

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

Financial Statements

Period from October 1, 2019 to July 30, 2020

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

Index to Financial Statements

July 30, 2020

	PAGE
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF CHANGES IN NET ASSETS.....	4
STATEMENT OF REVENUE AND EXPENSES.....	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, which comprise the statement of financial position as at July 30, 2020, and the statements of changes in net assets, revenue and expenses, and cash flows for the period from October 1, 2019 to July 30, 2020, 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 Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant as at July 30, 2020 and the results of its operations and its cash flows for the period from October 1, 2019 to July 30, 2020 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 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 donation revenue, excess/deficiency of revenues over expenses, and cash flows from operations for the period from October 1, 2019 to July 30, 2020 and for the year ended September 30, 2019, current assets as at July 30, 2020 and September 30, 2019, and net assets as at July 30, 2020 and September 30, 2019.

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.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which indicates that the Foundation amalgamated with Coast to Coast Against Cancer Foundation effective July 31, 2020. 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
January 28, 2021

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

Statement of Financial Position

July 30, 2020

	July 30, 2020	September 30, 2019
Assets		
Current		
Cash (Note 3)	\$ 786,134	\$ 344,797
Pledge and sundry receivables (Note 4)	9,598	75,541
Inventory	-	11,926
Prepaid expenses	31,899	46,244
	827,631	478,508
Property and equipment (Note 5)	3,789	8,869
	\$ 831,420	\$ 487,377
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 84,537	\$ 82,609
Deferred revenue (Note 6)	311,210	120,007
	395,747	202,616
Fund balances		
Investment in property and equipment	3,789	8,869
Unrestricted	431,884	275,892
	435,673	284,761
	\$ 831,420	\$ 487,377

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

Period from October 1, 2019 to July 30, 2020

	Investment in property and equipment	Unrestricted fund	Total October 1, 2019 to July 30, 2020	Total September 30, 2019 (12 months)
Balance, beginning of period	\$ 8,869	\$ 275,892	\$ 284,761	\$ 370,877
Excess (deficiency) of revenue over expenses	(5,080)	155,992	150,912	(86,116)
Balance, end of period	\$ 3,789	\$ 431,884	\$ 435,673	\$ 284,761

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

Statement of Revenue and Expenses

Period from October 1, 2019 to July 30, 2020

	October 1, 2019 to July 30, 2020	September 30, 2019 (12 months)
Revenue		
Individual donations	\$ 356,991	\$ 464,316
Events (Note 9)	321,139	659,562
Corporate and foundation donations	254,161	242,943
Lottery	175,278	215,421
Other revenue (Note 7)	28,016	-
	1,135,585	1,582,242
Expenditures		
Administration (Notes 9, 10 and 11)	342,774	230,990
Donor development (Note 10)	243,356	439,926
Research and programs (Note 10)	225,433	750,716
Events	91,719	128,194
Lottery	81,391	118,532
	984,673	1,668,358
Excess (deficiency) of revenue over expenses	\$ 150,912	\$ (86,116)

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

Statement of Cash Flows

Period from October 1, 2019 to July 30, 2020

	October 1, 2019 to July 30, 2020	September 30, 2019 (12 months)
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 150,912	\$ (86,116)
Amortization of property and equipment	5,080	6,096
	155,992	(80,020)
Changes in		
Pledge and sundry receivables	65,943	41,639
Inventory	11,926	(11,926)
Prepaid expenses	14,345	(4,961)
Accounts payable and accrued liabilities	1,928	(176,014)
Deferred revenue	191,203	98,457
	441,337	(132,825)
Investing activities		
Purchase of property and equipment	-	(7,210)
Change in cash position	441,337	(140,035)
Cash, beginning of period	344,797	484,832
Cash, end of period	\$ 786,134	\$ 344,797

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

Notes to Financial Statements

Period from October 1, 2019 to July 30, 2020

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.

Effective July 31, 2020, the Foundation amalgamated with Coast to Coast Against Cancer Foundation and created a new legal entity. The new entity is operating as Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant.

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 period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Revenue and Expenses 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

Period from October 1, 2019 to July 30, 2020

2. Summary of significant accounting policies - cont'd

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.

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 period in which the related expenses 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 period 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

Period from October 1, 2019 to July 30, 2020

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.

Leases

The Foundation has entered into an operating premise lease which was amended due to the Canada Emergency Commercial Rent Assistance application. The Foundation has chosen to recognize the lease forgiveness amounts in accordance with the practical expedient method which allows for the recognition of the lease forgiveness amounts in the period to which it relates.

