

**KIDS CANCER CARE  
FOUNDATION OF ALBERTA**

# **Financial Statements**

**January 31, 2017**

**KIDS CANCER CARE FOUNDATION OF ALBERTA**  
**Index to Financial Statements**  
**As at January 31, 2017**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 12

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Kids Cancer Care Foundation of Alberta :

We have audited the accompanying financial statements of Kids Cancer Care Foundation of Alberta, which comprise the statement of financial position as at January 31, 2017 and the statements of operations, 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 generally accepted 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 audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kids Cancer Care Foundation of Alberta as at January 31, 2017 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.

Calgary, Alberta  
May 24, 2017

*Calvista LLP*  
Chartered Professional Accountants

**CALVISTA** LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1635, 1632 - 14th Ave NW  
Calgary, AB T2N 1M7

TEL: 403.777.2299  
FAX: 403.777.4201

WEB: WWW.CALVISTA.CA



A member of Kreston International | A global network of independent accounting firms

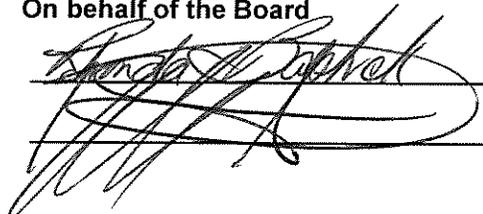
**KIDS CANCER CARE FOUNDATION OF ALBERTA**

**Statement of Financial Position**

**As at January 31, 2017**

	2017	2016
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 2,808,272	\$ 1,909,528
Short-term investments (Note 3)	3,030,000	3,000,000
Accounts receivable	30,235	30,079
Goods and services tax recoverable	7,262	163,100
Prepaid expenses	67,487	130,442
	<u>5,943,256</u>	5,233,149
Property and equipment (Note 4)	<u>9,272,541</u>	9,868,221
	<u><b>\$ 15,215,797</b></u>	<u>\$ 15,101,370</u>
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 226,827	\$ 101,413
Unearned revenue	101,655	152,006
	<u>328,482</u>	253,419
Deferred contributions (Note 6)		
Related to operations	942,844	1,078,472
Related to property and equipment	8,888,671	9,227,530
	<u>10,159,997</u>	10,559,421
Net Assets		
Invested in property and equipment	383,870	640,691
Internally restricted (Note 10)	2,000,000	2,000,000
Unrestricted	2,671,930	1,901,258
	<u>5,055,800</u>	4,541,949
	<u><b>\$ 15,215,797</b></u>	<u>\$ 15,101,370</u>

**On behalf of the Board**

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

See notes to financial statements

**KIDS CANCER CARE FOUNDATION OF ALBERTA****Statement of Operations****For the Year Ended January 31, 2017**

	2017	2016
<b>Revenue</b>		
Fundraising		
General	\$ 2,884,860	\$ 2,604,515
Camp and outreach programs	1,076,135	1,291,299
Research	546,152	623,053
Gifts-in-kind (Note 11)	113,939	106,966
Education support and scholarship (Note 5)	104,348	38,995
Hospital programs	19,354	24,458
Camp Kindle rental income	765,633	589,497
Amortization of deferred contributions related to property and equipment (Note 6)	584,359	621,321
Other revenue	36,896	62,761
	<u>6,131,676</u>	<u>5,962,865</u>
<b>Expenses</b>		
Camp and outreach programs (Note 7)	2,041,070	2,155,767
Fundraising	1,400,695	1,541,016
General and administrative	722,015	657,200
Research	460,000	495,200
Camp Kindle rental operations (Note 8)	251,890	215,995
Public awareness and education	242,118	234,085
Hospital programs	116,251	124,204
Gifts-in-kind	113,939	106,966
Education support and scholarship	112,081	38,995
Volunteer program	111,051	145,270
Amortization	46,715	33,338
	<u>5,617,825</u>	<u>5,748,036</u>
<b>Excess of revenue over expenses</b>	<u>\$ 513,851</u>	<u>\$ 214,829</u>

**KIDS CANCER CARE FOUNDATION OF ALBERTA**  
**Statement of Changes in Net Assets**  
**For the Year Ended January 31, 2017**

	Invested in property and equipment	Internally restricted	Unrestricted	2017	2016
Net assets - beginning of year	\$ 640,691	\$ 2,000,000	\$ 1,901,258	\$ 4,541,949	\$ 4,327,120
Excess (deficiency) of revenue over expenses	(88,915)	-	602,766	513,851	214,829
Acquisition of property and equipment	77,594	-	(77,594)	-	-
Contributions deferred	(245,500)	-	245,500	-	-
<b>Net assets - end of year</b>	<b>\$ 383,870</b>	<b>\$ 2,000,000</b>	<b>\$ 2,671,930</b>	<b>\$ 5,055,800</b>	<b>\$ 4,541,949</b>

