

**HEALTHBRIDGE FOUNDATION OF CANADA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

## INDEPENDENT AUDITORS' REPORT

To the Directors of  
HealthBridge Foundation of Canada

### Report on the Financial Statements

We have audited the accompanying financial statements of HealthBridge Foundation of Canada, which comprise the balance sheet as at December 31, 2011, and the statements of revenue and expenditure, net assets and memorial fund 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 generally accepted accounting principles, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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.

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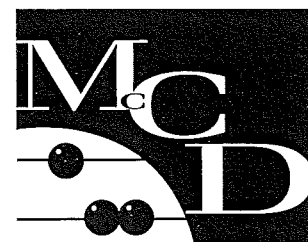
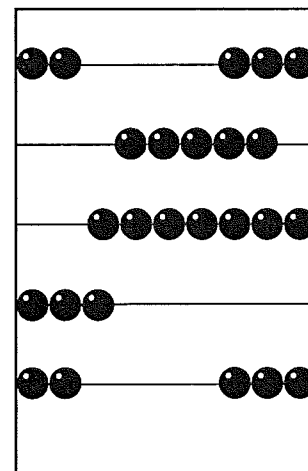
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**INDEPENDENT AUDITORS' REPORT**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of HealthBridge Foundation of Canada as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**Report on Other Legal and Regulatory Requirements**

As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

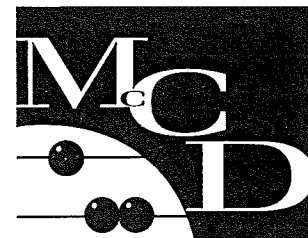
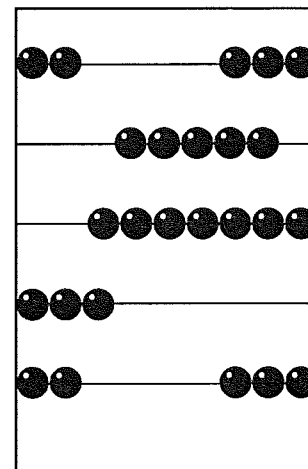
*Mccay Duff LLP*

McCay Duff LLP,  
Licensed Public Accountants.

Ottawa, Ontario,  
June 10, 2012.

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**HEALTHBRIDGE FOUNDATION OF CANADA**

**BALANCE SHEET**

**AS AT DECEMBER 31, 2011**

**ASSETS**

	<u>2011</u>	<u>2010</u>
<b>CURRENT</b>		
Cash	\$ 273,660	\$ 200,771
Cash equivalents	448,355	699,705
Accounts receivable	616,271	331,871
Inventory	23,202	21,674
Prepaid expenses	<u>15,713</u>	<u>13,856</u>
	1,377,201	1,267,877
<b>CAPITAL (note 5)</b>	<u>11,333</u>	<u>19,077</u>
	<u>\$ 1,388,534</u>	<u>\$ 1,286,954</u>

**LIABILITIES**

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 117,500	\$ 127,950
Deferred revenue	<u>957,746</u>	<u>778,076</u>
	1,075,246	906,026
<b>MEMORIAL FUND (note 6)</b>	<u>34,822</u>	<u>34,649</u>
	1,110,068	940,675

**NET ASSETS**

<b>BALANCE - END OF YEAR</b>		
Unrestricted	267,133	327,202
Invested in capital assets	<u>11,333</u>	<u>19,077</u>
	<u>278,466</u>	<u>346,279</u>
	<u>\$ 1,388,534</u>	<u>\$ 1,286,954</u>

**Accepted on behalf of the Board:**

  
\_\_\_\_\_

Director

\_\_\_\_\_

Director

**HEALTHBRIDGE FOUNDATION OF CANADA**  
**STATEMENT OF NET ASSETS AND MEMORIAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>UNRESTRICTED NET ASSETS</b>		
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 327,202	\$ 400,729
Net revenue (expenditure) for the year	( 67,813)	( 70,178)
Allocation from/(to) net assets invested in capital assets	<u>7,744</u>	<u>( 3,349)</u>
<b>BALANCE - END OF YEAR</b>	<b><u>\$ 267,133</u></b>	<b><u>\$ 327,202</u></b>
<b>NET ASSETS INVESTED IN CAPITAL ASSETS</b>		
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 19,077	\$ 15,728
Purchase of capital assets	-	10,924
Amortization	<u>( 7,744)</u>	<u>( 7,575)</u>
	<u>( 7,744)</u>	<u>3,349</u>
<b>BALANCE - END OF YEAR</b>	<b><u>\$ 11,333</u></b>	<b><u>\$ 19,077</u></b>
<b>MEMORIAL FUND</b>		
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 34,649	\$ 34,476
Investment revenue	<u>173</u>	<u>173</u>
<b>BALANCE - END OF YEAR</b>	<b><u>\$ 34,822</u></b>	<b><u>\$ 34,649</u></b>

