

Financial Statements
Amref Health Africa in Canada
Toronto, Ontario
December 31, 2024

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Independent Auditors' Report

To the Members of Amref Health Africa in Canada:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Amref Health Africa in Canada, which comprise the statement of financial position as at December 31, 2024 and the statements of income and changes in net assets, fund income and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Amref Health Africa in Canada as at December 31, 2024, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Amref Health Africa in Canada 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 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 Amref Health Africa in Canada's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Amref Health Africa in Canada's financial reporting process.

Independent Auditors' Report - continued

Auditors' Responsibilities for the Audit of the 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 auditing 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 control.
- 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 Amref Health Africa in Canada'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 Amref Health Africa in Canada'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 Corporation 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 manner that achieves fair presentation.

Independent Auditors' Report - continued

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.

Toronto, Ontario
May 21, 2025

A handwritten signature in black ink that reads "Preston Yates & Clark". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Licensed Public Accountants

Amref Health Africa in Canada*December 31, 2024*

Statement of Financial Position	2024	2023
Current Assets		
Unrestricted cash, Note 4	\$ 380,027	\$ 559,683
Accounts receivable (net of allowance 2024 \$0, 2023 \$0)	50,237	21,378
HST receivable	24,410	16,643
Prepaid expenses	16,833	9,059
Total Current	471,507	606,763
Restricted Funds , Note 4		
Project Funds, Note 1(e)	4,223,262	167,481
Development Fund, Note 1(f)	533,247	470,650
John Nixon Memorial Fund, Note 1(g)	238,923	212,926
Capital Assets , Note 5	11,581	10,815
	5,478,520	1,468,635

Approved by The BoardDirector: Karen WensleyDirector: Ryan Wiley

Amref Health Africa in Canada*December 31, 2024*

Statement of Financial Position	2024	2023
Current Liabilities		
Accounts payable and accrued liabilities	\$ 83,163	\$ 56,445
Contingency , Note 8		
Net Assets , per statement		
Restricted project funds	4,223,262	167,481
Development fund	533,247	470,650
John Nixon memorial fund	238,923	212,926
Unrestricted operating fund	399,925	561,133
	5,395,357	1,412,190
	5,478,520	1,468,635

The notes on pages 12 through 18 form an integral part of these financial statements.

Amref Health Africa in Canada

Year ended December 31, 2024

Statement of Income and Changes in Net Assets

	Restricted Project Funds	Development Fund	John Nixon Memorial Fund	Total Restricted	Unrestricted Operating Fund	2024	2023
Revenues	\$ 12,552,668	\$ 78,416	\$ 33,179	\$ 12,664,263	\$ 924,344	\$ 13,588,607	\$ 1,102,729
Expenditures	(8,504,069)	0	0	(8,504,069)	(1,101,371)	(9,605,440)	(1,624,292)
Surplus (Deficit)	4,048,599	78,416	33,179	4,160,194	(177,027)	3,983,167	(521,563)
Net Assets , Note 3							
Balance beginning	167,481	470,650	212,926	851,057	561,133	1,412,190	1,933,753
Internal transfers	7,182	(15,819)	(7,182)	(15,819)	15,819	0	0
Balance December 31	4,223,262	533,247	238,923	4,995,432	399,925	5,395,357	1,412,190

