

KIDS CANCER CARE FOUNDATION OF ALBERTA
Financial Statements
Year ended January 31, 2016

KIDS CANCER CARE FOUNDATION OF ALBERTA
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Year Ended January 31, 2016

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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, 2016 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, 2016 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 25, 2016

Calvista LLP
Chartered Professional Accountants

KIDS CANCER CARE FOUNDATION OF ALBERTA
Statement of Financial Position
As at January 31, 2016

	2016	2015
Assets		
Current		
Cash and cash equivalents	\$ 1,909,528	\$ 2,347,306
Short-term investments (Note 3)	3,000,000	2,000,000
Accounts receivable	30,079	68,836
Goods and services tax recoverable	163,100	-
Prepaid expenses	130,442	110,172
	<u>5,233,149</u>	4,526,314
Property and equipment (Note 4)	<u>9,868,221</u>	9,550,258
	<u>\$ 15,101,370</u>	<u>\$ 14,076,572</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 101,413	\$ 120,029
Payroll tax liabilities	-	2,286
Goods and services tax payable	-	41,529
Unearned revenue	152,006	133,852
	<u>253,419</u>	297,696
Deferred contributions (Note 6)		
Related to operations	1,078,472	1,027,663
Related to property and equipment	9,227,530	8,424,093
	<u>10,559,421</u>	9,749,452
Net assets		
Invested in property and equipment	640,691	1,126,165
Internally restricted (Note 10)	2,000,000	2,000,000
Unrestricted	1,901,258	1,200,955
	<u>4,541,949</u>	4,327,120
	<u>\$ 15,101,370</u>	<u>\$ 14,076,572</u>

On behalf of the Board


 _____ Director


 _____ Director

See notes to financial statements

KIDS CANCER CARE FOUNDATION OF ALBERTA

Statement of Operations

Year ended January 31, 2016

	2016	2015
Revenue		
Fundraising		
General	\$ 2,604,515	\$ 3,015,666
Camp and outreach programs	1,291,299	1,486,576
Research	623,053	433,300
Education support and scholarship (Note 5)	38,995	42,107
Hospital programs	24,458	49,735
Capital campaign	-	7,199
Gifts-in-kind	106,966	146,777
Amortization of deferred contributions related to property and equipment (Note 6)	621,321	614,615
Camp Kindle rental income	589,497	559,573
Other revenue	62,761	28,230
	<u>5,962,865</u>	<u>6,383,778</u>
Expenses		
Camp and outreach programs (Note 7)	2,155,767	2,046,765
Fundraising	1,541,016	1,438,116
General and administrative	657,200	615,427
Research	495,200	300,000
Camp Kindle rental operations (Note 8)	215,995	231,508
Public awareness and education	234,085	264,766
Hospital programs	124,204	99,890
Volunteer program	145,270	140,497
Education support and scholarship	38,995	42,107
Amortization	33,338	20,281
Capital campaign	-	7,199
Gifts-in-kind	106,966	146,777
	<u>5,748,036</u>	<u>5,353,333</u>
Excess of revenue over expenses	<u>\$ 214,829</u>	<u>\$ 1,030,445</u>

KIDS CANCER CARE FOUNDATION OF ALBERTA
Statement of Changes in Net Assets
Year ended January 31, 2016

	Invested in property and equipment	Internally restricted	Unrestricted	2016	2015
Net assets, beginning of year	\$ 1,126,165	\$ 2,000,000	\$ 1,200,955	\$ 4,327,120	\$ 3,296,675
Excess of revenue over expenses	(45,338)	-	260,167	214,829	1,030,445
Acquisition of property and equipment	984,622	-	(984,622)	-	-
Contributions deferred	(1,424,758)	-	1,424,758	-	-
Net assets, end of year	\$ 640,691	\$ 2,000,000	\$ 1,901,258	\$ 4,541,949	\$ 4,327,120

KIDS CANCER CARE FOUNDATION OF ALBERTA**Statement of Cash Flows****Year ended January 31, 2016**

	2016	2015
Operating activities		
Excess of revenue over expenses	\$ 214,829	\$ 1,030,445
Adjustments to arrive at cash flow from operations:		
Amortization	666,659	585,036
Utilization of deferred contributions related to property and equipment	(621,321)	(614,615)
Change in deferred contributions related to operations	50,809	(151,402)
	<u>310,976</u>	<u>849,464</u>
Changes in non-cash working capital:		
Accounts receivable	38,757	(47,114)
Goods and services tax recoverable	(163,100)	19,496
Prepaid expenses	(20,270)	(33,352)
Accounts payable and accrued liabilities	(18,616)	6,173
Payroll tax liabilities	(2,286)	(22,586)
Goods and services tax payable	(41,529)	41,529
Unearned revenue	18,154	(68,104)
	<u>(188,890)</u>	<u>(103,958)</u>
	<u>122,086</u>	<u>745,506</u>
Investing activities		
Purchase of short-term investments	(1,000,000)	(1,500,000)
Acquisition of property and equipment	(944,622)	(400,085)
	<u>(1,944,622)</u>	<u>(1,900,085)</u>
Financing activity		
Contributions received for acquisition of property and equipment	1,384,758	1,260,561
Increase (decrease) in cash flow	(437,778)	105,982
Cash and cash equivalents, beginning of year	<u>2,347,306</u>	<u>2,241,324</u>
Cash and cash equivalents, end of year	\$ 1,909,528	\$ 2,347,306

KIDS CANCER CARE FOUNDATION OF ALBERTA

Notes to Financial Statements

Year Ended January 31, 2016

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 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

Year Ended January 31, 2016

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 on hand and in banks. Cash equivalents are short-term, 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 and software	3 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.

