

Charles
Havill

CHARTERED ACCOUNTANT

**Canadian Congenital Heart
Alliance
Financial Statements**
December 31, 2016

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CHARTERED ACCOUNTANT

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, 2016, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to amounts recorded in the records of the Organization. Therefore, I was not able to determine whether, as at and for the year ended December 31, 2016 any adjustments might be necessary to revenues, excess of revenues over expenditures, cash flows from operations, current assets and net assets.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Canadian Congenital Heart Alliance as at December 30, 2016 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.



Oakville, Canada
July 31, 2017

Chartered Professional Accountant
Chartered Accountant
Licensed Public Accountant

Canadian Congenital Heart Alliance

Statement of Operations and Changes in Net Assets

Year ended December 31,

2016

2015

Revenues		
Grants	\$ 557	\$ 5,860
Donations	94,750	31,408
Programs		4,815
	<u>95,307</u>	<u>42,083</u>
Expenditures		
Administration	23,489	18,952
Advertising and promotion	2,921	2,162
Programs	6,835	6,704
Bank charges	189	321
Conferences	7,372	5,893
Donations	40,340	
Insurance	2,592	2,592
Professional fees	1,400	1,250
Office and general	3,942	3,434
	<u>89,080</u>	<u>41,308</u>
Excess of revenues over expenditures	<u>\$ 6,227</u>	<u>\$ 775</u>
<hr/>		
Net assets, beginning of year	\$ 26,432	\$ 25,657
Excess of revenue over expenditures	<u>6,227</u>	<u>775</u>
Net assets, end of year	<u>\$ 32,659</u>	<u>\$ 26,432</u>

See accompanying notes to the financial statements.

Canadian Congenital Heart Alliance
Statement of Financial Position

December 31,

2016

2015

Assets

Current

Cash

\$ 150,096

\$ 26,849

HST receivable

1,820

2,049

\$ 151,916

\$ 28,898

Liabilities

Current

Payables and accruals

\$ 7,097

\$ 2,466

Deferred revenue

112,160

117,437

2,466

Net Assets

Unrestricted

32,659

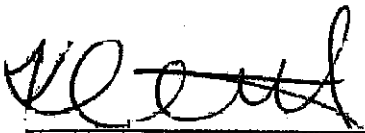
26,432

\$ 151,916

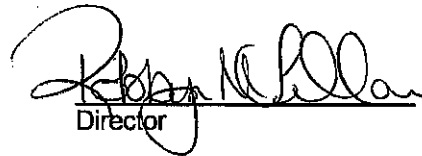
\$ 28,898

Commitment (Note 3)

Approved on behalf of the Board



Director



Director

See accompanying notes to the financial statements.

Canadian Congenital Heart Alliance

Statement of Cash Flows

Year ended December 31,

2016

2015

Cash derived from (applied to)

Operating

Excess of revenues over expenditures	\$ 6,227	\$ 775
Change in non-cash operating working capital		
HST receivable	229	160
Payables and accruals	4,631	360
Deferred revenue	<u>112,160</u>	<u> </u>
Net increase in cash	123,247	1,295
Cash, beginning of year	<u>26,849</u>	<u>25,554</u>
Cash, end of year	<u>\$ 150,096</u>	<u>\$ 26,849</u>

See accompanying notes to the financial statements.

Canadian Congenital Heart Alliance

Notes to the Financial Statements

December 31, 2016

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.

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 donation and program revenues in the year 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.

Canadian Congenital Heart Alliance

Notes to the Financial Statements

December 31, 2016

3. Commitment

The Organization has an agreement with a contractor for the Executive Director position for a maximum of \$2,500 plus HST monthly. The contract is renewed on an annual basis.
