Canadian Lutheran World Relief

Financial Statements
March 31, 2019
Independent auditor’s report

To the Board of Directors of Canadian Lutheran World Relief

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Lutheran World Relief (the Organization) as at March 31, 2019 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.

What we have audited
The Organization’s financial statements comprise:

- the statement of financial position as at March 31, 2019;
- the statement of changes in net assets for the year then ended;
- the statement of operations for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 control 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 to 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 judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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.

- 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 obtained 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.

PricewaterhouseCoopers LLP
Chartered Professional Accountants

Winnipeg, Manitoba
September 23, 2019
Canadian Lutheran World Relief
Statement of Financial Position
As at March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Restricted Fund</th>
<th>CFGB Fund</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>2,547,411</td>
<td>434,051</td>
<td>-</td>
<td>2,981,462</td>
<td>3,641,179</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>37,386</td>
<td>-</td>
<td>-</td>
<td>37,386</td>
<td>266,951</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>38,938</td>
<td>20,885</td>
<td>-</td>
<td>59,823</td>
<td>31,775</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>79,961</td>
<td>36,358</td>
<td>-</td>
<td>116,319</td>
<td>116,696</td>
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<tr>
<td>Advances to programs</td>
<td>863,523</td>
<td></td>
<td>-</td>
<td>863,523</td>
<td></td>
</tr>
<tr>
<td>Due from General Fund</td>
<td>-</td>
<td>506,350</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Member interest in CFGB (note 12)</td>
<td>-</td>
<td>-</td>
<td>1,137,025</td>
<td>1,137,025</td>
<td>1,423,602</td>
</tr>
<tr>
<td><strong>Investments</strong> (note 4)</td>
<td>3,567,219</td>
<td>997,644</td>
<td>1,137,025</td>
<td>5,195,538</td>
<td>5,480,203</td>
</tr>
<tr>
<td><strong>Capital assets</strong> (note 5)</td>
<td>4,068,805</td>
<td>855,574</td>
<td>-</td>
<td>4,924,379</td>
<td>5,013,234</td>
</tr>
<tr>
<td></td>
<td>130,841</td>
<td>-</td>
<td>-</td>
<td>130,841</td>
<td>158,664</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>297,472</td>
<td>-</td>
<td>-</td>
<td>297,472</td>
<td>226,705</td>
</tr>
<tr>
<td>Deferred revenue (note 6)</td>
<td>4,125,697</td>
<td>-</td>
<td>-</td>
<td>4,125,697</td>
<td>4,087,212</td>
</tr>
<tr>
<td>Due to Restricted Fund</td>
<td>506,350</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Sponsorship funds (note 7)</td>
<td>-</td>
<td>1,327,240</td>
<td>-</td>
<td>1,327,240</td>
<td>1,412,473</td>
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<tr>
<td><strong>Lease inducement</strong> (note 8)</td>
<td>4,929,519</td>
<td>1,327,240</td>
<td>-</td>
<td>5,750,409</td>
<td>5,726,390</td>
</tr>
<tr>
<td></td>
<td>55,438</td>
<td>-</td>
<td>-</td>
<td>55,438</td>
<td>69,014</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internally restricted (schedule 3)</td>
<td>-</td>
<td>525,978</td>
<td>-</td>
<td>525,978</td>
<td>655,657</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>130,841</td>
<td>-</td>
<td>-</td>
<td>130,841</td>
<td>158,664</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,651,067</td>
<td>-</td>
<td>-</td>
<td>2,651,067</td>
<td>2,618,774</td>
</tr>
<tr>
<td>Externally restricted</td>
<td>-</td>
<td>1,137,025</td>
<td>1,137,025</td>
<td>1,423,602</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,781,908</td>
<td>525,978</td>
<td>1,137,025</td>
<td>4,444,911</td>
<td>4,856,697</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>7,766,865</td>
<td>1,853,218</td>
<td>1,137,025</td>
<td>10,250,758</td>
<td>10,652,101</td>
</tr>
</tbody>
</table>

