

Financial Statements of the

**OTTAWA REGIONAL  
CANCER FOUNDATION**

Year ended March 31, 2021

DRAFT

# OTTAWA REGIONAL CANCER FOUNDATION

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Year ended March 31, 2021

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## INDEPENDENT AUDITORS' REPORT

To the Members of the Ottawa Regional Cancer Foundation

### ***Opinion***

We have audited the financial statements of the Ottawa Regional Cancer Foundation (the "Foundation"), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Foundation as at March 31, 2021, and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Emphasis of Matter – Comparative Information***

We draw attention to Note 15 to the financial statements ("Note 15"), which explains that certain comparative information presented for the year ended March 31, 2021 has been restated.

Note 15 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

### ***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' 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 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

(Date)

# OTTAWA REGIONAL CANCER FOUNDATION

## Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
	(Restated, note 15)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 555,222	\$ –
Accounts receivable	155,869	122,278
Other receivable	50	64,785
Prepaid expenses	34,353	64,121
	745,494	251,184
Investments (note 2)	2,434,165	2,541,133
Capital assets (note 3)	4,709,756	4,912,297
	<b>\$ 7,889,415</b>	<b>\$ 7,704,614</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Bank indebtedness	\$ –	\$ 55,713
Accounts payable and accrued liabilities (note 6)	418,004	978,946
Current portion of long-term debt (note 9)	3,343	3,328
Current portion of obligation under capital lease (note 10)	14,166	14,088
	435,513	1,052,075
Long-term debt (note 9)	2,616	5,959
Obligation under capital lease (note 10)	11,160	25,327
Deferred contributions (note 4)	2,342,584	3,027,142
Deferred capital contributions (note 5)	2,944,017	3,063,105
	5,735,890	7,173,608
Net assets:		
Unrestricted deficiency - general	1,218,632	(403,887)
Endowment funds (note 7)	934,893	934,893
	2,153,525	531,006
Commitments (note 11)		
Impact of COVID-19 (note 14)		
	<b>\$ 7,889,415</b>	<b>\$ 7,704,614</b>

See accompanying notes to financial statements.

On behalf of the Board:

# OTTAWA REGIONAL CANCER FOUNDATION

## Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Donations	\$ 4,912,079	\$ 3,942,608
Grants – CEWS (note 14)	584,027	47,482
Net investment income	328,612	–
Amortization of deferred capital contributions (note 5)	119,088	137,839
Programs	3,680	26,786
	5,947,486	4,154,715
Expenses (note 12):		
Salaries and benefits	1,540,948	1,564,400
Administration and general support	253,673	262,049
Special events	237,649	298,289
Fundraising	235,088	184,799
Marketing and communications	19,517	19,475
Net investment loss	1e–	82,795
	2,286,875	2,411,807
Excess of revenue over expenses from operations	3,660,611	1,742,908
Charitable expenses (note 12):		
Grants	1,103,541	269,354
Survivorship Centre programs	934,551	1,705,696
	2,038,092	1,975,050
Excess (deficiency) of revenue over expenses	\$ 1,622,519	\$ (232,142)

See accompanying notes to financial statements.

# OTTAWA REGIONAL CANCER FOUNDATION

## Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	Unrestricted - general	Endowment Fund	2021 Total	2020 Total
			(Restated, note 15)	
Balance, beginning of year	\$ (403,887)	\$ 677,261	\$ 273,374	\$ 480,516
Restatement of endowments (note 15)	–	257,632	257,632	257,632
Balance (deficiency), beginning of year as restated 738,148	(403,887)	934,893	531,006	
Excess (deficiency) of revenue over expenses	1,622,519	–	1,622,519	(232,142)
Endowment contributions	–	–	–	25,000
Balance, end of year	\$ 1,218,632	\$ 934,893	\$ 2,153,525	\$ 531,006

See accompanying notes to financial statements.



