



kids
cancer care

KIDS CANCER CARE FOUNDATION OF ALBERTA
Financial Statements

JANUARY 31, 2022

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A Note from our Leaders

Thank you for your heartfelt support in 2021-22.

Your generosity empowered us to rethink and adapt to continue offering our programs in these isolating and uncertain times. As you can imagine, the fear and loneliness of a global pandemic are greatly compounded for families facing a child's cancer. Your support meant that we could be there for these families in their time of need.

As with many organizations, Kids Cancer Care was fortunate to find blessings amid the chaos of COVID-19. Your support is among our biggest blessings. With your support, we were able to continue offering online programs, enabling us to reach more children from the safety of their homes or hospital beds. Online programming also meant we could reach more families in remote locations. And as things reopen, we are also offering online versions of our in-person programs. This is the single greatest blessing to come out of the pandemic. Our community is expanding beyond traditional geographic boundaries because you believed in us and stood by us. Thank you.

While we continued to offer families three-day get-aways at Camp Kindle, the pandemic and cancellation of summer camp, offered us a window of opportunity to complete important capital projects. When the kids return to Camp Kindle this summer, they will be returning to a very different camp – thanks to you.

Here are some of the highlights – made possible by your heartfelt donations:

1. As the children arrive at Camp Kindle, a new safety gate will open and welcome them into the magical world of camp.
2. Travelling by bus, they will reach a brand-new bridge. That bridge will lift them up and deliver them into the heart of Camp Kindle – the other side of cancer – where the healing magic of friendship and laughter begins.
3. South of the bridge a newly upgraded pool will beckon campers on hot summer days.
4. Looking north, the kids will see exciting new additions to the ropes course and the wonderful addition of CJ's Den.
5. Just north of the ropes course an Olde Western Towne, complete with an old-style Theatre, Saloon, Bakery Café, Dress-Up Shoppe, and a Sherriff's Office and Jail, promises them hours of dress-up and make-believe fun. Ye Olde Western Towne comes to Camp Kindle courtesy of the local designers and builders from the annual fundraising event Barely & Smoke: Grillin' for a Cure.



When the kids return to Camp Kindle this summer, they will be returning to a very different camp – thanks to you.

6. At lunchtime, the kids will enjoy their meals outdoors under the cover of our 25th Anniversary Picnic Pad, offering protection from the sun and rain.
7. And finally, but not least in importance, is a brand new skid steer, making building, landscaping, maintenance, and upkeep more efficient and less labour-intensive for our hardworking maintenance team.

It's been two long years since the kids have been to summer camp and we are beyond excited to welcome them back.

All these projects, including the skid steer, were made possible through your generous donations. As we move into our five-year strategic planning process, we will include plans for future upgrades and renovations to this asset. We hope you will continue to support our beautiful camp.

Our 2021 annual report illustrates the many ways your support touches the lives of Alberta children and families affected by cancer. Whether it's through life-saving research, in-hospital programs, capital projects, private family get-aways at camp, home-cooked meals, tutoring support, post-secondary scholarships, child life services, therapeutic exercise classes or Cancer in the Classroom sessions, YOU are at the heart of everything we do.

Kids Cancer Care is not only a healing community where hundreds of children and families find belonging and acceptance every year. It is a place where YOU belong...

Thank you for caring about children affected by cancer and the families who love them.

Sincerely,

Christine McIver, M.S.M., LLD (Hon), CFRE
Founder and Chief Executive Officer

Bob Yarish
Chair of the Board of Directors



Independent Auditor's Report



To: The Directors of Kids Cancer Care Foundation of Alberta

OPINION

We have audited the financial statements of Kids Cancer Care Foundation of Alberta (the "Foundation"), which comprise the statement of financial position as at January 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at January 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations "ASNPO".

BASIS FOR OPINION

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information is comprised of the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 ASNPO, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Foundation'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 Foundation'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 Foundation 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.

