Grant Thornton

Financial Statements

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

September 30, 2014

Contents

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, 2014, 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, 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, 2014, 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.

Grant Thornton LLP

Toronto, Canada
January 20, 2015

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	**2014**	2013
Revenue		
Individual donations	**$ 628,791**	$ 614,410
Corporate and foundation donations	**649,574**	557,116
Events	**907,043**	799,573
Lotteries	**150,667**	188,965
	2,336,075	2,160,064
Expenses		
Research and programs	**1,289,539**	1,164,685
Donor development	**481,957**	448,670
Administration	**269,090**	238,599
Events	**127,659**	186,959
Lotteries	**85,477**	101,755
	2,253,722	2,140,668
Excess of revenue over expenses	**$ 82,353**	$ 19,396

See accompanying notes to the financial statements.

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 2014**	Total 2013
Balance, beginning of year	$ 4,040	$ 43,017	**$ 47,057**	$ 27,661
Excess (deficiency) of revenue over expenses	(1,841)	84,194	**82,353**	19,396
Balance, end of year	$ 2,199	$ 127,211	**$ 129,410**	$ 47,057

See accompanying notes to the financial statements.

Childhood Cancer Canada Foundation/
Fondation Canadienne Du Cancer Chez L'Enfant
Statement of Financial Position

As at September 30		2014		2013
Assets				
Current				
Cash	$	773,646	$	734,354
Pledge and sundry receivables		153,195		66,828
Prepaid expenses		14,146		12,780
		940,987		813,962
Property and equipment (Note 3)		2,199		4,040
	$	943,186	$	818,002
Liabilities				
Current				
Accounts payable and accrued liabilities	$	788,376	$	770,945
Deferred revenue		25,400		-
		813,776		770,945
Net assets				
Investment in property and equipment		2,199		4,040
Unrestricted		127,211		43,017
		129,410		47,057
	$	943,186	$	818,002

Lease commitments (Note 4)

On behalf of the Board of Directors

____________________ Director ____________________ Director

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

Year ended September 30	2014	2013
Increase in cash		
Operating		
Excess of revenue over expenses	$ 82,353	$ 19,396
Item not affecting cash		
Amortization of property and equipment	1,841	1,694
	84,194	21,090
Change in non-cash working capital items		
Pledge and sundry receivables	(86,367)	(23,974)
Prepaid expenses	(1,366)	16,230
Accounts payable and accrued liabilities	17,431	267,397
Deferred revenue	25,400	(12,500)
	39,292	268,243
Investing		
Purchase of property and equipment	-	(1,459)
Increase in cash	39,292	266,784
Cash		
Beginning of year	734,354	467,570
End of year	$ 773,646	$ 734,354

See accompanying notes to the financial statements.

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 arms 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.

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.

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

Pledge receivable

The Foundation recognizes the pledges as receivable when collection is reasonably assured. As at September 30, 2014, there was $127,500 (2013 - $43,593) of pledge receivable.

Subsequent to year end, $125,500 (2013 - $33,593) of pledge receivable was received.

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 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.

3. Property and equipment

						2014		2013
		Cost		Accumulated Amortization		**Net Book Value**		Net Book Value
Leasehold improvements	$	6,650	$	5,874	**$**	**776**	$	2,106
Computer equipment		2,554		1,131		**1,423**		1,934
	$	9,204	$	7,005	**$**	**2,199**	$	4,040

4. Lease commitments

The Foundation has commitments for the lease of office premises and equipment to 2020. Future minimum annual payments for these commitments are as follows:

2015	$	74,014
2016		74,014
2017		74,014
2018		74,014
2019		74,014
2020		63,015

5. Allocation of administration expenses

For fiscal 2014, rent, equipment lease and salary costs of $291,296 (2013 - $246,572) were allocated to research and programs expenses and $170,796 (2013 - $134,073) were allocated to donor development expenses.

6. Bank indebtedness

The Foundation 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, 2014 and September 30, 2013, the line of credit was not utilized.

7. 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 recorded on the statement of financial position as the information is not available.

During the year, the Foundation's pension funding expense totaled $15,448 (2013 - $13,316) and is included with administration expenses on the statement of revenue and expenses for the year.

8. 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, 2014, the allowance for doubtful accounts is $Nil (2013 - $Nil). In the opinion of management, the credit risk exposure to the Foundation is not material.

8. 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.