

ADRA Canada
Financial Statements
For the Year Ended March 31, 2018



*Smith
Chappell
Marsh
Vilander LLP Chartered Accountants*

*H. Howard Smith, FCPA (Retired)
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INDEPENDENT AUDITORS' REPORT

To the Directors of
ADRA Canada

We have audited the accompanying financial statements of ADRA Canada which comprise the statement of financial position as at March 31, 2018 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal controls as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made ready by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

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

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Smith Chuggall March Velamka LLP

September 5, 2018
Oshawa, Ontario

Chartered Accountants,
Licensed Public Accountants

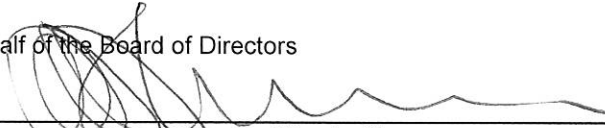
STATEMENT OF FINANCIAL POSITION

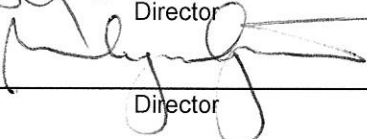
As at March 31

	2018	2017
ASSETS		
Current		
Cash	\$ 4,588,257	\$ 7,737,365
Short-term investments [note 3]	1,819,699	1,757,152
Accounts receivable [note 4]	788,959	884,426
Prepaid program expenses	1,251,100	1,841,912
Prepaid expenses	48,160	46,791
Total current assets	8,496,175	12,267,646
Investments [note 3]	932,801	823,251
Capital assets, net [note 5]	2,001,853	1,576,570
	\$ 11,430,829	\$ 14,667,467
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities [note 6]	\$ 340,670	\$ 214,581
Deferred income	35,631	471,331
Deferred contributions [note 7]	2,461,975	5,953,557
Total liabilities	2,838,276	6,639,469
Contingencies [note 12]		
Net assets		
Unrestricted	5,340,700	5,201,428
Internally restricted	1,250,000	1,250,000
Invested in capital assets	2,001,853	1,576,570
Total net assets	8,592,553	8,027,998
	\$ 11,430,829	\$ 14,667,467

See accompanying notes

On behalf of the Board of Directors



 Director


 Director

STATEMENT OF OPERATIONS

Year ended March 31

	2018	2017
Unrestricted revenue		
Private donations	\$ 2,042,900	\$ 2,159,742
Administrative funding	1,566,937	1,252,661
Investment income	304,271	228,466
Other income	11,611	25,178
Total unrestricted revenue	3,925,719	3,666,047
Restricted revenue used		
Donations from other organizations	5,054,154	3,567,626
DFATC/GAC contributions [note 2]	9,555,168	7,423,933
Provincial government contributions	-	854,508
Private donations	1,326,860	867,263
Total restricted revenue [note 7]	15,936,182	12,713,330
Total revenue	19,861,901	16,379,377
Program activities		
Development program		
DFATD/GAC - development projects	6,841,253	5,866,701
Development projects	2,111,954	2,487,013
Development program management	1,268,682	872,576
Development program monitoring and evaluation	154,724	107,343
Volunteer projects	119,064	51,502
Training and capacity building	3,041	5,000
Total development programs	10,498,718	9,390,135
Humanitarian and emergency assistance		
Emergency management projects	3,688,343	1,499,705
DFATD/GAC - international humanitarian assistance	3,199,303	2,087,762
Emergency program management	352,728	367,011
Emergency program monitoring and evaluation	71,276	22,251
Total humanitarian and emergency assistance	7,311,650	3,976,729
Canadian programs		
Canadian projects	40,287	474,651
Canadian program management	114,941	447,668
Canadian monitoring and evaluation	2,866	57,095
Canadian development education	35,907	31,779
Total program expenses	194,001	1,011,193
Support services		
Management and administration	595,029	529,667
Public fundraising and donor relations	697,950	600,396
	1,292,979	1,130,063
Total program and support service expenses	19,297,348	15,508,120
Excess of revenue over expenses	\$ 564,553	\$ 871,257