Approved by the Board of Directors

Cheryl Bauer Heple, Director
Gene Blishen, Director

The accompanying notes are an integral part of these financial statements.
Canadian Lutheran World Relief  
Statement of Changes in Net Assets  
For the year ended March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
<td>Restricted Fund</td>
</tr>
<tr>
<td>Net assets – Beginning of year</td>
<td>2,777,438</td>
<td>655,657</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenses</td>
<td>4,470</td>
<td>(129,679)</td>
</tr>
<tr>
<td>Net assets – End of year</td>
<td>2,781,908</td>
<td>525,978</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Canadian Lutheran World Relief
Statement of Operations
For the year ended March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>General Fund $</th>
<th>Restricted Fund $</th>
<th>CFGB Fund $</th>
<th>Total $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congregations and individuals (schedule 1)</td>
<td>3,618,883</td>
<td>59,431</td>
<td>-</td>
<td>3,678,314</td>
<td>4,352,091</td>
</tr>
<tr>
<td>Government and other grants (schedule 2)</td>
<td>2,558,173</td>
<td>-</td>
<td>-</td>
<td>2,558,173</td>
<td>3,240,472</td>
</tr>
<tr>
<td>Canadian Foodgrains Bank contributions</td>
<td>19,151</td>
<td>-</td>
<td>1,922,997</td>
<td>1,942,148</td>
<td>1,652,453</td>
</tr>
<tr>
<td></td>
<td>6,196,207</td>
<td>59,431</td>
<td>1,922,997</td>
<td>8,178,635</td>
<td>9,245,016</td>
</tr>
<tr>
<td>Investment income</td>
<td>109,531</td>
<td>19,627</td>
<td>-</td>
<td>129,158</td>
<td>87,533</td>
</tr>
<tr>
<td></td>
<td>6,305,738</td>
<td>79,058</td>
<td>1,922,997</td>
<td>8,307,793</td>
<td>9,332,549</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International and We Care program (schedule 4)</td>
<td>3,566,423</td>
<td>127,242</td>
<td>2,209,574</td>
<td>5,903,239</td>
<td>6,545,055</td>
</tr>
<tr>
<td>General management (schedule 5)</td>
<td>317,824</td>
<td>-</td>
<td>-</td>
<td>317,824</td>
<td>380,059</td>
</tr>
<tr>
<td>Community relations</td>
<td>901,925</td>
<td>31,816</td>
<td>-</td>
<td>933,741</td>
<td>1,085,770</td>
</tr>
<tr>
<td>Refugees</td>
<td>365,355</td>
<td>8,847</td>
<td>-</td>
<td>374,202</td>
<td>361,377</td>
</tr>
<tr>
<td>Program management</td>
<td>845,630</td>
<td>40,832</td>
<td>-</td>
<td>886,462</td>
<td>1,129,866</td>
</tr>
<tr>
<td>We Care management</td>
<td>248,601</td>
<td>-</td>
<td>-</td>
<td>248,601</td>
<td>165,732</td>
</tr>
<tr>
<td>Gifts to qualified donees</td>
<td>34,541</td>
<td>-</td>
<td>-</td>
<td>34,541</td>
<td>104,948</td>
</tr>
<tr>
<td></td>
<td>6,280,299</td>
<td>208,737</td>
<td>2,209,574</td>
<td>8,698,610</td>
<td>9,772,807</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue over expenses before other items</strong></td>
<td>25,439</td>
<td>(129,679)</td>
<td>(286,577)</td>
<td>(390,817)</td>
<td>(440,258)</td>
</tr>
<tr>
<td><strong>Other items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write off of investments due to impairment</td>
<td>(22,825)</td>
<td>-</td>
<td>-</td>
<td>(22,825)</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>1,856</td>
<td>-</td>
<td>-</td>
<td>1,856</td>
<td>2,034</td>
</tr>
<tr>
<td>Bad debt recovery</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,889</td>
</tr>
<tr>
<td></td>
<td>(20,969)</td>
<td>-</td>
<td>-</td>
<td>(20,969)</td>
<td>3,923</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue over expenses</strong></td>
<td>4,470</td>
<td>(129,679)</td>
<td>(286,577)</td>
<td>(411,786)</td>
<td>(436,335)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Canadian Lutheran World Relief
Statement of Cash Flows
For the year ended March 31, 2019

The accompanying notes are an integral part of these financial statements.
1 **Accounting entity**

Canadian Lutheran World Relief (CLWR) is a non-profit organization incorporated, without share capital, in the Province of Manitoba. It is registered with Canada Revenue Agency as a charitable organization under the registration number 106863038 RR0001. CLWR is the service delivery arm for overseas development programming and relief for the Evangelical Lutheran Church In Canada (ELCIC) and Lutheran Church Canada (LCC).

