

WINDSOR CANCER CENTRE FOUNDATION

**AUDITORS' REPORT AND FINANCIAL
STATEMENTS**

APRIL 30, 2021



Baker Tilly Windsor LLP
325 Devonshire Road, Suite 200
Windsor, ON
Canada N8Y 2L3

T: 519.258.5800
F: 519.256.6152

windsor@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Windsor Cancer Centre Foundation

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Windsor Cancer Centre Foundation, which comprise the statement of financial position as at April 30, 2021 and the statements of revenue and expenses, changes in fund balances 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 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 April 30, 2021 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 foundation derives revenue from donation and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation and fundraising 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 donation and fundraising revenues, revenue over expenses, assets, fund balances and cash flows. This issue also resulted in a qualification of the financial statements for the year ended April 30, 2020.

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 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.

INDEPENDENT AUDITORS' REPORT - continued

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.

Auditors' Responsibility for the Audit

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 auditors' 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:

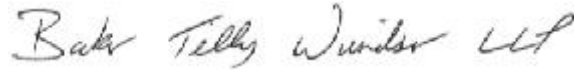
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

INDEPENDENT AUDITORS' REPORT - continued

- 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 auditors' 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 auditors' 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.

September 22, 2021



Chartered Professional Accountants
Licensed Public Accountants

WINDSOR CANCER CENTRE FOUNDATION

FINANCIAL STATEMENTS

APRIL 30, 2021

Statement of revenue and expenses	1
Statement of changes in fund balances	2
Statement of financial position	3
Statement of cash flows	4
Notes to financial statements	5 - 12

WINDSOR CANCER CENTRE FOUNDATION
STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED APRIL 30, 2021

	Cancer Centre Foundation Fund	Endowment Fund	2021	2020
REVENUE				
Donations and fundraising, net (note 5)	\$ 1,301,761	\$ -	\$ 1,301,761	\$ 1,527,601
Investment income (loss) (note 9)	802,787	22,574	825,361	(159,167)
Miscellaneous (note 3)	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
	<u>2,114,548</u>	<u>22,574</u>	<u>2,137,122</u>	<u>1,368,434</u>
EXPENSES				
Advertising	14,497	-	14,497	9,389
Amortization	6,532	-	6,532	6,532
Computer support and equipment	101,661	-	101,661	89,324
Donor recognition	758	-	758	5,958
Interest and bank charges	18,616	-	18,616	6,385
Office and sundry	32,562	-	32,562	38,821
Professional services	27,679	-	27,679	27,213
Printing	23,793	-	23,793	17,063
Salaries and benefits	<u>234,479</u>	<u>-</u>	<u>234,479</u>	<u>279,558</u>
	<u>460,577</u>	<u>-</u>	<u>460,577</u>	<u>480,243</u>
REVENUE OVER EXPENSES BEFORE DONATIONS AND PROJECTS	<u>1,653,971</u>	<u>22,574</u>	<u>1,676,545</u>	<u>888,191</u>
DONATIONS AND PROJECTS				
Seeds4Hope programs	130,000	-	130,000	200,300
Regional Comprehensive Men's Health program	-	-	-	408,171
Patient assistance	55,533	-	55,533	45,307
Cancer Centre programs	43,667	-	43,667	62,066
Sherron Hogan scholarships	25,000	-	25,000	-
Jason Thomas memorial scholarship	1,000	-	1,000	-
Windsor Regional Hospital donations	<u>1,498,151</u>	<u>-</u>	<u>1,498,151</u>	<u>1,143,127</u>
	<u>1,753,351</u>	<u>-</u>	<u>1,753,351</u>	<u>1,858,971</u>
REVENUE (UNDER) OVER EXPENSES	<u>\$ (99,380)</u>	<u>\$ 22,574</u>	<u>\$ (76,806)</u>	<u>\$ (970,780)</u>

See Accompanying Notes

WINDSOR CANCER CENTRE FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 2021