CALGARY, ALBERTA
JUNE 15, 2022

Baker Tilly Catalyst LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

KIDS CANCER CARE FOUNDATION OF ALBERTA

Statement of Financial Position

JANUARY 31, 2022

	2022	2021
Assets		
Current		
Cash and cash equivalents	\$ 632,077	\$ 1,532,587
Restricted cash (Note 3)	452,271	216,432
Short-term investments (Note 4)	5,636,548	4,173,754
Accounts receivable	107,339	142,101
Goods and services tax recoverable	7,524	5,945
Prepaid expenses	100,447	96,988
	6,936,206	6,167,807
Property and equipment (Note 5)	7,498,246	7,917,098
	\$ 14,434,452	\$ 14,084,905
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 224,456	\$ 328,607
Unearned revenue	126,816	40,348
	351,272	368,955
Deferred contributions (Schedule 1)		
Related to operations	452,271	216,432
Related to property and equipment	6,836,659	7,269,026
Lease inducement (Note 15)	589,109	654,282
	8,229,311	8,508,695
Net Assets		
Invested in property and equipment	661,586	648,072
Internally restricted (Note 11)	3,000,000	3,000,000
Unrestricted	2,543,555	1,928,138
	6,205,141	5,576,210
	\$ 14,434,452	\$ 14,084,905

Commitments (Note 15)**Impact of COVID-19 (Note 17)****Subsequent events (Note 18)**

Approved on behalf of the Board

Director



Director



KIDS CANCER CARE FOUNDATION OF ALBERTA

Statement of Operations

FOR THE YEAR ENDED JANUARY 31, 2022

	2022	2021
Revenues (Note 12)		
Fundraising		
General	\$ 2,757,121	\$ 2,462,178
Camp and outreach programs	720,047	650,402
Research	122,984	289,210
Education support and scholarship (Note 8)	163,891	25,936
Gifts-in-kind	39,662	8,078
Camp, outreach, and education support - COVID relief grants	-	148,552
Federal COVID subsidies (Note 7)	405,480	474,588
Other revenue	47,825	49,494
Camp Kindle rental operations	50,138	21,950
Amortization of deferred contributions related to property and equipment (Schedule 1)	503,067	490,452
	4,810,215	4,620,840
Expenses		
Camp and outreach programs (Notes 16 and 9)	1,644,882	1,495,893
Fundraising (Notes 16 and 13)	1,078,737	982,953
General and administrative	517,840	496,718
Public awareness and education (Note 16)	295,908	242,724
Education support and scholarships (Notes 16 and 8)	216,098	165,188
Research	110,328	223,322
Volunteer programs	63,301	61,609
Camp Kindle rental operations (Note 10)	59,731	43,944
Gifts-in-kind	39,662	8,078
Hospital programs	22,939	1,171
Amortization	131,858	131,753
	4,181,284	3,853,353
Net income for the year	\$ 628,931	\$ 767,487

The accompanying notes are an integral part of the financial statements

KIDS CANCER CARE FOUNDATION OF ALBERTA

Statement of Changes in Net Assets

FOR THE YEAR ENDED JANUARY 31, 2022

	Invested in Property and Equipment	Internally Restricted	Unrestricted	2022	2021
Balance, beginning of year	\$ 648,072	\$ 3,000,000	\$ 1,928,138	\$ 5,576,210	\$ 4,808,723
Net income (loss)	(151,304)	-	780,235	628,931	767,487
Net acquisition of property and equipment	235,518	-	(235,518)	-	-
Capital contributions utilized for capital purchases (Schedule 1)	(70,700)		70,700	-	
Balance, end of year	\$ 661,586	\$ 3,000,000	\$ 2,543,555	\$ 6,205,141	\$ 5,576,210

The accompanying notes are an integral part of the financial statements

KIDS CANCER CARE FOUNDATION OF ALBERTA

Statement of Cash Flows

FOR THE YEAR ENDED JANUARY 31, 2022

	2022	2021
Cash flows from operating activities		
Net income for the year	\$ 628,931	\$ 767,487
Items not affecting cash:		
Amortization	654,371	639,418
Amortization of deferred contributions related to property and equipment	(503,067)	(490,452)
Change in deferred contributions related to operations	235,839	89,660
Lease inducements (Note 15)	(65,173)	(57,836)
	950,901	948,277
Change in non-cash working capital items		
Accounts receivable	34,762	1,011
Goods and services tax recoverable	(1,579)	1,385
Prepaid expenses	(3,459)	(8,362)
Accounts payable and accrued liabilities	(104,151)	(8,891)
Unearned revenue	86,468	(104,873)
Cash flows from operating activities	962,942	828,547
Cash flows from investing activities		
Purchase of short-term investments	(5,636,548)	(4,173,754)
Redemption of short-term investments	4,173,754	3,773,754
Purchase of property and equipment	(235,519)	(66,107)
Cash flows from (used by) investing activities	(1,698,313)	(466,107)
Cash flows from financing activity		
Contributions received for acquisition of property and equipment	70,700	73,365
Increase (decrease) in cash and cash equivalents	(664,671)	435,805
Cash and cash equivalents, beginning of year	1,749,019	1,313,214
Cash and cash equivalents, end of year	\$ 1,084,348	\$ 1,749,019
Cash and cash equivalents consists of:		
Unrestricted	\$ 632,077	\$ 1,532,587
Restricted (Note 3)	452,271	216,432
	\$ 1,084,348	\$ 1,749,019

