

Children's Hospital Aid Society
Financial Statements
Year Ended November 30, 2022

Children's Hospital Aid Society
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Year Ended November 30, 2022

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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, 2022, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 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 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 to cease operations, or has no realistic alternative but to do so.

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

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.

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

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.

Calgary, Alberta
January 25, 2023

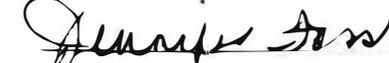


Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Children's Hospital Aid Society
Statement of Financial Position
November 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 273,388	\$ 188,006
Short term investment (Note 5)	32,102	31,904
Restricted cash (Note 4)	98,443	10,997
Accounts receivable	5,650	9,819
Goods and service tax recoverable	1,576	1,357
Prepaid expenses	42,886	1,249
Donations in kind (Note 9)	2,041	-
	\$ 456,086	\$ 243,332
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,813	\$ 5,159
Unearned revenue (Note 6)	82,781	-
Deferred casino contributions (Note 7)	98,443	10,997
	187,037	16,156
NET ASSETS	269,049	227,176
	\$ 456,086	\$ 243,332

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

See notes to financial statements

Children's Hospital Aid Society
Statement of Operations
Year Ended November 30, 2022

	2022	2021
REVENUES		
Golf tournament	\$ 315,929	\$ 178,490
Donations	107,357	112,949
Special projects	21,167	40,064
Bridge revenue	15,869	3,743
Membership dues	6,950	7,550
Interest income	2,449	625
Casino and raffle revenue	1,396	20,636
November fundraiser	-	65,831
	<u>471,117</u>	<u>429,888</u>
EXPENSES		
Schedule of Contributions Made (<i>Schedule 1</i>)	343,700	364,040
Golf tournament	46,997	47,303
Special projects	17,394	8,330
Bridge	5,990	2,068
Bank charges	5,572	2,656
Professional fees	5,528	5,125
General and administrative	1,897	1,620
Insurance	1,866	1,781
Rent	300	300
November fundraiser	-	15,208
	<u>429,244</u>	<u>448,431</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 41,873</u>	<u>\$ (18,543)</u>

See notes to financial statements

Children's Hospital Aid Society
Statement of Changes in Net Assets
Year Ended November 30, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 227,176	\$ 245,719
Excess (deficiency) of revenues over expenses	<u>41,873</u>	<u>(18,543)</u>
NET ASSETS - END OF YEAR	<u>\$ 269,049</u>	<u>\$ 227,176</u>

See notes to financial statements

Children's Hospital Aid Society
Statement of Cash Flows
Year Ended November 30, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 41,873	\$ (18,543)
Changes in non-cash working capital:		
Accounts receivable	4,169	30,180
Accounts payable and accrued liabilities	654	(3,086)
Unearned revenue	82,781	(40)
Prepaid expenses	(41,637)	(81)
Donations in kind (Note 9)	(2,041)	-
Deferred casino contributions	87,446	(2,197)
Goods and service tax recoverable	(219)	(1,109)
	<u>131,153</u>	<u>23,667</u>
INCREASE IN CASH FLOW	173,026	5,124
Cash - beginning of year	<u>230,907</u>	<u>225,783</u>
CASH - END OF YEAR	\$ 403,933	\$ 230,907
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 273,388	\$ 188,006
Short term investment	32,102	31,904
Restricted cash	<u>98,443</u>	<u>10,997</u>
	\$ 403,933	\$ 230,907

See notes to financial statements

Children's Hospital Aid Society
Notes to Financial Statements
Year Ended November 30, 2022

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 (l)(f) of Canada.

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

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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Children's Hospital Aid Society
Notes to Financial Statements
Year Ended November 30, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

4. RESTRICTED CASH

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

5. SHORT TERM INVESTMENT

	2022	2021
Guaranteed Investment Certificate, bearing interest of 0.52%, maturing December 16, 2022	\$ 32,102	\$ 31,904

6. UNEARNED REVENUE

	2022	2021
Unearned revenue	\$ 82,781	\$ -

This amount relates to ticket sales and donations for an event that will be held subsequent to year-end.

