

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

**Independent Auditors' Report
Statement of Operations
Statement of Financial Position
Statement of Changes in Net Assets
Statement of Cash Flows
Notes to Financial Statements**



INDEPENDENT AUDITORS' REPORT

To the Directors of:

Canada-Africa Community Health Alliance / Alliance de santé communautaire Canada-Afrique

Qualified Opinion

We have audited the 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, 2023, and the statement of operations, statement of changes in net assets and cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying 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, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Canada-Africa Community Health Alliance / Alliance de santé communautaire Canada-Afrique derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Canada-Africa Community Health Alliance / Alliance de santé communautaire Canada-Afrique. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, cash flows from operations and net assets for both April 30, 2023 and the previous year.

The cash balance on the statement of financial operation includes amounts held in a foreign bank account, the external verification of which was not possible. As such, our testing was limited to the amounts recorded in the records of the Organization, and we were therefore not able to determine whether any adjustments might be necessary to revenues, expenses, cash flows from operations and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 relating 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.

Auditors' Responsibilities for the Audit of 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 auditors' 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 audit 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 controls.
- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 matter 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.



Frouin Group Professional Corporation
Ottawa Ontario
October 18, 2023

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

AUDITED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2023

	2023	2022
REVENUE		
Public donations	\$ 718,897	\$ 501,247
Grants	11,000	6,132
Fundraising	16,938	15,166
Membership	1,700	50
Interest	1,517	250
	<u>750,052</u>	<u>522,845</u>
EXPENDITURES IN CANADA		
Transportation	70,301	1,000
Human resources	97,660	88,243
Medical and logistic supplies	13,689	518
Fundraising and advertising	11,120	4,769
Office	11,334	6,648
Membership	1,700	0
Professional fees	5,925	5,925
Interest and service charges	8,659	5,104
	<u>220,388</u>	<u>112,207</u>
EXPENDITURES OVERSEAS (Note 3)		
Contribution for activities in the field	512,147	361,757
Human resources	6,608	7,193
Living expenses	3,386	712
	<u>522,141</u>	<u>369,662</u>
TOTAL EXPENDITURES	<u>742,529</u>	<u>481,869</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 7,523</u>	<u>\$ 40,976</u>

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

**AUDITED STATEMENT OF CHANGES IN NET ASSETS, INTERNALLY-RESTRICTED
AND UNRESTRICTED**

FOR THE YEAR ENDED APRIL 30, 2023

	2023	2022
INTERNALLY-RESTRICTED - CONTINGENCY/EMERGENCY FUND		
Balance, beginning and end of year	\$ <u>10,950</u>	\$ <u>10,950</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ 7,749	\$ (33,227)
Excess/(deficiency) of revenue over expenses	<u>7,523</u>	<u>40,976</u>
Balance, end of year	\$ <u>15,272</u>	\$ <u>7,749</u>

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

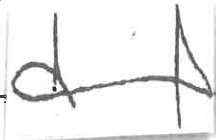
AUDITED STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2023

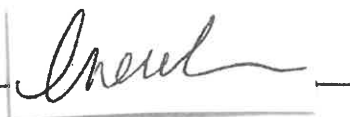
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 359,932	\$ 492,814
Accounts receivable (Note 4)	1,674	5,846
Prepaid expenses	<u>13,363</u>	<u>5,043</u>
	<u>374,969</u>	<u>503,703</u>
TOTAL ASSETS	\$ <u>374,969</u>	\$ <u>503,703</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 18,721	\$ 7,727
Deferred contributions (Note 5)	<u>330,026</u>	<u>477,277</u>
	<u>348,747</u>	<u>485,004</u>
NET ASSETS		
Internally-restricted net assets	10,950	10,950
Unrestricted net assets	<u>15,272</u>	<u>7,749</u>
	<u>26,222</u>	<u>18,699</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>374,969</u>	\$ <u>503,703</u>

APPROVED ON BEHALF OF THE BOARD:

Director



Director



(See accompanying Notes to Financial Statements)

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

AUDITED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess/(deficiency) of revenues over expenses for the year	\$ 7,523	\$ 40,976
Net change in non-cash working capital items:		
Accounts receivable	4,172	2,306
Prepaid expenses	(8,320)	(1,749)
Accounts payable and accrued liabilities	10,994	2,151
Deferred contributions	<u>(147,251)</u>	<u>96,675</u>
	<u>(140,405)</u>	<u>99,383</u>
NET CHANGE IN CASH	(132,882)	140,359
CASH, beginning of year	<u>492,814</u>	<u>352,455</u>
CASH, end of year	\$ <u>359,932</u>	\$ <u>492,814</u>
REPRESENTED BY:		
Cash	\$ <u>359,932</u>	\$ <u>492,814</u>

(See accompanying Notes to Financial Statements)

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

NOTES TO AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

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.

a. 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

b. 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.

c. 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.

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

NOTES TO AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. 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 are translated at average year rates. Exchange gains and losses are included in the statement of earnings.

e. Contributions 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.

f. 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.

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

NOTES TO AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

g. Cash and 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.

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

	2023	2022
Harmonized Sales Tax Rebate	\$ 974	\$ 846
Contribution receivable	<u>700</u>	<u>5,000</u>
TOTAL	<u>\$ 1,674</u>	<u>\$ 5,846</u>

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

NOTES TO AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of contributions for expenses of future periods:

	2023	2022
Congo	\$ 22,027	\$ 72,764
Tanzania	101,920	203,532
Uganda	24,418	40,691
Other	181,661	160,290
	<u>\$ 330,026</u>	<u>\$ 477,277</u>

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

	2023	2022
Opening balance	\$ 477,277	\$ 321,046
Amounts received	588,584	672,644
Amounts recognized as revenue	(735,835)	(516,413)
	<u>\$ 330,026</u>	<u>\$ 477,277</u>

6. CONTINGENCIES

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.

7. FINANCIAL RISK MANAGEMENT POLICY

CACHA is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at April 30, 2023:

a) Currency risk

The Organization's functional currency is the Canadian dollar. The Organization is exposed to currency risk through its foreign cash account held in the Tanzanian Shilling currency, as well as the loan receivable in the same currency.

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

NOTES TO AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

7. FINANCIAL RISK MANAGEMENT POLICY (continued)

b) Liquidity risk

The Organization manages its liquidity risk by regularly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable are normally paid within 30 days.

c) Interest rate risk

The Organization is exposed to interest rate risk with regards to its cash. The Organization has no interest-bearing liability. Fluctuations in market rates of interest on cash do not have a significant impact on the organization's results of operations. Therefore, this risk does not have a significant impact.

8. COMMITMENT

The Organization has entered into a lease agreement for an office space in Tanzania for three years commencing July 1, 2022. The required payments for this lease for the noted fiscal years are as follows:

2023/2024 - 2,450,000 TZS
2024/2025 - 1,450,000 TZS