# OTTAWA REGIONAL CANCER FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 1,622,519	\$ (232,142)
Items not involving cash:		
Amortization of capital assets	202,541	235,638
Unrealized loss (gain) on investments	(238,504)	68,263
Amortization of deferred capital contributions	(119,088)	(137,839)
Net change in non-cash working capital:		
Accounts receivable	(33,591)	(19,535)
Prepaid expenses	29,768	(28,613)
Other receivables	64,735	120,215
Accounts payable and accrued liabilities	(560,942)	232,246
Deferred contributions	(684,558)	267,965
	282,880	506,198
Investing activities:		
Net decrease of investments	345,472	27,190
Capital assets acquisitions	—	(20,627)
	345,472	6,563
Financing activities:		
Repayment of long-term debt	(3,328)	(2,882)
Repayment of obligation under capital lease	(14,089)	(12,016)
Endowment contributions	—	25,000
	(17,417)	10,102
Increase in cash and cash equivalents	610,935	522,863
Cash and cash equivalents, beginning of year	(55,713)	(578,576)
Cash and cash equivalents, end of year	\$ 555,222	\$ (55,713)

See accompanying notes to financial statements.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements

Year ended March 31, 2021

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The Ottawa Regional Cancer Foundation ("the Foundation") is incorporated without share capital under Part II of the Canada Corporations Act and subsequently continued under the Canada Not-for-profit Corporations Act, as a not-for-profit organization dedicated to help people living with cancer by providing survivorship care and funding research that gives them access to better treatment options. The Foundation's purpose is to unite those who want to be active in the fight for cancer survivorship, drawing on their expertise and resources to fund the gaps between what can be done and what is being done to increase cancer survivorship in Eastern Ontario. The Foundation supports cancer care and research to prevent, detect, diagnose and cure cancer.

The Foundation is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue charitable donation receipts.

## 1. Significant accounting policies:

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

### (a) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits with a Canadian chartered bank, which are highly liquid. Bank indebtedness represents cheques issued in excess of cash on hand.

### (b) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions for not-for-profit organizations. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are reported as direct increases in net assets.

#### (i) Donations:

Special events: Special events revenue is recognized upon completion of the event, when proceeds are received or when the amount is reasonably estimable and collection reasonably assured.

Pledges: Because of the uncertainty surrounding the collectability of pledges, the Foundation does not recognize pledges as revenue until the amounts pledged are collected.

Bequests: When the Foundation is a Named Beneficiary of an estate, the proceeds from such estate are recognized as revenue once the final aggregate value is known by the estate administrators, and when they are in a position to pay the bequests to the Foundation. Revenue is not recognized so long as the amount and timing of the receipt of the bequest remains unknown, and until all conditions have been lifted.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

#### (ii) Grants:

Grants revenue represents funds received from federal, provincial, and/or municipal governments for specific initiatives administered by the Foundation. Grants are recognized as revenue when costs are incurred towards the initiative. Grants that have not been fully spent at year end are reported as deferred contributions.

#### (iii) Programs:

The Foundation collects fees from various services and programs offered to its clients. Program revenues are recognized when the goods or services have been rendered.

#### (iv) Investment income:

Investment income includes dividend and interest earned on investments held, net of applicable charges.

Unrestricted investment income is recorded directly in the statement of operations when earned. Restricted investment income is deferred and recognized as revenue in the year in which the related expenses are incurred.

#### (v) Gains and losses on disposal of investments:

Realized and unrealized gains and losses on financial assets are recognized as revenue in the statement of operations or deferred depending on the nature of any external restrictions imposed on the investment income.

#### (vi) Deferred capital contributions:

Deferred capital contributions represent the unamortized balance of donations received for the acquisition of capital assets. The amortization of such donations is recorded as revenue in the statement of operations when the related capital assets are amortized.

