

**CANADA-AFRICA COMMUNITY HEALTH ALLIANCE /  
ALLIANCE DE SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE**

**FINANCIAL STATEMENTS**

**APRIL 30, 2018**

**CANADA-AFRICA COMMUNITY HEALTH ALLIANCE /  
ALLIANCE DE SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Canada-Africa Community Health Alliance / Alliance de santé communautaire Canada-Afrique

We have audited the accompanying financial statements of Canada-Africa Community Health Alliance / Alliance de santé communautaire Canada-Afrique, which comprise the statement of financial position as at April 30, 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 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.

### *Auditor's 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks 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 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 qualified 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 of satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenue over expenses and cash flows from operations for the years ended April 30, 2018 and 2017, current assets as at April 30, 2018 and 2017 and net assets as at April 30, 2018 and 2017 and May 1, 2016. Our opinion on the financial statements for the year ended April 30, 2017 was also modified accordingly because of the possible effects of this limitation in scope.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canada-Africa Community Health Alliance / Alliance de santé communautaire Canada-Afrique as at April 30, 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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
August 1, 2018

**CANADA-AFRICA COMMUNITY HEALTH ALLIANCE / ALLIANCE DE  
SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED APRIL 30, 2018**

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	2018	2017
<b>REVENUE</b>		
Public donations	\$ 866,097	\$ 732,239
UOHS contribution	32,000	48,000
Fundraising	23,318	11,440
Membership	4,450	4,030
Interest	1,228	929
	<b>927,093</b>	<b>796,638</b>
<b>EXPENDITURES IN CANADA</b>		
Transportation	180,950	116,608
Human resources	142,981	144,741
Medical and logistic supplies	33,983	13,233
Fundraising and advertising	18,654	6,926
Office	6,571	6,655
Scholarship	6,035	6,144
Membership	4,200	3,550
Professional fees	8,773	9,329
Interest and service charges	15,197	14,293
	<b>417,344</b>	<b>321,479</b>
<b>EXPENDITURES OVERSEAS (Note 3)</b>		
Contribution for activities in the field	488,549	474,592
Transportation	8,887	7,138
Human resources	5,948	9,787
Equipment and supplies	1,343	-
Living expenses	722	1,826
Other expenses	-	2,471
Office	-	134
	<b>505,449</b>	<b>495,948</b>
<b>TOTAL EXPENDITURES</b>	<b>922,793</b>	<b>817,427</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>4,300</b>	<b>(20,789)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>130,793</b>	<b>151,582</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 135,093</b>	<b>\$ 130,793</b>

**CANADA-AFRICA COMMUNITY HEALTH ALLIANCE / ALLIANCE DE  
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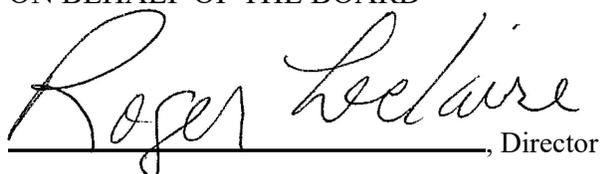
**STATEMENT OF FINANCIAL POSITION**

**APRIL 30, 2018**

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	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 302,747	\$ 259,904
Accounts receivable (Note 4)	6,405	15,806
	<b>\$ 309,152</b>	<b>\$ 275,710</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 26,052	\$ 22,868
Deferred contributions (Note 5)	148,007	122,049
	<b>174,059</b>	<b>144,917</b>
<b>NET ASSETS</b>		
Unrestricted	<b>135,093</b>	<b>130,793</b>
	<b>\$ 309,152</b>	<b>\$ 275,710</b>

ON BEHALF OF THE BOARD

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

**CANADA-AFRICA COMMUNITY HEALTH ALLIANCE / ALLIANCE DE  
SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED APRIL 30, 2018**

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	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 4,300	\$ (20,789)
<b>Net change in non-cash working capital items:</b>		
Accounts receivable	9,401	60,992
Accounts payable and accrued liabilities	3,184	2,674
Deferred contributions	25,958	(64,571)
	<b>38,543</b>	<b>(905)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>42,843</b>	<b>(21,694)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>259,904</b>	<b>281,598</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 302,747</b>	<b>\$ 259,904</b>

Cash and cash equivalents consist of cash.