**HEALTHBRIDGE FOUNDATION OF CANADA**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>REVENUE</b>		
Canadian International Development Agency	\$ 19,715	\$ 87,878
International Development Research Centre	250,981	100,069
International Union Against Tuberculosis and Lung Disease	263,282	412,883
Canadian Red Cross	13,560	24,260
Health Canada	201,554	94,729
Tobacco Free Kids	131,209	205,283
Framework Convention Alliance	326,324	236,765
Atlantic Philanthropies	194,359	180,943
Harvest Plus	36,215	128,028
Program - other	246,315	125,884
Investment revenue	1,365	538
Contributions	442,970	291,432
Sales	38,053	65,225
Pakur fundraising	<u>6,572</u>	<u>-</u>
	2,172,474	1,953,917
<b>EXPENDITURE</b>		
Direct program costs	1,899,195	1,702,820
Administration		
Staff	152,784	118,273
Fixed costs	71,841	68,930
Variable costs	24,965	54,566
Other operating costs	18,860	19,999
Trustees meetings	<u>11,662</u>	<u>20,661</u>
	280,112	282,429
Amortization	<u>7,744</u>	<u>7,575</u>
	<u>2,187,051</u>	<u>1,992,824</u>
<b>REVENUE (EXPENDITURE) FROM OPERATIONS</b>	( 14,577)	( 38,907)
Program development costs	<u>53,236</u>	<u>31,271</u>
<b>NET REVENUE (EXPENDITURE) FOR THE YEAR</b>	<u><u>\$ ( 67,813)</u></u>	<u><u>\$ ( 70,178)</u></u>

# HEALTHBRIDGE FOUNDATION OF CANADA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

### 1. ORGANIZATION AND PURPOSE

HealthBridge Foundation of Canada (HealthBridge) 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.

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

HealthBridge 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 is exempt from income tax as a registered charity under the Income Tax Act of Canada.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Cash Equivalents

Cash equivalents consist of money market mutual funds.

#### (b) Inventory

Inventory consists of mosquito nets and is stated at the lower of cost and net realizable value with cost determined on a first-in, first-out basis.

#### (c) Capital Assets and Amortization

Capital assets are stated at cost, less accumulated amortization. Amortization is provided on the straight line basis as follows:

Computer equipment	3 Years
Computer software	3 Years
Furniture and equipment	5 Years
Leasehold improvements	Remaining life of the lease

# HEALTHBRIDGE FOUNDATION OF CANADA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

#### (d) Grants and Major Contributions

The Foundation follows the deferral method of accounting for contributions. A substantial amount of the Foundation's revenue is derived from grants and major contributions. Grants are received primarily from the Canadian International Development Agency, the International Development Research Centre, the Canadian Red Cross and from the International Union Against Tuberculosis and Lung Disease. When the Foundation has disbursed awarded funds or incurred a liability in compliance with the terms of the awards, the funds are considered earned and are reported as revenue. Grant funds and major contributions that have been received but not yet earned are reported as deferred revenue. Amounts that have been awarded and disbursed but not yet received are reported as accounts receivable.

#### (e) Investment Revenue

Investment revenue consists primarily of income earned on cash and cash equivalents and is recognized as revenue as earned. 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, management has concluded that such income is available for current operations.

#### (f) Canadian International Development Agency (CIDA), International Development Research Centre (IDRC), International Union Against Tuberculosis and Lung Disease, Canadian Red Cross and Health Canada Grants

Grants received from CIDA, IDRC, the International Union Against Tuberculosis and Lung Disease, the Canadian Red Cross and Health Canada 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. No audits were performed in the current fiscal year by CIDA, IDRC, the International Union Against Tuberculosis and Lung Disease, the Canadian Red Cross or Health Canada.

#### (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. Capital assets have been translated at the rates prevailing at the date of acquisition. Revenue and expenditure items, other than amortization, are translated at the average rate of exchange for the year.



# HEALTHBRIDGE FOUNDATION OF CANADA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(h) 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.

(i) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

### 3. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, cash equivalents, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the Foundation is not exposed to significant interest rate or credit risk arising from these financial instruments. The Foundation is exposed to exchange rate risk to the extent financial instruments are denominated in currencies other than the Canadian dollar. Management monitors exchange rates throughout the year to minimize this exposure. The fair values of these financial instruments approximate their carrying values, unless otherwise stated.

### 4. CAPITAL MANAGEMENT

The Foundation considers its capital to be the balance maintained in its Unrestricted Net Assets. The primary objective of the Foundation is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Foundation with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Foundation is not subject to any externally imposed requirements of its capital.

**HEALTHBRIDGE FOUNDATION OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**5. CAPITAL ASSETS**

	2011			2010
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 12,045	\$ 7,860	\$ 4,185	\$ 8,200
Computer software	6,387	4,258	2,129	4,258
Furniture and equipment	7,460	2,984	4,476	5,968
Leasehold improvements	<u>760</u>	<u>217</u>	<u>543</u>	<u>651</u>
	<u>\$ 26,652</u>	<u>\$ 15,319</u>	<u>\$ 11,333</u>	<u>\$ 19,077</u>

**6. MEMORIAL FUND**

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. During the year, the Board of Directors approved the establishment of the Tim Stone Internship Fund, which is anticipated to occur during the fiscal year ending December 31, 2012.

**7. COMMITMENT**

During the year the Foundation commenced a contribution agreement with CIDA, for the Pakur Mother and Child Survival Project. This contribution agreement includes specific terms and conditions that the Foundation contribute 25% of the funding required for the project from internal resources. The total anticipated contribution by the Foundation, over the term of the project from December 1, 2011 to November 30, 2014, is approximately \$286,000.

**8. STATEMENT OF CASH FLOWS**

This statement has not been prepared as all of the relevant information is apparent from the other financial statements.