2 **Basis of presentation**

These financial statements are prepared in accordance with accounting standards for not-for-profit organizations (ASNPO).

3 **Significant accounting policies**

An underlying assumption of the preparation of financial statements in accordance with ASNPO is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

a) **Fund accounting**

CLWR follows the restricted fund method in which restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which an appropriate restricted fund does not exist would be recognized in the General Fund using the deferral method. Unrestricted contributions are recognized in the General Fund.

The General Fund accounts for CLWR’s program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Restricted Fund encompasses the following internally restricted funds. These funds are held in the General Fund Cash Account and are to be used at the discretion of the Board of Directors. Also included in the Restricted Fund is cash held in trust in the amount of $434,051 (2018 – $518,814).

i) The Emergency Response Fund is to be used to provide material and relief aid for emergencies.

ii) The Financial Assistance Fund provides financial assistance to immigrants, refugees and other individuals or groups.

iii) The Program Development Fund is to be used for the purpose of providing programming opportunities for refugees and for developing new programs to meet the needs of refugees.

iv) The Special Projects Fund is to be used for initiatives to be determined at a future date.
v) The Strategic Action Plan Fund is to be used for the purpose of developing and implementing the strategic action plans set by the Board of Directors.

The Canadian Foodgrains Bank Association, Inc. (CFGB) Fund accounts for CLWR’s member interest in CFGB. CFGB conducts a centralized grain collection system on behalf of its member agencies, negotiates master agreements with Global Affairs Canada (GAC) and other organizations, manages procurement and shipping for members and engages in policy and learning activities related to hunger and food security.

b) Member interest in CFGB

CLWR is one of fifteen partners in the Canadian Foodgrains Bank Association Inc., a non-profit organization without share capital, incorporated under the laws of Canada and has the ability to appoint two of CFGBs Board of Directors. The Organization records its member interest in the CFGB Fund. This members’ equity account receives designated gifts (received by CFGB and designated to CLWR), GAC grants and transfers from other members. The member equity account also accounts for disbursements for CLWR programs administered by CFGB, disbursements to CLWR for projects administered by CLWR, and disbursements for shared operating expenses and other projects carried out by CFGB.

c) Financial instruments

Financial instruments held by CLWR include cash, accounts receivable, accrued interest, advances to programs, investments, accounts payable and accrued liabilities and sponsorship funds. CLWR initially measures any financial instruments at fair value when the asset or liability is first recognized.

CLWR subsequently measures cash, accounts receivable, accrued interest, advances to programs, investments, accounts payable and accrued liabilities and sponsorship funds at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount less any reduction for impairment.

As at March 31 of each year, CLWR assesses whether a financial asset is permanently impaired. If there is objective evidence that an impairment loss exists, the amount of the loss is measured as the difference between the carrying amount of the asset and its fair value. The carrying amount of the asset is reduced and the amount of the loss is recognized in investment income.

d) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate Restricted Fund.

Unrestricted contributions and other revenues are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
e) Capital assets

Purchased capital assets are recorded at cost. Amortization is provided as follows:

- Leasehold improvements: 10 years straight-line
- Furniture and fixtures: 10 years straight-line
- Computer hardware and software: 4 years straight-line

In the year of acquisition, the annual amortization rate is pro-rated on a monthly basis from the time the asset is available for use.

f) Translation of foreign exchange

Revenue and expense items denominated in foreign currencies are translated at exchange rates in effect at the transaction dates. Assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing as at March 31, 2019.

g) International programs

CLWR partners with other agencies to carry out international relief work. Program expenses are recorded in the period when CLWR approves funding to be disbursed to these agencies. Concurrently, related program contributions are recognized as revenue.

h) Contributed services and donated materials

Contributed services and donated materials are not recognized in the financial statements, due to the difficulty in determining their fair value.

i) Allocation of expenses

Expenses are recorded on an accrual basis and are charged to the programs and projects according to the activity they benefit.

CLWR also incurs a number of general support expenses that are common to the administration of CLWR and each of its programs. Expenses related to salaries and benefits and administration are allocated to programs based on a percentage of budgeted expenses. This basis of allocation is reviewed periodically and may be revised according to circumstances prevailing from time to time. The expense allocations are reflected in schedule 5.
j) Accounting estimates

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Estimates include the expected useful lives of capital assets and amounts payable for services not billed yet at the time these financial statements were approved. Actual results could differ from those estimates.

