
Financial statements of CARE Canada

June 30, 2019

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Independent Auditor's Report

To the Board of Directors of
CARE Canada

Opinion

We have audited the financial statements of CARE Canada (the "Organization"), which comprise the statement of financial position as at June 30, 2019, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2019, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Organization 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 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 the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
December 4, 2019

CARE Canada
Statement of financial position

As at June 30, 2019
(In thousands of dollars)

	Notes	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents		32,329	36,480
Amounts receivable		2,923	3,747
Contributions receivable from donors	4	6,093	5,652
Prepaid expenses		455	243
		41,800	46,122
Restricted investments	4	245	246
Loans receivable	9	331	328
Capital assets	5	3,587	3,473
		45,963	50,169
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		7,568	8,562
Government remittances payable		157	214
Deferred contributions	4	31,933	34,371
Current portion of long-term debt	6	—	84
		39,658	43,231
Deferred contributions	4	230	230
		39,888	43,461
Commitments, contingent liabilities and guarantees	10 and 11		
Fund balances			
Annual Fund			
Unrestricted		2,409	3,075
Invested in capital assets		3,587	3,389
Venture and Emergency Fund		79	244
		6,075	6,708
		45,963	50,169

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

On behalf of the Board


_____, Director


_____, Director

CARE Canada
Statement of operations
Year ended June 30, 2019
(In thousands of dollars)

	2019	2018
	\$	\$
Support and revenue		
Fundraising	6,335	9,484
Canadian funded	51,683	56,710
Globally funded	18,223	24,039
CARE International members	35,061	31,939
Miscellaneous and investment revenue	1,627	1,489
	112,929	123,661
Expenses		
Program activities		
Humanitarian programs	57,278	57,939
Development programs		
Food & Nutrition Security and Resilience to Climate Change	23,090	31,911
A Life Free from Violence	94	168
Sexual, Reproductive and Maternal Health	6,591	5,083
Women's Economic Empowerment	7,286	10,543
Other	7,563	6,308
Country office management and international programming	3,189	3,945
	105,091	115,897
Support services		
Management and general	6,031	5,262
Fundraising, public and donor relations	1,701	1,478
Membership in CARE International	739	811
	8,471	7,551
	113,562	123,448
(Deficiency) excess of revenue over expenses	(633)	213

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

CARE Canada**Statement of changes in fund balances**

Year ended June 30, 2019

(In thousands of dollars)

	Notes	Venture and Emergency Fund	Annual Fund		Total 2019	Total 2018
			Invested in capital assets	Unrestricted		
		\$	\$	\$	\$	\$
Fund balances, beginning of year		244	3,389	3,075	6,708	6,495
(Deficiency) excess of revenue over expenses		—	—	(633)	(633)	213
Interfund transfer	3	(165)	—	165	—	—
Net change in invested in capital assets ¹		—	198	(198)	—	—
Fund balances, end of year		79	3,587	2,409	6,075	6,708

¹Net change in invested in capital assets

Acquisition of capital assets	167
Amortization of capital assets	(53)
Repayment of long-term debt	84
	<u>198</u>

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

CARE Canada
Statement of cash flows
Year ended June 30, 2019
(In thousands of dollars)

	2019	2018
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses	(633)	213
Item not affecting cash		
Amortization of capital assets	53	129
	(580)	342
Changes in non-cash operating working capital items		
Decrease in amounts receivable	824	1,137
Increase in contributions receivable from donors	(441)	(388)
Increase in prepaid expenses	(212)	(4)
(Decrease) increase in accounts payable and accrued liabilities	(994)	1,389
(Decrease) increase in government remittances payable	(57)	58
Decrease in deferred contributions	(2,438)	(8,291)
	(3,898)	(5,757)
Investing activities		
Acquisition of capital assets	(167)	(12)
Increase in loans receivable	(3)	(14)
Decrease (increase) in restricted investments	1	(6)
	(169)	(32)
Financing activities		
Repayment of long-term debt	(84)	(245)
Net decrease in cash	(4,151)	(6,034)
Cash and cash equivalents, beginning of year	36,480	42,514
Cash and cash equivalents, end of year	32,329	36,480

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

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

1. Description of the organization

CARE Canada was established in 1946 and was incorporated in 1977 under Part II of the *Canada Corporations Act*. In 2014, CARE Canada received a certificate of continuance under the *Canada Not-for-profit Corporations Act*. CARE Canada is a not-for-profit, non-governmental organization in the field of relief, reconstruction and development in developing countries and is governed by a volunteer Board of Directors whose services are provided at no cost to CARE Canada.