	2021	2020
CANCER CENTRE FOUNDATION FUND		
INVESTED IN CAPITAL PROPERTY		
Balance, beginning	\$ 9,798	\$ 16,330
Revenue under expenses	<u>(6,532)</u>	<u>(6,532)</u>
Balance, ending	<u>3,266</u>	<u>9,798</u>
EXTERNALLY RESTRICTED		
Balance, beginning	2,021,971	2,526,588
Revenue under expenses	<u>307,906</u>	<u>(504,617)</u>
Balance, ending	<u>2,329,877</u>	<u>2,021,971</u>
INTERNALLY RESTRICTED		
Balance, beginning	1,884,458	2,360,769
Revenue under expenses	<u>(400,751)</u>	<u>(476,311)</u>
Balance, ending	<u>1,483,707</u>	<u>1,884,458</u>
CANCER CENTRE FOUNDATION FUND BALANCE, ENDING	<u>\$ 3,816,850</u>	<u>\$ 3,916,227</u>
ENDOWMENT FUND		
EXTERNALLY RESTRICTED		
Balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
INTERNALLY RESTRICTED		
Balance, beginning	29,953	13,273
Revenue over expenses	<u>22,574</u>	<u>16,680</u>
Balance, ending	<u>52,527</u>	<u>29,953</u>
ENDOWMENT FUND BALANCE, ENDING	<u>\$ 1,052,527</u>	<u>\$ 1,029,953</u>

See Accompanying Notes

WINDSOR CANCER CENTRE FOUNDATION

STATEMENT OF FINANCIAL POSITION

APRIL 30, 2021

	Cancer Centre Foundation Fund	Endowment Fund	2021	2020
ASSETS				
CURRENT ASSETS				
Cash	\$ 1,961,784	\$ -	\$ 1,961,784	\$ 466,339
Other receivables	44,850	-	44,850	11,916
Due from (to) funds (note 4)	<u>(39,163)</u>	<u>39,163</u>	<u>-</u>	<u>-</u>
	1,967,471	39,163	2,006,634	478,255
INVESTMENTS (note 9)	2,650,661	1,013,364	3,664,025	4,766,219
CAPITAL ASSETS (note 6)	<u>3,266</u>	<u>-</u>	<u>3,266</u>	<u>9,798</u>
	<u>\$ 4,621,398</u>	<u>\$ 1,052,527</u>	<u>\$ 5,673,925</u>	<u>\$ 5,254,272</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued charges	<u>\$ 774,548</u>	<u>\$ -</u>	<u>\$ 774,548</u>	<u>\$ 308,092</u>
LONG-TERM DEBT (note 3)	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
	<u>804,548</u>	<u>-</u>	<u>804,548</u>	<u>308,092</u>
FUND BALANCES				
Invested in capital property	3,266	-	3,266	9,798
Externally restricted	2,329,877	1,000,000	3,329,877	3,021,971
Internally restricted	<u>1,483,707</u>	<u>52,527</u>	<u>1,536,234</u>	<u>1,914,411</u>
	<u>3,816,850</u>	<u>1,052,527</u>	<u>4,869,377</u>	<u>4,946,180</u>
	<u>\$ 4,621,398</u>	<u>\$ 1,052,527</u>	<u>\$ 5,673,925</u>	<u>\$ 5,254,272</u>
COMMITMENTS (note 8)				
ON BEHALF OF THE BOARD				
_____ Director	_____ Director			

See Accompanying Notes

WINDSOR CANCER CENTRE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2021

	2021	2020
<hr/>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from donations and fundraising	\$ 1,291,231	\$ 1,686,406
Cash paid to suppliers, employees and donees	(1,753,341)	(2,272,351)
Investment income (loss)	<u>825,361</u>	<u>(159,260)</u>
	<u>363,251</u>	<u>(745,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (purchase) of investments	<u>1,102,194</u>	<u>1,113,295</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank loans advanced	<u>40,000</u>	<u>-</u>
INCREASE IN CASH POSITION	1,505,445	368,090
CASH POSITION, BEGINNING	<u>466,339</u>	<u>98,249</u>
CASH POSITION, ENDING	<u>\$ 1,971,784</u>	<u>\$ 466,339</u>

See Accompanying Notes

WINDSOR CANCER CENTRE FOUNDATION**NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2021**

1. NATURE OF ACTIVITIES

The Windsor Essex County Cancer Centre Foundation, incorporated on May 24, 1996, under the laws of Ontario, without share capital, is a registered charitable foundation and is exempt from income tax under paragraph 149(1)(f) of the Income Tax Act. It raises funds for the enhancement of cancer related services and for the care and treatment of cancer patients in Essex County.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

FUND ACCOUNTING

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

Cancer Centre Foundation Fund

The Cancer Centre Foundation fund reports resources that are to be used for current operating activities and the enhancement of the Windsor Regional Cancer Centre and research projects. Certain donations and proceeds of various fundraising activities are contributed for specific purposes. These funds are recorded as restricted funds.