4 Investments

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Restricted Fund</th>
<th>Total</th>
<th>General Fund</th>
<th>Restricted Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>23</td>
<td>-</td>
<td>23</td>
<td>227,974</td>
<td>-</td>
<td>227,974</td>
</tr>
<tr>
<td>Fixed income</td>
<td>4,068,782</td>
<td>855,574</td>
<td>4,924,356</td>
<td>3,912,981</td>
<td>849,454</td>
<td>4,762,435</td>
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<tr>
<td>Common shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,825</td>
<td>-</td>
<td>22,825</td>
</tr>
<tr>
<td></td>
<td>4,068,805</td>
<td>855,574</td>
<td>4,924,379</td>
<td>4,163,780</td>
<td>849,454</td>
<td>5,013,234</td>
</tr>
</tbody>
</table>

During the year, common shares with a value of $22,825 were written off as objective evidence of impairment existed.

5 Capital assets

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated amortization</th>
<th>Net</th>
<th>Cost</th>
<th>Accumulated amortization</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>156,278</td>
<td>88,020</td>
<td>68,258</td>
<td>148,234</td>
<td>72,551</td>
<td>75,683</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>86,799</td>
<td>42,600</td>
<td>44,199</td>
<td>92,522</td>
<td>41,171</td>
<td>51,351</td>
</tr>
<tr>
<td>Computer hardware and software</td>
<td>110,534</td>
<td>92,150</td>
<td>18,384</td>
<td>121,087</td>
<td>89,457</td>
<td>31,630</td>
</tr>
<tr>
<td></td>
<td>243,077</td>
<td>130,620</td>
<td>112,457</td>
<td>240,756</td>
<td>113,722</td>
<td>127,034</td>
</tr>
</tbody>
</table>

(4)
6  Deferred revenue

<table>
<thead>
<tr>
<th></th>
<th>Balance March 31, 2018</th>
<th>Amounts received 2018/2019</th>
<th>Revenue recognized 2018/2019</th>
<th>Balance March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Affairs Canada</td>
<td>$3,526,053</td>
<td>$3,237,150</td>
<td>$2,843,073</td>
<td>$3,920,130</td>
</tr>
<tr>
<td>Donations from</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>congregations and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provincial government</td>
<td>$87,412</td>
<td>$66,397</td>
<td>$92,090</td>
<td>$61,719</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4,087,212</td>
<td>$3,493,030</td>
<td>$3,454,545</td>
<td>$4,125,697</td>
</tr>
</tbody>
</table>

7  Sponsorship funds under administration

As a Sponsorship Agreement Holder, CLWR holds funds in trust on behalf of individuals who have applied for sponsorship of refugees and other individuals to immigrate to Canada. The funds will be paid to the refugees once they have settled in Canada. If an individual is not allowed to immigrate, the funds, along with accrued interest, will be returned to the contributor.

8  Lease inducement

In fiscal 2014, CLWR entered into a new lease for its Winnipeg head office. The landlord reimbursed CLWR for $135,765 of leasehold improvement costs. The lease inducement of $135,765 is being recognized against rent expense over the lease term plus one renewal period for a total of ten years. Rent expense has been reduced by $13,576 for the current year’s reduction of the lease inducement.

9  Commitments

CLWR has operating leases for equipment and premises occupied in Winnipeg, Vancouver and Waterloo. The minimum annual lease payments required under these leases are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>126,262</td>
</tr>
<tr>
<td>2021</td>
<td>119,943</td>
</tr>
<tr>
<td>2022</td>
<td>116,873</td>
</tr>
</tbody>
</table>

The cost to complete the projects currently authorized or in progress as at March 31, 2019 is estimated to be $6,166,038. These project costs will be funded from both deferred and anticipated future donation revenue and GAC contributions.
10 Contingencies

CLWR receives funding from various organizations to administer various relief and development programs. CLWR transfers funds to these programs based on approved financial plans and budgets. Under the terms of various agreements with these organizations, the activities of CLWR may be subject to audit to ensure compliance with the agreements. Should an audit disclose any discrepancies, CLWR may be required to reimburse expenses that may be disallowed as program expenses.