CARE Canada is a registered charitable organization for purposes of the *Income Tax Act* (Canada) and as such is not subject to income tax. CARE Canada is an independent member of CARE International.

2. Accounting policies

Basis of presentation

These financial statements include the assets and liabilities of CARE Canada's Canadian operations and the six (six in 2018) overseas country offices (Chad, Cuba, Indonesia, Kenya, Zambia and Zimbabwe) for which it has responsibility, and the revenues and expenses for which CARE Canada and its six overseas country offices enter into contracts with donors for the funding of projects.

CARE Canada's country office in Kenya includes operations from CARE Somalia and CARE East and Central Africa Regional Management Unit (ECARMU) for which CARE USA is the lead member firm. In 2008, a memorandum of understanding (MOU) was signed between CARE Canada and CARE USA which limits CARE Canada's liabilities and provides CARE Canada indemnity over CARE Somalia and ECARMU's operations.

In 2019, CARE Canada established a Board of Directors for CARE International in Kenya to provide direction and oversight of the Organization's affairs as per the Kenya Government requirements. CARE Canada has the exclusive right to appoint the directors of the Board.

Controlled entities

CARE Canada established the CEP Investment Trust in 2007 and provided the trust with long-term loans to facilitate investments in pro-poor businesses in the Third World. CARE Canada is the sole beneficiary of the CEP Investment Trust. The CEP Investment Trust's financial statements have not been consolidated with CARE Canada's financial statements. The CEP Investment Trust has a December 31 year-end.

Fund accounting

CARE Canada follows the restricted fund method of accounting for contributions. To ensure observance of limitations and restrictions placed on the use of resources available to CARE Canada, the accounts of CARE Canada are classified for reporting purposes into funds in accordance with activities or objectives specified by the donors or in accordance with the directives issued by the Board of Directors. Transfers between funds are recorded as approved by CARE Canada's Board of Directors.

The Annual Fund reports resources to be used for CARE Canada's programs and administrative activities. This fund reports unrestricted resources and restricted contributions.

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

2. Accounting policies (continued)

Fund accounting (continued)

The Venture and Emergency Fund includes donations and contributions of which the use is restricted by the donors for:

- the Emergency Relief Rapid Response Program to be used as a vehicle to help at the very onset of a crisis; and
- the Pro-Poor Business Program to be used to effectively reduce poverty by utilizing market mechanisms and business enterprise functions designed to put more income into the hands of poor people.

Revenue recognition

Unrestricted contributions are recorded as revenue of the Annual Fund in the year received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue in the Annual Fund in the year in which the related expenses are incurred.

Investment income earned in the Venture and Emergency Fund is recognized as revenue in the Venture and Emergency Fund or the Annual Fund depending on the nature of any restrictions imposed by the donor. Other investment revenue is recognized as revenue of the Annual Fund when earned.

Canadian funded and globally funded

CARE Canada enters into contracts with the Canadian government (the department of Global Affairs Canada (GAC)) and other donors for the funding of projects in various countries. These funds are recorded as revenue of the Annual Fund as related expenses are incurred. Any indirect cost recovery, management fee or procurement fee that are applicable to CARE Canada are recorded as revenue of the Annual Fund in accordance with the terms in the individual contracts.

The portion of the contributions that relates to a future period is deferred and recognized as revenue of the Annual Fund in the period in which the contributions are spent. Any contribution expended in excess of the contributions received from the donors is shown in the statement of financial position as contributions receivable from donors.

Contributions and donated services

Contributions in kind received from multilateral donors, the Canadian government and other organizations are recorded as revenue and program activity expenses at fair value.

Wherever government and local communities in countries in which CARE Canada operates contribute labour services, transportation and storage facilities to various projects, the value of such contributions is not reflected in the financial statements because of the difficulty of measurement.

Similarly, contributions in kind by various media for public information and fundraising campaigns are not reflected in the financial statements because of the difficulty of measurement.

Donated capital assets are capitalized and amortized and contributions received toward the acquisition of capital assets are deferred and amortized to revenue on the same basis as the related depreciable capital assets are amortized.