Children's Hospital Aid Society
Notes to Financial Statements
Year Ended November 30, 2022

7. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions represent unspent resources externally restricted by AGLC for specific purposes.

	2022	2021
Beginning balance	\$ 10,997	\$ 13,194
Casino and raffle proceeds received	88,842	18,389
Funds spent on donations and operations	(1,396)	(20,586)
Ending balance	\$ 98,443	\$ 10,997

8. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The Alberta Gaming, Liquor and Cannabis Commission "AGLC" requires the distribution of gaming profits to be made within 36 months of receipt of the funds. If the Society fails to comply, the Society will be subject to AGLC Board-directed sanctions, such as suspension of gaming licenses, revocation of gaming licenses, and/or directives to donate all gaming funds to other eligible charitable organizations. As at the year end, the Society had \$98,443 (2021 - \$10,997) of unspent AGLC funds. Management is confident the Society will comply with this spending requirement.

9. DONATED MATERIALS

The Society received gifts-in-kind during the year with a fair market value of \$3,219 (2021 - \$6,405). \$2,041 relates to the event that will be held subsequent to year-end. This donation was deferred and the corresponding asset recognized as a donation in kind. The remaining \$1,178 has been included in the Statement of Operations.

10. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of November 30, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

12. HEALTH PANDEMIC

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the Covid-19 pandemic. The global pandemic has disrupted economic activities and supply chains. Although the effect of the Covid-19 pandemic is expected to be temporary, given the dynamic nature of the circumstances, it may have an impact on some of the revenue streams and expenses of the Society.

Children's Hospital Aid Society
Schedule of Contributions Made
(Schedule 1)
Year Ended November 30, 2022

	2022	2021
Alberta Children's Hospital Foundation	\$ 127,000	\$ 104,000
Inn from the Cold Society	21,000	-
Calgary Women's Emergency Shelter	20,000	-
I Can for Kids Foundation	15,000	5,000
Providence Child Development Society	12,000	5,000
Pacekids Society for Children with Special Needs	11,000	10,000
Basically Babies	11,000	10,000
Calgary Cerebral Palsy	10,000	7,000
Crohn's and Colitis Canada	10,000	5,000
Easter Seals - Camp Horizon	10,000	5,000
Hospice Calgary Society	10,000	10,000
Sonshine Community Services	10,000	-
CUPS Calgary Society	10,000	-
Calgary Quest Children's Society	7,500	5,000
The Doorway	6,000	6,000
Foothills Academy Society (Camp Amicus)	5,000	5,000
University of Calgary	5,000	84,825
Closer to Home Community Services	5,000	5,000
Prep Society for Individuals with Down Syndrome	5,000	5,000
Big Brothers Big Sisters of Calgary and Area	5,000	-
Brown Bagging for Calgary Kids	5,000	-
Calgary Meals on Wheels	5,000	-
Community Kitchen Program Calgary	5,000	-
Arthritis Society	4,500	-
Hull Services	3,700	8,615
Taking Strides Children's Foundation	2,500	1,000
Dare to Care	1,500	-
Between Friends	1,000	-
Youth Centres of Calgary	-	25,000
Wood's Homes	-	10,000
Discovery House Family Violence Prevention Society	-	10,000
Alexandra Community Health Centre	-	5,000
Diabetes Canada	-	5,000
Ups and Downs - Calgary Down Syndrome Association	-	5,000
Ronald McDonald House Charities Alberta	-	5,000
Safe Haven Foundation	-	5,000
Trellis Society for Community Impact	-	5,000
Calgary Health Foundation	-	4,000
Lionheart	-	2,350
Between Friends	-	1,000
Made by Momma	-	250
	\$ 343,700	\$ 364,040

See notes to financial statements