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KIDS CANCER CARE FOUNDATION OF ALBERTA
Notes to Financial Statements
Year Ended January 31, 2016

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

	<u>2016</u>	<u>2015</u>
Guaranteed investment certificates (GIC), with annual interest rate at 1.26%, maturing July 2015	\$ -	\$ 1,000,000
GIC, with annual interest rate at 1.42%, maturing January 2016	-	1,000,000
GIC, with annual interest rate at 1.032%, maturing July 2016	1,000,000	-
GIC, with annual interest rate at 1.00%, maturing November 2016	1,000,000	-
GIC, with annual interest rate at 1.20%, maturing January 2017	1,000,000	-
	<u>\$ 3,000,000</u>	<u>\$ 2,000,000</u>

4. Property and equipment

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2016 Net book value</u>	<u>2015 Net book value</u>
Furniture and equipment	\$ 96,924	\$ 90,368	\$ 6,556	\$ 12,255
Computer equipment and software	177,059	139,685	37,374	21,289
Camp Kindle:				
Buildings	9,044,555	1,740,347	7,304,208	7,046,488
Aquatic Centre	750,858	122,805	628,053	668,988
Land	695,285	-	695,285	695,285
Challenge course	257,268	151,601	105,667	131,394
Land improvements	924,340	109,940	814,400	732,277
Equipment	446,883	240,424	206,459	157,844
Furniture and fixtures	122,225	61,328	60,897	70,188
Automobile	24,643	15,321	9,322	14,250
	<u>\$ 12,540,040</u>	<u>\$ 2,671,819</u>	<u>\$ 9,868,221</u>	<u>\$ 9,550,258</u>

KIDS CANCER CARE FOUNDATION OF ALBERTA

Notes to Financial Statements

Year Ended January 31, 2016

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, 2016 is \$520,284 (2015: \$516,262).

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

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
Administration	-	-	4,230	13,740
Education support	-	-	9,510	-
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

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KIDS CANCER CARE FOUNDATION OF ALBERTA
Notes to Financial Statements
Year Ended January 31, 2016

6. Deferred contributions (continued)

2015	Camp and Outreach	Camp Kindle	Research	Education Support and Scholarships	Total
Balance, beginning of year	\$ 340,281	\$ -	\$ 808,883	\$ 29,901	\$ 1,179,065
Amount added during the year:					-
Cash	1,146,294	7,199	620,327	43,959	1,817,779
Gifts-in-kind	29,169	-	48,243	-	77,412
	1,515,744	7,199	1,477,453	73,860	3,074,256
Amounts utilized during the year:					
Camp and Outreach	1,396,456	-	-	-	1,396,456
Research	-	-	300,000	-	300,000
Transfer to The Calgary Foundation	-	-	-	23,728	23,728
Scholarship awards	-	-	-	17,005	17,005
Administration	-	-	-	1,374	1,374
Direct event costs	90,119	7,199	133,300	-	230,618
Subtotal	1,486,575	7,199	433,300	42,107	1,969,181
Utilizations contributed by gifts-in-kind	29,169	-	48,243	-	77,412
Balance, end of year	\$ -	-	\$ 995,910	\$ 31,753	\$ 1,027,663

b) Related to property and equipment

	2016		2015	
	Camp	Kindle	Camp	Kindle
Balance, beginning of year	\$ 8,424,093	\$ 7,737,677		
Additions (deductions) during the year:				
Cash	1,384,758	1,260,561		
Gifts-in-kind	40,000	40,470		
	9,848,851	9,038,708		
Amounts amortized during the year:	621,321	614,615		
Balance, end of year	\$ 9,227,530	\$ 8,424,093		

7. Camp and Outreach programs

Camp and Outreach programs expenses include amortization expense in the amount of \$633,321 (2015: \$564,755) as related to the assets in use at Camp Kindle.

KIDS CANCER CARE FOUNDATION OF ALBERTA
Notes to Financial Statements
Year Ended January 31, 2016

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:

2016-2017	\$	84,628
2017-2018		84,628
2018-2019		84,628
2019-2020		<u>14,105</u>
	\$	<u>267,989</u>

In addition, the Foundation has further commitments related to research of \$1,800,000. The committed amount for the 2016-2017 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 three years.

10. Internally restricted reserve

The Foundation has established a combined internally restricted operating and capital reserve of \$2,000,000 (2015: \$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
Year Ended January 31, 2016

11. Contribution by funding source

Contributions received by major funding source are as follows:

	2016	2015
Capital Campaign	\$ 1,008,700	\$ 1,188,024
Foundation fundraising events	1,960,670	2,306,063
Community fundraising events	1,482,463	1,508,020
Other not-for-profit	566,944	467,638
Individual and corporate donations	769,389	575,914
Camp Kindle rental operations	589,497	559,573
Government grants	229,721	79,225
Investments and other	62,761	47,088
Total contributions	6,670,145	6,731,545

Total contributions are reconciled to Statement of Operations as follows:

Add:

Gifts-in kinds	106,966	146,777
Opening deferred contributions related to:		
Operations	1,027,663	1,179,065
Property and Equipment	8,424,093	7,737,677
Change in deferred contributions:		
Gifts-in-kind for property and equipment	40,000	40,470

Deduct:

Closing deferred contributions related to:		
Operations	(1,078,472)	(1,027,663)
Property and equipment	(9,227,530)	(8,424,093)

Revenue reported in Statement of Operations	\$ 5,962,865	\$ 6,383,778
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All expenses incurred for the purpose of soliciting contributions were \$1,541,016 (2015: \$1,445,315).

A total of \$6,530 (2015: \$10,776) was paid as remuneration to a fundraising business in the year. The Foundation paid \$844,391 in the year (2015: \$833,525) 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.