#### (vii) Contributed services and in-kind materials and services:

Volunteers contribute countless hours per year to assist the Foundation in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Furthermore, the Foundation benefits from various donations of materials and services, the fair value of which is not recognized in the financial statements.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (c) Endowment funds:

The endowment funds consist of the following:

- (i) The Joan Moffett Endowment Fund was created to further develop expertise, develop new programming and enhance patient and family counselling services within the area of Social Work at The Ottawa Hospital Regional Cancer Centre and cancer coaching services at the Ottawa Regional Cancer Foundation. Investment income earned on the resources of this Endowment fund are restricted for the purposes mentioned above.
- (ii) The Leonard and Vega (Forsgard) Pendergast Memorial Endowment Fund was created to support the general purposes and programs of The Ottawa Hospital Regional Cancer Centre. Investment income earned on the resources of this Endowment fund are restricted for the purposes mentioned above.
- (iii) The René E. and Alice De Champlain Endowment Fund was created to alleviate the pain and suffering of cancer patients. Investment income earned on the resources of this Endowment fund are to be used to fund the activities that the Maplesoft Center can offer to ease cancer survivors' concerns and their wellbeing.
- (iv) The Vail Visiting Professorship Fund was created to generate income required to finance an annual lecture with internationally acclaimed cancer experts as speakers.
- (v) The Arabella Joan Hamilton Endowment Fund was created to support breast cancer research. Investment income earned on the resources of this Endowment fund are restricted for the purposes mentioned above.
- (vi) The Susan and Jack Prior Family Endowment Fund was created to provide financial assistance to worthwhile projects in and around Ottawa to assist in the fight against cancer.

### (d) Financial instruments measurement:

#### (i) Measurement of financial instruments:

The Foundation initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost except investments in equity instruments that are quoted in an active market which are measured at fair value. Changes in fair value are recognized on the statement of operations.

Financial assets measured at amortized cost include accounts receivables, other receivable and investments in government bonds, mutual funds, and GICs.

Financial assets measured at fair value include investments in public company shares.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

(i) Measurement of financial instruments (continued):

Financial liabilities measured at amortized cost include bank indebtedness, line of credit, accounts payable and accrued liabilities, long term debt and obligation under capital lease.

The Foundation does not enter into any derivative financial instrument arrangements for hedging or speculative purposes.

(ii) Impairment:

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations. The accounts receivable balance is net of an allowance of \$Nil (2020 - \$Nil).

(iii) Transaction costs:

Transaction costs are comprised primarily of legal, accounting, underwriters' fees and other costs directly attributable to the acquisition, issuance or disposal of a financial asset or financial liabilities. Transaction costs related to other liabilities are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

(e) Capital assets:

Capital assets are recorded at cost. Donated capital assets are recorded at the value of the receipt issued to the donor, which reflects estimated fair value of the capital asset at the time of the donation.

Amortization is provided on a straight-line basis over the estimated useful lives as follows:

Asset	Useful life
Building - Maplesoft Centre	40 years
Cancer Survivors Park	40 years
Computers and software	4 years
Computer and software under capital lease	5 years
Database	10 years
Furniture and equipment	4 to 10 years

Amortization is recorded at half of the above rates in the year of acquisition of a capital asset.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (f) Use of estimates:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from these estimates. The significant estimates in the financial statements include the estimated useful lives of capital assets, collectability of receivables, deferred contributions, and the amount of certain accrued liabilities in the year they become known.

### (g) Charitable expenses:

Charitable expenditures to various regional cancer research and services initiatives are reflected as expenditures and accrued based on payments and intended payments to recipients in the following year, from funds earned in the current year, and as approved by the Board of Directors.

### (h) Defined benefit plan:

The Foundation participates in the Healthcare of Ontario Pension Plan ("HOOPP"), a multi-employer, defined benefit pension plan. The cost of providing the benefits under the pension plan is charged to salaries and benefits expense in the period the contributions become payable. Defined contribution accounting plan accounting is applied to HOOPP as the Foundation has insufficient information to apply defined benefit accounting (note 8).

