

Children's Hospital Aid Society
Financial Statements
Year Ended November 30, 2023

**Children's Hospital Aid Society
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Year Ended November 30, 2023**

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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, 2023, 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, 2023, 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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*operating through Mahmud Khalfan Professional Corporation, Chartered Professional Accountants

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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 26, 2024

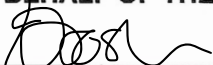



Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Children's Hospital Aid Society
Statement of Financial Position
November 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 299,147	\$ 305,490
Restricted cash (Notes 4, 7)	40,667	98,443
Accounts receivable	193	5,650
Goods and service tax recoverable	1,533	1,576
Prepaid expenses and deposits	22,652	42,886
Donations in kind (Note 9)	-	2,041
	364,192	456,086
LONG TERM INVESTMENT (Note 5)	33,644	-
	\$ 397,836	\$ 456,086
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,611	\$ 5,812
Unearned revenue (Note 6)	114,597	82,781
Deferred casino contributions (Notes 7, 8)	40,667	98,443
	160,875	187,036
NET ASSETS	236,961	269,050
	\$ 397,836	\$ 456,086

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See notes to financial statements

Children's Hospital Aid Society
Statement of Operations
Year Ended November 30, 2023

	2023	2022
REVENUES		
Golf tournament	\$ 319,702	\$ 315,929
Holiday luncheon	119,009	-
Casino and raffle revenue <i>(Note 7)</i>	85,946	1,396
Donations <i>(Note 9)</i>	72,870	107,357
Bridge revenue	15,094	15,869
Special projects	10,978	21,167
Interest income	9,130	2,449
Membership dues	7,100	6,950
	<u>639,829</u>	<u>471,117</u>
EXPENSES		
Schedule of Contributions Made <i>(Schedule 1)</i>	544,481	343,700
Golf tournament	49,083	46,997
Holiday luncheon	42,558	-
Special projects	9,264	17,394
Bridge	6,505	5,990
Bank charges	6,482	5,572
Professional fees	5,683	5,528
General and administrative	5,188	1,897
Insurance	1,874	1,866
Rent	800	300
	<u>671,918</u>	<u>429,244</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (32,089)</u>	<u>\$ 41,873</u>

See notes to financial statements

Children's Hospital Aid Society
Statement of Changes in Net Assets
Year Ended November 30, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 269,050	\$ 227,177
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>(32,089)</u>	<u>41,873</u>
NET ASSETS - END OF YEAR	<u>\$ 236,961</u>	<u>\$ 269,050</u>

See notes to financial statements

Children's Hospital Aid Society
Statement of Cash Flows
Year Ended November 30, 2023

	2023	2022
OPERATING ACTIVITIES		
(Deficiency) Excess of revenues over expenses	\$ (32,089)	\$ 41,873
Changes in non-cash working capital:		
Accounts receivable	5,457	4,169
Accounts payable and accrued liabilities	(201)	654
Unearned revenue	31,816	82,781
Prepaid expenses and deposits	20,234	(41,637)
Donations in kind	2,041	(2,041)
Deferred casino contributions	(57,776)	87,446
Goods and service tax recoverable	43	(219)
	1,614	131,153
Cash flow (used by) from operating activities	(30,475)	173,026
INVESTING ACTIVITY		
Purchase of long-term Investments (Note 5)	(33,644)	-
INCREASE (DECREASE) IN CASH FLOW	(64,119)	173,026
Cash - beginning of year	403,933	230,907
CASH - END OF YEAR	\$ 339,814	\$ 403,933
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 299,147	\$ 305,490
Restricted cash	40,667	98,443
	\$ 339,814	\$ 403,933

See notes to financial statements

Children's Hospital Aid Society
Notes to Financial Statements
Year Ended November 30, 2023

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 (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Revenue recognition

Children's Hospital Aid 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 received or earned.