The accompanying notes are an integral part of the financial statements

KIDS CANCER CARE FOUNDATION OF ALBERTA

Notes to the Financial Statements

FOR THE YEAR ENDED JANUARY 31, 2022

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 affected by cancer 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. 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:

(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. Where such contributions have been made for the purpose of equipment acquisition, the revenue is recognized on the same basis as the related asset is amortized. 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. Unearned revenue relates to funds collected for future camp rentals and fundraising events. Deferred contributions from operations relates to funds designated to support specific events and programs.

Rental revenue is recognized on completion of the period it relates to.

(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:

Office:

Leasehold improvements	Term of lease
Furniture and equipment	5 years
Computer equipment and software	2 - 3 years
Vehicles	5 years

Camp Kindle:

Buildings	12 - 25 years
Land improvements	15 - 20 years
Aquatic centre	15 - 20 years
Equipment	5 years
Furniture and fixtures	5 years
Challenge Course	10 years
Vehicles	5 years

(D) GOVERNMENT ASSISTANCE

Government assistance includes subsidies associated with the COVID-19 pandemic support initiatives, and is recognized when there is reasonable assurance that the assistance will be received.

Government assistance related to an expenditure item is recognized as revenue in the period for which the subsidy is calculated.

Government assistance recorded in current and prior periods is subject to government review, which could result in future adjustments to income.

(E) ALLOCATED EXPENSES

The Foundation allocates certain of its general support expenses on a basis of square footage usage of the shared space, and applies that basis consistently each year in accordance with applicable contribution agreements. Wages and benefits, and other administrative expenses are allocated to programs, as applicable, at a predetermined rate.

(F) CONTRIBUTED GOODS AND SERVICES

Contributions of 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.

(G) 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.

The Foundation has not designated any financial asset or financial liability to be measured at fair value.

(H) 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. These estimates include the useful life of property and equipment, timing of revenue recognition and reporting of lease inducements.

3. Restricted cash

Restricted cash includes \$210,296 (2021 - \$168,289) of unspent gaming funds received as a donation from third parties and are therefore restricted by Alberta Gaming and Liquor Commission plus \$241,975 (2021 - \$48,143) of donor designated non-gaming contributions. The Foundation maintains a separate bank account for casino funds.

Unused restricted cash of \$452,271 is included in deferred contributions, consisting of \$74,145 for camp and outreach programs, \$204,722 for education support and scholarships, \$47,217 for research, and \$126,187 of unrestricted gaming monies (Schedule 1).

4. Short-term investments

Short term investments are held in guaranteed investment certificates ("GICs") with a major Canadian chartered bank. These deposits mature between February 1, 2022 and December 6, 2022, and bear interest at rates ranging from 0.50% to 0.98% (2021 - 0.50% to 1.10%).

Subsequent to year-end, all GICs have either matured or have been redeemed and reinvested in new guaranteed investment certificates with a major Canadian chartered bank for maturities between July 5, 2022 and April 6, 2023, and bear interest at rates ranging from 1.10% to 2.54%.

