

Cancer Foundation of Saskatchewan

Financial Statements

March 31, 2022

Management's Responsibility for Financial Statements

The accompanying financial statements of Cancer Foundation of Saskatchewan have been prepared by the Foundations' management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.



Chair, Audit & Finance Committee

Executive Director

Independent Auditors' Report

To the Board of Directors,
Cancer Foundation of Saskatchewan

Qualified Opinion

We have audited the accompanying financial statements of Cancer Foundation of Saskatchewan ("the Foundation") which comprise the statement of financial position as at March 31, 2022, 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2022 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 its revenue in the form of 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 are not able to determine whether any adjustments might be necessary to revenues, assets, liabilities or net assets.

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 Saskatchewan, 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.

Other Matter

The financial statements of the Foundation for the year ended March 31, 2021, were audited by another auditor who expressed a modified opinion on those financial statements dated June 23, 2021.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do 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 when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter 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 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.

Independent Auditors' Report continued

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 Society 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 scepticism 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

June 22, 2022
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

Cancer Foundation of Saskatchewan

Statement of Financial Position

As at March 31, 2022

(with comparative figures at March 31, 2021)

	<u>Assets</u>				
	Invested in Capital and Intangible Assets	Restricted Fund	General Fund	Total 2022	Total 2021
Current Assets					
Cash	\$ -	\$ 1,395,596	\$ 1,044,022	\$ 2,439,618	\$ 4,743,120
Accounts receivable	-	-	16,265	16,265	11,529
Investments (Note 3)	-	176,915	10,060	186,975	10,050
	-	1,572,511	1,070,347	2,642,858	4,764,699
Investments (Note 3)	-	2,708,436	-	2,708,436	-
Tangible Capital Assets (Note 4)	24,408	-	-	24,408	17,544
Intangible Asset (Note 5)	2,413	-	-	2,413	22,752
	\$ 26,821	\$ 4,280,947	\$ 1,070,347	\$ 5,378,115	\$ 4,804,995
	<u>Liabilities and Net Assets</u>				
Current Liabilities					
Accounts payable	\$ -	\$ -	\$ 73,169	\$ 73,169	\$ 59,908
Net Assets					
Fund balances	26,821	4,280,947	997,178	5,304,946	4,745,087
	\$ 26,821	\$ 4,280,947	\$ 1,070,347	\$ 5,378,115	\$ 4,804,995

See accompanying notes to the financial statements.

Approved on behalf of the Board:

Johnston McMillan

[Signature]

Cancer Foundation of Saskatchewan
Statement of Changes in Net Assets
For the year ended March 31, 2022
(with comparative figures for the year ended March 31, 2021)

	Invested in Capital and Intangible Assets	Restricted Fund	General Fund	Total 2022	Total 2021
Balance, beginning of year	\$ 40,296	\$ 3,832,135	\$ 872,656	\$ 4,745,087	\$ 1,998,542
Excess (deficiency) of revenue over expenses	(26,071)	1,041,834	(455,904)	559,859	2,746,545
Purchase of tangible capital assets	12,596	-	(12,596)	-	-
Internal fund transfer (Note 8)	-	(593,022)	593,022	-	-
Balance, end of year	\$ 26,821	\$ 4,280,947	\$ 997,178	\$ 5,304,946	\$ 4,745,087

See accompanying notes to the financial statements.

Cancer Foundation of Saskatchewan
Statement of Operations
For the year ended March 31, 2022
(with comparative figures for the year ended March 31, 2021)

	Invested in Capital and Intangible Assets	Restricted Fund	General Fund	Total 2022	Total 2021
Revenues					
Donations	\$ -	\$ 2,985,307	\$ 293,540	\$ 3,278,847	\$ 2,860,711
Investment income	-	60,133	60	60,193	12,250
Saskatchewan Cancer Agency grant	-	-	-	-	250,000
Trust Fund income (Note 6)	-	-	-	-	1,200,480
Unrealized loss on market value of investments	-	(114,863)	-	(114,863)	-
	-	2,930,577	293,600	3,224,177	4,323,441
Expenses					
Administration	-	-	98,187	98,187	106,761
Amortization	26,071	-	-	26,071	26,554
Marketing and communication	-	-	94,660	94,660	32,194
Professional fees	-	-	48,334	48,334	55,362
Wages and benefits	-	-	508,323	508,323	449,853
	26,071	-	749,504	775,575	670,724
Excess (deficiency) of revenue over expenses before distributions	(26,071)	2,930,577	(455,904)	2,448,602	3,652,717
Distributions to Agency (Note 7)	-	(1,888,743)	-	(1,888,743)	(906,172)
Excess (deficiency) of revenue over expenses	\$ (26,071)	\$ 1,041,834	\$ (455,904)	\$ 559,859	\$ 2,746,545

See accompanying notes to the financial statements.

