

**The Cedars Cancer Foundation at the McGill University  
Health Center / La Fondation du Cancer des Cèdres au  
Centre Universitaire de Santé McGill**

**Financial statements**

**March 31, 2022**

# Independent auditors' report

To the Board Members of  
**The Cedars Cancer Foundation at the McGill University Health Center /  
La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill**

## Opinion

We have audited the financial statements of **The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill** [the "Organization"], which comprise the statement of financial position as at March 31, 2022, and the statements of operations, statement of changes in funds' balances and statement of 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 Organization as at March 31, 2022, and its results of 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 Organization derives revenue from charity events organized by the Cedars and third parties, from charity events and donations benefiting Sarah's Fund in Pediatric Oncology as well as from donations [the "Revenues"], the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these Revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to Revenues, excess (deficiency) of revenues over expenses and distributions, and cash flows used in operating activities for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and funds' balances as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 Organization 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 audit opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Organization'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 Organization'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 Organization 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.

*Ernst & Young LLP*<sup>1</sup>

Montreal, Canada  
August 29, 2022

<sup>1</sup> CPA auditor, public accountancy permit no. A121006

The Cedars Cancer Foundation at the McGill University Health Center /  
La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill

Statement of financial position

	March 31, 2022						March 31, 2021
	General fund	Sarah's Pediatric endowed fund	Other endowed fund	BCFL and other capital campaign restricted fund	Rossy - Cedars' Chair in Precision Oncology	Other restricted funds	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	2,329,582	—	—	—	—	—	2,329,582
Investments in a Master Trust <i>[note 3]</i>	336,660	2,636,908	1,513,827	6,811,093	—	1,269,812	12,568,300
Interfunds receivable <i>[notes 2 [c] and [3]]</i>	913,739	—	—	—	1,000,000	1,530,188	3,443,927
Accounts receivable and other <i>[note 4]</i>	72,568	—	—	—	—	—	72,568
Prepaid and deposits to suppliers	185,684	—	—	—	—	—	185,684
	3,838,233	2,636,908	1,513,827	6,811,093	1,000,000	2,800,000	18,600,061
<b>Non-current assets</b>							
Intangible assets and other	150,502	—	—	—	—	—	150,502
	3,988,735	2,636,908	1,513,827	6,811,093	1,000,000	2,800,000	18,750,563
<b>Liabilities</b>							
<b>Current liabilities</b>							
Accounts payable and accrued liabilities	747,130	—	—	—	—	—	747,130
Repayable portion of Canada Emergency Business Account <i>[note 7]</i>	40,000	—	—	—	—	—	40,000
Interfunds payable <i>[notes 2 [c] and [3]]</i>	—	228,965	54,962	3,160,000	—	—	3,443,927
	787,130	228,965	54,962	3,160,000	—	—	4,231,057
<b>Funds' balances</b>							
Restricted funds <i>[note 5]</i>	—	2,407,943	1,458,865	3,651,093	1,000,000	2,800,000	11,317,901
Internally restricted funds <i>[note 5]</i>	2,972,141	—	—	—	—	—	2,972,141
Unrestricted funds (deficiency)	229,464	—	—	—	—	—	229,464
<b>Funds' balances (assets less liabilities)</b>	3,201,605	2,407,943	1,458,865	3,651,093	1,000,000	2,800,000	14,519,506
<b>Total liabilities and net funds' balances</b>	3,988,735	2,636,908	1,513,827	6,811,093	1,000,000	2,800,000	18,750,563

Commitments *[notes 5 and 6]*

See accompanying notes

**The Cedars Cancer Foundation at the McGill University Health Center /  
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**Statement of changes in funds' balances**

	General fund \$	Sarah's Pediatric endowed fund \$	Other endowed fund \$	BCFL and other capital campaign restricted fund \$	Rossey - Cedars' Chair in Precision Oncology \$	Other restricted funds \$	Total \$
<b>March 31, 2022</b>							
Fund balances, beginning of the year	1,876,224	2,481,876	1,529,074	7,009,177	—	1,505,415	14,401,766
Reallocation of transfer between funds	197,721	—	(29,984)	(2,500,000)	1,000,000	1,332,263	—
Excess (deficiency) of revenues over expenses and distributions during 2022	1,127,660	(73,933)	(40,225)	(858,084)	—	(37,678)	117,740
<b>Fund balances, end of year</b>	<b>3,201,605</b>	<b>2,407,943</b>	<b>1,458,865</b>	<b>3,651,093</b>	<b>1,000,000</b>	<b>2,800,000</b>	<b>14,519,506</b>
<b>March 31, 2021</b>							
Fund balances, beginning of the year	1,610,415	2,129,165	1,044,913	5,836,059	—	1,025,307	11,645,859
Reallocation of transfer between funds	(224,876)	(228,964)	203,840	250,000	—	—	—
Excess of revenues over expenses and distributions during 2021	490,685	581,675	280,321	923,118	—	480,108	2,755,907
<b>Fund balances, end of year</b>	<b>1,876,224</b>	<b>2,481,876</b>	<b>1,529,074</b>	<b>7,009,177</b>	<b>—</b>	<b>1,505,415</b>	<b>14,401,766</b>

