

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

**FINANCIAL STATEMENTS**

**APRIL 30, 2017**

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

**TABLE OF CONTENTS**

	<b>PAGE</b>
Independent Auditor's Report	1
Financial Statements	
Statement of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6

## 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, 2017, 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, 2017 and 2016, current assets as at April 30, 2017 and 2016 and net assets as at April 30, 2017 and 2016 and May 1, 2015. Our opinion on the financial statements for the year ended April 30, 2016 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, 2017, 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  
July 20, 2017

**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, 2017**

**3**

	2017	2016
<b>REVENUE</b>		
Donations	\$ 732,239	\$ 659,474
UOHS contribution	48,000	64,000
DFATD contribution	-	13,787
Fundraising	11,440	300
Membership	4,030	2,830
Interest	929	922
	<b>796,638</b>	<b>741,313</b>
<b>EXPENDITURES IN CANADA</b>		
Human resources	144,741	172,799
Transportation	116,608	155,412
Medical and logistic supplies	13,233	20,682
Advertising and promotion	6,926	3,082
Office	6,655	4,185
Scholarship	6,144	6,750
Membership	3,550	2,750
Professional fees	9,329	8,419
Interest and service charges	14,293	13,693
	<b>321,479</b>	<b>387,772</b>
<b>EXPENDITURES OVERSEAS (Note 3)</b>		
Contribution for activities in the field	474,592	320,771
Human resources	9,787	9,361
Transportation	7,138	-
Other expenses	2,471	230
Living expenses	1,826	1,344
Office	134	-
Equipment and supplies	-	2,308
Administration charges	-	240
	<b>495,948</b>	<b>334,254</b>
<b>TOTAL EXPENDITURES</b>	<b>817,427</b>	<b>722,026</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(20,789)</b>	<b>19,287</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>151,582</b>	<b>132,295</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 130,793</b>	<b>\$ 151,582</b>

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


**STATEMENT OF FINANCIAL POSITION**

**APRIL 30, 2017**

**4**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 259,904	\$ 281,598
Accounts receivable (Note 4)	15,806	76,798
	<b>\$ 275,710</b>	<b>\$ 358,396</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 22,868	\$ 20,194
Deferred contributions (Note 5)	122,049	186,620
	<b>144,917</b>	<b>206,814</b>
<b>NET ASSETS</b>		
Unrestricted	<b>130,793</b>	<b>151,582</b>
	<b>\$ 275,710</b>	<b>\$ 358,396</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, 2017**

**5**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (20,789)	\$ 19,287
<b>Net change in non-cash working capital items:</b>		
Accounts receivable	60,992	5,313
Accounts payable and accrued liabilities	2,674	(9,247)
Deferred contributions	(64,571)	50,655
	<b>(905)</b>	46,721
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(21,694)</b>	66,008
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>281,598</b>	215,590
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 259,904</b>	\$ 281,598

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, 2017

6

### 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.

Membership revenue is deferred and recognized on a straight-line basis over the term of the membership.

Interest, fundraising and other 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, 2017

7

### 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 cost or 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, 2017

8

### 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, the Children Living with HIV/AIDS project, 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, Mwangi Girls Secondary School, Tumaini Health Centre Development, PTE Women's Center, PTE Scholarship fund, Shirati KMT Diocese Secondary Technical School, Tchukudu Sponsorship Program - Children, Tchukudu Sponsorship Program - Women, and the Tchukudu Basket Weaving project.

### 4. ACCOUNTS RECEIVABLE

	2017	2016
Advances to overseas partners	\$ 11,886	\$ 60,929
Harmonized Sales Tax	2,279	6,820
Contribution receivable	1,641	8,976
Other	-	73
	\$ 15,806	\$ 76,798

### 5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of contributions for expenses of future periods:

	2017	2016
Tanzania	\$ 37,346	\$ 90,502
Uganda	26,512	27,418
Congo	21,187	12,481
Benin	-	1,481
Other	37,004	54,738
	\$ 122,049	\$ 186,620

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

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2017

9

### 6. DEFERRED CONTRIBUTIONS

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

	2017	2016
Opening balance	\$ 186,620	\$ 135,965
Plus: Amount received	679,108	724,216
Less: Amount recognized as revenue	(743,679)	(673,561)
	\$ 122,049	\$ 186,620

### 7. RELATED PARTY TRANSACTIONS

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

	2017	2016
Salaries charged by the UOHS	\$ 144,741	\$ 172,799

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

### 8. 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. 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.

### 9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current year's presentation.