Endowment Fund

The Endowment fund reports resources contributed for endowment. Investment income earned on the resources of the Endowment fund are reported in the fund depending on the nature of any restrictions imposed by contribution of funds for endowment. The Endowment fund is comprised of the following contribution:

In July 2008, the Dr. Murray and Judith O'Neil Endowment fund was established in the amount of \$1,000,000. This amount is to be permanently endowed with income to be directed to capital assets or to research costs, or both, in such amounts as determined, from time to time, at the discretion of the Board of Directors of the Windsor Essex County Cancer Centre Foundation.

WINDSOR CANCER CENTRE FOUNDATION**NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2021**

2. SIGNIFICANT ACCOUNTING POLICIES - continued

PROPERTY AND EQUIPMENT

Purchased property and equipment are recorded at cost. Amortization expense is reflected in the Cancer Centre Foundation fund. Amortization is provided on the straight-line basis over three years for computer software and on the straight-line basis over five years for furniture and fixtures.

REVENUE RECOGNITION

Restricted and endowed contributions are recognized as revenue of the appropriate restricted fund in the year in which the contributions are received. Investment income is recognized as revenue of the appropriate restricted fund as it is earned. Grant revenues are recognized as revenue when the related expenses are incurred.

Unrestricted contributions and investment income are recognized as revenue of the Cancer Centre Foundation fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Pledged amounts are recognized as income when they are received, in the appropriate fund.

CONTRIBUTED GOODS AND SERVICES

The foundation recognizes contributed goods and services if the fair market value can be reasonably estimated and the material and services were used in the normal course of operations and would otherwise have been purchased.

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

WINDSOR CANCER CENTRE FOUNDATION**NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2021**

2. SIGNIFICANT ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS**Measurement of financial instruments**

Financial instruments are financial assets or liabilities of the foundation where, in general, the foundation has the right to receive cash or another financial asset from another party or the foundation has the obligation to pay another party cash or other financial assets.

The foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount, which is the amount agreed upon by the related parties. The foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except investments.

Financial assets measured at amortized cost include cash, due from (to) funds and other receivables.

The foundation's financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued charges and long-term debt.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- The present value of the cash flows expected to be generated by the asset or group of assets;
- The amount that could be realized by selling the asset or asset group; or
- The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized up to the amount of the previously recognized impairment.

Transaction costs

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized and amortized over the expected life of the instrument using the straight line method for financial instruments that are subsequently measured at cost or amortized cost.

WINDSOR CANCER CENTRE FOUNDATION**NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2021****3. LONG-TERM DEBT**

During the year the foundation received the \$40,000 as part of the Canada Emergency Business Account loan to help with operating costs due to the COVID-19 pandemic. The loan is interest free until December 31, 2022 at which point in time, if \$30,000 of the principal balance has been repaid the remainder will be forgiven. If \$30,000 of the principal balance has not repaid as of December 31, 2022, the outstanding principal balance will then be subject to interest at a rate of 5% per annum, payable monthly, and repayment of the principal will be due by December 31, 2025. The \$10,000 forgivable portion has been included in miscellaneous income as it is management's intention to repay the remaining \$30,000 prior to December 31, 2022.

4. INTERFUND BALANCES

Interfund balances are non-interest bearing and have no specific repayment date.

5. DONATIONS AND FUNDRAISING, net**2021****2020**

Net amounts per the statement of revenue and expenses are comprised of the following:

Donations and fundraising revenue	\$ 1,314,166	\$ 1,682,440
Expenses:		
Event costs	<u>12,405</u>	<u>154,839</u>
	<u>\$ 1,301,761</u>	<u>\$ 1,527,601</u>

WINDSOR CANCER CENTRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

6. PROPERTY, PLANT AND EQUIPMENT**2021****2020**

	Cost	Accumulated Amortization	Net	Net
Computer software	\$ 82,814	\$ 82,814	\$ -	\$ -
Furniture and fixtures	<u>32,660</u>	<u>29,394</u>	<u>3,266</u>	<u>9,798</u>
	<u>\$ 115,474</u>	<u>\$ 112,208</u>	<u>\$ 3,266</u>	<u>\$ 9,798</u>

7. GOVERNMENT REMITTANCES PAYABLE**2021****2020**

The accounts payable and accrued charges include the following government remittances owing:

Payroll taxes payable	<u>\$ 1,925</u>	<u>\$ 10,134</u>
-----------------------	-----------------	------------------

8. COMMITMENTS

The foundation committed to make approximately \$799,000 in payments for equipment to the Windsor Regional Cancer Program by April 30, 2022.