5. Property and equipment

			2022	2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office:				
Leasehold improvements	\$ 586,950	\$ 176,562	\$ 410,388	\$ 467,651
Furniture and equipment	280,952	240,983	39,969	75,766
Computer equipment and software	370,323	332,080	38,243	50,927
Vehicles	9,009	9,009	-	1,802
Camp Kindle:				
Buildings	9,056,900	4,089,215	4,967,685	5,343,046
Land improvements	1,213,863	454,422	759,441	793,659
Land	695,285	-	695,285	695,285
Aquatic centre	842,353	360,232	482,121	432,947
Equipment	641,719	553,900	87,819	30,210
Furniture and fixtures	154,222	142,565	11,657	18,057
Challenge Course	257,268	255,888	1,380	2,070
Vehicles	41,740	37,482	4,258	5,678
	\$ 14,150,584	6,652,338	\$ 7,498,246	\$ 7,917,098

6. Accounts payable and accrued liabilities

The Foundation has credit cards authorized to a combined maximum credit limit of \$250,000, bearing interest at 19.99% per annum. The balance on credit cards was \$23,329 as of January 31, 2022 (2021 - \$51,738).

7. Federal COVID subsidies

In an attempt to mitigate the impact of the COVID-19 pandemic, the Canadian government has introduced several grants and subsidies. The Foundation has taken advantage of the Canada Emergency Wage Subsidy, the Temporary Wage Subsidy, and the Canada Emergency Rent Subsidy which relate to wage assistance for Canadian companies and not-for-profit entities experiencing decreases in revenues as a result of the pandemic. These subsidies have been recorded in the Statement of Operations for the year.

			2021	2020
Canada Emergency Wage Subsidy		\$	348,926	\$ 429,173
Canada Emergency Rent Subsidy			56,554	20,415
Temporary Wage Subsidy			-	25,000
		\$	405,480	\$ 474,588

8. 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 of January 31, 2022 is \$703,727 (2021: \$656,558).

9. Camp and outreach programs

Camp and outreach programs expenses include amortization expense in the amount of \$522,513 (2021: \$507,664) as related to the assets in use at Camp Kindle.

10. 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.

11. Internally restricted reserve

The Foundation has established an internally-restricted reserve of \$3,000,000 (2021 - \$3,000,000). In the current year, this has been designated to consist of \$2,000,000 for building and capital asset expansion at Camp Kindle and \$1,000,000 for investment in program opportunities. The Foundation has established a Reserves Policy that determines a target range for unrestricted net assets to address unanticipated cash flow shortages or downturns in the economy, and establishes a framework to enable the Foundation to invest excess funds on hand in capital and program expansion for the benefit of kids and families impacted by childhood cancer.

12. Contribution by funding source

Contributions received by major funding source are as follows:

	2022	2021
Foundation fundraising events	\$ 1,251,546	\$ 729,805
Community fundraising events	998,681	1,351,485
Individual and corporate donations	892,209	790,964
Other not-for-profit	814,564	759,295
Camp Kindle rental operations	50,138	21,950
Government grants	113,582	107,755
Federal COVID subsidies (Note 7)	405,480	474,588
Investments and other	47,825	49,494
Total contributions	\$ 4,574,025	\$ 4,285,336
Total contributions are reconciled to Statement of Operations as follows:		
Add:		
Gifts-in-kind	39,662	8,078
Opening deferred contributions related to:		
Operations (Schedule 1)	216,432	126,771
Property and equipment (Schedule 1)	7,269,026	7,679,016
Change in deferred contributions:		
Gifts-in-kind for property and equipment (Schedule 1)	-	7,097
Deduct:		
Closing deferred contributions related to:		
Operations (Schedule 1)	(452,271)	(216,432)
Property and equipment (Schedule 1)	(6,836,659)	(7,269,026)
Revenue reported in Statement of Operations	\$ 4,810,215	\$ 4,620,840

13. Fundraising

All expenses incurred for the purpose of soliciting contributions were \$1,078,737 (2021: \$982,953).

A total of \$nil (2021: \$nil) was paid as remuneration to a fundraising business in the year. The Foundation paid \$702,938 in the year (2021: \$635,929) for remuneration to employees for fundraising activities.

14. 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 market value. Due to their short-term nature, the carrying value of financial instruments approximate their fair value.

(a) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in raising donations to meet commitments associated with financial instruments. The Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments if required.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's exposure to interest rate risk is limited to fluctuations in the interest rate related to investments in guaranteed investment certificates.

15. Lease inducement and commitments

The Foundation has a lease agreement on its current office premise that expires in March 2029. The landlord provided the Foundation with a moving allowance of \$23,478, tenant improvements of \$586,950 as well as a rent-free period from April 2019 to December 2019.

Rent expense is recognized on a straight-line basis over the term of the lease at \$166,064 per year.

