

CHILDREN'S HOSPITAL AID SOCIETY
Financial Statements
Year Ended November 30, 2020

CHILDREN'S HOSPITAL AID SOCIETY
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Year Ended November 30, 2020

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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, 2020, 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, 2020, 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.

Other Matter

The financial statements for the year ended November 30, 2019 were audited by another firm of professional accountants who expressed an unmodified opinion on those financial statements on January 28, 2020.

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.

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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.

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 28, 2021

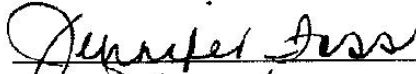



Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Financial Position
November 30, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 180,871	\$ 251,998
Restricted cash (Note 4)	13,194	70,462
Accounts receivable	39,999	63
Goods and service tax recoverable	248	2,030
Prepaid expenses	1,168	18,600
Short term investment (Note 5)	31,718	31,071
	\$ 267,198	\$ 374,224
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,245	\$ 5,679
Unearned revenue (Note 6)	40	73,049
Deferred contributions related to operations (Note 7)	13,194	70,462
	21,479	149,190
NET ASSETS	245,719	225,034
	\$ 267,198	\$ 374,224

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Operations
Year Ended November 30, 2020

	2020	2019
REVENUES		
Holiday luncheon	\$ 112,648	\$ 121,713
Donations <i>(Note 8)</i>	112,440	219,394
November fundraiser	75,756	-
Casino and raffle revenue <i>(Note 7)</i>	65,293	65,899
Golf tournament	64,879	284,642
Membership dues	7,500	7,800
Special projects	1,836	34,980
Interest income	1,746	1,305
Bridge revenue	327	15,943
	<u>442,425</u>	<u>751,676</u>
EXPENSES		
Contributions Made <i>(Schedule 1)</i>	349,800	621,273
Holiday luncheon	40,092	42,310
November fundraiser	14,004	-
General and administrative	5,578	10,033
Professional fees	5,125	5,125
Bank charges	2,124	5,888
Insurance	1,888	2,475
Special projects	1,742	23,928
Rent	1,350	2,150
Golf tournament	37	49,027
Bridge	-	7,689
	<u>421,740</u>	<u>769,898</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 20,685</u>	<u>\$ (18,222)</u>

See notes to financial statements

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Changes in Net Assets
Year Ended November 30, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 225,034	\$ 243,256
Excess of revenues over expenses	20,685	(18,222)
NET ASSETS - END OF YEAR	\$ 245,719	\$ 225,034

See notes to financial statements

CHILDREN'S HOSPITAL AID SOCIETY
Statement of Cash Flows
Year Ended November 30, 2020

	2020	2019
OPERATING ACTIVITIES		
Cash receipts from general operations	\$ 272,248	\$ 753,736
Cash paid for general operations	(401,743)	(750,702)
Change in restricted cash	57,268	(30,226)
Interest income	1,746	1,305
Cash flow used by operating activities	<u>(70,481)</u>	<u>(25,887)</u>
INVESTING ACTIVITY		
Change in investment	<u>(646)</u>	<u>(627)</u>
Cash flow used by investing activity	<u>(646)</u>	<u>(627)</u>
DECREASE IN CASH FLOW	(71,127)	(26,514)
Cash - beginning of year	<u>251,998</u>	<u>278,512</u>
CASH - END OF YEAR	\$ 180,871	\$ 251,998
CASH CONSISTS OF:		
Cash and cash equivalents	<u>\$ 180,871</u>	<u>\$ 251,998</u>

See notes to financial statements

CHILDREN'S HOSPITAL AID SOCIETY
Notes to Financial Statements
Year Ended November 30, 2020

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

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 as summarized in note 3.

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.

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CHILDREN'S HOSPITAL AID SOCIETY
Notes to Financial Statements
Year Ended November 30, 2020

3. 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.

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

	2020	2019
Guaranteed Investment Certificate, bearing interest of 0.80%, maturing November 2021	\$ 31,718	\$ 31,071

6. UNEARNED REVENUE

Deferred revenue consists of the following:

	2020	2019
Prepaid holiday lunch tickets and donations	\$ 40	\$ 73,049

CHILDREN'S HOSPITAL AID SOCIETY
Notes to Financial Statements
Year Ended November 30, 2020

7. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

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

	<u>2020</u>		<u>2019</u>
Beginning balance	\$ 70,462	\$	40,236
Casino and raffle proceeds received	8,025		96,125
Funds spent on donations and operations	<u>(65,293)</u>		<u>(65,899)</u>
Ending balance	<u>\$ 13,194</u>	\$	<u>70,462</u>

8. DONATED MATERIALS

The Society received gifts-in-kind during the year with a fair market value of \$9,712 (2019 - \$2,167). The balance is reported in the statement of operations.

9. FINANCIAL INSTRUMENTS

The Society's financial instruments consist 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.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. Figures for the November 30, 2019 year end were audited by another firm of professional accountants.

11. COVID - 19 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, 2020

	2020	2019
EXPENSES		
Hospice Calgary Society	\$ 55,000	\$ -
Alberta Children's Hospital Foundation	50,000	125,000
Hull Services	50,000	4,000
Calgary Health Trust (Foothills NICU)	25,000	290,588
Calgary Women's Emergency Shelter	15,000	-
Youth Centres of Calgary	15,000	-
I Can for Kids Foundation	14,000	-
Ronald McDonald House	10,600	2,500
Pacekids Society for Children	10,200	10,000
Easter Seals - Camp Horizon	10,000	12,500
Police Youth Foundation	10,000	-
Vecova Centre for Disability Services and Research	10,000	-
Children's Cottage Society of Calgary	10,000	12,000
Inn from the Cold Society	8,500	-
Sonshine Community Services	7,500	11,000
Basically Babies	6,800	-
Cerebral Palsy Kids and Families	5,000	5,000
Crohn's and Colitis Canada	5,000	5,000
Foothills Academy Society (Camp Amicus)	5,000	5,000
CUPS Calgary Society	5,000	-
Young Women's Christian Association	5,000	-
Making Changes Employment Association	3,500	-
Universal Rehabilitation Service Agency	2,700	20,000
Calgary Reads Society	2,500	-
Stardale Women's Group Inc.	2,500	-
Big Brothers Big Sisters of Calgary and Area	2,500	5,000
Decidedly Jazz Danceworks	1,000	-
Brown Bagging for Calgary Kids	1,000	5,000
Stephen's Backpacks Society	1,000	-
Made by Momma	500	-
Distress Centre Calgary	-	40,000
Between Friends Club	-	11,300
Alexandra Community Health Centre (The Alex)	-	10,885
Providence Child Development Society	-	10,000
Autism and Aspergers Friendship Society of Calgary	-	5,000
Calgary Meals on Wheels	-	5,000
Camp Carmangay	-	5,000
Deaf & Hear Alberta	-	5,000
Kidsport of Calgary	-	5,000
The Prep Program	-	5,000
The Doorway	-	4,000
National Music Centre	-	2,500
	\$ 349,800	\$ 621,273

See notes to financial statements