### (i) Foreign currency transactions:

The Foundation uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the rate of exchange in effect at year end. Other assets and liabilities are translated at their historic rates. Items appearing in the statement of operations are translated at average year rates. Exchange gains and losses are included in the statement of operations.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 2. Investments:

Fair value details of investments are as follows:

	2021	2020
Government bonds bearing interest at rates varying from 1.0% to 3.5% maturing at dates from February 17, 2022 to June 2, 2025	\$ 551,068	\$ 329,766
Public company shares	1,528,082	1,272,059
Mutual funds	355,015	939,308
	<b>\$ 2,434,165</b>	<b>\$ 2,541,133</b>

Cost details of investments are as follows:

	2021	2020
Government bonds bearing interest at rates varying from 1.0% to 3.5% maturing at dates from February 17, 2022 to June 2, 2025	\$ 543,351	\$ 325,331
Public company shares	1,317,337	1,374,139
Mutual funds	334,973	909,926
	<b>\$ 2,195,661</b>	<b>\$ 2,609,396</b>

## 3. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land - Maplesoft Centre	\$ 671,044	\$ —	\$ 671,044	\$ 671,044
Building - Maplesoft Centre	3,480,479	826,612	2,653,867	2,740,877
Cancer Survivors Park	1,950,063	609,395	1,340,668	1,389,420
Computers and software	354,503	338,413	16,090	27,714
Computers and software under capital lease	66,349	46,444	19,905	33,174
Database	139,182	139,182	—	34,795
Furniture and equipment	200,438	192,256	8,182	15,273
	<b>\$ 6,862,058</b>	<b>\$ 2,152,302</b>	<b>\$ 4,709,756</b>	<b>\$ 4,912,297</b>

Cost and accumulated amortization as at March 31, 2020 amounted to \$6,862,058 and \$1,949,761, respectively.

In addition, the Foundation has a lease with the City of Ottawa on the Cancer Survivors Park property at \$1 per year for 20 years expiring January 31, 2028, thereafter renewable four times at the Foundation's option.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 4. Deferred contributions:

The Foundation receives contributions specifically for expenditures related to certain program services. Funds that are not disbursed, pertaining to such program services, are as follows:

	2021	2020
Balance, beginning of year	\$ 3,027,142	\$ 2,759,177
Contributions received	4,227,521	927,004
Recognized as revenue	(4,912,079)	(659,039)
Balance, end of year	\$ 2,342,584	\$ 3,027,142

## 5. Deferred capital contributions:

Deferred capital contributions reported include restricted contributions received with which the Foundation has built the Cancer Survivors Park, the Maplesoft Centre, and the Database introduced in 2019.

The changes in the deferred capital contributions balance for the year are as follows:

	2021	2020
Balance, beginning of year	\$ 3,063,105	\$ 3,200,944
Recognized as revenue	(119,088)	(137,839)
Balance, end of year	\$ 2,944,017	\$ 3,063,105

## 6. Accounts payable and accrued liabilities:

The Foundation does not have government remittances owing at year end (2020 - \$Nil).

## 7. Endowment funds:

	2021	2020
The Joan Moffett Endowment Fund	\$ 307,148	\$ 307,148
The Vail Visiting Professorship Fund	214,813	214,813
The Susan and Jack Prior Family Endowment Fund	257,632	257,632
The René E. and Alice De Champlain Endowment Fund	100,000	100,000
The Leonard and Vega (Forsgard) Pendergast Memorial Endowment Fund	30,300	30,300
The Arabella Joan Hamilton Fund	25,000	25,000
	\$ 934,893	\$ 934,893



# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 8. Pension agreement:

The Foundation makes contributions to the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to HOOPP was \$156,515 (2020 - \$155,476) for current service.

## 9. Long-term debt:

	2021	2020
IBM loan, repayable in blended monthly instalments of \$297, at an annual rate of 4.95% due December 2023	\$ 5,959	\$ 9,287
Less: current portion of long-term debt	(3,343)	(3,328)
	\$ 2,616	\$ 5,959

Annual principal and interest repayments to maturity are as follows:

2022	\$ 3,343
2023	2,616

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 10. Obligation under capital lease:

The capital lease obligation is as follows:

	2021	2020
Obligation on computer equipment, bearing interest at 5.50%, monthly payments of \$1,267, expiring December 2023	\$ 26,627	\$ 42,512
Less: amounts representing interest	(1,301)	(3,097)
	25,326	39,415
Less: current portion of obligation under capital lease	(14,166)	(14,088)
	\$ 11,160	\$ 25,327

Future minimum lease payments under the capital lease obligation to expiry are as follows:

2022	\$ 15,205
2023	11,422

## 11. Commitments:

The Foundation has committed to minimum payments under operating leases for office equipment as follows:

2022	\$ 18,313
2023	11,449
2024	7,217

## 12. Allocation of expenses:

Salaries and benefits have been allocated to the Cancer Survivorship Program and Maplesoft Centre, all of which are reported as charitable expenses on the basis of the estimated time spent on the programs, as defined by the Foundation and by position profiles. The amount allocated during the year amounts to \$552,949 (2020 - \$1,286,307).