**KIDS CANCER CARE FOUNDATION OF ALBERTA**  
**Statement of Cash Flows**  
**For the Year Ended January 31, 2017**

	2017	2016
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 513,851	\$ 214,829
Items not affecting cash:		
Amortization	673,274	666,659
Utilization of deferred contributions related to property and equipment	(584,359)	(621,321)
Change in deferred contributions related to operations	(135,628)	50,809
	<u>467,138</u>	<u>310,976</u>
Changes in non-cash working capital:		
Accounts receivable	(156)	38,757
Goods and services tax recoverable	155,838	(163,100)
Prepaid expenses	62,955	(20,270)
Accounts payable and accrued liabilities	125,414	(18,616)
Payroll tax liability	-	(2,286)
Goods and services tax payable	-	(41,529)
Unearned revenue	(50,351)	18,154
	<u>293,700</u>	<u>(188,890)</u>
Cash flows from operating activities	<u>760,838</u>	<u>122,086</u>
<b>Investing activities</b>		
Purchase of short-term investments	(3,030,000)	(3,000,000)
Redemption of short-term investments	3,000,000	2,000,000
Purchase of property and equipment	(67,594)	(944,622)
Cash flows used by investing activities	<u>(97,594)</u>	<u>(1,944,622)</u>
<b>Financing activity</b>		
Contributions received for acquisition of property and equipment (Note 6)	235,500	1,384,758
<b>Increase (decrease) in cash flows</b>	<b>898,744</b>	<b>(437,778)</b>
Cash and cash equivalents - beginning of year	<u>1,909,528</u>	<u>2,347,306</u>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,808,272</b>	<b>\$ 1,909,528</b>

# KIDS CANCER CARE FOUNDATION OF ALBERTA

## Notes to Financial Statements

For the Year Ended January 31, 2017

---

### 1. Purpose of organization

Kids Cancer Care Foundation of Alberta (the "Foundation" or "Kids Cancer Care"), is incorporated under the Alberta Societies Act as a not-for-profit organization. As a registered charity under section 149 of the Income Tax Act, the Foundation is not subject to the payment of income taxes.

The vision of the Foundation is to provide a cure for every child and care for every family. Passionately dedicated to helping children and families affected by cancer survive and thrive in body, mind and spirit, the Foundation provides funding and programming in four areas:

#### **Camp and Outreach**

Free, year-round programs designed to help young people and their families renew their spirits and rebuild their strength through a range of activities within a healing and caring community. Indoor and outdoor activities include therapeutic, recreational, social, cultural and leadership opportunities for young people in various stages of cancer treatment, and their families.

#### **Research**

Kids Cancer Care funds pediatric cancer research in the following areas:

A. Basic and applied research to understand the molecular origins and behaviours of children's cancers to develop life-saving therapies that are less toxic and cause fewer long-term health problems in survivors; and

B. Research in the social sciences to understand the physical, social and psychological impact of childhood cancer on the survivor, the family and the social and health systems in order to develop programs and services to support these families.

#### **Hospital**

Kids Cancer Care provides funding for specialized medical equipment, programs and services to support health care professionals in their work, so they can improve the day-to-day care of children and their families at the hospital.

#### **Education Support and Scholarships**

The education support program offers a range of programs and services to support children disadvantaged by cancer throughout their primary and secondary school years. An endowed fund administered by The Calgary Foundation, the Kids Cancer Care Derek Wandzura Memorial Scholarship Fund, provides scholarships to childhood cancer survivors in southern Alberta to help them pursue post-secondary education.

---

### 2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as per Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

*(continues)*

---

# KIDS CANCER CARE FOUNDATION OF ALBERTA

## Notes to Financial Statements

For the Year Ended January 31, 2017

---

### 2. Summary of significant accounting policies *(continued)*

#### a) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### b) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in money market funds which are highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value.

#### c) Property and equipment

Property and equipment are recorded at cost. Amortization is reported using the straight-line method at the following rates:

Computer equipment	3 years
Computer software	2 years
Furniture and equipment	5 years
Leasehold improvements	Term of lease
Aquatic centre	15-20 years
Automobile	5 years
Building	12-25 years
Challenge course	10 years
Equipment	5 years
Land improvement	15-20 years

#### d) Contributed goods and services

Contributed goods and services that would otherwise be purchased by the Foundation are recorded at fair value where this value can be reasonably estimated.