WINDSOR CANCER CENTRE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

9. INVESTMENTS	2021	2020
Investments at fair value:		
Cancer Centre Foundation Fund		
Cash and money market funds	\$ 169,231	\$ 1,258,375
Fixed income medium and long term instruments	282,175	285,059
Common shares and equivalent equities	<u>2,199,255</u>	<u>2,192,832</u>
	<u>2,650,661</u>	<u>3,736,266</u>
Endowment Fund		
Cash and money market funds	-	618
Fixed income medium and long term instruments	<u>1,013,364</u>	<u>1,029,335</u>
	<u>1,013,364</u>	<u>1,029,953</u>
	<u>\$ 3,664,025</u>	<u>\$ 4,766,219</u>
Investment income (loss):		
Unrealized gain (loss) on investments	\$ 685,640	\$ (292,822)
Interest	36,078	121,111
Realized gain (loss) on investments	261,483	(55,541)
Foreign exchange gain (loss)	(173,977)	43,013
Dividends	54,516	57,275
Management fees	<u>(38,379)</u>	<u>(32,203)</u>
	<u>\$ 825,361</u>	<u>\$ (159,167)</u>

Cash and fixed income investments consist of guaranteed investment certificates, treasury bills and corporate bonds, all of which have terms to maturity between September 2020 and September 2024, bearing interest rates from 0.55% to 3.21%. Equity investments are TSE traded common and preferred shares. The cost value of investments at April 30, 2021 is \$2,812,056 (2020, \$4,308,288).

WINDSOR CANCER CENTRE FOUNDATION**NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2021**

10. FINANCIAL INSTRUMENTS

The main risks the foundation's financial instruments are exposed to are credit risk, liquidity risk, market risk and foreign currency risk.

Credit risk

The financial instruments that potentially subject the foundation to a significant concentration of credit risk consist primarily of cash. The foundation mitigates its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

Liquidity risk relates to the risk the foundation will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its statement of financial position consist of accounts payable and accrued charges and long-term debt. The foundation manages liquidity risk by monitoring maturities of financial commitments and maintaining adequate cash reserves and available borrowing facilities to meet these commitments as they come due.

Market risk (price risk)

Market risk is the risk that changes in market prices and interest rates will affect the foundation's net earnings or the value of financial instruments. These risks are generally outside the control of the foundation. The objective of the foundation is to mitigate market risk exposures within acceptable limits, while maximizing returns. The foundation's investments in publicly traded securities expose the foundation to market risk as such investments are subject to price changes in the open market. The foundation does not use derivative financial instruments to alter the effects of the risk.

Foreign currency risk

The foundation's earnings are exposed to financial risk that arises from fluctuations in exchange rates and the degree of volatility of these rates. The foundation does not use derivative instruments to reduce its exposure to these financial risks. Approximately \$1,676,260 (2020, \$1,632,404) in net assets are denominated in US dollars.

11. COMPARATIVE FIGURES

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

WINDSOR CANCER CENTRE FOUNDATION**NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2021**

12. COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. This has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to estimate the length and severity of these developments.

In so far as the foundation is concerned, the COVID-19 crisis has had minimal impact on the financial statements presented for the year ended April 30, 2021. As of September 22, 2021, the foundation is operating in accordance with health regulations, social distancing policies and following enhanced health and safety measures to minimize the risk of infection to its employees and customers. Management is confident that its financial position and operations will remain stable and financial obligations will be met. As of April 30, 2021, the foundation has recorded \$114,000 as a reduction in wages and benefits of which \$32,300 has been recorded as receivable relating to the Canada Emergency Wage Subsidy. The foundation has also received \$40,000 from the Canada Emergency Business Account loan of which \$10,000 has been recorded in miscellaneous revenue and \$30,000 as long-term debt.