11 Pension plan

CLWR is a participating employer in the Pension Plan for Clergy and Lay Workers of the Evangelical Lutheran Church in Canada, a multi-employer defined contribution pension plan. Employer (8%) and employee (7%) pension contributions for the year were $201,008 (2018 – $220,359).

12 Canadian Foodgrains Bank Association Inc.

The balance in CLWR’s CFGB member equity account as at March 31, 2019 is $1,137,025 (2018 – $1,423,602). Of this balance, $283,871 (2018 – $183,973) is reserved for current commitments, while $853,154 (2018 – $1,239,629) is available for CLWR to commit to new projects, as long as the projects meet the objectives of CFGB.

13 Recognition of service

A permanent employee who was hired on or before December 31, 2018 and who leaves CLWR for any reason other than cause will be paid an amount for past service. For every year worked, departing employees will receive one week’s salary with the payment based on the employee’s salary at the time they leave. As at March 31, 2019, the Organization accrued $102,299 (2018 – $84,599) for past service related to the existing employees.

14 Risk management

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes in CLWR’s cash flows, financial position and revenue. This risk arises from differences in the timing and amount of cash flows related to CLWR’s assets. The value of CLWR’s assets is affected by short-term changes in prevailing market interest rates. As at March 31, 2019, CLWR’s investments in fixed income bonds mature from April 2019 to May 2022, with interest rates ranging from 1.25% to 2.36%.
b) **Liquidity risk**

Liquidity risk is the risk CLWR will not be able to meet its financial obligations as they come due. Financial liabilities consist of accounts payable and accrued liabilities and sponsorship funds under administration. Accounts payable and accrued liabilities are paid in the normal course of business and except under certain exceptions, no later than one month. CLWR’s approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. As at March 31, 2019, CLWR has an unrestricted cash balance of $2,547,411.

c) **Credit risk**

CLWR has limited exposure to credit risk, based on its large and diverse donor base.

d) **Foreign currency risk**

CLWR has limited exposure to foreign currency risk as most obligations are settled in Canadian funds.
## Contributions and donations

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and donations from congregations and individuals</td>
<td>3,288,984</td>
<td>3,554,913</td>
</tr>
<tr>
<td>Contributions and donations from congregations and individuals – restricted</td>
<td>59,431</td>
<td>73,956</td>
</tr>
<tr>
<td>Deferred revenue, beginning of year</td>
<td>473,747</td>
<td>1,196,969</td>
</tr>
<tr>
<td>Deferred revenue, end of year</td>
<td>(143,848)</td>
<td>(473,747)</td>
</tr>
<tr>
<td></td>
<td>3,678,314</td>
<td>4,352,091</td>
</tr>
</tbody>
</table>

## Government and other grants

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanitarian Coalition</td>
<td>11,560</td>
<td>315,168</td>
</tr>
<tr>
<td>Global Affairs Canada</td>
<td>2,434,022</td>
<td>2,876,178</td>
</tr>
<tr>
<td>Funds recognized from provincial governments</td>
<td>112,591</td>
<td>49,126</td>
</tr>
<tr>
<td></td>
<td>2,558,173</td>
<td>3,240,472</td>
</tr>
</tbody>
</table>
## Canadian Lutheran World Relief
### Schedule of Internally Restricted Funds
#### For the year ended March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and other income</td>
<td>46,196</td>
<td>8,847</td>
</tr>
<tr>
<td>Interest</td>
<td>9,153</td>
<td>5,378</td>
</tr>
<tr>
<td></td>
<td>55,349</td>
<td>14,225</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board development and advocacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECPMI – development support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International and We Care program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International programming</td>
<td>127,242</td>
<td></td>
</tr>
<tr>
<td>Program management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refugee support</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>127,242</td>
<td>8,847</td>
</tr>
<tr>
<td></td>
<td>31,816</td>
<td>40,832</td>
</tr>
<tr>
<td></td>
<td>8,847</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue over expenses</strong></td>
<td>(71,893)</td>
<td>5,378</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets – Beginning of year</strong></td>
<td>133,440</td>
<td>149,645</td>
</tr>
<tr>
<td></td>
<td>77,190</td>
<td>222,829</td>
</tr>
<tr>
<td></td>
<td>72,553</td>
<td>655,657</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Inter-fund transfer</strong></td>
<td>174,949</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(77,190)</td>
<td>(195,401)</td>
</tr>
<tr>
<td></td>
<td>97,642</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets – End of year</strong></td>
<td>236,496</td>
<td>155,023</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region</td>
<td>Countries</td>
<td>2019</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Africa</td>
<td>Ethiopia</td>
<td>51,250</td>
</tr>
<tr>
<td></td>
<td>Regional initiatives</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Uganda</td>
<td>1,591,456</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,642,706</strong></td>
</tr>
<tr>
<td>Asia</td>
<td>Cambodia</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Myanmar</td>
<td>126,203</td>
</tr>
<tr>
<td></td>
<td>Indonesia</td>
<td>13,911</td>
</tr>
<tr>
<td></td>
<td>Nepal</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>140,114</strong></td>
</tr>
<tr>
<td>Latin America</td>
<td>Nicaragua</td>
<td>-</td>
</tr>
<tr>
<td>Middle East</td>
<td>Iraq</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Israel/Palestine</td>
<td>112,000</td>
</tr>
<tr>
<td></td>
<td>Jordan</td>
<td>1,144,082</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,256,082</strong></td>
</tr>
<tr>
<td>Others</td>
<td>Church related and small projects</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td>Domestic emergencies</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Evaluations/program reviews</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Lutheran World Federation, Geneva</td>
<td>340,000</td>
</tr>
<tr>
<td></td>
<td>We Care shipments, supplies and warehouse</td>
<td>37,521</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>527,521</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>3,566,423</strong></td>
</tr>
</tbody>
</table>
## Schedule of General Management Expenses – General Fund