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2018	2017
Unrestricted net assets, beginning of year	\$ 5,201,428	\$ 4,296,371
Excess of revenue over expenses	627,448	931,976
Disposed capital assets	5,067	-
Capital assets acquired	(493,243)	(26,919)
Unrestricted net assets, end of year	5,340,700	5,201,428
Internally restricted net assets	1,250,000	1,250,000
Invested in capital assets, beginning of year	1,576,570	1,610,370
Deficiency of revenue over expenses	(62,893)	(60,719)
Disposed capital assets	(5,067)	-
Capital assets acquired	493,243	26,919
Invested in capital assets, end of year	2,001,853	1,576,570
Total net assets, end of year	\$ 8,592,553	\$ 8,027,998

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended March 31

	2018	2017
Operating activities		
Excess of revenue over expenses for the year	\$ 564,553	\$ 871,257
Add (deduct) items not involving cash:		
Depreciation expense	62,893	60,719
Loss on disposal of capital asset	5,067	-
Unrealized appreciation in market value	(140,735)	(92,754)
Donated investment	(56,698)	-
Decrease (increase) in accounts receivable	95,467	(779,788)
Decrease (increase) in prepaid program expenses	590,812	(250,991)
Decrease (increase) in prepaid expenses	(1,369)	(13,855)
Increase (decrease) in accounts payable and accrued liabilities	126,089	(39,559)
Increase (decrease) in deferred income	(435,700)	(76,082)
Increase (decrease) in deferred contributions	(3,491,582)	(1,210,745)
Gain (loss) on maturity of investments	(117,353)	(365)
Cash provided by (used in) operating activities	(2,798,556)	(1,532,163)
Investing activities		
Proceeds from maturity of investments	976,919	768,377
Purchase of investments	(834,228)	(859,871)
Purchase of capital assets	(493,243)	(26,919)
Cash provided by (used in) investing activities	(350,552)	(118,413)
Net increase (decrease) in cash during the year	(3,149,108)	(1,650,576)
Cash, beginning of year	7,737,365	9,387,941
Cash, end of year	\$ 4,588,257	\$ 7,737,365

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

1. PURPOSE OF THE ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

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

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

Government of Canada and other contributions

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

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

Investments

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

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2018, 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 **\$485,609** [2017 - \$706,464].

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

3. INVESTMENTS

	2018	2017
Publicly traded securities	\$ 1,728,863	\$ 1,695,339
Fixed income	932,801	823,251
Mutual funds	90,836	61,813
	2,752,500	2,580,403
Less short-term portion	(1,819,699)	(1,757,152)
	\$ 932,801	\$ 823,251

Fixed income bonds have varying maturity dates from 2 to 24 years and bear interest between 1.7% and 6.4%.

4. ACCOUNTS RECEIVABLE

	2018	2017
Government of Alberta	\$ -	\$ 605,137
DFATD/GAC	425,559	-
World Renew	117,352	-
Canadian Foodgrains Bank	62,842	-
Christian Children's Fund of Canada	33,680	139,896
Accrued interest	14,398	13,803
Seventh-day Adventist Church in Canada	-	10,438
Government sales tax rebate	160	29,782
Other	134,968	85,370
	\$ 788,959	\$ 884,426

5. CAPITAL ASSETS

	2018		2017	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 474,520	\$ -	\$ 474,520	\$ 194,520
Land Improvement	19,134	-	19,134	-
Building	1,445,954	82,389	1,363,565	1,254,458
Furniture and equipment	184,131	86,940	97,191	81,551
Computer equipment	188,413	140,971	47,442	46,041
	\$ 2,312,153	\$ 310,300	\$ 2,001,853	\$ 1,576,570

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Trade payables	\$ 240,362	\$ 126,035
Accrued vacation	64,191	58,504
Wages payable	36,118	30,042
	\$ 340,670	\$ 214,581

7. DEFERRED CONTRIBUTIONS

	Deferred balance 2017	Total received	Total expended	Transfers	Deferred balance 2018
Private donations	\$ 1,176,683	\$ 1,291,611	\$ (1,267,111)	\$ 354,278	\$ 1,555,461
Partner contributions	784,045	5,160,648	(5,054,155)	(354,278)	536,260
Volunteer programs	36,963	77,850	(59,748)	-	55,065
Annuitant contributions	5,000	-	-	-	5,000
DFATD/GAC program advances	3,950,866	5,914,491	(9,555,168)	-	310,189
	\$ 5,953,557	\$12,444,600	\$ (15,936,182)	\$ -	\$ 2,461,975

