

HELP A CHILD SMILE

Financial Statements (unaudited)
For the year ended December 31, 2023
and Independent Practitioner's Review Engagement Report

HELP A CHILD SMILE
FINANCIAL STATEMENTS
DECEMBER 31, 2023
(unaudited)

CONTENTS

Independent Practitioner's Review Engagement Report	1
Statement of Income and Changes in Surplus	2
Balance Sheet	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 7
Schedule of Expenditures	8



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Help A Child Smile:

We have reviewed the accompanying financial statements of Help A Child Smile that comprise the balance sheet as at December 31, 2023, and the statement of income and changes in surplus and statement of 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 from material misstatement, whether due to fraud or error.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

In common with many not-for-profit organizations, Help a Child Smile, derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Help a Child Smile. Therefore, we were unable to determine whether any adjustment might have been found necessary with respect to donations and fundraising revenue, excess of revenue over expenses, and cash flow from operations for the years ended December 31, 2023 and 2022, current assets at December 31, 2023 and 2022, and surplus at January 1 and December 31 for both the 2023 and 2022 year end. Our review conclusion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Help A Child Smile as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Durward Jones Barkwell + Company LLP

Durward Jones Barkwell & Company LLP
Licensed Public Accountants
Welland, Ontario
May 23, 2024

HELP A CHILD SMILE
 STATEMENT OF INCOME AND CHANGES IN SURPLUS
 YEAR ENDED DECEMBER 31, 2023
 (unaudited)

	2023	2022
REVENUE		
Donations	\$ 102,811	\$ 140,761
Fundraising (Note 2)	113,719	53,324
	216,530	194,085
EXPENDITURES		
Administration costs (Page 8)	20,262	14,142
Fundraising costs (Page 8)	21,609	12,309
Program costs (Page 8)	141,359	162,942
	183,230	189,393
EXCESS OF REVENUE OVER EXPENDITURES	33,300	4,692
UNRESTRICTED SURPLUS, BEGINNING OF YEAR	197,486	142,794
CHANGE IN INTERNALLY RESTRICTED FUNDS - DISNEY	-	50,000
UNRESTRICTED SURPLUS, END OF YEAR	\$ 230,786	\$ 197,486

The accompanying notes are an integral part of these financial statements.

HELP A CHILD SMILE

BALANCE SHEET
 DECEMBER 31, 2023
 (unaudited)

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash	\$ 228,660	\$ 205,748
HST receivable	2,785	2,453
Prepaid expenses	<u>1,731</u>	<u>3,617</u>
	\$ 233,176	\$ 211,818
LIABILITY		
Current liability		
Accounts payable and accrued liabilities	\$ 2,390	\$ 14,332
UNRESTRICTED SURPLUS	<u>230,786</u>	<u>197,486</u>
	\$ 233,176	\$ 211,818

Approved by the Board:

_____ Member

_____ Member

The accompanying notes are an integral part of these financial statements.

HELP A CHILD SMILE
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2023
 (unaudited)

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 33,300	\$ 4,692
Changes in non-cash operating assets and liabilities		
HST Receivable	(332)	1,350
Prepaid expenses	1,886	1,118
Accounts payable and accrued liabilities	<u>(11,942)</u>	<u>3,189</u>
INCREASE IN CASH	22,912	10,349
CASH, BEGINNING OF YEAR	<u>205,748</u>	<u>195,399</u>
CASH, END OF YEAR	<u>\$ 228,660</u>	<u>\$ 205,748</u>

The accompanying notes are an integral part of these financial statements.

HELP A CHILD SMILE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

(unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Nature of business

The non-profit Organization was incorporated without share capital under the Ontario Business Corporations Act and is a registered charity under the Income Tax Act. The Organization's primary purpose is to assist children diagnosed with cancer in fulfilling a dream and arranging special trips and outings for these children.

Revenue recognition

The Organization recognized unrestricted donations and revenue from various fundraising events as received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The Organization follows the deferral method of accounting for restricted contributions whereby contributions are recognized in revenue in the year in which the related expenses are incurred.

Contributed Services

The value of volunteer and other services contributed to the Organization is not reported in the financial statements. There is no objective basis available to measure the value of the services and the Organization does not maintain detailed records of these services.

Foreign currency translation

The carrying amount of foreign currency dominated asset included on the balance sheet are translated into Canadian dollars at year-end rates of exchange. The resulting foreign currency translation gains and losses are included in the determination of excess of revenue over expenditures.

Financial instruments

(a) *Measurement of financial instruments*

(i) *Initial measurement*

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction.

HELP A CHILD SMILE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION — continued

Financial instruments — continued

(ii) ***Subsequent measurement***

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, 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 income in the period incurred.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(b) ***Transaction costs***

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(c) ***Impairment***

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Use of estimates

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

External events such as domestic and international pandemics, geopolitical unrest, natural disasters, climate change or inflationary pressures may cause economic uncertainty for many companies. Management assesses available information about the future, considers the possible outcomes, and develops a planned response to mitigate the effect of significant events or changes in conditions impacting the Organization. Although it is not guaranteed that these efforts will be successful, management is of the opinion that the actions that the Organization has taken are sufficient to mitigate these uncertainties.

HELP A CHILD SMILE
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2023
 (unaudited)

2. FUNDRAISING

	<u>2023</u>	<u>2022</u>
Fundraisers	\$ 102,194	\$ 44,703
Mystique Marketing	6,000	5,000
March Magic	5,525	-
Catch the Ace	-	3,440
Other	-	181
	<u>\$ 113,719</u>	<u>\$ 53,324</u>

3. FINANCIAL RISK MANAGEMENT

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include liquidity risk, credit risk, market (other price) risk, currency risk and interest rate risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

It is management's opinion that the Organization is not exposed to significant liquidity, credit, market, currency or interest rate risk arising from its financial instruments.

4. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.

HELP A CHILD SMILE
 SCHEDULE OF EXPENDITURES
 YEAR ENDED DECEMBER 31, 2023
 (unaudited)

	<u>2023</u>	<u>2022</u>
ADMINISTRATION COSTS		
Accounting	\$ 3,789	\$ 3,014
Administrator	6,768	7,839
Bank charges and interest	358	485
Directors meetings and mileage	333	65
Insurance	3,185	2,066
Loss (Gain) on foreign exchange	3,776	(1,980)
Office	1,235	2,241
Postage	424	-
Telecommunications	394	412
	\$ 20,262	\$ 14,142
FUNDRAISING COSTS		
50/50 raffle and catch the ace expenses and payouts	\$ -	\$ 5,555
Public relations	3,722	2,305
Storage unit	1,382	1,943
T-shirts, sweatshirts and toys	6,188	2,506
Golf tournament	10,317	-
	\$ 21,609	\$ 12,309
PROGRAM COSTS		
African Lion Safari	\$ 11,651	\$ 5,321
Christmas party	6,514	2,888
Fertility clinic	3,000	1,700
Fishing derby	4,645	4,668
HHS Parking	33,097	70,984
Hospital	4,707	3,198
March magic	3,889	-
Miscellaneous	3,192	1,684
Niagara Go-karts	3,264	5,229
Safari Niagara	-	4,430
Sandra Allen Memorial reward	7,500	15,000
Skyzone	6,029	4,530
Summer picnic	4,616	5,701
Teen group	1,400	75
Treetop trekking Hamilton	2,358	-
Walt Disney World Vacations	21,317	24,172
Walt Disney on Ice	11,801	5,966
Welcome packages	12,379	7,396
	\$ 141,359	\$ 162,942