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

2. Accounting policies (continued)

Expense allocation

CARE Canada's expenses are recorded and reported by program and support services. CARE Canada incurs a number of general support expenses that are common to the administration of CARE Canada and its programs. General support expenses incurred in CARE Canada's Canadian operations are included under Country office management and international programming, Management and general and Fundraising, public and donor relations. There is no allocation of Canadian general support expenses to different program activities. General support expenses, such as budgeting, accounting, human resources, and information technology, incurred in CARE Canada's six (six in 2018) overseas country offices are allocated to program activities. Personnel costs are allocated based on the percentage of relevant employees' time involved in supporting the program and other operating and general expenses are allocated on a proportionate basis relating to the function. Such allocations are reviewed, updated and applied on a prospective basis.

Financial instruments

CARE Canada's financial instruments consist of cash and cash equivalents, amounts receivable, contributions receivable from donors, restricted investments, loans receivable, accounts payable and accrued liabilities, government remittances payable and long-term debt.

CARE Canada initially measures its financial assets and financial liabilities at fair value. CARE Canada subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and cash equivalents and restricted investments which are measured at fair value.

Transaction costs related to financial assets measured at fair value are expensed as incurred. Transaction costs related to other financial assets and liabilities are included or deducted in the initial measurement of the asset or liability.

Cash and cash equivalents

Cash and cash equivalents include internally restricted and unrestricted cash and cash equivalents. In accordance with the investment policy approved by the Board of Directors, cash and cash equivalents are held in highly liquid investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Capital assets

Capital assets acquired for direct use in donor-funded projects are expensed in the year of acquisition as CARE Canada is not entitled to ownership. Those that are not project-specific are capitalized and amortized over their estimated useful life. Contributed capital assets are recorded at fair value at the date of contribution.

For internally used software, the acquisition costs of software licences and associated consulting costs and the payroll costs of employees directly associated with the implementation of the asset are capitalized. The costs of software maintenance, training and data conversion are expensed in the period incurred.

Amortization is provided on a straight-line basis over the estimated useful lives as follows:

Buildings	10 and 40 years
Vehicles	3 years
Office equipment	5 years
Computer equipment	3 years
Computer software	1 to 7 years

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

2. Accounting policies (continued)

Capital assets (continued)

Land is not amortized due to its infinite life.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset no longer has long-term service potential. The amount of the impairment loss is determined as the excess of the net carrying value of the asset over its residual value.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the statement of financial position date. All other assets and liabilities are translated at their historical rate. Revenue and expense items are translated using average monthly rates. Any resulting foreign exchange gains or losses are recorded in the statement of operations.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating the recoverability of project expenditures and the determination of the allowance for doubtful contributions receivable from donors, the allowance for doubtful amounts receivable, the useful life of capital assets, the fair value of restricted investments, the amount of certain accrued liabilities and the fair value of contributions in kind. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Capital management

CARE Canada's objectives in managing capital are:

- a) to ensure that sufficient financial resources are in place to deliver on the priorities set by the Board of Directors during its annual budget and business plan review;
- b) to safeguard its ability to continue as a charitable organization and meet the objectives of the different funds as described in Note 2;
- c) to maintain the Annual Fund's unrestricted reserve to an equivalent of a minimum of six months of operating expenses; and
- d) to invest funds in financial instruments that conform to the investment policy and which present a low risk for CARE Canada.

CARE Canada manages several funding agreements with external restrictions that specify the conditions for using these financial resources. CARE Canada has complied with the requirements respecting these restricted contributions. CARE Canada monitors its capital by reviewing various financial metrics, including cash flows and variances to forecasts and budgets.

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

3. Capital management (continued)

During the year, CARE Canada transferred an amount of \$165 of the Venture and Emergency Fund into the unrestricted Annual Fund to cover the education, training and logistics of the emergency relief through CARE Canada's rapid response team.

Capital management objectives, policies and procedures are unchanged since the preceding year. CARE Canada has complied with all the capital requirements.

4. Deferred contributions

Short-term deferred contributions represent externally restricted contributions to fund program expenses for the next twelve months.

	2019	2018
	\$	\$
Balance, beginning of year		
Short-term deferred contributions	34,371	42,662
Contributions receivable from donors	(5,652)	(5,264)
	28,719	37,398
Amounts received during the year		
Cash	89,268	101,676
In-kind (Note 7)	7,137	7,464
	96,405	109,140
Amounts recognized as revenue	(99,284)	(117,819)
	(2,879)	(8,679)
Balance, end of year	25,840	28,719
Balance, end of year represented by:		
Short-term deferred contributions	31,933	34,371
Contributions receivable from donors	(6,093)	(5,652)
	25,840	28,719

Contributions receivable include \$1,685 (\$2,246 in 2018) associated with projects held with GAC.