The lease inducement will be recognized as a reduction of rent expense at \$59,554 per year over the term of the lease. The deferred lease inducement was \$654,282 as of January 31, 2021, summarized as follows:

	2022	2021
Lease inducements	\$ 654,282	\$ 712,118
Amortization of lease inducements	(59,554)	(59,554)
Impact of rent-free period	(5,619)	1,718
	\$ 589,109	\$ 654,282

The Foundation has minimum lease commitments under an office lease that expires in March 2029. Minimum payments for the 10-year lease agreement are as follows:

2022-2023	173,150
2023-2024	180,487
2024-2025	181,955
2025-2026	186,846
2026-2027	187,824
Thereafter	442,169
Total minimum lease payments	\$ 1,352,431

16. Allocation of expenses

Calgary office rent, utilities and operating costs, as well as contracted information technology support expenses are allocated to fundraising and mission activities based on the space and/or services related to each area of activity. Costs of program staff and direct program expenses are charged to each program.

The administrative expenses which have been allocated have impacted the following expense categories:

	2022	2021
Outreach programs	\$ 81,403	\$ 85,214
Fundraising	57,629	67,644
Education support and scholarships	30,522	33,625
Public awareness and education	24,286	27,647
	\$ 193,840	\$ 214,130

17. Impact of COVID-19

The disruption caused by the global COVID-19 pandemic continued to impact the Foundation's camp and outreach programs, fundraising activities, and social enterprise activities in 2022. The Foundation delayed the resumption of in-person outreach, therapeutic and camp programs, deferred a number of in-person fundraising events, and participated in eligible COVID-19 government support programs. At the current time, the duration and continuing impact of COVID-19 remains uncertain and it is not possible to estimate the possible impact on the Foundation's programs, fundraising activities and expenses.

18. Subsequent events

Subsequent to year end, a bridge replacement for Camp Kindle was completed in February 2022 at a cost of approximately \$300,000.

19. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

KIDS CANCER CARE FOUNDATION OF ALBERTA

Schedule 1

DEFERRED CONTRIBUTIONS FOR THE YEAR ENDED JANUARY 31, 2022

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

	Admin	Camp and Outreach	Research	Education Support and Scholarships	Total
2022					
Balance, beginning of year	7,637	108,795	-	100,000	216,432
Amounts added during the year:					-
Cash	126,187	109,710	178,881	257,841	672,619
Gifts-in-kind	-	-	8,680	-	8,680
	133,824	218,505	187,561	357,841	897,731
Amounts utilized during the year:					
Program expenses	7,637	144,360	131,664	152,569	436,230
Transfer to endowment	-	-	-	550	550
Subtotal	7,637	144,360	131,664	153,119	436,780
Utilizations contributed by gifts-in-kind	-	-	8,680	-	8,680
Balance, end of year	126,187	74,145	47,217	204,722	452,271
2021					
Balance, beginning of year	72,000	54,771	-	-	126,771
Amounts added during the year:					
Cash	27,000	762,426	292,748	191,421	1,273,595
Gifts-in-kind	-	-	3,538	-	3,538
	99,000	817,197	296,286	191,421	1,403,904
Amounts utilized during the year:					
Program expenses	91,363	708,402	292,748	90,871	1,183,384
Transfer to endowment	-	-	-	550	550
Subtotal	91,363	708,402	292,748	91,421	1,183,934
Utilizations contributed by gifts-in-kind	-	-	3,538	-	3,538
Balance, end of year	7,637	108,795	-	100,000	216,432

b) Related to property and equipment

2022	Camp Kindle	Office	Total
Balance, beginning of year	7,232,422	36,604	7,269,026
Amounts added during the year:			
Cash	70,700	-	70,700
Gifts-in-kind	-	-	-
	7,303,122	36,604	7,339,726
Amounts utilized during the year for amortization	490,803	12,264	503,067
Balance, end of year	6,812,319	24,340	6,836,659
2021	Camp Kindle	Office	Total
Balance, beginning of year	7,656,512	22,504	7,679,016
Amounts added during the year:			
Cash	47,000	26,365	73,365
Gifts-in-kind	7,097	-	7,097
	7,710,609	48,869	7,759,478
Amounts utilized during the year for amortization	478,187	12,265	490,452
Balance, end of year	7,232,422	36,604	7,269,026