OUR MISSION: TO BRING CHRIST TO THE POOR AND THE POOR TO CHRIST

Executive summary 3
Our work around the world 4
Sponsorship 5
Water project brings life to hilltop village in India 6
Kenya and Tanzania School Farming Project bears fruit 7
Critical needs funding keeps Ukrainian families warm 8
Peruvian families grateful for support following flooding 9
Global Learning and Evaluation Framework 10
Nutrition program improves test scores in Gilgil, Kenya 11
Canadian volunteers share talents on mission 12
Financial summary 13
Auditor’s report on summarized financial statements 14
Summarized statement of financial position 15
EXECUTIVE SUMMARY

“Our family funding initiative was globally deployed last year and we experienced its powerful results.

We regularly gather in family circles with the mothers or guardians of each child sponsored. There we hear their concerns, listen to their plans, and together decide how their sponsorship funds can best be used.

We know each family and child by name and they know the name of their sponsor. One by one - one to one - we have built relationships that enable friendship, shared responsibility, and mutual trust. Facing poverty together we overcome fear and despair with hope and love.

Thank you for sharing your love with others.”
Fr. Patrick Cosgrove, President

“We all strive to be happy but happiness will never be ours if we do not recognize in some way that God’s blessings were given to us for the well-being of all. Wealth isn’t what you have, wealth lies in what you give and do for the needs of others.”
+ Martin W. Currie
Archbishop of St. John’s, NL

“Chalice has completed another challenging but successful year with the presence of the Holy Spirit evident in everything that is accomplished. We are always supported by the prayers and appreciation of the poor we serve. Our continued growth is a direct result of our professional and dedicated staff, senior managers, and our president.

The Chalice board brings a broad range of skills and expertise as we serve with dedication to support Chalice in achieving our goals.

It is an honour for me to support a dedicated and spirit-filled team. All staff and board members work in support of the leadership and inspiration of our President, Father Patrick Cosgrove, as we strive to bring the poor to Christ.”
Ron Robichaud, Chair

BOARD OF DIRECTORS
2017-2018

J. Ron Robichaud, Chairperson; Faculty, Truro, NS

Peter Browne, Treasurer; Accountant, Halifax, NS

Sonia Menendez, Secretary; Business Consultant/Coach, Halifax, NS

Michael E. Foster, Past Chairperson; Economist, Halifax, NS

Martin Currie, Director; Archbishop, St. John’s, NL

Brian Church, Director; Lawyer, Halifax, NS

John Furneaux, Director; Professional Engineer, Waverley, NS

Peter Duggan, Director; Accountant, Dartmouth, NS

Lorraine Lafferty, Director; Lawyer, Halifax, NS

Malcolm Pinto, Director; Professional Engineer, Halifax, NS

Donald A. Wishart, Director; Portfolio Manager, Halifax, NS
### OUR WORK AROUND THE WORLD

#### REGION: UKRAINE
- **Site:** Pochaiv
  - **Children:** 2398
  - **Funds:** $1,028,995
- **Site:** Ternopil
  - **Children:** 1999
  - **Funds:** $929,776

#### REGION: ASIA
- **Site:** Jessore
  - **Children:** 1853
  - **Funds:** $783,713
- **Site:** Assam
  - **Children:** 307
  - **Funds:** $119,252
- **Site:** Bangalore
  - **Children:** 1221
  - **Funds:** $506,200
- **Site:** Berhampur
  - **Children:** 885
  - **Funds:** $340,804
- **Site:** Goa
  - **Children:** 421
  - **Funds:** $149,682
- **Site:** Imphal
  - **Children:** 457
  - **Funds:** $183,144
- **Site:** Kerala
  - **Children:** 1047
  - **Funds:** $449,704
- **Site:** Madurai
  - **Children:** 863
  - **Funds:** $372,010
- **Site:** Mangalagiri
  - **Children:** 1022
  - **Funds:** $398,854
- **Site:** Nellore
  - **Children:** 539
  - **Funds:** $207,862
- **Site:** Orissa
  - **Children:** 565
  - **Funds:** $220,065
- **Site:** STAR
  - **Children:** 547
  - **Funds:** $221,773
- **Site:** Tamil Nadu
  - **Children:** 1226
  - **Funds:** $492,092
- **Site:** Bulacan
  - **Children:** 1263
  - **Funds:** $516,913
- **Site:** Cotabato
  - **Children:** 951
  - **Funds:** $377,850
- **Site:** Margarita
  - **Children:** Closed
  - **Funds:** $21,266
- **Site:** Samar
  - **Children:** 1193
  - **Funds:** $473,157
- **Site:** Tondo
  - **Children:** 1369
  - **Funds:** $593,121

