



Grant Thornton

Financial Statements

Childhood Cancer Canada Foundation/
Fondation Canadienne Du Cancer Chez L'Enfant

September 30, 2013

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Independent Auditor's Report

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

We have audited the accompanying 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, 2013, and the statements of revenue and expenses, 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditor's Report (continued)

Basis for qualified opinion

In common with many non-profit organizations, the Foundation derives revenue from donations from the public and events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments for completeness might be necessary to revenue, excess of revenue over expenses, assets and net assets.

Qualified opinion

In our 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 Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant as at September 30, 2013, 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.

Comparative information

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that Childhood Cancer Canada Foundation/Fondation Canadienne Du Cancer Chez L'Enfant adopted Canadian accounting standards for not-for-profit organizations on October 1, 2012 with a transition date of October 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at September 30, 2012 and October 1, 2011, and the statements of revenue and expenses, changes in net assets and cash flows for the year ended September 30, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada
March 19, 2014

Chartered Accountants
Licensed Public Accountants

**Childhood Cancer Canada Foundation/
Fondation Canadienne Du Cancer Chez L'Enfant
Statement of Revenue and Expenses**

Year ended September 30	2013	2012 (Unaudited - Note 3)
<hr/>		
Revenue		
Individual donations	\$ 614,410	\$ 568,595
Corporate and foundation donations	557,116	550,973
Events	799,573	710,640
Lotteries	<u>188,965</u>	<u>153,252</u>
	<u>2,160,064</u>	<u>1,983,460</u>
Expenses		
Research and programs	1,164,685	1,147,308
Donor development	448,670	381,990
Administration	238,599	240,742
Events	186,959	105,875
Lotteries	<u>101,755</u>	<u>94,011</u>
	<u>2,140,668</u>	<u>1,969,926</u>
Excess of revenue over expenses	<u>\$ 19,396</u>	<u>\$ 13,534</u>

**Childhood Cancer Canada Foundation/
Fondation Canadienne Du Cancer Chez L'Enfant
Statement of Changes in Net Assets**

Year ended September 30

	Investment in property and equipment	Unrestricted	Total 2013	Total 2012 (Unaudited - Note 3)
Balance, beginning of year	\$ 4,275	\$ 23,386	\$ 27,661	\$ 14,127
Excess (deficiency) of revenue over expenses	(1,694)	21,090	19,396	13,534
Purchase of property and equipment	<u>1,459</u>	<u>(1,459)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 4,040</u>	<u>\$ 43,017</u>	<u>\$ 47,057</u>	<u>\$ 27,661</u>

**Childhood Cancer Canada Foundation/
Fondation Canadienne Du Cancer Chez L'Enfant
Statement of Cash Flows**

Year ended September 30	2013	2012 (Unaudited - Note 3)
<hr/>		
Increase in cash		
Operating		
Excess of revenue over expenses	\$ 19,396	\$ 13,534
Item not affecting cash		
Amortization of property and equipment	<u>1,694</u>	<u>1,549</u>
	21,090	15,083
Change in non-cash working capital items		
Sundry receivables	(23,974)	(5,295)
Prepaid expenses	16,230	(14,279)
Accounts payable and accrued liabilities	267,397	362,066
Deferred revenue	<u>(12,500)</u>	<u>12,500</u>
	268,243	370,075
Investing		
Purchase of property and equipment	<u>(1,459)</u>	<u>-</u>
Increase in cash	266,784	370,075
Cash		
Beginning of year	<u>467,570</u>	<u>97,495</u>
End of year	<u>\$ 734,354</u>	<u>\$ 467,570</u>

Childhood Cancer Canada Foundation/ Fondation Canadienne Du Cancer Chez L'Enfant

Notes to the Financial Statements

Year ended September 30, 2013

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 is incorporated under the Canada Corporations Act as a non-profit organization without share capital, 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 Foundation has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The following are the policies selected by the Foundation and applied in these financial statements.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in limited circumstances. The Foundation's financial instruments comprise cash, sundry receivables, and accounts payable.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value. The Foundation subsequently measures all of its financial assets and liabilities at amortized cost.

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:

Leasehold improvements	5 years
Computer equipment	5 years

Property and equipment are assessed for impairment when events or changes in circumstance indicate that the Foundation may not be able to recover their carrying value. The Foundation calculates impairment by deducting the fair value, based on discounted cash flows expected from its use and disposition, from its carrying value. Any excess is a charge against the excess of revenue over expenses.