Cancer Foundation of Saskatchewan
Statement of Cash Flows
For the year ended March 31, 2022
(with comparative figures for the year ended March 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 559,859	\$ 2,746,545
Amortization	26,071	26,554
Change in non-cash operating working capital:		
Accounts receivable	(4,736)	(2,456)
Accounts payable	13,261	27,317
	<u>594,455</u>	<u>2,797,960</u>
Cash provided by (used in) investing activities:		
Additions to investments	(2,885,361)	(50)
Acquisition of tangible capital assets	(12,596)	(5,699)
Acquisition of intangible asset	-	(18,118)
	<u>(2,897,957)</u>	<u>(23,867)</u>
(Decrease) increase in cash	<u>(2,303,502)</u>	<u>2,774,093</u>
Cash position - beginning of year	<u>4,743,120</u>	<u>1,969,027</u>
Cash position - end of year	<u><u>\$ 2,439,618</u></u>	<u><u>\$ 4,743,120</u></u>

See accompanying notes to the financial statements.

Cancer Foundation of Saskatchewan
Notes to the financial statements
For the year ended March 31, 2022
(with comparative figures for the year ended March 31, 2021)

1. Nature of operations

The Cancer Foundation of Saskatchewan (the "Foundation") was incorporated under the *Non-Profit Corporations Act, 1995* of Saskatchewan. As a registered charity, the Foundation is exempt from the payment of income tax under Section 149(1)(f) of the *Income Tax Act*.

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, health promotion, patient care and comfort, and research.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The statements reflect the following accounting policies:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources and any restricted operating grants.

The Restricted Fund accounts for the Foundation's externally restricted funds received which are designated for a specific purpose.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Foundation's tangible capital assets.

Financial instruments

Financial assets and financial liabilities are recorded on the statement of financial position when the Foundation becomes party to the contractual provisions of the financial instrument. The Foundation initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess of revenue over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

Cancer Foundation of Saskatchewan
Notes to the financial statements
For the year ended March 31, 2022
(with comparative figures for the year ended March 31, 2021)

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful life of the assets at the following annual rates:

Equipment	20%
Donor wall	20%

In the year of acquisition, amortization is provided at half of the annual rate.

Intangible assets

Intangible assets are recognized 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 on a straight-line basis over the estimated useful life of the assets as the following rate:

Website	30%
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Revenue recognition

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

Unrestricted contributions are recognized as revenue of the General Fund when 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.

Cancer Foundation of Saskatchewan
Notes to the financial statements
For the year ended March 31, 2022
(with comparative figures for the year ended March 31, 2021)

3. Investments

	2022	2021
Current:		
Mutual Funds	\$ 176,915	\$ -
GIC maturing January 2023, interest at 0.50%	10,060	-
GIC maturing January 2022, interest at 0.50%	-	10,050
	<u>186,975</u>	<u>10,050</u>
Long term:		
Common shares	2,621,517	-
Limited partnership units	86,919	-
	<u>2,708,436</u>	<u>-</u>
Total investments	<u>\$ 2,895,411</u>	<u>\$ 10,050</u>

4. Tangible capital assets

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$ 9,549	\$ 3,332	\$ 6,217	\$5,224
Donor Wall	21,165	2,974	18,191	12,320
	\$ 30,714	\$ 6,306	\$ 24,408	\$ 17,544

5. Intangible asset

	2022		2021
	Cost	Accumulated amortization	Net book value
Website	\$ 79,454	\$ 77,041	\$ 2,413
			\$ 22,752

6. Trust fund income

The trust fund income is a non-recurring transfer from the Saskatchewan Cancer Agency ("the Agency"), of restricted funds to be used for the purposes for which they were donated to the Saskatchewan Cancer Agency. The full amount has been included in restricted funds by the Foundation.

7. Saskatchewan Cancer Agency

The Foundation supports 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 \$1,888,743 (2021 - \$906,172) from restricted donor funds to the Agency to support these needs.

Cancer Foundation of Saskatchewan
Notes to the financial statements
For the year ended March 31, 2022
(with comparative figures for the year ended March 31, 2021)

8. Interfund 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 \$593,022 (2021 - \$498,458) from the restricted fund to the general fund for recovery of costs.

9. 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 IT services, and office and meeting space.

10. Financial risk management

The Foundation has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant risks to which the Foundation is exposed are:

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's exposure to liquidity risk is dependent on the receipt of funds from its operations and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements and are considered adequate to meet the Foundation's financial obligations.

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 the GIC, but the interest on this instrument is fixed and thus, does not expose the Foundation to additional risk.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation's investments in publicly traded securities expose the Foundation to market price risk as such investments are subject to price changes in the open market. The Foundation does not use any derivative instruments to alter the effects of this risk.