Volunteers contribute many hours per year to assist the Foundation in carrying out its programs and fundraising activities. As such services are not normally purchased by the Foundation and due to the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

#### e) Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as unrealized gains or losses in the statement of operations.

The financial assets measured at amortized cost include cash and cash equivalents, short-term investments and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

*(continues)*

---

# KIDS CANCER CARE FOUNDATION OF ALBERTA

## Notes to Financial Statements

For the Year Ended January 31, 2017

### 2. Summary of significant accounting policies (continued)

#### f) Use of estimates

Under Canadian accounting standards for not-for-profit organizations, an important concept in the preparation of financial statements is the use of estimates in the determination of assets, liabilities, revenue, expenses and excess of revenue over expenses for the year. To the extent that these estimates may vary from actual results, there would be a corresponding effect on various elements of the financial statements.

### 3. Short-term investments

	2017	2016
Guaranteed investment certificate (GIC), with an annual interest rate of 1.032%, matured	\$ -	\$ 1,000,000
GIC, with an annual interest rate of 1.00%, matured	-	1,000,000
GIC, with an annual interest rate of 1.20%, matured	-	1,000,000
GIC, with an annual interest rate of 1.05%, maturing July 2017	1,000,000	-
GIC, with an annual interest rate of 0.962%, maturing August 2017	1,010,000	-
GIC, with an annual interest rate of 1.01%, maturing October 2017	1,020,000	-
	<b>\$ 3,030,000</b>	<b>\$ 3,000,000</b>

### 4. Property and equipment

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and equipment	\$ 101,965	\$ 97,075	\$ 4,890	\$ 6,556
Computer equipment and software	211,970	179,692	32,278	37,374
Camp Kindle:				
Buildings	9,051,865	2,145,162	6,906,703	7,304,208
Aquatic centre	750,858	163,739	587,119	628,053
Land	695,285	-	695,285	695,285
Challenge course	257,268	177,328	79,940	105,667
Land improvements	924,340	160,639	763,701	814,400
Equipment	467,214	313,434	153,780	206,459
Furniture and fixtures	122,226	85,774	36,452	60,897
Automobile	34,643	22,250	12,393	9,322
	<b>\$ 12,617,634</b>	<b>\$ 3,345,093</b>	<b>\$ 9,272,541</b>	<b>\$ 9,868,221</b>

# KIDS CANCER CARE FOUNDATION OF ALBERTA

## Notes to Financial Statements

For the Year Ended January 31, 2017

### 5. Kids Cancer Care Derek Wandzura Memorial Scholarship Fund

The Kids Cancer Care Derek Wandzura Memorial Scholarship Fund is an endowed fund owned and managed by The Calgary Foundation. The Fund was established on January 31, 2008.

A portion of the fund value is provided to Kids Cancer Care on a yearly basis to grant scholarships to survivors of childhood cancer. The market value of the fund held by The Calgary Foundation as January 31, 2017 is \$541,216 (2016: \$520,284).

### 6. Deferred contributions

Deferred contributions represent unspent resources received in the current and prior periods, but designated by the donor for use in specific programs or future operations as noted below. Changes in the deferred contributions are as follows:

#### a) Related to operations

2017	Camp and Outreach	Research	Education Support and Scholarships	Total
Balance, beginning of year	\$ -	\$ 992,770	\$ 85,702	\$ 1,078,472
Amount added during the year:				
Cash	1,076,135	485,349	29,523	1,591,007
Gifts-in-kind	33,580	46,789	-	80,369
	1,109,715	1,524,908	115,225	2,749,848
Amounts utilized during the year:				
Camp and outreach	1,017,203	-	-	1,017,203
Research	-	460,000	-	460,000
Scholarship awards	-	-	43,279	43,279
Education support	-	-	55,763	55,763
Administration	-	-	5,306	5,306
Direct event costs	58,932	86,152	-	145,084
Subtotal	1,076,135	546,152	104,348	1,726,635
Utilizations contributed by gifts-in-kind	33,580	46,789	-	80,369
Balance, end of year	\$ -	\$ 931,967	\$ 10,877	\$ 942,844

(continues)