Short-term deferred contributions include \$1,772 (\$2,020 in 2018) of advances to partners that are unspent as at June 30, 2019. This amount is included in amounts receivable in the statement of financial position.

Amounts recognized as revenue totaling \$99,284 (\$117,819 in 2018) are allocated between fundraising, Canadian funded, globally funded, CARE International members and miscellaneous and investment revenue.

Restricted investments

Long-term deferred contributions of \$230 (\$230 in 2018) are represented by restricted investments in fixed income securities. The principal of \$230 must be maintained until 2031. The fair value of the restricted investments is \$245 (\$246 in 2018) which consists of Canadian bonds. Coupon rates on the bonds as at June 30, 2019, range between 2.48% and 3.05% (between 2.30% and 3.05% in 2018) and will mature between December 2019 and June 2024 (December 2018 and April 2023 in 2018).

5. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	\$	\$	\$	\$
Land	249	—	249	249
Buildings	4,516	1,715	2,801	2,937
Vehicles	925	885	40	116
Office equipment	560	540	20	21
Computer equipment	880	752	128	93
Computer software	4,820	4,471	349	57
	11,950	8,363	3,587	3,473

Cost and accumulated amortization as at June 30, 2018, amounted to \$11,866 and \$8,393 respectively.

6. Long-term debt

	2019	2018
	\$	\$
Mortgage payable in monthly instalments of \$21, including principal and interest at an annual rate of 3.80%, secured by land and a building with a net book value of \$3,186 (\$3,327 in 2017), repaid during the year.	—	84
Current portion	—	(84)
	—	—

The fair value of the mortgage approximates its book value.

7. Contributions in kind

Contributions in kind received from multilateral donors, Government of Canada and other organizations are recorded as revenue and program activity expenses at fair value. Contributions in kind included in revenue and program activity expenses are as follows:

	2019	2018
	\$	\$
Country Offices		
Zimbabwe	339	1,163
Kenya	6,798	6,301
	7,137	7,464

8. Pension plan

The pension plan for employees of CARE Canada (the "Plan") is a defined contribution plan covering all employees of CARE Canada who meet eligibility requirements as specified in the plan agreement. CARE Canada is required to contribute 5% of the employee's gross earnings for all members. CARE Canada contributed \$261 (\$261 in 2018) during the year.

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

9. Controlled entity

CARE Canada has committed to provide funds to the CEP Investment Trust to fund certain investment activities. The loans are unsecured and without any established term of repayment. The fair value of the loans receivable is approximately \$331 (\$328 in 2018).

As at December 31, 2018, the CEP Investment Trust had total assets of \$316 (\$317 in 2017), total liabilities of \$333 (\$329 in 2017) and a capital deficit of \$17 (deficit of \$12 in 2017). Total revenues in 2018 were nil (nil in 2017) and expenses were \$6 (\$3 in 2017). The CEP Investment Trust made a capital distribution of nil to CARE Canada in 2018 (nil in 2017).

10. Commitments and contingent liabilities

Leases

CARE Canada is committed under operating leases in country offices and in Canada which mature between 2020 and 2021. The annual minimum payments are as follows:

	\$
2020	432
2021	14
2022	—
2023	—
2024	—
Thereafter	—

Legal actions

In the ordinary course of business, CARE Canada becomes involved in various legal actions. While the ultimate effect of such actions cannot be ascertained at this time, management believes that their resolution will not have a material adverse effect on the financial statements.

Uncertain tax position

CARE Canada has appealed and is currently negotiating a disputed tax assessment related to expatriating CARE International's staff in Kenya. The maximum exposure is currently established at \$3,010 (\$3,010 in 2018) under which CARE Canada's portion is estimated at \$624 (\$660 in 2018). A portion of CARE Canada's estimated exposure has been reflected in these financial statements and is included in accounts payable and accrued liabilities.

Credit facility

An unsecured line of credit of \$2,000 (\$2,000 in 2018), renewable on an annual basis, is available for use by CARE Canada. Advances under the line of credit bear interest at the bank's prime rate and are repayable on demand. As at June 30, 2019, there was no outstanding balance (nil in 2018). A funded project in Cuba by GAC required a letter of guarantee of \$500. This reduces the amount of available credit.