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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

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

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

DFATD/GAC's commitment		\$ 4,215,986
ADRA Canada's commitment		872,402
World Renew's commitment		596,434
Total value of contracts		5,684,822
Total expense for 2015/16	(556,883)	
Total expense for 2016/17	(1,642,401)	
Total expense for 2017/18 [see below]	(1,875,102)	(4,074,386)
Balance to be expensed		\$ 1,610,436

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

	REAP Project GAC	REAP Project ADRA	REAP Project World Renew	Total expenditure
Programs	\$ 1,648,937	\$ 214,860	\$ 215,623	\$ 2,079,420
Salaries and benefits	822,795	378,291	186,796	1,387,882
Overhead	322,898	-	-	322,898
Monitoring and evaluation	147,327	20,101	16,893	184,321
Consultants	71,757	27,392	716	99,865
	\$ 3,013,714	\$ 640,644	\$ 420,028	\$ 4,074,386

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

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

DFATD/GAC's commitment		\$ 20,805,689
ADRA Canada's commitment		5,202,523
Total value of contracts		26,008,212
Total expense for 2015/16	(282,059)	
Total expense for 2016/17	(5,005,014)	
Total expense for 2017/18 [see below]	(5,851,825)	(11,138,898)
Balance to be expensed		\$ 14,869,314

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

	EMBRACE Project DFATD	EMBRACE Project ADRA	Total expenditure
Programs	\$ 4,978,569	\$ 1,168,960	\$ 6,147,529
Salaries and benefits	2,164,195	632,787	2,796,982
Consultants	602,325	137,074	739,399
Monitoring and evaluation	390,515	87,610	478,125
Overhead	976,863	-	976,863
	\$ 9,112,467	\$ 2,026,431	\$ 11,138,898

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

8. DFATD/GAC CONTRACTS (continued)

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

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

DFATD/GAC's commitment		\$ 2,184,380
ADRA Canada's commitment		386,716
Total value of contracts		2,571,096
Total expense for 2016/17	(604,558)	
Total expense for 2017/18 [see below]	(993,841)	(1,598,399)
Balance to be expensed		\$ 972,697

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

	PROMISE Project GAC	PROMISE Project ADRA	Total expenditure
Programs	\$ 937,025	\$ 165,357	\$ 1,102,382
Salaries and benefits	225,547	39,802	265,349
Consultants	56,223	9,922	66,145
Monitoring and evaluation	43,294	7,640	50,934
Overhead	113,588	-	113,588
	\$ 1,375,677	\$ 222,722	\$ 1,598,399

Refugee Emergency Aid for Life (REAL), Uganda

DFATD/GAC approved the grant for assistance to refugee influx in Uganda. This agreement runs from April 1, 2017 through March 31, 2018.

ADRA Canada's commitment	\$ 13,500
Interest earned	\$ 4,364
DFATD/GAC's commitment	\$ 1,350,000

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

DFATD/GAC approved the grant for assistance to conflict affected population in Myanmar. This agreement runs from April 1, 2017 through March 31, 2018.

ADRA Canada's commitment	\$ 17,625
Interest earned	\$ 4,313
DFATD/GAC's commitment	\$ 1,150,000

Essential Water and Sanitation in Blue Nile (EWAS), Sudan

DFATD/GAC approved the grant for assistance to conflict affected population in Sudan. This agreement runs from April 1, 2017 through March 31, 2019.

ADRA Canada's commitment	\$ 10,000
Interest earned	\$ 2,656
DFATD/GAC's commitment	\$ 1,032,280

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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: Micro Economic & Agriculture Learning (MEAL) Project

The contract runs from October 1, 2012 to September 30, 2018.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2018	\$ 174,000	\$ 43,500
Food security for 2017	\$ 150,000	\$ 37,500

Laos: Oudomxay Nutrition and WASH Advancement for Rural Development (ONWARD) Project

The contract runs from December 1, 2013 to May 31, 2017.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2017	\$ 236,657	\$ 53,248

