



CHARTERED ACCOUNTANT

**Canadian Congenital Heart  
Alliance  
Financial Statements**  
December 31, 2014

## Contents

	<b><u>Page</u></b>
Independent Auditor's Report	1 - 2
Statement of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 7



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## Independent Auditor's Report

To the Directors of  
Canadian Congenital Heart Alliance

### Report on the Financial Statements

I have audited the accompanying financial statements of Canadian Congenital Heart Alliance, which comprise the statement of financial position as at December 31, 2014, and the statements of operations and changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility 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 of material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



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#### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Congenital Heart Alliance as at December 31, 2014 and of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Other Matters

The financial statements of Canadian Congenital Heart Alliance for the year ended December 31, 2013, were audited by another auditor who expressed an unmodified opinion on those statements on March 16, 2014.

A handwritten signature in cursive script that reads "Charles Havill".

Oakville, Canada  
September 16, 2015

Chartered Professional Accountant  
Chartered Accountant  
Licensed Public Accountant

# **Canadian Congenital Heart Alliance** **Statement of Operations and Changes in Net Assets**

Year ended December 31,

2014

2013

Revenues		
Grants	\$ 7,352	\$ 40,629
Donations	<u>21,867</u>	<u>11,970</u>
	<u>29,219</u>	<u>52,599</u>
Expenditures		
Administration	17,255	18,113
Amortization		799
Advertising and promotion	2,265	8,310
Programs	5,864	7,896
Bank charges	208	212
Conferences	2,742	7,038
Insurance	2,604	1,044
Professional fees	750	3,224
Office and general	<u>3,957</u>	<u>2,489</u>
	<u>35,645</u>	<u>49,125</u>
Excess of (expenditures over revenues) revenues over expenditures	<u>\$ (6,426)</u>	<u>\$ 3,474</u>
Net assets, beginning of year	\$ 32,083	\$ 28,609
Excess of (expenditures over revenues) revenues over expenditures	<u>(6,426)</u>	<u>3,474</u>
Net assets, end of year	<u>\$ 25,657</u>	<u>\$ 32,083</u>

See accompanying notes to the financial statements.

# **Canadian Congenital Heart Alliance** **Statement of Financial Position**

December 31,

2014

2013

## **Assets**

### Current

Cash

\$ 25,554

\$ 26,791

HST receivable

2,209

3,688

Prepays

2,604

\$ 27,763

\$ 33,083

## **Liabilities**

### Current

Payables and accruals

\$ 2,106

\$ 1,000

## **Net Assets**

Unrestricted

25,657

32,083

\$ 27,763

\$ 33,083

Approved on behalf of the Board

Denise Hackett  
 Director

J. J. Hackett  
 Director

See accompanying notes to the financial statements.



# **Canadian Congenital Heart Alliance** **Statement of Cash Flows**

Year ended December 31,

2014

2013

Cash derived from (applied to)

## **Operating**

Excess of (expenditures over revenues)  
 revenues over expenditures  
 Amortization

\$ (6,426)

\$ 3,474

799

(6,426)

4,273

Change in non-cash operating working capital

HST receivable

1,479

(933)

Prepays

2,604

(2,542)

Payables and accruals

1,106

(669)

Net (decrease) increase in cash

(1,237)

129

Cash, beginning of year

26,791

26,662

Cash, end of year

\$ 25,554

\$ 26,791

See accompanying notes to the financial statements.

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# **Canadian Congenital Heart Alliance**

## **Notes to the Financial Statements**

December 31, 2014

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### **1. Nature of operations**

The Organization was incorporated without share capital on November 3, 2006 under the laws of Canada. The purpose of the Organization is to raise awareness of congenital heart disease and the need for lifelong expert care. The Organization is a registered charity under the Income Tax Act and therefore exempt from income taxes.

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### **2. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

#### **Accrual basis of accounting**

All revenue and expenditures are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they are earned and incurred, respectively.

#### **Financial instruments**

The Organization's financial instruments are initially measured at fair value. All financial instruments are subsequently measured at amortized cost, adjusted by transaction costs, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in revenue as investment income.

#### **Revenue recognition**

The Organization recognizes donations as revenues when it is realized or realizable and earned. The Organization considers donations realized or realizable when it has persuasive evidence of an arrangement, the value is fixed or determinable and collectability is reasonably assured. The Organization receives donations in-kind which are recognized as received. The Organization also receives grants which are recognized as revenue when received or deferred until the next fiscal year.

#### **Donated services**

The Organization's activities include time donated by a number of volunteers. Since no objective basis exists for recording and assigning values to these services, they are not reflected in the accompanying financial statements.

#### **Use of estimates**

The preparation of the 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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

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## **Canadian Congenital Heart Alliance** **Notes to the Financial Statements**

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December 31, 2014

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### **3. Comparative figures**

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

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Canadian Congenital Heart Alliance  
C4 - 233 Cross Avenue  
PO Box 233  
Oakville, Ontario  
L6J 2W9

September 16, 2015

Charles Havill Chartered Accountant  
245 Wyecroft Road  
Unit 4  
Oakville, Ontario  
L6K 3Y6

Dear Sir:

This representation letter is provided in connection with your audit of the financial statements of Canadian Congenital Heart Alliance for the year ended December 31, 2014 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 2, 2015, for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
- All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

## Information Provided

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters,
  - Additional information that you have requested from us for the purpose of the audit, and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
- We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

Yours truly,

Denise Hackett

Director

J. J. Purdy

Director