Amref Health Africa in Canada

Year ended December 31, 2024

Statement of Fund Income and Expenditures

	Restricted Projects	Development and JNM Funds	Unrestricted Operating Fund	2024 Total	2023 Total
	Page 10				
Revenues					
Institutional/GAC funding	\$ 12,260,228	\$ 0	\$ 365,807	\$ 12,626,035	\$ 223,351
Foundation	57,500	0	65,463	122,963	201,208
Individual	0	0	421,294	421,294	553,008
Investment income, Note 4	234,940	111,595	15,076	361,611	104,473
AMREF HQ funding	0	0	56,704	56,704	0
CEBA loan forgiveness	0	0	0	0	20,000
Amortization of deferred contributions	0	0	0	0	689
Total Revenues	12,552,668	111,595	924,344	13,588,607	1,102,729
Expenditures					
Funds disbursed	8,504,069	0	0	8,504,069	471,544
Project support	0	0	379,312	379,312	89,600
	8,504,069	0	379,312	8,883,381	561,144
Public awareness	0	0	33,213	33,213	82,343
Marketing solicitation	0	0	27,202	27,202	142,390
Fundraising gala	0	0	20,194	20,194	2,629
Other fundraising	0	0	327,818	327,818	184,217
	0	0	408,427	408,427	411,579
Administrative	0	0	307,777	307,777	646,543
Amortization	0	0	5,855	5,855	5,026
	0	0	313,632	313,632	651,569
Total Expenditures	8,504,069	0	1,101,371	9,605,440	1,624,292
Surplus (Deficit)	4,048,599	111,595	(177,027)	3,983,167	(521,563)

Amref Health Africa in Canada

Year ended December 31, 2024

Schedule of Restricted Project Receipts, Disbursements and Balances

2024

	Balance	Funds	Funds	Transfer From (To)	Transfer From	Transfer From	Balance
	Beginning of year	Received	Disbursed	Unrestricted Surplus	John Nixon Memorial Fund	Restricted Project Funds	End of year
Administrative/financial	\$ (770)	\$ 767,766	\$ (72,194)	\$ 0	\$ 0	\$ 0	\$ 694,802
AMREF HQ, Note 6(a)	1,389	0	0	0	0	0	1,389
Lab Refresher Program, Kenya	0	0	(7,182)	0	7,182	0	0
PS-MNCH (GAC), Note 6(b)	166,862	0	(28,598)	0	0	0	138,264
Mastercard Foundation	0	11,081,100	(7,839,071)	0	0	0	3,242,029
Midwifery	0	646,302	(499,524)	0	0	0	146,778
Carlin Foundation	0	57,500	(57,500)	0	0	0	0
	167,481	12,552,668	(8,504,069)	0	7,182	0	4,223,262

Amref Health Africa in Canada

Year ended December 31, 2024

Statement of Cash Flows	2024	2023
Operating Activities		
Surplus (deficit)	\$ 3,983,167	\$ (521,563)
Non-cash items		
Amortization of capital assets	5,855	5,026
Amortization of deferred contributions	0	(689)
CEBA loan forgiveness	0	(20,000)
	<u>3,989,022</u>	<u>(537,226)</u>
Net change in non-cash working capital	<u>(17,682)</u>	<u>97,610</u>
Cash Provided By (Used In) Operating Activities	<u>3,971,340</u>	<u>(439,616)</u>
Investing Activities		
Purchase of capital assets	(6,621)	(5,546)
Decrease (increase) in restricted funds	(4,144,375)	164,295
Decrease in temporary investments	0	200,000
	<u>(4,150,996)</u>	<u>358,749</u>
Cash Provided By (Used In) Investing Activities	<u>(4,150,996)</u>	<u>358,749</u>
Financing Activities		
CEBA loan repayment	0	(40,000)
Amref Health Africa loan repayment	0	(189,250)
	<u>0</u>	<u>(229,250)</u>
Cash Used In Financing Activities	<u>0</u>	<u>(229,250)</u>
Net cash decrease during the year	(179,656)	(310,117)
Cash position beginning of year	559,683	869,800
Cash Position End of Year	<u>380,027</u>	<u>559,683</u>

Notes to Financial Statements

Nature of the Organization

The mission of Amref Health Africa in Canada (the Corporation) is to ensure access to good health for the most vulnerable and marginalized people in Africa. With their active involvement, we develop and implement innovative and sustainable solutions to critical health challenges facing the continent. Amref Health Africa in Canada supports AMREF in Africa to address critical health challenges by raising funds, providing project support, building capacity, raising awareness and engaging the Canadian public in African health development.

