

**CHILDHOOD CANCER CANADA
FOUNDATION/FONDATION CANADIENNE DU
CANCER CHEZ L'ENFANT**

Financial Statements

Year ended September 30, 2022

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Index to Financial Statements

September 30, 2022

	PAGE
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF CHANGES IN NET ASSETS.....	4
STATEMENT OF REVENUE AND EXPENDITURES.....	5
STATEMENT OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS.....	7 - 14



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant

Qualified Opinion

We have audited the financial statements of Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant (the "Foundation"), which comprise the statement of financial position as at September 30, 2022, and the statements of changes in net assets, revenue and expenditures, and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at September 30, 2022 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 (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended September 30, 2022 and 2021, current assets as at September 30, 2022 and 2021, and net assets as at October 1 and September 30 for both the 2022 and 2021 years.

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 Foundation in accordance with the 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 qualified opinion.

Responsibilities of Management and Directors for the Financial Statements

Management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management and Directors determine 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 and Directors are responsible for assessing the Foundation'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 and Directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT - cont'd

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. 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 Foundation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Directors.
- ♦ Conclude on the appropriateness of management and Directors' 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 Foundation'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 Foundation 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.

Adams & Miles LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
January 31, 2023

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Statement of Financial Position

September 30, 2022

	2022	2021
Assets		
Current		
Cash (Note 3)	\$ 839,516	\$ 778,752
Guaranteed investment certificate (Note 4)	201,115	-
Marketable securities	6,253	6,253
Pledge and sundry receivables (Notes 5 and 9)	155,033	159,530
Prepaid expenses	27,857	29,613
	1,229,774	974,148
Property and equipment (Note 6)	4,576	3,695
	\$ 1,234,350	\$ 977,843

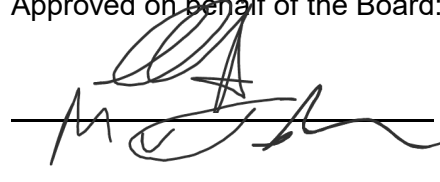
Liabilities

Current		
Accounts payable and accrued liabilities	\$ 654,447	\$ 434,026
Deferred revenue (Note 7)	20,673	39,961
	675,120	473,987

Fund balances

Investment in property and equipment	4,576	3,695
Unrestricted	554,654	500,161
	559,230	503,856
	\$ 1,234,350	\$ 977,843

Approved on behalf of the Board:


 _____ Member
 _____ Member

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Statement of Changes in Net Assets

Year ended September 30, 2022

	Investment in property and equipment		Unrestricted fund	Total 2022	Total 2021
Balance, beginning of year	\$	3,695	\$ 500,161	\$ 503,856	\$ 342,910
Excess of revenue over expenditures		-	55,374	55,374	160,946
Purchase of property and equipment		4,165	(4,165)	-	-
Amortization of property and equipment		(3,284)	3,284	-	-
Balance, end of year	\$	4,576	\$ 554,654	\$ 559,230	\$ 503,856

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Statement of Revenue and Expenditures

Year ended September 30, 2022

	2022	2021
Revenue		
Events and individual donations (Note 8)	\$ 1,423,799	\$ 1,226,061
Corporate and foundation donations (Note 8)	386,954	519,194
Lottery	231,170	273,131
Other revenue (Note 9)	97,458	87,781
	2,139,381	2,106,167
Expenditures		
Programs and external disbursements (Note 10)	1,169,264	1,079,633
Administration (Notes 6, 10 and 11)	322,271	352,158
Donor development (Note 10)	298,038	282,357
Events	204,167	124,177
Lottery	90,267	103,789
Other expenditures	-	3,107
	2,084,007	1,945,221
Excess of revenue over expenditures	\$ 55,374	\$ 160,946

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Statement of Cash Flows

Year ended September 30, 2022

	2022	2021
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures	\$ 55,374	\$ 160,946
Amortization of property and equipment	3,284	5,328
	58,658	166,274
Changes in		
Pledge and sundry receivables	4,497	(67,921)
Prepaid expenses	1,756	18,010
Accounts payable and accrued liabilities	220,421	196,076
Deferred revenue	(19,288)	(322,949)
	266,044	(10,510)
Investing activities		
Purchase of marketable securities	-	(6,253)
Purchase of property and equipment	(4,165)	-
Purchase of guaranteed investment certificate	(201,115)	-
	(205,280)	(6,253)
Change in cash position	60,764	(16,763)
Cash, beginning of year	778,752	795,515
Cash, end of year	\$ 839,516	\$ 778,752

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

1. Nature of operations

Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant (the "Foundation") is a national charitable organization dedicated to improving the quality of life for families experiencing the effects of childhood cancer through the provision of resources, parent support and the promotion of research.

