

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

Edmonton, Alberta

FINANCIAL STATEMENTS

April 30, 2016

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

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YEAR ENDED APRIL 30, 2016

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October 21, 2016
Edmonton, Alberta

REVIEW ENGAGEMENT REPORT

To the Management of Canadian Association of Medical Teams Abroad

We have reviewed the statement of financial position of Canadian Association of Medical Teams Abroad as at April 30, 2016 and the statements of operations, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Kingston Ross Pasmak LLP
Kingston Ross Pasmak LLP
Chartered Professional Accountants

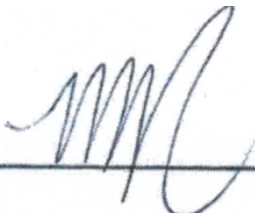
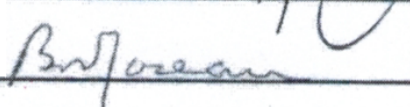
CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED APRIL 30, 2016

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 862,064	\$ 266,192
Short term investments (Note 3)	230,077	231,973
Accounts receivable	650,000	6,950
Prepaid liability insurance	<u>3,617</u>	<u>3,538</u>
	1,745,758	508,653
PROPERTY AND EQUIPMENT (Note 4)	<u>121,870</u>	<u>135,279</u>
	<u>\$ 1,867,628</u>	<u>\$ 643,932</u>
<u>LIABILITIES AND FUND BALANCES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 21,874	\$ 18,694
Accrued vacation payable	810	2,339
Government remittances payable	886	1,459
Deferred revenue (Note 5)	<u>14,623</u>	<u>34,124</u>
	38,193	56,616
FUND BALANCES		
Invested in tangible capital assets	121,869	135,278
Unrestricted fund	1,704,897	448,665
Restricted blood fund (Note 6)	<u>2,669</u>	<u>3,373</u>
	<u>1,829,435</u>	<u>587,316</u>
	<u>\$ 1,867,628</u>	<u>\$ 643,932</u>

On behalf of the Board


 _____ Director

 _____ Director

The accompanying notes are an integral part of these financial statements.

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED APRIL 30, 2016

FOR THE YEAR ENDED APRIL 30, 2016

	Investment in Tangible Capital Assets	Unrestricted Medical Fund	Restricted Blood Fund <i>(Note 6)</i>	Total
BALANCE, BEGINNING OF YEAR	\$ 135,278	\$ 448,665	\$ 3,373	\$ 587,316
Amortization of Property and Equipment	(14,091)	14,091	-	-
Property and Equipment Purchases	682	(682)	-	-
Excess of receipts over disbursements	<u>-</u>	<u>1,242,823</u>	<u>(704)</u>	<u>1,242,119</u>
BALANCE, END OF YEAR	<u>\$ 121,869</u>	<u>\$ 1,704,897</u>	<u>\$ 2,669</u>	<u>\$ 1,829,435</u>

FOR THE YEAR ENDED APRIL 30, 2015

	Investment in Tangible Capital Assets	Unrestricted Medical Fund	Restricted Blood Fund <i>(Note 6)</i>	Total
BALANCE, BEGINNING OF YEAR	\$ 118,231	\$ 485,934	\$ 4,550	\$ 608,715
Amortization of Property and Equipment	(18,299)	18,299	-	-
Property and Equipment Purchases	35,346	(35,346)	-	-
Excess of receipts over disbursements	<u>-</u>	<u>(20,222)</u>	<u>(1,177)</u>	<u>(21,399)</u>
BALANCE, END OF YEAR	<u>\$ 135,278</u>	<u>\$ 448,665</u>	<u>\$ 3,373</u>	<u>\$ 587,316</u>

The accompanying notes are an integral part of these financial statements.

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

STATEMENT OF OPERATIONS

FOR THE YEARS ENDED APRIL 30, 2016

	<u>2016</u>	<u>2015</u>
RECEIPTS		
Individual donations	\$ 1,657,449	\$ 336,453
Service club donations	25,766	39,782
Membership fees	24,920	26,059
Gaming funds (<i>Note 5</i>)	19,502	76,580
Foreign exchange	4,014	5,435
Interest income	<u>3,899</u>	<u>2,774</u>
	1,735,550	487,083
DISBURSEMENTS		
Travel	301,630	296,197
Medical supplies	52,399	47,582
Wages and benefits	47,309	59,106
Prosthesis	19,227	31,183
Bookkeeping	14,638	19,196
Amortization	14,091	18,299
Consulting	11,601	-
Office	6,677	5,182
Professional fees	6,638	7,907
Insurance	5,801	5,666
Interest and bank charges	5,503	5,693
Advertising and promotion	5,071	6,247
Website design	2,846	6,198
Business licenses and taxes	<u>-</u>	<u>26</u>
	<u>493,431</u>	<u>508,482</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>\$ 1,242,119</u>	<u>\$ (21,399)</u>

The accompanying notes are an integral part of these financial statements.

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2016

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Excess (deficiency) of receipts over disbursements	\$ 1,242,119	\$ (21,399)
Non-cash items included in excess of receipts over disbursements:		
Amortization of property and equipment	<u>14,091</u>	<u>18,299</u>
	<u>1,256,210</u>	<u>(3,100)</u>
Change in non-cash working capital balances related to operations:		
Accounts receivable	(643,050)	(5,674)
Prepaid expenses	(79)	(211)
Accounts payable and accrued liabilities	3,181	9,290
Government remittances payable	(572)	3,370
Accrued vacation payable	(1,529)	2,339
Deferred revenue	<u>(19,502)</u>	<u>4,192</u>
	<u>594,659</u>	<u>10,206</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(682)	(35,346)
Purchase of short term investment certificates	<u>1,895</u>	<u>(99,297)</u>
NET CASH GENERATED THROUGH INVESTING ACTIVITIES	<u>1,213</u>	<u>(134,643)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	595,872	(124,437)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>266,192</u>	<u>390,629</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 862,064</u>	<u>\$ 266,192</u>
ADDITIONAL CASH FLOW INFORMATION		
Interest received during the year	<u>\$ 3,899</u>	<u>\$ 2,774</u>

The accompanying notes are an integral part of these financial statements.

