

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

Financial Statements

Year ended September 30, 2019

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

Index to Financial Statements

September 30, 2019

	PAGE
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF CHANGES IN NET ASSETS.....	4
STATEMENT OF REVENUE AND EXPENSES AND	5
STATEMENT OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS.....	7 - 13

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant, which comprise the statement of financial position as at September 30, 2019, and the statements of changes in net assets, revenue and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at September 30, 2019 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 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 revenue 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 expenses, and cash flows from operations for the years ended September 30, 2019 and 2018, current assets as at September 30, 2019 and 2018, and net assets as at October 1 and September 30 for both the 2019 and 2018 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 opinion.

Emphasis of Matter

We draw attention to Note 12 to the financial statements, which indicates that the Foundation may cease operation in its current legal form and create a new unified foundation with Coast to Coast Against Cancer Foundation. Our opinion is not modified in respect of this matter.

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
March 6, 2020

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

Statement of Financial Position

September 30, 2019

	2019	2018
Assets		
Current		
Cash (Note 6)	\$ 344,797	\$ 484,832
Pledge and sundry receivables (Note 3)	75,541	117,180
Inventory	11,926	-
Prepaid expenses	46,244	41,283
	478,508	643,295
Property and equipment (Note 4)	8,869	7,755
	\$ 487,377	\$ 651,050
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 82,609	\$ 258,623
Deferred revenue (Note 5)	120,007	21,550
	202,616	280,173
Net assets		
Investment in property and equipment	8,869	7,755
Unrestricted	275,892	363,122
	284,761	370,877
	\$ 487,377	\$ 651,050

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

Statement of Changes in Net Assets

Year ended September 30, 2019

	Investment in property and equipment	Unrestricted fund	2019 Total	2018 Total
Balance, beginning of year	\$ 7,755	\$ 363,122	\$ 370,877	\$ 217,623
Excess (deficiency) of revenue over expenses	(6,096)	(80,020)	(86,116)	153,254
Purchase of property and equipment	7,210	(7,210)	-	-
	1,114	(87,230)	(86,116)	153,254
Balance, end of year	\$ 8,869	\$ 275,892	\$ 284,761	\$ 370,877

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

Statement of Revenue and Expenses

Year ended September 30, 2019

	2019	2018
Revenue		
Individual donations	\$ 464,316	\$ 800,622
Corporate and foundation donations	242,942	426,505
Events (Note 7)	659,562	720,451
Lottery	215,421	176,019
	1,582,241	2,123,597
Expenses		
Research and programs (Notes 7 and 8)	750,716	968,182
Donor development (Note 8)	439,926	495,188
Administration (Notes 8 and 9)	230,989	241,212
Events	128,194	159,686
Lottery	118,532	106,075
	1,668,357	1,970,343
Excess (deficiency) of revenue over expenses	\$ (86,116)	\$ 153,254

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

Statement of Cash Flows

Year ended September 30, 2019

	2019	2018
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (86,116)	\$ 153,254
Amortization of property and equipment	6,096	2,216
	(80,020)	155,470
Change in non-cash working capital items		
Pledge and sundry receivables	41,639	56,098
Inventory	(11,926)	-
Prepaid expenses	(4,961)	6,940
Accounts payable and accrued liabilities	(176,014)	(336,617)
Deferred revenue	98,457	(18,450)
	(132,825)	(136,559)
Investing activities		
Purchase of property and equipment	(7,210)	-
Change in cash	(140,035)	(136,559)
Cash, beginning of year	484,832	621,391
Cash, end of year	\$ 344,797	\$ 484,832

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

Notes to Financial Statements

Year ended September 30, 2019

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 incorporated under the Canada Corporations Act as a not-for-profit organization without share capital. 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 expenses during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Revenue and Expenses in the year 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.

Inventory

Inventory consists of books and tablets for the Empower Packs program and is measured at the lower of cost and replacement value. Cost is determined using the weighted average method.

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

Notes to Financial Statements

Year ended September 30, 2019

2. Summary of significant accounting policies - cont'd

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
Leasehold improvements	5 years
Computer equipment	3 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 expenses are incurred.

Unrestricted contributions including individual donations, corporate and foundation donations and events revenue 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.

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

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

Notes to Financial Statements

Year ended September 30, 2019

2. Summary of significant accounting policies - cont'd

Contributed goods and services

Contributed goods are not recognized as they would not otherwise have been purchased.

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.

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.

Financial assets measured at amortized cost include cash and pledge and sundry receivables.

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

3. Pledge receivables

As at year-end, there was \$42,500 (2018 - \$81,859) of pledge receivables. Subsequent to year-end, \$37,500 of the pledge receivables were received.

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

Notes to Financial Statements

Year ended September 30, 2019

4. Property and equipment

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 2,420	\$ 807	\$ 1,613	\$ -
Leasehold improvements	6,650	6,650	-	-
Computer equipment	18,423	11,167	7,256	7,755
	<u>\$ 27,493</u>	<u>\$ 18,624</u>	<u>\$ 8,869</u>	<u>\$ 7,755</u>

5. Deferred revenue

Deferred revenue consists of deposits received in the current fiscal year related to events to be held and donations for Empower Pack program to be spent in the next fiscal year.

The deferred revenue balance consists of the following:

	2019	2018
Deferred revenue - Empower Packs	\$ 67,670	\$ -
Deferred events	52,337	21,550
	<u>\$ 120,007</u>	<u>\$ 21,550</u>

6. Credit facility

The Foundation has available a line of credit of \$32,000 (2018 - \$32,000), which bears interest at the bank's prime rate plus 2.00% (2018 - 2.00%) per annum and which is due on demand. As at the current and prior year-ends, this line of credit was not utilized.

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

Notes to Financial Statements

Year ended September 30, 2019

7. Related party transactions

A member of the Board of Directors is also on the Board of Directors of a research organization that the Foundation funds to meet its objectives. Included in research and programs is \$Nil (2018 - \$250,720) paid to this research organization.

Included in events revenue is a \$5,000 sponsorship (2018 - \$2,500) received from a firm that a member of the Board of Directors is a partner of.

These transaction were in the normal course of operations and were valued at the exchange amount which is the amount of consideration established and agreed to by the related parties.

8. Allocation of administration expenses

The Foundation allocates certain costs based on various activities. The Foundation allocates rent, equipment lease and salary 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, rent, equipment lease and salary costs of \$355,704 (2018 - \$430,108) were allocated to research and programs expenses and \$251,311 (2018 - \$247,655) were allocated to donor development expenses.

9. 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. The obligation is not on the statement of financial position as the information is not available. It is being accounted for as a defined contribution plan.

During the current year, the Foundation's pension funding expense totaled \$4,398 (2018 - \$5,172) and is included with administration expenses on the Statement of Revenue and Expenses for the year.

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

Notes to Financial Statements

Year ended September 30, 2019

10. Commitments

As at year-end, the Foundation is committed to the following future minimum lease commitments relating to the rental of its premises and certain office equipment, expiring through May 2023.

2020	\$	66,520
2021		6,288
2022		6,288
2023		4,553
		<hr/>
		\$ 83,649

11. 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.

The Foundation is not exposed to significant interest, currency and liquidity risks arising from financial instruments.

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

Notes to Financial Statements

Year ended September 30, 2019

12. Childhood Cancer Canada Foundation and Coast to Coast Against Cancer Foundation

During the current year, the Foundation announced its intent to create a new unified foundation with Coast to Coast Against Cancer Foundation. The merger is anticipated to occur in fiscal 2020. The Foundation is assessing the financial impact of this intention on its financial statements for the year ended September 30, 2020.