

**HEALTHBRIDGE FOUNDATION OF CANADA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**



INDEPENDENT AUDITOR'S REPORT

To the Members of HealthBridge Foundation of Canada

Qualified Opinion

We have audited the financial statements of HealthBridge Foundation of Canada (the Foundation), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations and cash flows 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 the Foundation as at December 31, 2023, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from the general public in the form of fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue from fundraising, and net revenue for the years ended December 31, 2023 and December 31, 2022, and current assets and operating fund - unrestricted balance as at December 31, 2023 and December 31, 2022. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with 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 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 ASNPO, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

(continues)



Independent Auditor's Report to the Members of HealthBridge Foundation of Canada (*continued*)

Auditor's 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 auditor's 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 the Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Foundation 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.

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.

McCay Duff LLP

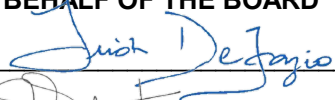
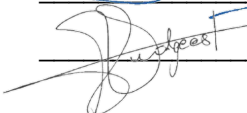
McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
June 17, 2024

HEALTHBRIDGE FOUNDATION OF CANADA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 1,310,397	\$ 1,703,317
Cash equivalents	416,971	398,850
Accounts receivable	394,997	315,989
Prepaid expenses	9,319	6,238
	<u>\$ 2,131,684</u>	<u>\$ 2,424,394</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 131,533	\$ 95,198
Deferred contributions (Note 4)	1,598,151	1,870,605
	<u>1,729,684</u>	<u>1,965,803</u>
LONG TERM DEBT	<u>-</u>	<u>40,000</u>
	<u>1,729,684</u>	<u>2,005,803</u>
NET ASSETS		
NET ASSETS	387,630	397,615
MEMORIAL FUND (Note 5)	14,370	20,976
	<u>402,000</u>	<u>418,591</u>
	<u>\$ 2,131,684</u>	<u>\$ 2,424,394</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

Trish DeFazio, Board Chair

Mark Zuidgeest, Board Treasurer

**HEALTHBRIDGE FOUNDATION OF CANADA
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023**

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 397,615	\$ 423,762
Net expenses for the year	<u>(9,985)</u>	<u>(26,147)</u>
NET ASSETS - END OF YEAR	<u>\$ 387,630</u>	<u>\$ 397,615</u>

HEALTHBRIDGE FOUNDATION OF CANADA
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUES		
Global Affairs Canada	\$ 2,933,451	\$ 2,299,446
Contributions - Foundations	786,316	754,754
Contributions - Individuals	6,931	8,687
Tobacco Free Kids	380,735	355,853
Program - SEATCA	237,607	151,835
Program - Other foundations	279,502	194,844
International Development Research Centre	-	74,795
Investment revenue	47,924	16,073
Rental income	22,569	23,796
Sales	-	6,200
	<u>4,695,035</u>	<u>3,886,283</u>
EXPENSES		
Direct program costs	4,411,265	3,656,477
Administration		
Staff	128,286	84,644
Fixed costs	54,583	64,450
Variable costs	45,829	47,380
Other operating costs	27,548	14,295
Trustees meetings	17,849	15,224
	<u>4,685,360</u>	<u>3,882,470</u>
REVENUE FROM OPERATIONS	9,675	3,813
Program development costs	<u>19,660</u>	<u>29,960</u>
NET EXPENSES FOR THE YEAR	<u>\$ (9,985)</u>	<u>\$ (26,147)</u>

HEALTHBRIDGE FOUNDATION OF CANADA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Net expenses for the year	\$ (9,985)	\$ (26,147)
Memorial fund investment revenue	393	310
Memorial fund internship awarded	(7,000)	-
	<u>(16,592)</u>	<u>(25,837)</u>
Changes in non-cash working capital:		
Accounts receivable	(79,007)	166,169
Inventory	-	5,446
Prepaid expenses	(3,081)	(32)
Accounts payable and accrued liabilities	36,335	(498,255)
Deferred contributions	(272,454)	748,397
	<u>(318,207)</u>	<u>421,725</u>
Cash flow from (used by) operating activities	<u>(334,799)</u>	<u>395,888</u>
INVESTING ACTIVITY		
Repayment of long-term debt	<u>(40,000)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	<u>(374,799)</u>	<u>395,888</u>
Cash and cash equivalents - beginning of year	<u>2,102,167</u>	<u>1,706,279</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,727,368</u>	<u>\$ 2,102,167</u>
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 1,310,397	\$ 1,703,317
Cash equivalents	416,971	398,850
	<u>\$ 1,727,368</u>	<u>\$ 2,102,167</u>

HEALTHBRIDGE FOUNDATION OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. PURPOSE OF THE FOUNDATION

HealthBridge Foundation of Canada (the "Foundation") is an international non-profit, non-governmental organization founded in 1981, with headquarters in Ottawa. Its purpose is to identify, analyze, and bridge gaps in public health, including gaps between: Needs and technologies; Evidence and policies; Policies and practice.