Income Tax Status

The Corporation is a charitable organization as defined in the Income Tax Act (Canada) and may issue charitable receipts for donations received.

Note 1

Significant Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Revenue Recognition

The Corporation follows the restricted fund method of accounting for contributions. Unrestricted institutional/GAC funding are recognized as revenue in the year in which the related expenses are incurred. Individual and foundation revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes interest from cash and fixed income investments, reinvested distributions from mutual funds and realized gains and losses on the disposal of investments and unrealized gains and losses resulting from the changing value of investments. Revenue is recognized on an accrual basis. Interest from fixed income investments is recognized over the term of these investments using the effective interest method.

(c) Capital Assets

Capital assets are recorded at cost. Amortization is provided on the declining balance basis at rates disclosed in Note 5, which are based on the estimated useful lives.

(d) Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets are amortized on the same basis as the capital expenditures.

Note 1 Significant Accounting Policies - continued

(e) Restricted Project Funds

The restricted project funds are those funds externally designated for particular projects, as well as funds used by the Corporation to support the implementation of those projects.

(f) Development Fund

The development fund consists of contributions to allow for new program initiatives, development in Africa and to provide a reserve to Amref Health Africa in case of need.

(g) John Nixon Memorial Fund

The John Nixon memorial fund consists of restricted contributions received in memory of John Nixon. These funds are to be used to support students registered in the Lab Refresher Program.

(h) Use of Estimates

The preparation of financial statements requires management to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(i) Financial Instruments

(i) Measurement of Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable. The Corporation's financial assets measured at fair value include mutual funds and index linked equity funds.

Note 1 Significant Accounting Policies - continued**(ii) Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 income.

(j) Impairment of Long-Lived Assets

Long-lived assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(k) Allocation of Salary

Salaries are allocated between salary and benefits, severance, fundraising, project support and public education/awareness. The allocation is based on the information collected in timesheets submitted by each employee. The amount of time spent on fundraising, project support and public awareness is allocated accordingly. The remaining portion of salaries is then allocated to salary and benefits. Please refer to Note 7 for the details about this allocation.

Note 2 Financial Instruments**Risk Management Policy**

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at December 31, 2024:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Corporation is subject to concentrations of credit risk through its cash accounts. The Corporation maintains all of its cash at a single Canadian financial institution. The maximum credit risk is equivalent to the carrying value.

Note 2 Financial Instruments - continued**Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices. These fluctuations may be significant. The methods and assumptions management uses when accessing market risks have not changed substantially from the prior period and are summarized below:

(i) Interest Rate Risk

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in mutual funds, index linked equity funds and treasury bills.

(ii) Foreign Currency Risk

The Corporation's functional currency is the Canadian dollar. Through its various programs, the Corporation is exposed to foreign exchange risk as some of the transactions are settled in US Dollars. The Organization has taken proactive steps to actively manage this risk to ensure that the potential impact on its operations is minimized. At year-end, the Organization has \$2,831,273 (2023 - \$4,917) in US Dollars with the Canadian equivalent being \$4,090,985 (2023 - \$6,604).

(iii) Equity Price Risk

The Corporation maintains its investments in mutual and index linked equity funds and as a result is subject to price risk associated with fluctuations in the market price for these investments. The Corporation developed based on risk tolerance, an asset allocation model for its investments, including equity investments. The Corporation manages risk by monitoring its asset allocation and comparing it to this model.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its accounts payable. This risk is reduced due to the fact that the Corporation has enough cash to meet their short-term obligations.

Note 3 Internal Transfers

The Board approved an internal transfer of funds from the Development Fund to the unrestricted operating fund in the amount of \$15,819. The Board also approved an internal transfer of funds from the John Nixon Memorial Fund to the Restricted Project Funds in the amount of \$7,182 to cover disbursements related to the Lab Refresher Program in Kenya.