Childhood Cancer Canada Foundation/ Fondation Canadienne Du Cancer Chez L'Enfant

Notes to the Financial Statements

Year ended September 30, 2013

2. Summary of significant accounting policies (continued)

Revenue recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions and lottery revenue are recognized in the accounts when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Event revenue is recorded in the period in which the event occurs.

Contributed goods and services

Contributed goods are recorded when a fair value can be reasonably estimated and they would otherwise be purchased by the Foundation. The fair value of the donated goods are recorded as donation revenue in the year received.

The Foundation benefits from voluntary services contributed to the Foundation by volunteers. Since these services are not normally purchased and because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Allocation of expenses

Certain employees perform a combination of program and development activities. As a result, the Foundation allocates rent, equipment lease and salary costs based on management's estimate of actual time spent by employees on program and development initiatives. Expense allocations are applied on a consistent basis from year to year.

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 the Financial Statements

Year ended September 30, 2013

3. First-time adoption of ASNPO

These financial statements are the first financial statements for which the Foundation has applied ASNPO. The financial statements for the year ended September 30, 2013 were prepared in accordance with ASNPO. Comparative period information was prepared in accordance with ASNPO and the provisions set out in The Canadian Institute of Chartered Accountants Handbook Section 1501 - First-time adoption.

The date of transition to ASNPO is October 1, 2011. The Foundation's transition from Canadian generally accepted accounting principles ("previous GAAP") to ASNPO has had no impact on the opening net assets as at October 1, 2011 or the statements of revenue and expenses, changes in net assets or cash flows for the year ended September 30, 2012. As a result, the reconciliations and disclosures required by Section 1501 – First-time adoption are not necessary and have not been presented in these financial statement notes.

The statements of financial position as at September 30, 2012 and October 1, 2011, and the statements of revenue and expenses, changes in net assets and cash flows for the year ended September 30, 2012, were audited under the previous GAAP framework. They have not been audited under ASNPO and, accordingly, are required to be designated as unaudited.

4. Property and equipment

			September 30, 2013	September 30, 2012 (Unaudited - Note 3)	October 1, 2011 (Unaudited - Note 3)
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 6,650	\$ 4,544	\$ 2,106	\$ 3,436	\$ 4,766
Computer equipment	<u>2,554</u>	<u>620</u>	<u>1,934</u>	<u>839</u>	<u>1,058</u>
	<u>\$ 9,204</u>	<u>\$ 5,164</u>	<u>\$ 4,040</u>	<u>\$ 4,275</u>	<u>\$ 5,824</u>

5. Lease commitments

The Foundation has commitments for the lease of office premises and equipment. Future minimum annual payments for these commitments are as follows:

2014	\$ 73,245
2015	<u>39,556</u>
	<u>\$ 112,801</u>

Childhood Cancer Canada Foundation/ Fondation Canadienne Du Cancer Chez L'Enfant

Notes to the Financial Statements

Year ended September 30, 2013

6. Allocation of administration expenses

For fiscal 2013, rent, equipment lease and salary costs of \$246,572 (2012 - \$266,500) were allocated to research and programs expenses and \$134,073 (2012 - \$95,250) were allocated to donor development expenses.

7. Bank indebtedness

The Foundation has approved and has available a line of credit of \$32,000, which bears interest at the bank's prime rate plus 2% per annum and which is due on demand. As at September 30, 2013, September 30, 2012 and October 1, 2011 the line of credit was not utilized.

8. 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.

During the year, the Foundation's pension funding expense totaled \$13,316 (2012 - \$23,130) and is included with administration expenses on the statement of revenue and expenses for the year.

9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extended risk related to financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risks relate to its sundry receivables.

The Foundation reduces its exposure to credit risk by assessing credit on a regular basis and providing for an allowance for doubtful accounts when applicable. At September 30, 2013, the allowance for doubtful accounts is \$Nil (September 30, 2012 - \$Nil; October 1, 2011 - \$Nil). In the opinion of management, the credit risk exposure to the Foundation is not material.

Childhood Cancer Canada Foundation/ Fondation Canadienne Du Cancer Chez L'Enfant

Notes to the Financial Statements

Year ended September 30, 2013

9. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Foundation is exposed to liquidity risk mainly in respect of its accounts payable.

The Foundation manages its liquidity risk by forecasting cash flows from operating, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable future financial obligations. The Foundation also ensures that it maintains adequate cash reserves and has appropriate financing in place through an operating line of credit.