The Foundation's mission is to work with partners world-wide to improve health and health equity through research, policy and action.

The Foundation works in Asia, Africa and the Americas. It is an agile and efficient organization that aims to improve the health of vulnerable populations, including those at risk of malnutrition, infectious disease (particularly malaria and HIV/AIDS), and emerging epidemics, such as obesity and tobacco-caused disease. HealthBridge helps local partners develop and implement appropriate solutions, apply innovative and sustainable practices, and promote effective policies.

The Foundation is incorporated under the Canada Corporations Act without share capital and during 2014, received certification of continuance under the Canada Not-for-Profit Corporations Act. The Foundation is exempt from income tax as a registered charity under the Income Tax Act of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The Foundation's significant accounting policies are as follows:

(a) Revenue recognition

HealthBridge Foundation of Canada follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which related restrictions are met. Grant funds and major contributions that have been received but not yet earned are reported as deferred contributions. Amounts that have been awarded and disbursed but not yet received are reported as accounts receivable. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated, and collection is reasonably assured.

Investment revenue consists primarily of income earned on cash and cash equivalents. Where restricted by loan agreements or grants, unexpended interest is retained in a restricted fund, returned to the donor, or applied to the purpose of the grant. Where not restricted by the terms of a grant, interest is recognized as revenue when earned.

Sales are recognized as revenue in the period in which the goods pass title to the customer.

Rental income is recognized as revenue over the term of the lease as it becomes due.

(b) Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

(continues)

HEALTHBRIDGE FOUNDATION OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Memorial Fund reports donations internally restricted in memory of Timothy Stone. In November 1996, Timothy Stone, the Executive Director for HealthBridge, was tragically killed in a plane crash off the coast of Africa while working on one of HealthBridge's nutrition projects. Tim was very dedicated to HealthBridge's Mission and was instrumental in building HealthBridge into the organization it is today. Shortly after Tim's death, his family requested that donations could be made to HealthBridge in his memory. HealthBridge decided to set-up a memorial fund with those donations, and since 1996 has added to the memorial fund, any donations so directed. Investment revenue earned on resources of the Memorial Fund are reported in the Memorial Fund as earned. During the 2013 year end, the board approved for the Tim Stone Memorial Award to be established with the proceeds of the Memorial Fund. During the 2023 year, Tim Stone Award of \$7,000 was presented (2022 - \$Nil).

(c) Cash equivalents

Cash equivalents consist of term deposits which are highly liquid.

(d) Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis.

(e) Contributed services

The Foundation receives the services of many volunteers the cost of which cannot be reasonably estimated. Therefore, no representation of this expenditure has been included in these financial statements.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in net expenses in the period in which they become known. Actual results could differ from these estimates.

(g) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange prevailing at year end. Revenue and expense items are translated at the average rate of exchange for the year.

(h) Financial instruments

The Foundation's financial instruments consist of cash, cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition.

The Foundation subsequently measures all of its financial instruments at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net expenses.

HEALTHBRIDGE FOUNDATION OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

3. FINANCIAL INSTRUMENTS

It is management's opinion that the Foundation is not exposed to significant interest rate, liquidity, market or credit risks arising from its financial instruments.

Currency risk

Currency risk is the exposure of the Foundation's earnings that arises from fluctuations in exchange rates. The Foundation is exposed to currency risk through cash, accounts receivable and accounts payable. The Foundation monitors exchange rates throughout the year and holds foreign currency to minimize this exposure. There has been no change to the risk exposure from the prior year.

4. DEFERRED CONTRIBUTIONS

	Balance - Beginning of Year	Add: Amounts Received	Less: Revenue Recognized	Balance - End of Year
Deferred contributions	\$ 1,870,605	\$ 4,320,836	\$ 4,593,290	\$ 1,598,151

Contributions are restricted for use on specific projects. Contributions are recognized in revenue as the related expenses are incurred.

5. MEMORIAL FUND

	2023	2022
Balance - beginning of year	\$ 20,976	\$ 20,666
Investment revenue	394	310
Internship awarded	(7,000)	-
Balance - end of year	\$ 14,370	\$ 20,976

6. PROJECT AUDITS

Grants received from Global Affairs Canada (GAC), International Development Research Centre (IDRC), UN Habitat, Tobacco Free Kids (TFK), Southeast Asia Canada in Vietnam (SEATCA) and Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) are subject to specific terms and conditions regarding the expenditure of the funds. The Foundation's accounting records are subject to audit by the grant providers to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable. Adjustments, if any, to prior years' contributions are recorded in the year in which the grant providers request the adjustments.