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016

1. NATURE OF THE ORGANIZATION

Canadian Association of Medical Teams Abroad (CAMTA) is a dedicated group of medical and lay individuals who give their time and expertise to provide medical and surgical treatment to underprivileged individuals in Quito, Ecuador. The Organization is incorporated under the *Provincial Society's Act* as a not-for-profit organization and is exempt from income tax as a registered charity under the *Income Tax Act*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies are summarized below:

a) Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements include the revenues, expenses, assets and liabilities of the Organization.

b) Cash and Cash Equivalents

CAMTA's policy is to present bank balances and term deposits (GIC's) with a maturity period of one year or less under cash and cash equivalents.

c) Revenue Recognition

CAMTA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue during the year in which the related expenses 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.

Membership and donations are recognized as revenue in the fiscal year to which they relate.

d) Property and Equipment

Purchased property and equipment are recorded at fair market value at date of purchase. Contributed property and equipment are recorded at fair value at the date of contribution. Amortization is calculated on the diminishing balance method. The rates used, as set out below, are estimated to be sufficient to amortize the cost of the property, plant and equipment to residual value by the expiration of their useful lives.

Computer equipment	55%
Furniture and fixtures	20%
Equipment	10%

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount exceeds the fair value of the asset.

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Contributed Services

Volunteers donate services throughout the year to assist the Organization in carrying out its medical and surgical activities. Due to the difficulty of tracking and determining their fair value, contributed services are not recognized in the financial statements. Donated materials between \$120,000 to \$140,000 per year that the Organization would have otherwise purchased are not recognized in the financial statements as the Organization does not receive an invoice to be able to accurately value these items.

f) Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions regarding significant items such as amounts relating to amortization and impairment of tangible capital assets that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

g) Financial Instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Organization 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 net income.

Financial assets measured at amortized cost include cash, cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, accrued vacation payable and government remittances payable.

The Organization has no financial assets measured at fair value.

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 net income. 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 net income.

h) Foreign currency

Foreign currency denominated monetary assets are translated to Canadian dollars at the exchange rate in effect at the statement of financial position date. Revenue and expense items are translated at the exchange rate in effect at the time of the transaction. Foreign exchange gains or losses are included in the determination of excess revenue and gains over expenses and losses for the year.

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016

3. SHORT TERM INVESTMENTS

	2016	2015
Guaranteed Investment Certificates	\$ <u>230,077</u>	\$ <u>231,973</u>

The Guaranteed Investment Certificates bear interest at 1.0% and mature at dates between November 9, 2017 and April 18, 2017.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value	
			2016	2015
Adult operating equipment	\$ 66,240	\$ 23,731	\$ 42,509	\$ 47,231
Anaesthesia equipment	99,792	32,752	67,040	74,488
Computer equipment	1,982	1,557	425	263
Office equipment	1,232	664	568	710
Pediatric operating equipment	18,175	6,847	11,328	12,587
Software	<u>2,875</u>	<u>2,875</u>	-	-
	<u>\$ 190,296</u>	<u>\$ 68,426</u>	<u>\$ 121,870</u>	<u>\$ 135,279</u>

5. DEFERRED REVENUE

Deferred revenue relates to operating funding received in the current fiscal year or earlier that is related to expenses of a subsequent fiscal year. The changes in the deferred revenue relates to gaming funds.

	2016	2015
Deferred revenue, beginning of year	\$ 34,124	\$ 29,932
Less:		
Amounts recognized as revenue (net of expense)	(19,502)	(41,982)
Transferred to Tangible Capital Assets	-	(34,598)
Add:		
Amounts received during the year	<u>-</u>	<u>80,772</u>
Deferred revenue, end of year	<u>\$ 14,622</u>	<u>\$ 34,124</u>

CANADIAN ASSOCIATION OF MEDICAL TEAMS ABROAD

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016

6. RESTRICTED BLOOD FUND

In 2013, CAMTA received a donation to be used specifically to reimburse patients for part of the cost of blood purchased for their surgery. These funds are expected to last a period of three years after which this program will be funded from general revenues.

7. FINANCIAL INSTRUMENTS

Fair Value

The fair value of cash, cash equivalents, accounts receivable, accounts payable and accrual liabilities, government remittances payable and accrued vacation payable approximate their carrying amount because of the short-term nature of these instruments.

Nature and extent of risks arising from financial instruments

It is Management's opinion that the Organization is not exposed to significant liquidity, interest, market, or currency risk arising through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration.

Credit Risk

The Organization is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties.

Currency Risk

The Organization is exposed to currency risk, as a certain portion of expenses are incurred in U.S. dollars. Certain cash, cash equivalents and accounts receivable are denominated in U.S. dollars. These balances are therefore subject to gains or losses due to fluctuations in that currency.

8. CONTINGENCY

The Organization is exposed to risk of loss for equipment and supplies held in Quito, Ecuador as they are unable to obtain insurance on the equipment and supplies held in another country. In the event of a natural disaster or political disruption the equipment and supplies could be destroyed or seized. Management feels that the possibility and scope of such events cannot be reasonably estimated at this time and therefore fair values cannot be reasonably determined.