Amref Health Africa in Canada

December 31, 2024

Note 4

Cash, Investments and Restricted Funds

	2024	2023
Cash		
Petty cash	\$ 515	\$ 515
Operating current accounts	493,057	701,311
	<u>493,572</u>	<u>701,826</u>
Restricted Funds		
Brokers cash accounts	1,553	2,696
Restricted operating accounts	4,109,717	25,338
Mutual funds and index linked equity funds	525,611	509,168
Treasury bills	245,006	120,794
Guaranteed investment certificates	0	50,918
	<u>4,881,887</u>	<u>708,914</u>
Total Cash, Investments and Restricted Funds	<u>5,375,459</u>	<u>1,410,740</u>
Composed of:		
Unrestricted cash	380,027	559,683
Restricted funds - development fund	533,247	470,650
Restricted funds - John Nixon memorial fund	238,923	212,926
Restricted funds - restricted project funds	4,223,262	167,481
	<u>5,375,459</u>	<u>1,410,740</u>
Investment income includes:		
Interest and dividends	250,372	37,070
Realized gains	53,274	0
Unrealized gains	57,965	67,403
	<u>361,611</u>	<u>104,473</u>
Allocated as follows:		
Restricted Project Funds	234,940	3,799
Development fund	78,416	53,478
John Nixon Memorial Fund	33,179	22,721
Unrestricted funds	15,076	24,475
	<u>361,611</u>	<u>104,473</u>

The average rate of return on cash and investments during the year was 9.6% (2023, 7.1%).

Amref Health Africa in Canada

December 31, 2024

Note 5 Capital Assets

					2024	2023
	Rate	Cost	Accumulated Amortization		Net Book Value	Net Book Value
Office furniture and equipment	20%	\$ 2,506	\$ (902)	\$	1,604	\$ 2,005
Computer hardware and software	30%	38,181	(28,204)		9,977	8,810
		40,687	(29,106)		11,581	10,815

Note 6 Major Funding Agreements

- (a) During the year, the Corporation signed an agreement with Mastercard Foundation to build a resilient and responsive health workforce and strengthen Primary Healthcare sectors across Africa. The program focuses on creating sustainable job opportunities, fostering innovation and entrepreneurship, and building leadership capacity in the health sector. Learning for Life Program focuses on three key pillars of work: Health Employment, Health Entrepreneurship, and Health Ecosystems. This comprehensive approach aims to improve training infrastructure, increase employment and income-generating opportunities, enhance regulatory frameworks for primary healthcare workers, and equip future leaders with the skills needed to transform healthcare delivery across Africa. The project budget is \$34,886,489 in US dollars and the term of the project implementation is February 2024 to March 2028. Funds received towards the end of the fiscal year are planned to be disbursed in 2025.
- (b) During the year, the Corporation signed an agreement as an implementing partner with the United Nations Population Fund (UNFPA) to strengthen midwifery in Tanzania. The project is funded by the Government of Canada via Global Affairs Canada (GAC). The project intends to increase the availability of skilled and empowered midwives to contribute to the reduction of maternal and newborn mortality. The project will focus on strengthening a gender responsive working environment for the midwives both pre-service and in-service. In-services midwives, will be offered opportunities to upgrade their skills through continuous professional development. The GAC contribution over the term to UNFPA is \$11,750,000 and the term of the project implementation is March 2024 to June 2027. Funds received towards the end of the fiscal year are planned to be disbursed in 2025.

Note 7 Salary and Benefits

Remuneration to employees during the year has been allocated as follows:

	2024	2023
Administrative	\$ 102,724	\$ 209,963
Severance	13,385	141,406
Fundraising	241,658	133,021
Project support	337,646	80,949
Public awareness	29,919	81,345
Total remuneration during the year	<u>725,332</u>	<u>646,684</u>

Note 8 Contingency

The Corporation is required to contribute a portion of its funds to certain projects by transferring these funds directly to Amref Health Africa. As of year-end, the Corporation is required to contribute up to \$720,120 related to projects that were completed in the current or prior years. The Corporation is working on raising these funds. When these funds are raised, they will be transferred to Amref Health Africa.