#### REGION: HAITI
- **Site:** Haiti North
  - **Children:** 1564
  - **Funds:** $677,236
- **Site:** Haiti South
  - **Children:** 1268
  - **Funds:** $594,537

#### REGION: AFRICA
- **Site:** Kumbo
  - **Children:** 1848
  - **Funds:** $761,947
- **Site:** Mbiame
  - **Children:** 561
  - **Funds:** $235,210
- **Site:** Nandom
  - **Children:** 423
  - **Funds:** $225,017
- **Site:** Wa
  - **Children:** 1755
  - **Funds:** $824,787
- **Site:** Wa Deaf
  - **Children:** 463
  - **Funds:** $202,805

### Funds allocated to each region may include:
- Sponsorship
- Special gifts
- Nutrition program
- Grants
- Catalogue gifts
- Christmas fund
- Mission trip funds
- Community projects
- Human development programs

### AFRICA (Cont’d)
- **Site:** Asembo
  - **Children:** 318
  - **Funds:** $186,589
- **Site:** Charles Lwanga
  - **Children:** 439
  - **Funds:** $107,524
- **Site:** Baraka
  - **Children:** 464
  - **Funds:** $213,953
- **Site:** Mercy Care
  - **Children:** 1410
  - **Funds:** $345,488
- **Site:** Meru
  - **Children:** 578
  - **Funds:** $261,491
- **Site:** Mombasa
  - **Children:** 1410
  - **Funds:** $822,601
- **Site:** Nairobi
  - **Children:** 578
  - **Funds:** $246,088
- **Site:** Saidia
  - **Children:** 464
  - **Funds:** $133,380
- **Site:** Starehe
  - **Children:** 1410
  - **Funds:** $183,144
- **Site:** Mbinga
  - **Children:** 310
  - **Funds:** $192,361
- **Site:** Neema
  - **Children:** 568
  - **Funds:** $270,039
- **Site:** Kawambwa
  - **Children:** 1543
  - **Funds:** $850,234
- **Site:** Serenje
  - **Children:** 1812
  - **Funds:** $775,485

### LATIN AMERICA
- **Site:** Amanecer
  - **Children:** 439
  - **Funds:** $186,481
- **Site:** ASDC
  - **Children:** 124
  - **Funds:** $57,150
- **Site:** Fátima
  - **Children:** 567
  - **Funds:** $268,420
- **Site:** Guadalupe
  - **Children:** 609
  - **Funds:** $270,148
- **Site:** Levántate Mujer
  - **Children:** 437
  - **Funds:** $195,822
- **Site:** PENNT
  - **Children:** 917
  - **Funds:** $403,988
- **Site:** Yapacaní
  - **Children:** 895
  - **Funds:** $361,982
- **Site:** Arica
  - **Children:** 1344
  - **Funds:** $581,518
- **Site:** Santiago
  - **Children:** 1383
  - **Funds:** $568,472
- **Site:** Luis Amigó
  - **Children:** 1148
  - **Funds:** $460,577
- **Site:** Ayolas
  - **Children:** 599
  - **Funds:** $263,774
- **Site:** CMAVIL
  - **Children:** 488
  - **Funds:** $227,777
- **Site:** Dominica
  - **Children:** 1049
  - **Funds:** $452,941
- **Site:** Don Bosco
  - **Children:** 1969
  - **Funds:** $729,882
- **Site:** Cañete
  - **Children:** 582
  - **Funds:** $276,698
- **Site:** Chicalayo
  - **Children:** 389
  - **Funds:** $228,839
- **Site:** PINIFE
  - **Children:** 426
  - **Funds:** $198,814
SPONSORSHIP

AN HONOURS DEGREE LEADS TO A DREAM JOB AS A PHARMACIST

Marharyta, from Ternopil, Ukraine, is a former sponsored child. Sponsorship allowed her to attend school, where she gained a passion for learning and hard work.

This year, Marharyta graduated from university with an honours degree in pharmacy, and has found her dream job working as a pharmacist in her community.

Marharyta attributes much of her success to the support she received from her sponsor and to the opportunities sponsorship gave her.

ANDREWS GRADUATES WITH HIS BACHELOR’S DEGREE

Eighteen years ago, little Andrews set off alone from his rural home in Wa, Ghana, for his first day of primary school. His father didn’t want Andrews to attend school, as he was the first born boy in a family of 16 children, and was needed to work on the farm. Andrews desired to attend school so much that he went on his own without support. He had to combine his farming chores and schooling, and often went the whole day without anything to eat. He attended class barefoot and couldn’t afford books, but stayed positive despite his challenges.

