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**CANADIAN CONGENITAL HEART ALLIANCE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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**INDEPENDENT AUDITORS' REPORT**

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To the Directors of  
Canadian Congenital Heart Alliance

I have audited the accompanying financial statements of Canadian Congenital Heart Alliance, which comprise the statement of financial position as at December 31, 2017 and the statements of income, 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 organization, 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.

**Auditors' 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 judgment, including the assessment of the risks of material misstatement 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 qualified 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 this revenue was limited to the amounts recorded in the records of the organization and I was not able to determine whether any audit adjustments might be necessary to donations, excess of revenue over expenses for the year, current assets and net assets.

**Qualified Opinion**

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Other matter**

The financial statements of Canadian Congenital Heart Alliance for the year ended December 31, 2017 were audited by another auditor who expressed a qualified opinion on those financial statements on May 3, 2018.



Markham, Ontario  
June 18, 2018

Chartered Professional Accountant  
Licensed Public Accountant

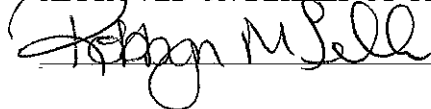
# CANADIAN CONGENITAL HEART ALLIANCE

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 47,307	\$ 150,096
Advance to CHEO RI (Note 3)	36,288	-
HST recoverable	<u>3,036</u>	<u>1,820</u>
	\$ 86,631	\$ 151,916
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 6,382	\$ 7,099
Deferred revenues, (Note 3)	<u>44,767</u>	<u>112,160</u>
	<u>51,149</u>	<u>119,259</u>
<b>NET ASSETS</b>		
Unrestricted	<u>35,483</u>	<u>32,657</u>
	<u>35,483</u>	<u>32,657</u>
	\$ 86,632	\$ 151,916

APPROVED ON BEHALF OF THE BOARD:

 Director



Director

# CANADIAN CONGENITAL HEART ALLIANCE

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
<b>REVENUE</b>		
Grant (Note 3)	\$ 123,474	\$ 557
Donations	<u>25,982</u>	<u>94,750</u>
	<u>149,456</u>	<u>95,307</u>
<b>EXPENSES</b>		
Staffing costs - Fearless (Note 3)	79,668	-
Program expenses - Fearless (Note 3)	21,121	-
Administration	18,872	23,489
Travel and conferences	11,262	7,372
Office and general	9,463	3,942
Professional fees	3,200	1,400
Insurance	2,917	2,592
Bank charges	127	189
Advertising and fundraising	-	2,921
Programs	-	6,835
Donations	<u>-</u>	<u>40,340</u>
	<u>146,630</u>	<u>89,080</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	2,826	\$ 6,227

# CANADIAN CONGENITAL HEART ALLIANCE

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

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	2017	2016
<b>NET ASSETS</b> , beginning of the year	\$ 32,657	\$ 26,430
Excess of revenue over expenses	<u>2,826</u>	<u>6,227</u>
<b>NET ASSETS</b> , end of the year	\$ 35,483	\$ 32,657

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# CANADIAN CONGENITAL HEART ALLIANCE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ <u>2,826</u>	\$ <u>6,227</u>
Changes in non-cash working capital balances related to operations:		
(Increase) decrease in HST	(1,216)	229
Increase in advances to CHEO RI	(36,288)	-
Increase (decrease) in accounts payable	(718)	4,631
Increase (decrease) in deferred revenue	<u>(67,393)</u>	<u>112,160</u>
	<u>(105,615)</u>	<u>117,020</u>
Cash flows (used in) generated from operating activities	<u>(102,789)</u>	<u>123,247</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	(102,789)	123,247
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	<u>150,096</u>	<u>26,849</u>
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	\$ 47,307	\$ 150,096

# CANADIAN CONGENITAL HEART ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### 1. PURPOSE OF THE ORGANIZATION

Canadian Congenital Heart Alliance (CCHA) 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 diseases 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 in Part III of the CPA Handbook and include the following:

#### Revenue Recognition

The Organization recognizes follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when receive or receivable if the amount to be received can be reasonably determined and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Donations are recognized when received.

#### Financial Instruments

The Organization's financial instruments are initially measured at fair value. All financial instruments are subsequently measured at amortized cost.

The financial assets subsequently measured at amortized cost include cash and cash equivalents.

The financial liabilities subsequently measured at amortized cost include accounts payable and accrued charges.

#### Contributed Services

Volunteers contribute many hours per year to assist the Canadian Congenital Heart Alliance in its operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the accompanying financial statements.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances available, if any, after allocation to cheque's in transit, and highly liquid investments with an initial term of three months or less.



# CANADIAN CONGENITAL HEART ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### 2. SIGNIFICANT ACCOUNTING POLICIES cont'd

#### Use of Estimates

The presentation of financial statements requires the management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities to the date of the financial statements and the reported amounts of revenue and expenses for the year then ended. Actual results may differ from those estimates.

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### 3. DEFERRED REVENUE

In fiscal 2016, the Organization received a grant from the Ministry of Tourism, Culture and Sport Ontario Sports and Recreation Communities Fund in the amount of \$186,934 which runs until June 2018. Funds are being advanced over a three year period.

CCHA has a funding transfer agreement with Children's Hospital of Eastern Ontario Research Institute Inc. (CHEO RI), to manage the "Fearless Physical Activity - Getting and Keeping Ontarians with Congenital Heart Disease Active in Community Sports, Recreation and Physical Activity" project covered by the above grant. CHEO RI will conduct and complete the project in terms with Grant noted above and funding agreement with CCHA.

The grant is taken into income as the expenses are incurred. Any unspent funds as at June 30, 2018 will be returned to the Ministry in accordance with the funding agreement.

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 112,160	\$ -
Add: amount received during the year	56,081	112,160
Less: amount recognized as revenue in the year	<u>(123,474)</u>	<u>-</u>
Balance, end of year	<u>\$ 44,767</u>	<u>\$ 112,160</u>

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### 4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The organization's risk management policy is to reduce volatility in cash flow and earnings. The Board of Directors review the organization's risks on a regular basis. It is the Board's opinion that the Organization is not exposed to significant interest rate risk, credit risk or liquidity risk.

# **CANADIAN CONGENITAL HEART ALLIANCE**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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### **5. COMMITMENTS**

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.

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### **6. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the financial statement presentation in the current year.