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

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

Contributed materials and services are 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, 2023

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments subject to this policy include:

- Accounts receivable
- Accounts payable and accrued liabilities
- Prepaid expenses and deposits
- Unearned Revenues

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Amounts subject to estimates include:

- Valuation of accrued payables

4. RESTRICTED CASH

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

5. LONG TERM INVESTMENT

	2023	2022
Non-Redeemable Guaranteed Investment Certificate, bearing interest of 5.00%, maturing December 16, 2024	\$ 33,644	\$ -

6. UNEARNED REVENUE

	2023	2022
Unearned revenue	\$ 114,597	\$ 82,781

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

Children's Hospital Aid Society
Notes to Financial Statements
Year Ended November 30, 2023

7. DEFERRED CASINO CONTRIBUTIONS

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

	2023	2022
Beginning balance	\$ 98,443	\$ 10,997
Casino and raffle proceeds received	28,170	88,842
Funds spent on donations and operations	(85,946)	(1,396)
Ending balance	\$ 40,667	\$ 98,443

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 \$40,667 (2022 - \$98,443) of unspent AGLC funds. Management is confident the Society will comply with this spending requirement.

9. DONATED GOODS

The Society received gifts-in-kind during the year with a fair market value of \$5,781 (2022 - \$3,219). These have 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, 2023.

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 members and other related sources, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its interest rate on long-term investments.

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.

Children's Hospital Aid Society

Schedule of Contributions Made (Schedule 1)

Year Ended November 30, 2023

	2023	2022
Alberta Children's Hospital Foundation	\$ 150,300	\$ 127,000
Youth Centres of Calgary	50,000	-
Ronald McDonald House Charities Alberta	30,000	-
Calgary Counselling Centre	20,000	-
Calgary Distress Centre	20,000	-
The Doorway	18,000	6,000
Step by Step Early Intervention Society	15,000	-
Discovery House Family Violence Prevention Society	12,500	-
CUPS Calgary Society	11,500	10,000
Pacekids Society for Children with Special Needs	11,200	11,000
Taking Strides Children's Foundation	11,200	2,500
Providence Child Development Society	10,000	12,000
Hospice Calgary Society	10,000	10,000
Calgary Police Youth Foundation	10,000	-
Calgary Quest Children's Society	10,000	7,500
Crohn's and Colitis Canada	10,000	10,000
Easter Seals - Camp Horizon	10,000	10,000
Camp Carmangay	10,000	-
The Alex Community Health Centre	10,000	-
The Calgary John Howard Society	10,000	-
URSA	10,000	-
Calgary Cerebral Palsy	7,500	10,000
Brown Bagging for Calgary Kids	7,000	5,000
Diabetes Canada	6,550	-
Hull Services	5,500	3,700
Closer to Home Community Services	5,000	5,000
Calgary Apraxia Parents Exchange	5,000	-
Prep Society for Individuals with Down Syndrome	5,000	5,000
Calgary Meals on Wheels	5,000	5,000
Between Friends	5,000	1,000
Calgary Public Library Foundation	5,000	-
Foothills Academy Society	5,000	-
Kidsport Society of Calgary	5,000	-
Trellis Society for Community Impact	5,000	-
Big Brothers Big Sisters of Calgary and Area	5,000	5,000
Two Wheel View	5,000	-
Foothills Academy Society (Camp Amicus)	5,000	5,000
YW Calgary	5,000	-
Bullying Ends Here	1,600	-
Calgary Food Bank	956	-
Trellis Society Indigenous Initiative	675	-
Arthritis Society	-	4,500
Calgary Women's Emergency Shelter	-	20,000
Inn from the Cold Society	-	21,000
Community Kitchen Program Calgary	-	5,000
Sonshine Community Services	-	10,000
University of Calgary	-	5,000
I Can for Kids Foundation	-	15,000
Dare to Care	-	1,500
Basically Babies	-	11,000
	\$ 544,481	\$ 343,700

See notes to financial statements