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

11. Government contributions

As stated in Note 2, the contributions from GAC and other contributions are subject to restrictions as to the use of the funds. CARE Canada's accounting records, as well as those of member institutions subcontracted to execute the projects, are subject to audit by GAC and other funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits, if any, will be recorded in the period in which they become known.

12. Allocation of expenses

A portion of program activities is related to administration costs incurred in CARE Canada's six (six in 2018) overseas country offices. These costs have been allocated as follows:

	2019	2018
	\$	\$
Allocated to:		
Program activities	1,646	1,565
Humanitarian programs		
Development programs		
Food & Nutrition Security and Resilience to Climate		
Change	860	1,006
A Life Free from Violence	7	20
Sexual, Reproductive and Maternal Health	146	151
Women's Economic Empowerment	199	263
Other	623	458
	3,481	3,463
Allocated from:		
Support services	3,481	3,463

13. Financial instruments

Fair values

The carrying values of amounts receivable, contributions receivable from donors, accounts payable and accrued liabilities and government remittances payable approximate their fair values due to the relatively short periods to maturity of the instruments.

Refer to Notes 4 and 6 for fair values related to CARE Canada's other financial instruments.

Investment risk

CARE Canada's Board of Directors has approved an investment policy that provides the guidelines for managing the investments of the organization. The overall objective of CARE Canada's investment program is to allocate the assets of CARE Canada in order to support the strategic and operational objectives of the organization.

13. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. CARE Canada is mainly exposed to currency risk and interest rate risk.

Currency risk

CARE Canada operates internationally, giving rise to significant exposure to market risks from changes in interest rates and foreign exchange rates. CARE Canada does not use derivatives to hedge its foreign exchange risk but relies on prudent cash management practices to minimize exposure to foreign exchange risk.

Amounts denominated in foreign currencies are as follows:

	Monetary assets	2019 Monetary liabilities	Monetary assets	2018 Monetary liabilities
	\$	\$	\$	\$
United States dollars	8,766	3,971	11,381	5,764
British pounds	312	277	2,847	—
Euros	1,513	644	1,196	383
Chad XAF	2,073	3,312	3,931	4,720
Cuban pesos	8	3	3	2
Indonesian rupiahs	353	430	91	154
Kenyan shillings	910	1,498	882	2,043
Zambian kwachas	246	606	625	1,011
	14,181	10,741	20,956	14,077

Monetary assets include cash and cash equivalents, amounts receivable and contributions receivable from donors. Monetary liabilities include accounts payable and accrued liabilities and deferred contributions.

Interest rate risk

Interest rate risk refers to adverse consequences of interest rate changes on CARE Canada's cash flows, financial position, investment income and interest expenses. CARE Canada's mortgage and fixed income investments are exposed to interest rate changes. The impact of adverse changes in rates is not considered material.

Credit risk

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

The maximum credit exposure of CARE Canada is represented by the fair value of the restricted investments and all receivables as presented in the statement of financial position.

CARE Canada

Notes to the financial statements

June 30, 2019

(In thousands of dollars)

14. Tax receipted donations

CARE Canada is a member of Imagine Canada and has adopted the Ethical Fundraising and Financial Accountability Code (the "Code"). The Code requires disclosure of donations that are receipted for income tax purposes. During the year, CARE Canada issued donation receipts for income tax purposes in the amount of \$4,263 (\$3,706 in 2018). This figure does not include non-receiptable fundraising revenues received during the year from other charitable organizations.

15. Subsequent event

Subsequent to June 30, 2019, CARE Canada ceased operating its CARE Indonesia country office transitioning it to Yayasan CARE Peduli, an affiliate member of CARE International. The results of the discontinued operations, are included in deficiency of revenue over expenses in the statement of operations. CARE Canada received no proceeds from the abovementioned transition.

Support and revenue and Expenses from discontinued operations amounts to \$5,178 (\$1,762 in 2018) and \$5,181 (\$1,746 in 2018), respectively and are detailed as follows:

	2019	2018
	\$	\$
Support and revenue		
Canadian funded	477	—
Globally funded	28	—
CARE International members	4,545	1,522
Miscellaneous and investment revenue	128	240
	5,178	1,762
Expenses		
Program activities		
Humanitarian programs	3,593	48
Development programs		
Food & Nutrition Security and Resilience to Climate Change	974	853
A Life Free from Violence	—	56
Women's Economic Empowerment	296	389
Other	316	399
Country office management and international programming	2	1
	5,181	1,746
(Deficiency) excess of revenue over expenses	(3)	16