATD/GAC's commitment	\$	2,400,000

Protection & WASH (EMH24017), Sudan

DFATD/GAC approved the grant to provide protection and WASH in Sudan. This agreement runs from January 7, 2025 through May 31, 2026

ADRA Canada's commitment	\$	2,529
Interest earned		5,236
DFATD/GAC's commitment	\$	3,200,000

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, 2024, the actuarially computed value of accumulated benefits was estimated to be \$186,359,000, and the market value of net assets was estimated to be \$151,986,00 for the Registered Plan as a whole, resulting in a deficit of \$34,373,000. 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, 2024, 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:

	2025	2024
Registered plan - normal cost	\$ 59,669	\$ 56,676
Supplemental plan - pension benefits	23,001	27,069
Supplemental plan - other post-retirement benefits	37,462	37,809
Total pension and other post-retirement benefits expense	\$ 120,132	\$ 121,554

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

11. Revenue by combined sources

ADRA receives both restricted and unrestricted revenue from various sources. The following combines restricted and unrestricted revenue by source.

	2025	2024
Private donations	\$ 4,110,933	\$ 4,695,423
Other income	255,447	762,984
Grants	7,469,077	15,435,712
Subsidies & Partnerships	10,523,639	14,477,909
	\$ 22,359,096	\$ 35,372,028

12. 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 **\$1,735,707** in donations [2024 - \$1,863,800] from the Seventh-day Adventist Church in Canada and various conferences across Canada.

An amount receivable of **\$222,524** [2024 - \$154,196] from the Seventh-day Adventist Church in Canada is included in accounts receivable at year-end.

An amount payable of **\$0** [2024 - \$13,793] to the Seventh-day Adventist Church in Canada is included in accounts payable and accrued liabilities at year-end.

A loan of **\$870,000** [2024 - \$0] is receivable from HopeWorks Canada, Inc. at year end. ADRA has billed HopeWorks \$360,681 [2024 - \$0] for professional services.

13. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

14. 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.

	2025	2024
Core expenses		
Operating Expenses	\$ 25,071,793	\$ 36,119,570
Minus: operating expenses from deferred contributions	(18,141,065)	(29,026,289)
Total core expenses	6,930,728	7,093,281
Available working capital		
Current assets	10,581,740	8,719,198
Current liabilities	(6,389,967)	(2,878,951)
Available working capital	4,191,773	5,840,247
Recommended working capital		
Six months of total core expenses	3,465,364	3,546,641
Surplus in Recommended Minimum Available Working Capital	\$ 726,409	2,293,607
Available working capital in months (a minimum of six months recommended)	7.3	9.9
Liquidity		
Cash	\$ 5,106,565	3,072,093
Short-term investments	3,130,550	2,215,325
Receivable from higher organizations	222,524	154,196
Total liquid current assets	8,459,639	5,441,614
Minus: current liabilities	(6,389,967)	(2,878,951)
Available liquid assets	2,069,672	2,562,663
Recommended minimum available liquid assets		
Three months of total core expenses	1,732,682	1,773,320
Surplus in recommended minimum available liquid assets	\$ 336,990	789,343
Available liquid assets in months (a minimum of three months recommended)	3.6	4.3

15. Comparative financial statements

The comparative financial statements have been reclassified from statements previously presented to conform to the current year presentation.