# CANADA-AFRICA COMMUNITY HEALTH ALLIANCE / ALLIANCE DE SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2018

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### 1. STATUTE AND NATURE OF OPERATIONS

Canada-Africa Community Health Alliance / Alliance de santé communautaire Canada-Afrique (CACHA), is incorporated without share capital, under the Canada Not-for-profit Corporations Act for the purpose of improving the general health, education and welfare of communities in developing countries at risk for HIV/AIDS. CACHA is a registered charity under the Income Tax Act and, as such, is exempt from income tax.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies Canadian accounting standards for not-for-profit organizations (ASNFPO) in accordance with Part III of the CPA Canada Handbook – Accounting.

#### Use of estimates

The preparation of financial statements in compliance with the ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

#### Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

#### Revenue recognition

The Organization follows the deferral method of accounting for restricted revenue. Under this method, restricted contributions and donations for expenses of future periods are recognized as revenue in the year in which the related expenses are incurred provided that the amount can be reasonably estimated and the collection is reasonably assured.

Fundraising revenues and unrestricted donations are recognized when received due to the uncertainty involved in the collection of this type of revenue.

Membership revenue is deferred and recognized on a straight-line basis over the term of the membership provided that collection is reasonably assured.

Interest revenue are recognized when earned.

#### Foreign currency transactions

The Organization uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's statement of earnings, except for the cost (of inventories and) depreciation translated at historic rate, are translated at average year rates. Exchange gains and losses are included in the statement of earnings.

# CANADA-AFRICA COMMUNITY HEALTH ALLIANCE / ALLIANCE DE SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2018

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Contributed supplies and services**

The Organization has elected not to recognize contributed supplies and services. Therefore, volunteers' contributed services and contributed materials, such as medical supplies, are not recognized in the financial statements because of the difficulty in determining their fair value.

#### **Financial instruments**

##### *Measurement of financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

##### *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The Organization determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

##### *Transaction costs*

Transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of operations using the straight-line method.

#### **Cash and cash equivalents**

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

# CANADA-AFRICA COMMUNITY HEALTH ALLIANCE / ALLIANCE DE SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2018

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### 3. OVERSEAS MISSIONS

Expenditures in Canada and overseas for overseas missions include medical and infrastructure missions to Tanzania, Uganda and Benin. CACHA projects include the Orphans and Vulnerable Childrens project in Tanzania and in Benin, and Scholarship funds. The CACHA-Partner projects include the Library Aklampa Project, Agnes Zabali Boys & Girls Club of Kamengo, Children of Tanzania Fund, HIV Care Treatment Centre in Terrat, Imani Vocational Training Centre, Kilema Support Fund, Lake Victoria Children, Mwanga Girls Secondary School, Tumaini Health Centre Development, PTE Women's Center, PTE Scholarship fund, Shirati KMT Diocese Secondary Technical School, Tchukudu Sponsorship Program - Children and Tchukudu Sponsorship Program - Women.

### 4. ACCOUNTS RECEIVABLE

	2018	2017
Advances to overseas partners	\$ 3,814	\$ 11,886
Harmonized Sales Tax	1,561	2,279
Contribution receivable	1,030	1,641
	<b>\$ 6,405</b>	<b>\$ 15,806</b>

### 5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of contributions for expenses of future periods:

	2018	2017
Congo	\$ 41,678	\$ 21,187
Tanzania	38,727	37,346
Uganda	29,996	26,512
Other	37,606	37,004
	<b>\$ 148,007</b>	<b>\$ 122,049</b>

Change in deferred contributions during the year consists of the following:

	2018	2017
Opening balance	\$ 122,049	\$ 186,620
Plus: Amount received	915,373	679,108
Less: Amount recognized as revenue	(889,415)	(743,679)
	<b>\$ 148,007</b>	<b>\$ 122,049</b>

# CANADA-AFRICA COMMUNITY HEALTH ALLIANCE / ALLIANCE DE SANTÉ COMMUNAUTAIRE CANADA-AFRIQUE

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2018

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### 6. RELATED PARTY TRANSACTIONS

The related party transactions presented in the financial statements are as follows:

	2018	2017
Salaries charged by the UOHS	\$ 142,981	\$ 144,741

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 7. CONTINGENCIES

#### Other indemnification agreements

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. In certain cases the sponsors of these projects can execute an audit of the financial records of the Organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.