**KIDS CANCER CARE FOUNDATION OF ALBERTA**  
**Notes to Financial Statements**  
**For the Year Ended January 31, 2017**

**6. Deferred contributions (continued)**

2016	Camp and Outreach	Research	Education Support and Scholarships	Total
Balance, beginning of year	\$ -	\$ 995,910	\$ 31,753	\$ 1,027,663
Amount added during the year:				
Cash	1,291,299	619,913	92,944	2,004,156
Gifts-in-kind	22,149	45,810	-	67,959
	1,313,448	1,661,633	124,697	3,099,778
Amounts utilized during the year:				
Camp and outreach	1,201,321	-	-	1,201,321
Research	-	495,200	-	495,200
Scholarship awards	-	-	25,255	25,255
Education support	-	-	9,510	9,510
Administration	-	-	4,230	4,230
Direct event costs	89,978	127,853	-	217,831
Subtotal	1,291,299	623,053	38,995	1,953,347
Utilizations contributed by gifts-in-kind	22,149	45,810	-	67,959
Balance, end of year	\$ -	\$ 992,770	\$ 85,702	\$ 1,078,472

**b) Related to property and equipment**

	2017	2016
	<b>Camp Kindle</b>	<b>Camp Kindle</b>
Balance, beginning of year	\$ 9,227,530	\$ 8,424,093
Additions (deductions) during the year:		
Cash	235,500	1,384,758
Gifts-in-kind	10,000	40,000
	9,473,030	9,848,851
Amounts amortized during the year:	584,359	621,321
Balance, end of year	\$ 8,888,671	\$ 9,227,530

**7. Camp and Outreach programs**

Camp and Outreach programs expenses include amortization expense in the amount of \$626,559 (2016: \$633,321) as related to the assets in use at Camp Kindle.

# KIDS CANCER CARE FOUNDATION OF ALBERTA

## Notes to Financial Statements

For the Year Ended January 31, 2017

---

### 8. Camp Kindle rental operations

Expenses for Camp Kindle rental operations do not include any allocation of fixed costs in respect of the operations of Camp Kindle.

---

### 9. Commitments

The Foundation has minimum lease commitments under an office lease that expires March 2019:

2017-2018	\$	84,628
2018-2019		84,628
2019-2020		<u>14,105</u>
	\$	<u>183,361</u>

In addition, the Foundation has further commitments related to research of \$1,350,000 (2016 - 1,800,000). The committed amount for the 2017-2018 fiscal year is \$450,000 to support a research chair in the Faculty of Nursing at The University of Calgary and Childhood Cancer research through the Alberta Children's Hospital Foundation. Thereafter the commitment is \$450,000 per year for the following two years.

The Foundation has also committed \$750,000 to The University of Calgary to support the renovations and equipping of the Childhood Cancer Research Program space. This commitment is expected to be fulfilled on or before March 31, 2018.

---

### 10. Internally restricted reserve

The Foundation has established a combined internally restricted operating and capital reserve of \$2,000,000 (2016: \$2,000,000). The reserve is to provide for cash flow shortages, downturns in the economy and capital asset management. These funds have been designated by the Board of Directors as restricted funds for specific purposes in subsequent periods as described and cannot be spent without board approval.

---

# KIDS CANCER CARE FOUNDATION OF ALBERTA

## Notes to Financial Statements

For the Year Ended January 31, 2017

---

### 11. Contribution by funding source

Contributions received by major funding source are as follows:

	2017	2016
Capital Campaign	\$ 200,000	\$ 1,008,700
Foundation fundraising events	1,278,596	1,506,349
Community fundraising events	1,510,475	1,936,784
Other not-for-profit	527,391	566,944
Individual and corporate donations	1,118,025	769,389
Camp Kindle rental operations	765,633	589,497
Government grants	96,234	229,721
Investments and other	36,896	62,761
<b>Total contributions</b>	<b>5,533,250</b>	<b>6,670,145</b>
<b>Total contributions are reconciled to Statement of Operations as follows:</b>		
<b>Add:</b>		
Gifts-in kind	113,939	106,966
Opening deferred contributions related to:		
Operations (Note 6)	1,078,472	1,027,663
Property and equipment (Note 6)	9,227,530	8,424,093
Change in deferred contributions:		
Gifts-in-kind for property and equipment	10,000	40,000
<b>Deduct:</b>		
Closing deferred contributions related to:		
Operations	(942,844)	(1,078,472)
Property and equipment	(8,888,671)	(9,227,530)
<b>Revenue reported in Statement of Operations</b>	<b>\$ 6,131,676</b>	<b>\$ 5,962,865</b>

All expenses incurred for the purpose of soliciting contributions were \$1,400,695 (2016: \$1,541,016).

A total of \$Nil (2016: \$6,530) was paid as remuneration to a fundraising business in the year. The Foundation paid \$775,326 in the year (2016: \$844,391) for remuneration to employees for fundraising activities.

---

### 12. Financial instruments

The Foundation's financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued liabilities, all of which are reported at fair value. Due to their short-term nature, the carrying value of financial instruments approximate their fair value.

Management has determined that the Foundation is not exposed to significant credit, interest rate or market risk.

---