

CHILDREN'S HOSPITAL AID SOCIETY

Financial Statements

November 30, 2019

CHILDREN'S HOSPITAL AID SOCIETY
Index to Financial Statements
For the Year Ended November 30, 2019

| | Page |
|--|-------|
| INDEPENDENT AUDITOR'S REPORT | 1 - 2 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 3 |
| Statement of Operations | 4 |
| Statement of Changes in Net Assets | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7 - 9 |
| Schedule of Contributions Made (<i>Schedule 1</i>) | 10 |



Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7
Canada

INDEPENDENT AUDITOR'S REPORT

To the Members of Children's Hospital Aid Society

Opinion

We have audited the financial statements of Children's Hospital Aid Society (the "Society"), which comprise the statement of financial position as at November 30, 2019, and the statements of operations, changes in net assets 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 accompanying financial statements present fairly, in all material respects, the financial position of the Society as at November 30, 2019, and its financial performance 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. 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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those 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 these 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 Society'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 Society or cease operations, or has no realistic alternative but to do so.

(continues)



Independent Auditor's Report to the Members of Children's Hospital Aid Society *(continued)*

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

Auditor's Responsibilities for the Audit of 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 Society'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 Society'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 Society 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.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
January 28, 2020

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Financial Position
As at November 30, 2019

| | 2019 | 2018 |
|---|-------------------|-------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | \$ 251,998 | \$ 278,512 |
| Restricted cash (Note 3) | 70,462 | 40,236 |
| Accounts receivable | 63 | 366 |
| Goods and services tax recoverable | 2,030 | 2,284 |
| Prepaid expenses | 18,600 | 37,433 |
| Short term investment (Note 4) | 31,071 | 30,444 |
| | <u>\$ 374,224</u> | <u>\$ 389,275</u> |
| Liabilities and net assets | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 5,678 | \$ 5,316 |
| Unearned revenue (Note 7) | 73,050 | 100,467 |
| Deferred contributions related to operations (Note 5) | 70,462 | 40,236 |
| | <u>149,190</u> | <u>146,019</u> |
| Net assets | <u>225,034</u> | <u>243,256</u> |
| | <u>\$ 374,224</u> | <u>\$ 389,275</u> |

Director

Director

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Operations
For the Year Ended November 30, 2019

| | 2019 | 2018 |
|---|--------------------|------------------|
| Revenue | | |
| Golf tournament | \$ 308,807 | \$ 299,589 |
| Donations (<i>Note 6</i>) | 219,394 | 85,587 |
| Holiday luncheon | 121,713 | 157,831 |
| Casino revenue | 41,735 | 29,204 |
| Special projects | 34,980 | 8,908 |
| Bridge revenue | 15,943 | 18,960 |
| Membership dues | 7,800 | 7,640 |
| Interest income | 1,304 | 445 |
| | <u>751,676</u> | <u>608,164</u> |
| Expenses | | |
| Contributions made (Schedule 1) | 621,273 | 416,150 |
| Golf tournament | 49,027 | 49,128 |
| Holiday luncheon | 42,310 | 40,642 |
| Special projects | 23,928 | 9,172 |
| General and administrative | 10,033 | 1,309 |
| Bridge | 7,689 | 7,002 |
| Bank charges | 5,888 | 5,808 |
| Professional fees | 5,125 | 5,125 |
| Insurance | 2,475 | 2,528 |
| Rent | 2,150 | 2,365 |
| | <u>769,898</u> | <u>539,229</u> |
| Excess (deficiency) of revenue over expenses | \$ (18,222) | \$ 68,935 |

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

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Changes in Net Assets
For the Year Ended November 30, 2019

| | 2019 | 2018 |
|--|--------------------------|--------------------------|
| Net assets - beginning of year | \$ 243,256 | \$ 174,321 |
| Excess (deficiency) of revenue over expenses | <u>(18,222)</u> | <u>68,935</u> |
| Net assets - end of year | <u>\$ 225,034</u> | <u>\$ 243,256</u> |

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Cash Flows
For the Year Ended November 30, 2019

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Operating activities | | |
| Cash receipts from general operations | \$ 756,346 | \$ 603,015 |
| Cash paid for general operations | (750,703) | (539,437) |
| Change in restricted cash | (30,226) | 29,203 |
| Interest income | (1,304) | (446) |
| | <u>(25,887)</u> | <u>92,335</u> |
| Investing activity | | |
| Change in investment | (627) | (30,444) |
| | <u>(627)</u> | <u>(30,444)</u> |
| Increase (decrease) in cash flows | (26,514) | 61,891 |
| Cash and cash equivalents - beginning of year | <u>278,512</u> | <u>216,621</u> |
| Cash and cash equivalents - end of year | \$ 251,998 | \$ 278,512 |

CHILDREN'S HOSPITAL AID SOCIETY

Notes to Financial Statements

Year Ended November 30, 2019

1. Description of the organization

Children's Hospital Aid Society (the "Society") was incorporated under the Societies Act of Alberta, and is a registered charity under the Income Tax Act and therefore is not subject to the payment of income tax section 149 (1)(f) of Canada.

The Society is a non-profit, volunteer based, charitable organization committed to funding programs and services for children and young adults in cooperation with the Alberta Children's Hospital, other agencies and the community.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in 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.

