

Cancer Foundation of Saskatchewan
Financial Statements
March 31, 2020

Management's Responsibility

To the Board of Directors of the Cancer Foundation of Saskatchewan:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 26, 2020



Chief Executive Officer

Independent Auditor's Report

To the Board of Directors of the Cancer Foundation of Saskatchewan:

Qualified Opinion

We have audited the financial statements of the Cancer Foundation of Saskatchewan (the "Foundation"), which comprise the statement of financial position as at March 31, 2020, 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, except for the possible effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2020, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue or operations.

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 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 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.

Independent Auditor's Report Continued

- 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.

Regina, Saskatchewan

June 26, 2020

MNP LLP

Chartered Professional Accountants

Cancer Foundation of Saskatchewan Statement of Financial Position

As at March 31, 2020

	Invested in Intangible Asset	Restricted Fund	General Fund	2020	2019
Assets					
Current					
Cash	-	1,351,020	618,007	1,969,027	610,843
Goods and Services Tax receivable	-	-	9,073	9,073	4,493
Marketable securities (Note 3)	-	-	10,000	10,000	-
	-	1,351,020	637,080	1,988,100	615,336
Intangible asset (Note 4)	43,033	-	-	43,033	67,609
	43,033	1,351,020	637,080	2,031,133	682,945
Liabilities					
Current					
Accrued payables (Note 5)	-	-	32,591	32,591	21,199
Current portion of promissory note (Note 6)	-	-	-	-	25,000
	-	-	32,591	32,591	46,199
Promissory note (Note 6)	-	-	-	-	225,000
	-	-	32,591	32,591	271,199
Net Assets					
Invested in intangible asset	43,033	-	-	43,033	67,609
Restricted	-	1,351,020	-	1,351,020	239,018
Unrestricted	-	-	604,489	604,489	105,119
	43,033	1,351,020	604,489	1,998,542	411,746
	43,033	1,351,020	637,080	2,031,133	682,945

Approved on behalf of the Board




The accompanying notes are an integral part of these financial statements

Cancer Foundation of Saskatchewan Statement of Revenue and Expenses and Changes in Net Assets

For the year ended March 31, 2020

	<i>Invested in Intangible Asset</i>	<i>Restricted Fund</i>	<i>General Fund</i>	2020	2019
Revenue					
Restricted revenue	-	2,751,818	-	2,751,818	293,501
Donations	-	-	375,430	375,430	586,695
Fundraising	-	-	5,027	5,027	49,043
	-	2,751,818	380,457	3,132,275	929,239
Expenses					
Community fundraising	-	-	811	811	129
Marketing and communications	-	-	49,304	49,304	36,908
Amortization	24,576	-	-	24,576	6,146
Administrative	-	-	124,222	124,222	61,301
Professional fees	-	-	41,086	41,086	65,767
Salaries and benefits	-	-	407,406	407,406	293,398
	24,576	-	622,829	647,405	463,649
Excess (deficiency) of revenue over expenses before other items	(24,576)	2,751,818	(242,372)	2,484,870	465,590
Other items					
Forgiveness of promissory note <i>(Note 9)</i>	-	-	250,000	250,000	7,380
Other income	-	-	9,346	9,346	151
Distribution to Agency <i>(Note 9)</i>	-	(1,157,420)	-	(1,157,420)	-
Excess (deficiency) of revenue over expenses	(24,576)	1,594,398	16,974	1,586,796	473,121
Opening net assets	67,609	239,018	105,119	411,746	(61,375)
Internal fund transfer <i>(Note 7)</i>	-	(482,396)	482,396	-	-
Net assets, end of year	43,033	1,351,020	604,489	1,998,542	411,746

The accompanying notes are an integral part of these financial statements

Cancer Foundation of Saskatchewan
Statement of Cash Flows
For the year ended March 31, 2020

	<i>Invested in Intangible Asset</i>	<i>Restricted Fund</i>	<i>General Fund</i>	2020	2019
Cash used for the following activities					
Operating					
Excess (deficiency) of revenue over expenses	(24,576)	1,594,398	16,974	1,586,796	473,121
Amortization	24,576	-	-	24,576	6,146
Changes in working capital accounts					
Accounts receivable	-	-	(4,580)	(4,580)	(4,493)
Accounts payable	-	-	11,392	11,392	7,766
	-	1,594,398	23,786	1,618,184	482,540
Financing					
Forgiveness of promissory note (Note 6)	-	-	(250,000)	(250,000)	-
	-	-	(250,000)	(250,000)	-
Investing					
Acquisition of intangible asset	-	-	-	-	(73,755)
	-	-	-	-	(73,755)
Increase (decrease) in cash resources	-	1,594,398	(226,214)	1,368,184	408,785
Cash resources, beginning of year	-	239,018	371,825	610,843	202,058
Interfund adjustments	-	(482,396)	482,396	-	-
Cash resources, end of year	-	1,351,020	628,007	1,979,027	610,843
Cash resources are composed of:					
Cash	-	1,351,020	618,007	1,969,027	610,843
Marketable securities	-	-	10,000	10,000	-
	-	1,351,020	628,007	1,979,027	610,843

The accompanying notes are an integral part of these financial statements

Cancer Foundation of Saskatchewan

Notes to the Financial Statements

For the year ended March 31, 2020

1. Incorporation and nature of the organization

Cancer Foundation of Saskatchewan (the "Foundation") incorporated on April 6, 2017 under the Non Profit Corporations Act 1995 of Saskatchewan. As a non-profit organization, the Foundation is exempt from income taxes. Operations commenced in September 2017. The Foundation obtained its registered charity status on May 14, 2018 and became the official receipting body for the Agency effective January 1, 2019.