In 2001, Andrews was chosen by a Chalice sponsor. Sponsorship was a great relief for the entire family, and Andrews no longer had to work after school. His sponsor offered lots of love and encouragement, and urged Andrews to pursue his dreams. When Andrews graduated high school, he was accepted into a nursing program at a nearby university. Today, Andrews is working as a professional nurse. He’s so thrilled to have realized his dream of working in health care, and incredibly grateful to his loving and generous sponsor for all of the support he received.
Pattuchennuru, a distant hilltop village located near our Nellore site in India, has a population of just 200. Seven village children are sponsored through Chalice. Due to their remote location, families were having extreme difficulty accessing enough clean, safe drinking water. Many children were falling ill from drinking contaminated water.

Thanks to the kindness of our donors, a water project including tanks and filters was funded through our gift catalogue! Clean drinking water is now always available, and water can also be used for farming. The villagers are also less frequently ill, and vitality has been brought to the community.

“There’s been a huge reduction in malaria and other water borne diseases,” says Sr. Metty, our Nellore site director. “Thank you for reaching out to this community - otherwise, they would have lost many lives to contaminated water.”

In India, some children and families must walk up to eight hours a day just to collect drinking water. Children, primarily girls, are forced to miss class for the trek. Often, the water they return with is unsafe to drink, and spreads dangerous water borne illnesses.
In Kenya and Tanzania, agriculture lies at the heart of the economy. Over 75% of the population relies on agriculture for a living. When the timing’s right, prepared soil and favourable climates offer the potential for a variety of crops. Inexperience and ineffective farming methods, however, can lead to low yields and poor quality crops.

Recognizing the importance of agriculture, Chalice launched our eRoots program in Kenya back in 2012. eRoots helped develop, promote, and encourage technologies that would help farmers produce high quality crops. Thirty-two schools that participated were so successful that they sustained school feeding programs after funding ended.

Chalice has since launched the Kenya and Tanzania School Farming Project as a successor. This project offers further support to school feeding programs and community gardens.

So far, we’ve seen astounding success. Schools and communities use provided seeds, tools, fertilizers, and irrigation kits to produce crops used in school meals. Children from our Mbinga site in Tanzania were so excited for the first harvest this spring that they cheered while gathering crops.

We offer sincere thanks and blessings to our donors who have contributed to this project. The completed project will help many more communities and schools build sustainable food systems, benefiting a total of 460,000 school children.
CRITICAL NEEDS FUNDING KEEPS UKRAINIAN FAMILIES WARM

Last year, just as winter was coming to an end, Ukraine experienced an extreme, dangerous cold snap. Temperatures plummeted to -23° C., reaching nearly -30° C. at night.

Over 50 centimetres of snow coated the region. These unforeseen winter conditions could have spelled disaster for many families, who had already spent their winter heating budget.

In response to these terrible conditions, we launched a critical needs campaign, attempting to raise $23,241 for the purchase of wood for 129 families of sponsored children from our Pochaiv and Ternopol sites.

The response from our donors was truly touching. The outpouring of love and generosity allowed us to raise the funds quickly, and wood supplies were purchased and delivered to families in need.

We at Chalice offer sincere thanks to our donors for helping these families in need.

“Each and every family supported is very appreciative of the assistance, and got through the cold snap without constant worry and fear,” says Luba, the Ternopil Chalice site director. “May the Lord richly bless each of you with joy and peace!”

“Each and every family supported is very appreciative of the assistance, and got through the cold snap without constant worry and fear,” says Luba, the Ternopil Chalice site director. “May the Lord richly bless each of you with joy and peace!”

CRITICAL NEEDS 2017-2018

| Housing | 4 |
| Heating | 2 |
| Other Needs | 7 |
| Medical | 39 |

Total Contributions: $196,790
**DISASTER RELIEF**

**PERUVIAN FAMILIES GRATEFUL FOR SUPPORT FOLLOWING FLOODING**

In early February 2017, heavy rains in Peru resulted in severe hardship for families in the community of Chiclayo.

“Intense rains produced floods, which led to collapsed houses (especially among the poorest of people that live in adobe houses), collapsed drain pipes in houses and in the streets, and mud and garbage caused damage and contamination, putting people’s health at risk. Additionally, the floods and the mud made things worse in some households due to the loss of work.