The Foundation was originally incorporated under the Canada Corporations Act as a not-for-profit organization without share capital on July 29, 1987. Effective July 31, 2020, the Foundation merged with Coast to Coast Against Cancer Foundation, and the combined entity retained the name of the Foundation. It is a registered charity under the provisions of the Income Tax Act and, as such, is exempt from income tax.

2. Summary of significant accounting policies

The preparation of financial statements in accordance with Canadian generally accepted accounting standards for not-for-profit organizations requires management and Directors to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the Statement of Revenue and Expenditures in the period in which they become known.

Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting and, accordingly, the resources are classified for accounting and reporting purposes into funds determined by the purpose for which those funds are held. The types of funds held are:

Investment in property and equipment fund - this fund represents the net book value of the property and equipment being the original cost less amortization of the property and equipment.

Unrestricted fund - this fund includes unrestricted amounts such as donations, lotteries and events revenue, together with day-to-day operating expenses.

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

2. Summary of significant accounting policies - cont'd

Marketable securities

Marketable securities consist of Canadian equities. They have been classified as current and recorded at fair value as they are capable of reasonably prompt liquidation. Fair values are referenced to published price quotations in an active market at year-end. The fair market value of the marketable securities approximately equals their cost.

Transaction costs and investment fees are expensed when incurred.

Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives on a straight-line basis. The annual amortization rates are as follows:

Office equipment	3 years
Computer equipment	3 to 5 years

The Foundation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows that the property and equipment are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Revenue recognition

The Foundation follows the deferral method of accounting for externally restricted contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Unrestricted contributions including individual donations, corporate and foundation donations are recognized when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Events revenue is recognized in the year in which the event occurs, if the amount to be received can be reasonably estimated and collection is reasonably assured.

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

2. Summary of significant accounting policies - cont'd

Revenue recognition - cont'd

Lottery revenue is recorded when received. The proceeds from the lottery revenue is required to be spent on the charitable purpose of the Foundation within Ontario. The Foundation is in compliance with this restriction.

Government assistance is recognized when received or receivable in the year the Foundation meets the eligibility criteria.

Contributed goods and services

Contributed goods and services are not recognized in the Statement of Revenue and Expenditures. Contributed goods and services include office rent and goods for Empower packs. If in the future, the landlord stops providing its office space free of charge to the Foundation, the Foundation will need to incur rent expense to continue its normal course of operations.

The Foundation benefits from services in the form of volunteer time. Since these invaluable services are not purchased by the Foundation and a reasonable estimate of their value cannot be made, they are not recorded in the financial statements.

Objectives, policies and processes for managing capital

The Foundation defines its capital as its net assets. The Foundation's objectives when managing its capital is to safeguard its ability to continue to provide programs and services consistent with its mission and vision.

Management provides an annual budget to the Chair of the Board of Directors (the "Board") and the Treasurer. The budget is developed to ensure the Foundation has sufficient cash flow to fund operations and capital expenditures. A recommendation is made from the Treasurer to the Board for approval of the budget. Management compares actual results to the budget and reports these results to the Board monthly.

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

2. Summary of significant accounting policies - cont'd

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for marketable securities, which are measured at fair value. The change in the fair value of these financial instruments are recognized in the Statement of Revenue and Expenditures.

Financial assets measured at amortized cost include cash, guaranteed investment certificate and pledge and sundry receivables.

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

3. Credit facility

The Foundation has available line of credit of \$32,000 (2021 - \$32,000), which bears interest at the bank's prime rate plus 2.00% (2021 - 2.00%) per annum and which is due on demand. As at the current year-end and prior year-end, this line of credit was not utilized.

4. Guaranteed investment certificate

The balance consists of one (2021 - nil) Guaranteed Investment Certificate ("GIC") which earns interest at 1.90% and matures on August 4, 2023. Subsequent to year-end, the cashable GIC was encashed and invested in another GIC.

5. Pledge and sundry receivables

Pledge and sundry receivables consist of government sales tax rebates of \$63,500 (2021 - \$79,734).