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.

Government assistance

The Foundation applied for and received financial assistance under the Canada Emergency Wage Subsidy and the Temporary Wage Subsidy programs. Subsidy amounts are recorded as other revenue when received.

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

Notes to Financial Statements

Period from October 1, 2019 to July 30, 2020

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.

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. Credit facility

The Foundation has available a line of credit of \$32,000 (2019 - \$32,000), which bears interest at the bank's prime rate plus 2.00% (2019 - 2.00%) per annum and which is due on demand. As at the current period-end and prior year-end, this line of credit was not utilized.

4. Pledge receivables

As at period-end, there was \$Nil (2019 - \$42,500) pledge receivables.

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

Notes to Financial Statements

Period from October 1, 2019 to July 30, 2020

5. Property and equipment

	July 30, 2020			September 30, 2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Office equipment	\$ 2,420	\$ 1,479	\$ 941	\$ 1,613	
Leasehold improvements	6,650	6,650	-	-	
Computer equipment	18,423	15,575	2,848	7,256	
	\$ 27,493	\$ 23,704	\$ 3,789	\$ 8,869	

6. Deferred revenue

Deferred revenue consists of restricted donation or grants and amounts related for future fiscal period. Deferred revenue include events to be held, donations for Empower Pack program, 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:

	July 30, 2020	September 30, 2019
COVID-19 financial grants	\$ 198,550	\$ -
Deferred events	60,333	52,337
Deferred revenue - Empower Packs	52,327	67,670
	\$ 311,210	\$ 120,007

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

Notes to Financial Statements

Period from October 1, 2019 to July 30, 2020

7. Government assistance

Included in other revenue is a recovery of \$22,177 (2019 - \$Nil) for government assistance received under the Canada Emergency Wage Subsidy program and \$5,839 (2019 - \$Nil) for government assistance received under the Temporary Wage Subsidy program.

8. Rent forgiveness - Canada Emergency Commercial Rent Assistance

The Foundation applied and received from its Landlord rent forgiveness for 4 months in fiscal period ended July 30, 2020. The Foundation has chosen to continue recording the lease payments in accordance with the original lease agreement and recognize the lease forgiveness amounts as a reduction to rent expense in the year to which it relates. The amount of rent reduction recognized in the year was \$24,183.

9. Related party transactions

Included in events revenue is a \$10,000 sponsorship (2019 - \$5,000) received from a firm that a member of the Board of Directors is a partner of.

The Foundation has significant influence over and is significantly influenced by Coast to Coast Against Cancer Foundation (Coast to Coast). Coast to Coast is devoted to fighting childhood cancer and improving the survival rate and quality of life of children and their families impacted by cancer and is a registered charity under the provisions of the Income Tax Act and, as such, is exempt from income tax.

The Foundation and Coast to Coast shared managerial and other staff and costs related to the merger of the two foundations. Included in administration expense is approximately \$166,000 of costs shared with Coast to Coast.

These transactions 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.

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

Notes to Financial Statements

Period from October 1, 2019 to July 30, 2020

10. Allocation of administration expenses and other

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 period to period.

For the current period, rent, equipment lease and salary costs of \$166,961 (2019 - \$355,704) were allocated to research and programs expenses and \$120,416 (2019 - \$251,311) were allocated to donor development expenses.

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. 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 period, the Foundation's pension funding expense totaled \$2,856 (2019 - \$4,398) and is included with administration expenses on the Statement of Revenue and Expenses.

12. Commitments

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

2021	\$	6,288
2022		6,288
2023		4,553
		<hr/>
		\$ 17,129

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

Notes to Financial Statements

Period from October 1, 2019 to July 30, 2020

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.

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

14. COVID-19

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and financial impact of the COVID-19 pandemic, as well as the effectiveness of government responses, cannot be reasonably estimated on future operations at this time. Potential risks that the Foundation faces as a result of the pandemic are as follows:

- (a) Significant change in operational costs
 - ♦ Change in operational costs, if any, have been reflected in the financial statements.
- (b) Significant changes in cash inflows from events and donations
 - ♦ Change in cash inflows from events and donations, if any, have been reflected in the financial statements.
- (c) Due to reduced cash inflows and/or changes in operating costs, the operation position and fund balances of the Foundation would be impacted.
 - ♦ The Foundation has positive working capital and positive fund balances. The Foundation continues to be a going concern.