We value the support of the leadership teams of the 15 family circles during those days, organizing among themselves to identify and assist the most affected families of the family circles and their neighbours.

Work carried out included repair and cleaning of houses, delivery of food packages, medicines and medical attention, and support to spray for mosquitoes to prevent dengue fever.

All of this was possible thanks to the tremendous responses of solidarity after the rains. On behalf of our team and families, I express our deep gratitude to our supporters for your prayers, your economic support, and quick response to this disaster. We have experienced once again your large-hearted generosity and solidarity.”

Gladys Fernandez, site director, Chiclayo

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2017-2018

**disaster relief**

- **flood relief**
  Paraguay and Peru

- **hurricane relief**
  Haiti

- **drought relief**
  Kenya and Tanzania

**$120,607**

**total contributions**
GLOBAL LEARNING AND EVALUATION FRAMEWORK

Since our inception, we have pledged to be good stewards of the money graciously contributed by thousands of Canadians across the country to educate and feed children in the global south.

Our commitment to good stewardship continues to this day and is reflected by the fact that this year, 90.3% of spending was used in support of programs. This commitment reflects our values and is important to our supporters.

While good financial stewardship is important, Canadians rightfully expect more. Canadians expect that the money is not only spent on programming, but that the programming has a measurable impact on the lives of the beneficiaries. Canadians want to know that they are making a significant difference with their donation.

Organizations that rate charities (such as Charity Intelligence) also expect this level of social impact reporting from charities, especially from larger charities such as Chalice. We see and hear the impact on the ground and share some of these stories with you, but we know we need to show, not just tell.

Last year, we reported that Chalice would be piloting the first stage of our Global Learning and Evaluation Framework (GLEF) over the coming year. The GLEF will allow us to measure the outcomes and impacts of the work you support, and report back not only good stewardship and warm stories, but meaningful results.

Over the past year we completed the GLEF pilot at eight sites across the regions in which we work, and we are pleased to report that it was a success.

In the coming year, we will use the results of the pilot to refine the GLEF before rolling it out to all our sites.

Once we have collected a significant dataset, we will be able to begin showing, both quantitatively and qualitatively, the outcomes and impacts your donation makes in the lives of sponsored children and elders, and their communities around the world. We will also be able to improve our programming so that we can ensure your generous contributions make the biggest possible impact.
Many children in Gilgil, Kenya, have known poverty for their entire lives. Families in Gilgil are heavily dependent on farming. Rough terrain and lack of rain, however, can make growing crops difficult. Until recently, education took a back seat to farming, and children would stay home from school to work alongside their parents.

Our Saidia site, located in the town of Gilgil, offers relief to these struggling families. Sponsored children depend on the site for food, education, and medical care. Education is top priority – every sponsored child is required to attend school.

The children were eager to learn, but many didn’t have enough to eat during the school day. Hungry children can’t focus, and teachers struggled to keep students up to speed.

In 2017, Gilgil Township Primary School and Gilgil Highway Primary School began an incredible initiative to feed hungry students. Working with our Nutrition program, the two schools started a school lunch program that provides each student with a hot, healthy meal every day.

The schools are now cultivating gardens to grow fresh, healthy vegetables, and they use funds from our Nutrition program to buy other necessities such as beans and oil. Parents even contribute a small amount to help pay for firewood and kitchen staff.

The collaborative effort has been extremely successful. “Children can’t hide their excitement when they line up for meals,” says Eva, our Saidia site director.

Since the school lunch program started, students have been shining in the classroom. In the most recent national primary school exam, Gilgil Township’s score increased by 30 points! Previously, students were scoring below average, and the numbers had been declining each year.

We offer sincere thanks to all of the donors that have supported our Nutrition program. With your support, we’re able to feed children, nourish minds, and fuel the future.
In November 2017, a team of 20 Canadian volunteers, from seven different provinces, dedicated their time, talents, and resources to making our solidarity tour to Cochabamba, Bolivia an incredible, heartfelt success.

Our team was welcomed by, and shared stories with, 33 families in their homes, learned traditional prayers and games from elders, taught and sang with preschoolers, cleaned and repaired a daycare, and served a meal for elders in the community. Some artistically inclined members painted a beautiful mural on the surrounding wall of the daycare, and a chiropractor led a small team in offering foot and leg care to elders. There was so much talent to go around!

A dentist and three dental hygienists were also among our group, and worked alongside dental professionals from Bolivia. They set up three clinics offering services to those in need, and taught oral hygiene at five locations, including a high school and a daycare.