Amortization and facilities costs included in administration and general support expenses have been allocated to the Cancer Survivorship Program and Maplesoft Centre, all of which are reported as charitable expenses on the basis of the estimated square footage of program space, as defined by the Foundation. The amount allocated during the year amounts to \$94,350 (2020 - \$132,261).

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 12. Allocation of expenses (continued):

Administration and general support expenditures (other than facilities costs) and investment management fees have been allocated to the Cancer Survivorship Program and Maplesoft Centre, all of which are reported as charitable expenses on the basis of activity levels and resources expended towards these activities, determined by the Foundation to be 50% (2020 - 50%). The amount allocated during the year amounts to \$287,253 (2020 - \$287,128).

## 13. Financial instruments:

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure at the statement of financial position date:

### (a) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its line of credit, accounts payable and accrued liabilities, long-term debt and obligation under capital lease. The Foundation manages its liquidity risk by monitoring its requirements through use of budgets and cash forecasts.

### (b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk:

#### (i) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, some assets are exposed to foreign exchange fluctuations.

#### (ii) 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 is exposed to interest rate risk on its credit facilities. The risk arises from changes in interest rates and the degree of volatility of these rates.

Investment practices are designed to avoid undue risk of loss or impairment to assets and provide a reasonable expectation of fair return given the nature of the investment. The Foundation is not exposed to significant interest rate risks on its investments.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 13. Financial instruments (continued):

### (b) Market risk (continued):

#### (iii) Other price risk:

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. Price risk is managed by the investment manager by diversifying the portfolio and monitoring the concentration of risk for equity and debt securities.

### (c) Credit facilities:

The Foundation has access to an operating credit line facility of \$2,250,000 which bears interest at a chartered bank prime rate per annum. The credit line is secured by the real property located at 1500 Alta Vista Dr. owned by the Foundation. The credit used as at March 31, 2021 amounts to \$Nil (2020 - \$151,077).

The Foundation has access to unsecured credit of \$36,000 on credit cards, bearing interest at 19.99% per annum. The credit used as at March 31, 2021 amounts to \$6,792 (2020 - \$2,898) and is included in accounts payable and accrued liabilities.

## 14. Impact of COVID-19:

In March of 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. The situation is fluid and the ultimate duration and magnitude of the impact on the economy and on all aspects of operations are unknown.

Management has been forthright in undertaking certain strategies and actions to respond to the COVID-19 outbreak. The health and safety of all staff has been reinforced as a priority for the Foundation, and management has invoked a work-from-home regime, suspended travel, shifted face-to-face meetings to digital methods, and sought access to available government support programs, including obtaining \$584,027 of Canadian Emergency Wage Subsidy funding recorded in the Grant – CEWS revenue on the Statement of Operations.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed at year-end. Management has assessed the impacts and there are no additional adjustments required to the financial statements at this time.

# OTTAWA REGIONAL CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 15. Restatement of endowments:

Management became aware that an endowment balance was incorrectly recorded in deferred contributions. The impact of the correction has been recorded retrospectively and the cumulative effect up to April 1, 2019 has been recorded as a \$257,632 increase to net assets and decrease to deferred contributions. As a result of the correction, there is no impact to excess of revenue over expenses for prior years.

	2021	2020
Endowment funds, beginning of year, as previously reported	\$ 677,261	\$ 652,261
Endowment contributions in year	—	25,000
To correct an error in relation to endowment contribution being held in deferred contributions	257,632	257,632
Endowment funds, beginning of year, as restated	\$ 934,893	\$ 934,893

## 16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.