Kenya: Food for Today & Tomorrow in Mandera County III (FTTM) Project

The contract runs from September 1, 2014 to February 28, 2017.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Security for 2017	\$ 383,104	\$ 82,375
Food security for 2015	\$ 380,567	\$ 95,142
Food assistance for 2017	\$ 112,756	\$ 28,189

Rwanda: Kuraneza

The contract runs from July 1, 2014 to June 30, 2017.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2018	\$ 249,733	\$ 49,947
Nutrition for 2017	\$ 297,081	\$ 59,416
Nutrition for 2016	\$ 260,654	\$ 52,131

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

The contract runs from March 1, 2015 to April 30, 2019

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2018	\$ 317,039	\$ 3,893
Nutrition for 2017	\$ 373,730	\$ 74,746
Nutrition for 2016	\$ 349,790	\$ 19,958

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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

Mongolia: Sustainable Agriculture, Food & Economics (SAFE) Project

The contract runs from January 1, 2015 to March 31, 2018.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food security for 2018	\$ 204,725	\$ 51,181
Food security for 2017	\$ 233,236	\$ 58,309

Philippines: Better Nutrition for Mothers & Children, "Maayos na Nutrisyon para sa Masiglang Lahi" (MASIGLAHI) Project

The contract runs from July 1, 2015 to September 30, 2018.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Nutrition for 2018	\$ 154,649	\$ 30,930
Nutrition for 2017	\$ 157,798	\$ 31,560
Nutrition for 2016	\$ 238,122	\$ 47,624

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

The contract runs from Dec 1, 2016 to Feb 29, 2020.

The following is a summary of the program:

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

Kenya: Rehabilitating Agriculture & Rangeland Ecosystems (RARE) Project

The contract runs from Apr 1, 2017 to Mar 31, 2020.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Security for 2018	\$ 16,337	\$ 8,169
Food Security 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 Apr 1, 2017 to Mar 31, 2020.

The following is a summary of the program:

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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

Somalia: Food Assistance in Drought Affected Locations of Somolia (FAIDALS) Project

The contract runs from Mar 15, 2017 to Aug 14, 2017

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance for 2017	\$ 500,000	\$ -

Kenya: Mandera West Emergency Response Initiative (MERI) Project

The contract runs for 5 months food assistance.

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2018	\$ 499,691	\$ 49,969

South Sudan: Food Assistance to Famine Affected People in Kapoeta North (FAFAPEKAN) Project

The contract runs for 4 months food assistance

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2018	\$ 399,999	\$ -
Food Assistance 2018	\$ 130,000	\$ 7,500

Burundi: Emergency Food Assistance in Bubanza (EFAB) Project (EMF17024)

The contract runs for 4 months food assistance

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2018	\$ 496,848	\$ 98,424

DR Congo: Kasai Emergency Food Assistance (KEFA) Project

The contract runs for 4 months food assistance

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2018	\$ 522,072	\$ 25,518

Somalia: Supporting Livelihoods in Drought Emergency (SLIDE) Project

The contract runs for 4 months food assistance

The following is a summary of the program:

	Total project cost	ADRA Canada's commitment
Food Assistance 2018	\$ 499,844	\$ 16,535

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

10. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

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

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

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

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

However, based on the latest actuarial information of the Registered Plan as a whole, as at December 31, 2017, the actuarially computed value of accumulated benefits was estimated to be \$175,787,000, and the market value of net assets was estimated to be \$143,769,000 for the Registered Plan as a whole, resulting in a funding deficit of \$32,108,000. 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:

	2018	2017
Registered plan - amortization payment	\$ 29,072	\$ 21,718
Registered plan - normal cost	40,909	28,225
Supplemental plan - pension benefits	18,598	15,483
Supplemental plan - other post-retirement benefits	24,383	18,052
Retirement Allowance	29,851	-
	\$ 142,813	\$ 83,478

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 **\$1,258,365** in donations [2017 - \$959,770] from the Seventh-day Adventist Church in Canada and various Conferences across Canada.

An amount receivable of **\$0** [2017 - \$10,438] from the Seventh-day Adventist Church in Canada is included in accounts receivable at year-end.

An amount payable of **\$0** [2017 - \$0] to the Seventh-day Adventist Church in Canada is included in accounts payable and accrued liabilities at year-end.

12. CONTINGENCIES

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

13. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2018 financial statements.