



**UNLOCKING THE POWER**  
OF WOMEN AND GIRLS

**ETHIOPIAID CANADA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**



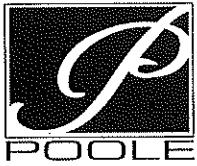
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**DECEMBER 31, 2016**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**Ethiopiaid Canada:**

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of Ethiopiaid Canada, which comprise the statement of financial position as at December 31, 2016 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***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### ***Basis for Qualified Opinion***

In common with similar organizations, Ethiopiaid Canada derives revenue in the form of donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses for the year, assets and unrestricted net assets.

**INDEPENDENT AUDITOR'S REPORT (Continued)**

***Qualified Opinion***

In my 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 Ethiopiaid Canada as at December 31, 2016 and of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Andrea Poole, CPA, CA*

**ANDREA POOLE, CPA, CA**  
Chartered Professional Accountant  
Licensed Public Accountant

Ottawa, Ontario, Canada  
April 21, 2017

Andrea Poole, CPA, CA



ETHIOPIAID CANADA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016

	2016	2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 298,962	\$ 381,477
HST receivable	7,597	4,270
Prepaid expenses	17,653	-
	\$ 324,212	\$ 385,747
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 15,600	\$ 80,026
<b>NET ASSETS</b>		
Unrestricted	308,612	305,721
	\$ 324,212	\$ 385,747

Approved on behalf of the board:

Paire Borbeau Director

[Signature] Director



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**ETHIOPIAID CANADA**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
<b>REVENUE</b>		
Grant from Ethiopiaid UK *	\$ 190,294	\$ 221,000
Donations	330,600	245,834
Interest and other	1,889	2,245
	<u>522,783</u>	<u>469,079</u>
<b>EXPENSES</b>		
Fundraising and communications	142,647	91,664
Management and administration	52,878	50,563
Programming	324,367	247,203
	<u>519,892</u>	<u>389,430</u>
<b>Excess of revenue over expenses for the year</b>	2,891	79,649
<b>Net assets, beginning of year</b>	<u>305,721</u>	<u>226,072</u>
<b>Net assets, end of year</b>	<u>\$ 308,612</u>	<u>\$ 305,721</u>

\* See note 4, page 8.



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**ETHIOPIAID CANADA**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 2,891	\$ 79,649
Changes in non-cash working capital items		
HST receivable	(3,327)	3,503
Prepaid expenses	(17,653)	
Accounts payable and accrued liabilities	(64,426)	72,405
<b>Increase in cash for the year</b>	<b>(82,515)</b>	<b>155,557</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>381,477</b>	<b>225,920</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 298,962</b>	<b>\$ 381,477</b>
Cash and equivalents consist of:		
Cash	\$ 179,658	\$ 310,497
Short-term bank deposits	119,304	70,980
	<b>\$ 298,962</b>	<b>\$ 381,477</b>

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SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
<b>Fundraising and communications</b>		
Design	\$ 1,513	\$ 3,174
Direct mail fundraising	58,229	29,207
Internship stipend	4,033	-
Printing	42,548	44,606
Salaries	32,859	14,114
Translation and online marketing	3,465	563
	<u>142,647</u>	<u>91,664</u>
<b>Management and administration</b>		
Bank charges	295	95
Donation data processing	3,215	3,088
Equipment and software	3,771	2,866
Insurance	1,458	1,350
Office expenses	7,147	8,640
Postage	2,810	2,576
Professional fees	10,288	3,844
Rent	9,290	5,151
Salaries	14,082	22,381
Telephone	522	572
	<u>52,878</u>	<u>50,563</u>
<b>Programming</b>		
Addis Ababa Fistula Hospital (Note 6)	-	45,000
AMREF Canada	-	15,687
AMREF Ethiopia	40,000	-
Afar Pastoralist Development As	63,033	-
Cheshire Services Ethiopia	65,280	34,300
Hope College	30,000	-
Hope Enterprises	13,933	40,000
WAHA International (Note 6)	75,100	80,000
Salaries - project management	31,295	28,228
Project monitoring	5,726	3,988
	<u>324,367</u>	<u>247,203</u>
	<u>\$ 519,892</u>	<u>\$ 389,430</u>



## **ETHIOPIAID CANADA**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016**

#### **1. PURPOSE OF THE ORGANIZATION**

Ethiopiaid Canada was incorporated on June 22, 2009 under the Canada Corporations Act as a not-for-profit organization and is a Registered Charity under the Income Tax Act.

Ethiopiaid Canada aims to empower people in Ethiopia to live healthy and productive lives and seeks lasting change by supporting interventions driven by local partners.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and consist of the following significant accounting policies.

*a) Accrual basis of accounting*

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

*b) Financial instruments*

The organization's cash and equivalents are measured at fair value at the balance sheet date. Any changes in fair value, both realized and unrealized, are recorded as adjustments to revenue and expenses. Government rebates receivable and accounts payable and accrued liabilities are accounted for at amortized cost using the effective interest rate; they include all receivables and financial liabilities.

*c) Capital assets*

Capital assets are expensed in the year of purchase. During the period, office equipment of \$349 (2015 - \$1,154) was purchased and expensed.

*d) Revenue recognition*

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

*e) Use of estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and any potential adjustments are reported in the periods in which they become known.

## **ETHIOPIAID CANADA**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016**

#### **3. FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash and equivalents, HST receivable, and accounts payable and accrued liabilities. The carrying amounts of these financial instruments approximate their fair value due to their short term maturity or capacity for immediate liquidation.

It is management's opinion that the organization is not exposed to significant interest rate, credit or currency risk arising from these financial instruments.

#### **4. RELATED PARTY TRANSACTIONS**

There are four international branches of Ethiopiaid: Australia, Canada, Ireland and The United Kingdom and each branch operates independently.

During the year, the organization received \$190,294 in grants from Ethiopiaid UK (2015 - \$221,000). There were no restrictions on this grant and it was primarily used to offset fundraising and communications expenses.

#### **5. ALLOCATION OF EXPENSES**

Ethiopiaid Canada allocated \$78,236 (2015 - \$64,723) in total salaries and benefits costs as shown on the Schedule of Expenses, Page 6. The allocations are based on management's annual estimates of the time spent on the organization's three operational activities.

#### **6. COMPARATIVE FIGURES**

\$40,000 in program funding allotted during late 2015 for the Hamlin Fistula Hospital in Addis Ababa was reallocated to WAHA International's fistula program during early 2016, due to the Hamlin Fistula Hospital no longer requiring the additional funding for last year.