

**WINDSOR CANCER CENTRE FOUNDATION**

**AUDITORS' REPORT AND FINANCIAL  
STATEMENTS**

**APRIL 30, 2023**



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## **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, 2023 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, 2023 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, 2022.

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.

AUDIT • TAX • ADVISORY

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## **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 20, 2023

*Baker Tilly Limited*

Chartered Professional Accountants  
Licensed Public Accountants

**WINDSOR CANCER CENTRE FOUNDATION**

**FINANCIAL STATEMENTS**

**APRIL 30, 2023**

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**WINDSOR CANCER CENTRE FOUNDATION**  
**STATEMENT OF REVENUE AND EXPENSES**

**YEAR ENDED APRIL 30, 2023**

	Cancer Centre Foundation Fund	Endowment Fund	2023	2022
<b>REVENUE</b>				
Donations and fundraising, net (note 4)	\$ 1,930,633	\$ -	\$ 1,930,633	\$ 1,084,398
Investment income (note 8)	<u>215,167</u>	<u>24,672</u>	<u>239,839</u>	<u>76,539</u>
	<u>2,145,800</u>	<u>24,672</u>	<u>2,170,472</u>	<u>1,160,937</u>
<b>EXPENSES</b>				
Advertising	16,787	-	16,787	11,770
Amortization	10,394	-	10,394	8,463
Computer support and equipment	46,659	-	46,659	55,721
Donor recognition	87	-	87	1,737
Interest and bank charges	20,777	-	20,777	16,660
Office and sundry	30,235	-	30,235	25,487
Professional services	20,098	-	20,098	27,839
Printing	16,087	-	16,087	13,107
Salaries and benefits	<u>489,632</u>	<u>-</u>	<u>489,632</u>	<u>312,970</u>
	<u>650,756</u>	<u>-</u>	<u>650,756</u>	<u>473,754</u>
<b>REVENUE OVER EXPENSES BEFORE DONATIONS AND PROJECTS</b>	<u>1,495,044</u>	<u>24,672</u>	<u>1,519,716</u>	<u>687,183</u>
<b>DONATIONS AND PROJECTS</b>				
Seeds4Hope programs	200,000	-	200,000	100,000
Patient assistance	50,911	-	50,911	83,985
Cancer Centre programs	39,743	-	39,743	39,366
Sherron Hogan scholarships	49,000	-	49,000	25,000
Windsor Regional Hospital donations	<u>693,428</u>	<u>-</u>	<u>693,428</u>	<u>965,421</u>
	<u>1,033,082</u>	<u>-</u>	<u>1,033,082</u>	<u>1,213,772</u>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<u>\$ 461,962</u>	<u>\$ 24,672</u>	<u>\$ 486,634</u>	<u>\$ (526,589)</u>

See Accompanying Notes

## WINDSOR CANCER CENTRE FOUNDATION

## STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED APRIL 30, 2023

	2023	2022
<b>CANCER CENTRE FOUNDATION FUND</b>		
<b>INVESTED IN CAPITAL PROPERTY</b>		
Balance, beginning	\$ 46,773	\$ 3,266
Capital asset additions	-	51,970
Revenue under expenses	<u>(10,394)</u>	<u>(8,463)</u>
Balance, ending	<u>36,379</u>	<u>46,773</u>
<b>EXTERNALLY RESTRICTED</b>		
Balance, beginning	2,491,753	2,329,877
Revenue over (under) expenses	(77,268)	161,876
Interfund transfers (note 9)	<u>9,254</u>	<u>-</u>
Balance, ending	<u>2,423,739</u>	<u>2,491,753</u>
<b>INTERNALLY RESTRICTED</b>		
Balance, beginning	723,115	1,483,707
Revenue over (under) expenses	549,624	(760,592)
Interfund transfers (note 9)	<u>(9,254)</u>	<u>-</u>
Balance, ending	<u>1,263,485</u>	<u>723,115</u>
<b>CANCER CENTRE FOUNDATION FUND BALANCE, ENDING</b>	<b><u>\$ 3,723,603</u></b>	<b><u>\$ 3,261,641</u></b>
<b>ENDOWMENT FUND</b>		
<b>EXTERNALLY RESTRICTED</b>		
Balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
<b>INTERNALLY RESTRICTED</b>		
Balance, beginning	81,147	52,527
Revenue over expenses	<u>24,672</u>	<u>28,620</u>
Balance, ending	<u>105,819</u>	<u>81,147</u>
<b>ENDOWMENT FUND BALANCE, ENDING</b>	<b><u>\$ 1,105,819</u></b>	<b><u>\$ 1,081,147</u></b>

See Accompanying Notes

## WINDSOR CANCER CENTRE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

APRIL 30, 2023

	Cancer Centre Foundation Fund	Endowment Fund	2023	2022
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 1,001,408	\$ -	\$ 1,001,408	\$ 715,778
Other receivables	10,049	-	10,049	9,343
Prepaid expenses	1,900	-	1,900	-
Due from (to) funds (note 3)	<u>(91,415)</u>	<u>91,415</u>	<u>-</u>	<u>-</u>
	921,942	91,415	1,013,357	725,121
<b>INVESTMENTS (note 8)</b>	<b>3,395,123</b>	<b>1,014,404</b>	<b>4,409,527</b>	<b>3,661,863</b>
<b>CAPITAL ASSETS (note 5)</b>	<b><u>36,379</u></b>	<b><u>-</u></b>	<b><u>36,379</u></b>	<b><u>46,773</u></b>
	<b><u>\$ 4,353,444</u></b>	<b><u>\$ 1,105,819</u></b>	<b><u>\$ 5,459,263</u></b>	<b><u>\$ 4,433,757</u></b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued charges (note 6)	\$ 574,841	\$ -	\$ 574,841	\$ 43,969
Deferred revenue	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>47,000</u>
	<u>629,841</u>	<u>-</u>	<u>629,841</u>	<u>90,969</u>
<b>FUND BALANCES</b>				
Invested in capital property	36,379	-	36,379	46,773
Externally restricted	2,423,739	1,000,000	3,423,739	3,491,753
Internally restricted	<u>1,263,485</u>	<u>105,819</u>	<u>1,369,304</u>	<u>804,262</u>
	<u>3,723,603</u>	<u>1,105,819</u>	<u>4,829,422</u>	<u>4,342,788</u>
	<b><u>\$ 4,353,444</u></b>	<b><u>\$ 1,105,819</u></b>	<b><u>\$ 5,459,263</u></b>	<b><u>\$ 4,433,757</u></b>
<b>COMMITMENTS (note 7)</b>				

