

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Financial Statements

December 31, 2024

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Financial Statements

For the Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Childcan The Childhood Cancer Research Association** :

Qualified Opinion

We have audited the financial statements of **Childcan The Childhood Cancer Research Association** , which comprise the statement of financial position as at December 31, 2024, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, 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 paragraph, the organization's financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions and donations, revenues over expenditures, and cash flows for the year ending December 31, 2024 and year ending December 31, 2023, current assets as at December 31, 2024 and December 31, 2023, and net assets as at January 1, 2024 and December 31, 2024 for the 2024 year ended, as well as January 1, 2023 and December 31, 2023, for the 2023 year ended.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization'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 either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 organization'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 organization 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.

Other Matter

The financial statements for the year ended December 31, 2023 were audited by another Chartered Professional Accounting firm and a qualified audit opinion relating to the completeness of donation and fundraising revenue was issued.

St. Thomas, Ontario

April 22, 2025

Graham Scott Enns LLP

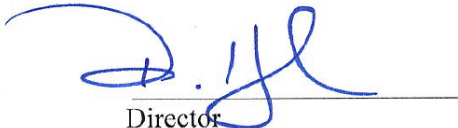
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Statement of Financial Position As at December 31, 2024

	2024	2023
	<u>\$</u>	<u>\$</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	857,809	877,820
Accounts receivable	20,970	11,679
Government remittances recoverable	21,395	21,845
Prepaid expenses	<u>7,817</u>	<u>11,024</u>
	907,991	922,368
TANGIBLE CAPITAL ASSETS (NOTE 2)	<u>214,129</u>	<u>222,139</u>
TOTAL ASSETS	<u><u>1,122,120</u></u>	<u><u>1,144,507</u></u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	34,158	57,654
Deferred revenue (Note 3)	<u>3,706</u>	<u>40,280</u>
TOTAL LIABILITIES	<u>37,864</u>	<u>97,934</u>
<u>NET ASSETS</u>		
NET ASSETS	<u>1,084,256</u>	<u>1,046,573</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>1,122,120</u></u>	<u><u>1,144,507</u></u>

On Behalf of the Board


Director


Director

See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

**Statement of Changes In Net Assets
For the Year Ended December 31, 2024**

	2024	2023
	<u>\$</u>	<u>\$</u>
NET ASSETS, BEGINNING OF YEAR	1,046,573	995,895
Excess of revenues over expenditures for the year	<u>37,683</u>	<u>50,678</u>
NET ASSETS, END OF YEAR	<u>1,084,256</u>	<u>1,046,573</u>

See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Statement of Operations For the Year Ended December 31, 2024

	2024	2023
	<u>\$</u>	<u>\$</u>
REVENUES		
Signature events	329,811	216,303
Third party events	306,438	387,549
General donations	239,240	195,322
Grants	101,549	58,527
Tribute donations	11,483	31,272
Investment income	11,464	11,109
Restricted donation	7,000	7,000
Merchandise sales	800	1,980
	<u>1,007,785</u>	<u>909,062</u>
EXPENDITURES		
Wages and benefits	419,737	388,861
Family financial support	226,237	228,516
Research (Note 4)	75,000	50,000
Fundraising	58,497	39,285
Occupancy costs	22,786	51,139
Office Supplies	21,263	16,941
Social support	18,309	10,990
Educational support (Note 5)	17,715	14,487
Emotional support	17,200	6,679
Administration	15,380	4,847
Advertising and marketing	14,864	13,720
Telecommunications	14,023	8,693
Accounting fees	12,909	11,054
Bank charges and merchant fees	12,659	9,477
Amortization	10,194	10,423
Insurance	6,691	6,215
Travel	6,638	7,057
	<u>970,102</u>	<u>878,384</u>
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR BEFORE OTHER INCOME	37,683	30,678
GOVERNMENT ASSISTANCE (NOTE 6)	<u>-</u>	<u>20,000</u>
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	<u>37,683</u>	<u>50,678</u>

See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Statement of Cash Flows For the Year Ended December 31, 2024