For the year ended March 31, 2019

### Salaries

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total salaries</td>
<td>1,443,966</td>
<td>1,474,637</td>
</tr>
<tr>
<td>Allocated to other departments</td>
<td>-1,270,690</td>
<td>-1,306,937</td>
</tr>
<tr>
<td>Net salaries</td>
<td>173,276</td>
<td>167,700</td>
</tr>
</tbody>
</table>

### Benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total benefits</td>
<td>261,015</td>
<td>272,992</td>
</tr>
<tr>
<td>Allocated to other departments</td>
<td>-229,693</td>
<td>-249,033</td>
</tr>
<tr>
<td>Net benefits</td>
<td>31,322</td>
<td>23,959</td>
</tr>
</tbody>
</table>

### Travel

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total travel</td>
<td>75,378</td>
<td>279,679</td>
</tr>
<tr>
<td>Allocated to other departments</td>
<td>-</td>
<td>-167,032</td>
</tr>
<tr>
<td>Net travel</td>
<td>75,378</td>
<td>112,647</td>
</tr>
</tbody>
</table>

### Administration expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization</td>
<td>38,773</td>
<td>35,496</td>
</tr>
<tr>
<td>Board expenses</td>
<td>40,542</td>
<td>57,554</td>
</tr>
<tr>
<td>General expenses</td>
<td>38,653</td>
<td>44,968</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>24,676</td>
<td>25,908</td>
</tr>
<tr>
<td>Postage</td>
<td>7,525</td>
<td>6,253</td>
</tr>
<tr>
<td>Office supplies</td>
<td>8,374</td>
<td>9,725</td>
</tr>
<tr>
<td>Communications</td>
<td>18,777</td>
<td>20,057</td>
</tr>
<tr>
<td>Service contracts</td>
<td>12,183</td>
<td>13,931</td>
</tr>
<tr>
<td>Membership and agency relations</td>
<td>66,532</td>
<td>47,966</td>
</tr>
<tr>
<td>Recruitment</td>
<td>24,844</td>
<td>56,271</td>
</tr>
<tr>
<td>Equipment updates and expense</td>
<td>9,045</td>
<td>7,024</td>
</tr>
<tr>
<td>Consultancy services</td>
<td>923</td>
<td>8,083</td>
</tr>
<tr>
<td>Equipment leasing</td>
<td>4,508</td>
<td>4,508</td>
</tr>
<tr>
<td>Professional development</td>
<td>1,188</td>
<td>10,733</td>
</tr>
<tr>
<td>Rent</td>
<td>88,728</td>
<td>86,077</td>
</tr>
<tr>
<td>Audit and legal fees</td>
<td>21,443</td>
<td>24,267</td>
</tr>
</tbody>
</table>

| Total                        | 406,714    | 458,821    |
| Allocated to other departments| -368,866   | -412,031   |
| Net administration           | 37,848     | 46,790     |

| Total                        | 317,824    | 351,096    |