Event revenue (golf, holiday luncheon, bridge, special project) is recognized in the year the events occur. Donations and membership dues are recognized as revenue in the year when received or earned.

Casino revenue is recognized as revenue in the year in which the related expenses occur. All other revenue, including interest income, is recognized on an accrual basis in the year earned.

Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Donated goods and services

Donated materials are recognized when their fair value can be reasonably measured. Donated services are recognized when the fair value can be reasonably measured and the services would otherwise have been purchased.

Volunteer labour

The Society relies to a great extent on volunteer labour from its members in its operations. As a result of the difficulty in determining its fair value, volunteer labour is not recognized in these financial statements.

(continues)

CHILDREN'S HOSPITAL AID SOCIETY
Notes to Financial Statements
Year Ended November 30, 2019

2. Summary of significant accounting policies (continued)

Goods and services tax

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

The financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and short term investment. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Measurement uncertainty

Under Canadian accounting standards for not-for-profit organizations, an important concept in the preparation of financial statements is the use of estimates in the determination of assets, liabilities, revenues, expenses and excess (deficiency) of revenue over expenses for the year. To the extent that these estimates may vary from actual results, there would be a corresponding effect on various elements of the financial statements. Such estimates are periodically reviewed and adjustments necessary are reported in earnings in the period in which they become known.

Estimates included in the financial statements are determination of accrued liabilities, assessment of recoverability of accounts receivable and recognition of deferred contributions.

3. Restricted cash

This account represents the balance of unspent contributions subject to Alberta Gaming, Liquor and Cannabis Commission (AGLC) restrictions.

4. Short term investment

| | <u>2019</u> | <u>2018</u> |
|---|------------------|------------------|
| Guaranteed Investment Certificate, bearing interest of 2.43%, maturing May 2020 | \$ 31,071 | \$ 30,444 |

5. Deferred contributions related to operations

Deferred contributions represent unspent resources externally restricted for specific purposes.

| | <u>Beginning balance</u> | <u>Received</u> | <u>Utilized</u> | <u>Ending balance</u> |
|--------|------------------------------|------------------|------------------|---------------------------|
| Casino | \$ 40,236 | \$ 71,960 | \$ 41,734 | \$ 70,462 |

CHILDREN'S HOSPITAL AID SOCIETY
Notes to Financial Statements
Year Ended November 30, 2019

6. Donated materials

The Society received gifts-in-kind during the year with a fair market value of \$2,167 (2018 - \$2,515). The balance is reported in the statement of operations.

7. Unearned revenue

| | <u>2019</u> | <u>2018</u> |
|---|------------------|-------------------|
| Prepaid holiday lunch tickets and donations | <u>\$ 73,050</u> | <u>\$ 100,467</u> |

8. Financial instruments

The Society's financial instruments consists of cash and cash equivalents, accounts receivable, short term investment, and accounts payable and accrued liabilities. All of these are reported at amortized costs.

Management has determined that the Society is not exposed to significant credit, market or interest rate risk.

9. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

CHILDREN'S HOSPITAL AID SOCIETY
Schedule of Contributions Made
For the Year Ended November 30, 2019

(Schedule 1)

| | 2019 | 2018 |
|---|-------------------|-------------------|
| Calgary Health Trust (Foothills NICU) | \$ 290,588 | \$ - |
| Alberta Children's Hospital Foundation | 125,000 | 150,600 |
| Distress Centre Calgary | 40,000 | - |
| Universal Rehabilitation Service Agency | 20,000 | - |
| Easter Seals - Camp Horizon | 12,500 | 12,500 |
| Children's Cottage Society of Calgary | 12,000 | 75,000 |
| Between Friends Club | 11,300 | 10,000 |
| Sonshine Community Services | 11,000 | - |
| Alexandra Community Health Centre (The Alex) | 10,885 | 6,000 |
| Pacekids Society for Children | 10,000 | 19,550 |
| Providence Child Development | 10,000 | - |
| Autism & Asperger's Friendship Society of Calgary | 5,000 | 10,000 |
| Big Brothers Big Sisters of Calgary and Area | 5,000 | 5,000 |
| Brown Bagging for Calgary Kids | 5,000 | 5,000 |
| Calgary Meals on Wheels | 5,000 | 6,500 |
| Camp Carmangay | 5,000 | 10,000 |
| Calgary Cerebral Palsy | 5,000 | - |
| Crohn's & Colitis Canada | 5,000 | - |
| Deaf and Hear Alberta | 5,000 | - |
| Foothills Academy Society (Camp Amicus) | 5,000 | 7,500 |
| Kidsport of Calgary | 5,000 | 5,000 |
| The Prep Program | 5,000 | 5,000 |
| Hull Services | 4,000 | - |
| The Doorway | 4,000 | - |
| National Music Centre | 2,500 | 1,000 |
| Ronald McDonald House | 2,500 | 10,000 |
| Inn from the Cold Society | - | 35,000 |
| Hospice Calgary Society | - | 20,000 |
| I Can for Kids Foundation | - | 20,000 |
| Alberta Guide Dogs | - | 2,500 |
| Total | \$ 621,273 | \$ 416,150 |