ON BEHALF OF THE BOARD


  
Director


  
Director

See Accompanying Notes



## WINDSOR CANCER CENTRE FOUNDATION

## STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2023

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from donations and fundraising	\$ 2,003,541	\$ 1,172,516
Cash paid to suppliers, employees and donees	(1,210,084)	(2,415,254)
Investment income	<u>239,839</u>	<u>76,539</u>
	<u>1,033,296</u>	<u>(1,166,199)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(747,666)	-
Sale of investments	-	2,163
Purchase of property, plant and equipment	<u>-</u>	<u>(51,970)</u>
	<u>(747,666)</u>	<u>(49,807)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank loans repaid	<u>-</u>	<u>(30,000)</u>
<b>INCREASE (DECREASE) IN CASH POSITION</b>	285,630	(1,246,006)
<b>CASH POSITION, BEGINNING</b>	<u>715,778</u>	<u>1,961,784</u>
<b>CASH POSITION, ENDING</b>	<u>\$ 1,001,408</u>	<u>\$ 715,778</u>

See Accompanying Notes

**WINDSOR CANCER CENTRE FOUNDATION****NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2023**

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**1. NATURE OF ACTIVITIES**

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The Windsor 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.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

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**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 Cancer Centre Foundation.

**WINDSOR CANCER CENTRE FOUNDATION****NOTES TO FINANCIAL STATEMENTS**APRIL 30, 2023

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**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

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**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, 2023**

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**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

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**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 originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the foundation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the foundation in the transaction.

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.

**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.

## WINDSOR CANCER CENTRE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES - continued

**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.

## 3. INTERFUND BALANCES

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

## 4. DONATIONS AND FUNDRAISING, net

2023

2022

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

Donations and fundraising revenue	\$ 1,996,247	\$ 1,996,247
Expenses:		
Event costs	64,614	5,611
Gifts-in-kind	<u>1,000</u>	<u>-</u>
	<u>\$ 1,930,633</u>	<u>\$ 1,990,636</u>

## 5. PROPERTY, PLANT AND EQUIPMENT

2023

2022

	Cost	Accumulated Amortization	Net	Net
Computer software	\$ 134,784	\$ 98,405	\$ 36,379	\$ 46,773
Furniture and fixtures	<u>32,660</u>	<u>32,660</u>	<u>-</u>	<u>-</u>
	<u>\$ 167,444</u>	<u>\$ 131,065</u>	<u>\$ 36,379</u>	<u>\$ 46,773</u>

## WINDSOR CANCER CENTRE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2023

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6. GOVERNMENT REMITTANCES PAYABLE	2023	2022
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The accounts payable and accrued charges include the following government remittances owing:

Payroll taxes payable	\$ <u>9,895</u>	\$ <u>2,335</u>
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7. COMMITMENTS
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The foundation committed to make approximately \$890,000 in payments for equipment to the Windsor Regional Cancer Program by April 30, 2024.

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8. INVESTMENTS	2023	2022
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Investments at fair value:

Cancer Centre Foundation Fund		
Cash and money market funds	\$ 627,265	\$ 251,809
Common shares and equivalent equities	<u>2,767,858</u>	<u>2,395,649</u>
	<u>3,395,123</u>	<u>2,647,458</u>

Endowment Fund		
Fixed income medium and long term instruments	<u>1,014,405</u>	<u>1,014,405</u>
	<u>\$ 4,409,528</u>	<u>\$ 3,661,863</u>

Investment income (loss):

Unrealized gain (loss) on investments	\$ 19,346	\$ (174,643)
Interest	51,400	28,593
Realized gain on investments	60,035	146,094
Foreign exchange gain	92,813	68,322
Dividends	53,782	44,282
Management fees	<u>(37,537)</u>	<u>(36,109)</u>
	<u>\$ 239,839</u>	<u>\$ 76,539</u>

**WINDSOR CANCER CENTRE FOUNDATION****NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2023**

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**8. INVESTMENTS - continued**

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Cash and fixed income investments consist of guaranteed investment certificates, treasury bills and corporate bonds, all of which have terms to maturity between May 2023 and October 2027, bearing interest rates from 1.61% to 4.68%. Equity investments are TSE traded common and preferred shares. The cost value of investments at April 30, 2023 is \$3,974,939 (2022, \$3,246,987).

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**9. INTERFUND TRANSFERS**

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During the year, a total of \$9,254 was transferred from the Cancer Centre Foundation Fund Internally Restricted Fund to the Externally Restricted Fund as approved by management.

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**10. FINANCIAL INSTRUMENTS**

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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. 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.

**WINDSOR CANCER CENTRE FOUNDATION****NOTES TO FINANCIAL STATEMENTS****APRIL 30, 2023**

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**10. FINANCIAL INSTRUMENTS - continued**

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**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 \$2,044,823 (2022, \$1,690,876) in net assets are denominated in US dollars.

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**11. COMPARATIVE FIGURES**

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