

Ethiopiaid Canada
Financial Statements
December 31, 2017

Independent Auditor's Report

To the Members of
Ethiopiaid Canada

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

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 organization'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 organization'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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ethiopiaid Canada as at December 31, 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.

Numeris CPA

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Chartered Professional Accountant
Licensed Public Accountant

Ottawa, ON
May 30, 2018

Ethiopiaid Canada
Statement of Financial Position
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Current		
Cash	\$ 297,391	\$ 298,962
Accounts receivable	4,958	7,597
Prepaid expenses	<u>11,935</u>	<u>17,653</u>
	<u>\$ 314,284</u>	<u>\$ 324,212</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 10,163	\$ 7,945
Government remittances payable	<u>2,040</u>	<u>7,655</u>
	12,203	15,600
Balance	<u>302,081</u>	<u>308,612</u>
	<u>\$ 314,284</u>	<u>\$ 324,212</u>

On behalf of the Board

_____ Member

_____ Member

Ethiopiaid Canada
Statement of Operations
and Changes in Net Assets
Year ended December 31, 2017

	2017	2016
Revenues		
Miscellaneous income	\$ 1,959	\$ -
Interest income	2,419	1,889
Grants	184,124	190,294
Donations	302,793	330,600
	491,295	522,783
Expenditures		
Insurance	1,193	1,458
Interest and bank charges	3,754	3,510
Office and administration	21,815	22,264
Fundraising	70,921	107,871
Programming in Ethiopia	271,017	287,346
Professional development	1,487	158
Rent	13,370	9,290
Salaries and related benefits	108,262	82,269
Travel	6,007	5,726
	497,826	519,892
(Deficiency) excess of revenues over expenditures	(6,531)	2,891
Balance, beginning of year	308,612	305,721
Balance, end of year	\$ 302,081	\$ 308,612

See accompanying notes to the financial statements

Ethiopiaid Canada
Statement of Cash Flows
Year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Operating activities		
(Deficiency) excess of revenues over expenditures	\$ (6,531)	\$ 2,891
Change in non-cash working capital items		
Accounts receivable	2,639	(3,327)
Prepaid expenses	5,718	(17,653)
Accounts payable and accrued liabilities	2,218	(72,081)
Government remittances payable	<u>(5,615)</u>	<u>7,655</u>
Net decrease in cash	(1,571)	(82,515)
Cash, beginning of year	<u>298,962</u>	<u>381,477</u>
Cash, end of year	<u>\$ 297,391</u>	<u>\$ 298,962</u>

See accompanying notes to the financial statements

1. Nature of operations

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

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) 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 when the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Capital assets

The organization expenses its capital assets. During the current year, capital expenditures included \$ - (2016 - \$349).

(c) Financial instruments

The organization's financial instruments consist of cash, term deposits, advances receivable, accounts receivable, accrued interest receivable, due from related parties, bank indebtedness, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. Related party transactions

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

During the year, the organization received \$184,124 in grants from Ethiopiaid UK (2016 - \$190,294). There were no restrictions on this grant and it was used primarily to offset fundraising and communications expenses.