	2024	2023
	<u>\$</u>	<u>\$</u>
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	<u>37,683</u>	<u>50,678</u>
Adjustments for non-cash items:		
Amortization of tangible capital assets	10,194	10,423
Government assistance	<u>-</u>	<u>(20,000)</u>
	<u>47,877</u>	<u>41,101</u>
Changes in non-cash working capital:		
Accounts receivable	(9,291)	5,189
Government remittances recoverable	450	(83)
Prepaid expenses	3,207	9,017
Accounts payable and accrued liabilities	(23,496)	18,033
Deferred revenue	<u>(36,574)</u>	<u>40,280</u>
	<u>(65,704)</u>	<u>72,436</u>
Cash flows (used in) from operating activities	<u>(17,827)</u>	<u>113,537</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>(2,184)</u>	<u>(5,570)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Principal payments on long-term debt	<u>-</u>	<u>(40,000)</u>
NET CHANGE IN CASH	(20,011)	67,967
CASH, BEGINNING OF YEAR	<u>877,820</u>	<u>809,853</u>
CASH, END OF YEAR	<u>857,809</u>	<u>877,820</u>

See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2024

NATURE OF THE ORGANIZATION

Childcan, The Childhood Cancer Research Association ("the organization") is a not-for-profit organization that is incorporated without share capital by Letters Patent under the Ontario Corporations Act and is thereby exempt from income tax under paragraph 149(1)(l) of the Income Tax Act, Canada. The organization raises funds to search for cures for childhood cancers as well as to provide responsive and compassionate support services to families facing the journey through childhood cancer - from diagnosis, treatment, recovery or bereavement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Accounting Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Specific management estimates are made with respect to the useful lives of capital assets, amortization methods and rates, deferred revenues, non-monetary transactions and allowance for doubtful accounts. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in excess of revenues over expenditures in the period in which they become known.

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts, and any gain or loss is recognized in excess of revenues over expenditures. Amortization is calculated on the declining balance method over the estimated useful lives of the assets at the following annual rates, with the one-half of the rate in the year of acquisition

Building	4%
Furniture and equipment	20%
Office equipment	30%

Revenue Recognition

The organization 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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Specifically, the organization recognizes:

- Event revenues are recognized in the period in which the event occurred.
- Donation revenues are recognized when received.
- Grants are recognized in the period in which related expenses are incurred.
- Investment income, including interest is recognized when earned.
- Merchandise revenues are recognized when the product is delivered.

Contributed Services

Volunteers contribute an indeterminable number of hours-per-year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Donations in-kind are only recognized when the fair value is determinable.

Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and short term investments which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2024

2. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2024	2023
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Land	43,640	-	43,640	43,640
Building	253,843	93,252	160,591	167,282
Furniture and equipment	17,935	16,422	1,513	1,891
Office equipment	<u>43,555</u>	<u>35,170</u>	<u>8,385</u>	<u>9,326</u>
	<u>358,973</u>	<u>144,844</u>	<u>214,129</u>	<u>222,139</u>

3. DEFERRED REVENUE

	2024	2023
	<u>\$</u>	<u>\$</u>
Sponsorships for Childcan Rocks 2025	3,706	-
The Canadian Red Cross Society	-	23,710
Sponsorships for 50th Gala	-	8,750
Westminster College Foundation	<u>-</u>	<u>7,820</u>
	<u>3,706</u>	<u>40,280</u>

4. COMMITMENT

The organization has committed to providing an additional \$70,000 of funding for research support in 2025.

5. EDUCATIONAL SUPPORT

There were 16 bursaries awarded in 2024 (2023 - 12) for \$1,000 each. In 2022, one of the cheques was not cashed and as such was reversed in 2023. This resulted in a net expense of \$11,000 in 2023.

6. GOVERNMENT ASSISTANCE

During the prior years, the organization received a \$60,000 loan under the Canada Emergency Business Account (CEBA) program. The CEBA loan has two components and is divided into a liability and a forgivable portion. This loan is interest free and if the loan was repaid on or before January 18, 2024, up to 25% or \$20,000 will be forgivable. This loan was repaid before December 31, 2023 and the Organization recognized \$20,000 in revenue for the year for the forgivable portion of the loan.

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2024

7. FINANCIAL INSTRUMENTS AND RISKS

Risks and Concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the Statement of Financial Position date.

Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. It is management's opinion that the organization does not have a significant exposure to liquidity risk.

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 organization is exposed to this risk mainly in respect of its accounts receivable. It is management's opinion that the organization is not exposed to significant credit risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

It is management's opinion that the entity is not exposed to any significant currency, interest rate or other price risk.

No financial liabilities of the organization were in default during the period.

The organization was not subject to any covenants during the period.