The Foundation's purpose is to solicit, manage and distribute funds and resources that support the Saskatchewan Cancer Agency in providing optimal cancer control services to residents of Saskatchewan. Funds received support early detection and treatment, cancer prevention, and health promotion, patient care and comfort, and research.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions, and maintains three funds: the General Fund, the Intangible Asset Fund, and the Restricted Fund.

The General Fund reflects the Foundation's conduct of general operations and activities.

The Intangible Asset Fund reports the Foundation's activities (i.e. purchases, disposals, amortization) related to intangible assets.

The Restricted Fund reports the Foundation's operations for those activities restricted by external parties to be used for a specified purpose.

Cash

Cash include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Intangible asset

Specified intangible assets are recognized and reported apart from goodwill.

An intangible asset recognized separately from goodwill and subject to amortization is recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at a rate intended to amortize the cost of intangible asset over its estimated useful life.

	Method	Rate
Website	straight-line	3 years

Promissory note

Loans are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the loans principal amount plus unamortized loan administration fees, less any allowance for anticipated losses, plus accrued interest.

Revenue recognition

The Foundation uses the restricted fund method of accounting for contributions. Restricted contributions received for the restricted fund is recognized in the year the funds are received. All other restricted contributions are recognized as revenue of the General Fund.

Cancer Foundation of Saskatchewan

Notes to the Financial Statements

For the year ended March 31, 2020

2. Significant accounting policies (Continued from previous page)

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue in the General Fund when earned.

Pledges are recognized as revenue when received once the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Intangible assets are amortized based on the estimated useful lives.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation subsequently measures all financial assets and liabilities at amortized cost, except cash which is at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment:

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the excess (deficiency) of revenues over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess (deficiency) in the year the reversal occurs.

Cancer Foundation of Saskatchewan

Notes to the Financial Statements

For the year ended March 31, 2020

3. Marketable securities

Marketable securities consist of a One Year Cashable GIC with Royal Bank of Canada ("RBC"). Matures January 20, 2021 and earns interest at 0.5% per annum. The GIC is pledged as security against all amounts owing to RBC. As at March 31, 2020, there are no amounts outstanding to RBC.

4. Intangible asset

Intangible asset consists of a website developed in the previous year for the purpose of advertising and collecting online donations with costs totaling \$73,755.

Amortization of \$24,576 (2019 – \$6,146), related to intangible assets with definite lives, is included in current year earnings.

5. Accrued payables

	2020	2019
Vacation payable	15,437	11,892
Trade payables	3,625	9,307
Accrued expenses	13,529	-
	32,591	21,199

6. Promissory note

The Saskatchewan Cancer Agency forgave the \$250,000 loan to the Foundation in its entirety and cancelled the Promissory Note agreement, effective May 17, 2019.

7. Internal funds transfer

Effective January 31, 2019, the Foundation implemented an internal cost recovery policy. Under this policy, gifts to designated accounts, or restricted funds, will be assessed a fee for recovery of fundraising and operating costs. During the year, the Foundation transferred \$482,396 (2019 - \$54,483) from the restricted fund to the general fund.

8. Pledged commitments

The Foundation has entered into various agreements with corporate and individual donors, for which the donors pledge to provide funds to the Foundation over a period of time. Future restricted revenue from these agreements are estimated as follows and will be recognized into income once they are received:

2021	663,833
2022	215,000

9. Saskatchewan Cancer Agency

The Foundation supports the Saskatchewan Cancer Agency (the "Agency"), an arms-length foundation, by raising funds for capital equipment, research, patient comfort items, and other priority needs. During the year, the Foundation distributed a total of \$1,157,420 from restricted donor funds to the Agency to support these funding needs.

10. Contributed materials and services

In 2019, the Foundation entered into a four year agreement with the Saskatchewan Cancer Agency for which the Foundation will receive contributed services from the Agency, free of charge, for 2019 - 2023. These services include computers, IT services, and office and meeting space.

Cancer Foundation of Saskatchewan

Notes to the Financial Statements

For the year ended March 31, 2020

11. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Foundation is exposed to price risk on the promissory note as it is subject to interest at prime plus 2%.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's exposure to liquidity risk is dependent on raising funds to meet commitments and sustain operations.

12. Significant event

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Foundation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced demand, supply chain disruptions, staff shortages, and increased government regulations in Canada, all of which may negatively impact the Foundation's business and financial condition.