In addition to their service, our team raised over $18,000 to support women entrepreneurs, construct a playground, and offer further dental services in Cochabamba. They also found sponsors for 23 children and elders!

We were truly blessed to have had such a gifted team with us on this mission trip. Thanks to everyone’s diverse talents, we were able to spread our impact and love even further than we ever imagined.

2017-2018 volunteers

- Stuffed and sent 100% of Christmas cards
- Prepared 90% of prayer cards
- Made 11 sponsorship appeals
- Presented to 4210 students in 5000+ office hours
- Distributed 21,222 Christmas gift catalogues
Expenses

Program Support Expenses (6% of Total Expenses) include overseas project site expenses, onsite management, financial and operational evaluation, audit and support visits by Canadian staff and other expenses incurred at Head Office in support of our sponsor sites, human development programs, and capital projects.

Program Expenses by Area

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>27.9%</td>
</tr>
<tr>
<td>Haiti &amp; Ukraine</td>
<td>13.8%</td>
</tr>
<tr>
<td>Latin America</td>
<td>25.9%</td>
</tr>
<tr>
<td>Africa</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

FINANCIALS

Revenues

Other Revenue (8.1%)

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special</td>
<td>2.8%</td>
</tr>
<tr>
<td>Grant</td>
<td>0.7%</td>
</tr>
<tr>
<td>Chalice Children</td>
<td>1.0%</td>
</tr>
<tr>
<td>Christmas</td>
<td>2.3%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>0.9%</td>
</tr>
<tr>
<td>All Others</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Expenses

Total Program 90.3%

Program Support Expenses 6.0%

Fundraising 5.6%

Administration 4.1%
Auditors’ Report on Summarized Financial Statements

To The Members of the Board of Directors of
Chalice (Canada)

The accompanying summarized financial statements, which comprise the summarized statements of financial position and changes in fund balances as at June 30, 2018, and the statement of operations for the year then ended are derived from the audited financial statements of Chalice (Canada) for the year ended June 30, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated October 26, 2018. Those financial statements, and the summarized financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summarized financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of Chalice (Canada).

Management’s Responsibility for the Summarized Financial Statements
Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Auditor’s Responsibility
Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summarized Financial Statements.

Opinion
In our opinion, the summarized financial statements derived from the audited financial statements of Chalice (Canada) for the year ended June 30, 2018 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

Dartmouth, Nova Scotia
January 8, 2019
Chalice (Canada)
Summarized Statement of Financial Position
As at June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>3,754,422</td>
<td>3,947,535</td>
</tr>
<tr>
<td>Investments</td>
<td>5,869,864</td>
<td>6,144,929</td>
</tr>
<tr>
<td>Capital assets</td>
<td>4,358,566</td>
<td>4,448,218</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,982,854</strong></td>
<td><strong>14,540,662</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>4,827,151</td>
<td>3,974,365</td>
</tr>
<tr>
<td>Deferred contributions</td>
<td>349,221</td>
<td>341,110</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,176,372</strong></td>
<td><strong>4,315,475</strong></td>
</tr>
</tbody>
</table>

Fund balances

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>4,358,568</td>
<td>4,448,218</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,542,095</td>
<td>2,134,327</td>
</tr>
<tr>
<td>Unrestricted general</td>
<td>2,905,819</td>
<td>3,642,662</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,806,482</strong></td>
<td><strong>10,225,207</strong></td>
</tr>
</tbody>
</table>

Chalice (Canada)
Summarized Statement of Operations
For the year ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>27,000,546</td>
<td>28,685,953</td>
</tr>
<tr>
<td>Expenditures</td>
<td>28,199,386</td>
<td>26,462,710</td>
</tr>
<tr>
<td>(Deficiency) excess of revenues over expenditures</td>
<td>(1,198,840)</td>
<td>2,223,243</td>
</tr>
<tr>
<td>Amortization</td>
<td>219,885</td>
<td>234,657</td>
</tr>
<tr>
<td>(Deficiency) excess of revenues over expenditures</td>
<td>(1,418,725)</td>
<td>1,988,586</td>
</tr>
</tbody>
</table>

Chalice (Canada)
Summarized Statement of Changes in Fund Balances
For the year ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balances – beginning of year</td>
<td>10,225,207</td>
<td>8,236,621</td>
</tr>
<tr>
<td>(Deficiency) excess of revenues over expenditures</td>
<td>(1,418,725)</td>
<td>1,988,586</td>
</tr>
<tr>
<td>Fund balances – end of year</td>
<td>8,806,482</td>
<td>10,225,207</td>
</tr>
</tbody>
</table>