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

6. Property and equipment

	2022		2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 11,672	\$ 11,672	\$ -	\$ -
Computer equipment	34,843	30,267	4,576	3,695
	<u>\$ 46,515</u>	<u>\$ 41,939</u>	<u>\$ 4,576</u>	<u>\$ 3,695</u>

Amortization expenditure was \$3,284 (2021 - \$5,328) and is included in administration on the Statement of Revenue and Expenditures.

7. Deferred revenue

Deferred revenue consists of restricted donations or grants and amounts related to future fiscal years. Deferred revenue includes amounts received for events to be held, donations for Empower Pack program, grant for scholarships, and COVID-19 financial grants to be distributed to patients and families in Canada who have been negatively impacted by the pandemic.

The deferred revenue balance consists of the following:

	2022	2021
Deferred revenue - Empower Packs	\$ 12,173	\$ 9,728
Rotary Club grant for children programming in Brampton	8,500	-
Deferred events	-	18,583
COVID-19 financial grants	-	11,650
	<u>\$ 20,673</u>	<u>\$ 39,961</u>

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

7. Deferred revenue - cont'd

The continuity of deferred revenue is as follows:

	2022	2021
Balance, beginning of year	\$ 39,961	\$ 362,910
Add: grants, donations and amounts received for events during the year	515,873	213,750
Less: grants, donations and events revenue earned in the year	(535,161)	(536,699)
Balance, end of year	\$ 20,673	\$ 39,961

8. Related party transactions

Included in events revenue is a \$6,734 sponsorship (2021 - \$5,000) received from a firm that a member of the Board of Directors is a partner of.

Included in corporate donations is a \$50,000 philanthropic gift (2021 - \$nil) received from a corporate entity partly owned by a member of the Board of Directors.

9. Government assistance

Included in other revenue is a recovery of \$92,889 (2021 - \$87,687) for government assistance received under the Canada Emergency Wage Subsidy program.

Included in pledge and sundry receivables at year-end is \$9,000 (2021 - \$18,000).

10. Allocation of administration expenditures and other

The Foundation allocates certain costs based on various activities. The Foundation allocates consulting fees, salaries and benefits based on management's estimate of actual time spent by an employee on research and programs and donor development initiatives. Expense allocations are applied on a consistent basis from year to year.

For the current year, consulting fees, salaries and benefits of \$229,619 (2021 - \$193,811) were allocated to programs and external disbursements expenditures, \$162,647 (2021 - \$137,283) were allocated to donor development expenditures and \$129,312 (2021 - \$152,262) were allocated to administration expenditures.

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

11. Pension plan

As a former member of a multi-employer defined benefit pension plan administered by the Canadian Cancer Society, the Foundation has a pension funding obligation on the unfunded portion of benefits being paid to former employees. As the administrator is responsible for ensuring that the pension funds are financially viable, any surpluses or unfunded liabilities arising from actuarial funding valuations are not assets or obligations of the Foundation. It is being accounted for as a defined contribution plan.

During the current year, the Foundation's pension funding expenditure totaled \$2,790 (2021 - \$9,744) and is included with administration expenses on the Statement of Revenue and Expenditures. As at year-end, the Foundation is no longer a participant in the plan as the plan has been discharged.

12. Commitments

As at year-end, the Foundation is committed to the future minimum lease commitment of \$4,553 relating to the rental of certain office equipment, expiring through May 2023.

13. Financial instruments

The Foundation is exposed to the following risks in respect of certain of the financial instruments held:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk with respect to its pledges and sundry receivables to the extent that debtors do not meet their obligations.

It is the opinion of management, that the Foundation is not exposed to significant interest rate, market, currency and liquidity risks.

14. Contributed rent

If in the future, the Foundation stops receiving in-kind donation of rent, the Foundation will need to pay rent to continue its normal course of operations.

**CHILDHOOD CANCER CANADA FOUNDATION/
FONDATION CANADIENNE DU CANCER CHEZ L'ENFANT**

Notes to Financial Statements

Year ended September 30, 2022

15. COVID-19

Economic uncertainties have arisen as a result of the COVID-19 coronavirus pandemic. The spread of this virus has caused business disruptions. There was no significant impact on operations during the year including collections of pledges and sundry receivables or the impairment of property and equipment as at September 30, 2022. The related financial impact and duration of this disruption cannot be reasonably estimated at this time.

16. Comparative amounts

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation. The changes do not affect prior year earnings.