*See accompanying notes*

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**Statement of operations**

	March 31, 2022						March 31, 2021
	General fund \$	Sarah's Pediatric endowed fund \$	Other endowed fund \$	BCFL and other capital campaign restricted fund \$	Rossy - Cedars' Chair in Precision Oncology \$	Other restricted funds \$	Total \$
<b>Revenues from operations</b>							
Charity events organized by the Cedars and third parties	2,359,780	—	—	—	—	—	1,728,967
Revenue generated from charity events and donations benefiting Sarah's Fund	227,428	—	—	—	—	—	198,980
Special restricted donation related to BCFL campaign	—	—	—	340,000	—	—	340,000
Contributions designated for the Adolescent and Young Adults (AYA) Donations	512,092	—	—	—	—	—	159,376
Contributions designated for research, care and education	1,780,628	—	—	—	—	—	1,583,281
	1,773,017	—	—	—	—	—	938,397
	6,652,945	—	—	340,000	—	—	4,949,001
<b>Operating expenses</b>							
General, administrative and fundraising <i>[note 7]</i>	1,059,749	—	—	—	—	—	830,159
Charity events organized by the Cedars	942,138	—	—	—	—	—	613,788
Other expenses	64,373	—	—	—	—	—	23,088
Charity events in connection with Sarah's Fund	96,543	—	—	—	—	—	34,693
	2,162,803	—	—	—	—	—	1,501,728
<b>Operating income before investment income (loss) and distributions</b>	4,490,142	—	—	340,000	—	—	3,447,273
<b>Investment income (loss)</b>							
Changes in unrealized gains (losses) on investments in a Master Trust	(61,885)	(242,485)	(128,513)	(629,510)	—	(119,024)	2,433,788
Net investment income realized from investments in a Master Trust	58,935	168,552	88,288	431,426	—	81,346	546,172
	(2,950)	(73,933)	(40,225)	(198,084)	—	(37,678)	2,979,960
<b>Excess of revenues over expenses available for distributions, grants, program costs and other undernoted items</b>	4,487,192	(73,933)	(40,225)	141,916	—	(37,678)	6,427,233
Distributions related to commitments <i>[note 5]</i>	1,470,082	—	—	1,000,000	—	—	2,049,288
Distributions	1,130,745	—	—	—	—	—	956,000
Distributions (paid / payable) in connection with Sarah's Fund	308,964	—	—	—	—	—	332,094
Disbursements (paid / payable) under the Cedars CanSupport Program	449,741	—	—	—	—	—	333,944
	3,359,532	—	—	1,000,000	—	—	3,671,326
<b>Excess (Deficiency) of revenues over expenses and distributions for the year</b>	1,127,660	(73,933)	(40,225)	(858,084)	—	(37,678)	2,755,907

See accompanying notes

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**Statement of cash flows**

Year ended March 31

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	<b>117,740</b>	2,755,907
Amortization	<b>62,570</b>	63,375
Net change in non-cash working capital balances related to operations	<b>137,993</b>	(278,382)
<b>Cash flows used in operating activities</b>	<b>318,303</b>	2,540,900
<b>Investing activities</b>		
Net (increase) decrease in investments in a Master Trust	<b>347,590</b>	(1,979,959)
<b>Cash flows provided by investing activities</b>	<b>347,590</b>	(1,979,959)
<b>Financing activities</b>		
Increase in Canada Emergency Business Account loan	—	40,000
<b>Cash flows provided by investing activities</b>	—	40,000
<b>Net increase in cash and cash equivalents during the year</b>	<b>665,893</b>	600,941
Cash and cash equivalents, beginning of year	<b>1,663,689</b>	1,062,748
<b>Cash and cash equivalents, end of year</b>	<b>2,329,582</b>	1,663,689

*See accompanying notes*

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**Notes to financial statements**

March 31, 2022

**1. Nature of operations**

The Cedars Cancer Foundation at the McGill University Health Center [the “Organization” or “Cedars”], previously known as the Cedars Cancer Institute, is a registered charity formed on December 12, 2008 and designated as a public foundation under the *Income Tax Act* (Canada), whose mission is to raise monies, to promote, encourage, support and to further research in the fight against cancer from pediatric to adolescent and young adult to adult through palliative care with special emphasis on cause and prevention. Its mission is to as well investigate and evaluate new methods and techniques in the treatment of cancer, fund equipment, sponsor guest lecturers in oncology and related issues and to establish fellowships for the medical communities of the McGill University Health Centre [“MUHC”] to further research and advance education. It is also in the mission to offer programs that provide psychosocial, practical and humanitarian assistance to cancer patients and their families. The Organization’s objective is also to raise funds to help the CanSupport Program and the oncology department of the MUHC. It is not taxable as long as it complies with all relevant taxation regulations.

The Organization’s revenues include income from general public donations, revenues from events organized by the Organization and/or third parties for its benefit and investment income.

**2. Summary of significant accounting policies**

**Significant accounting policies**

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

**Fund accounting**

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Cedars are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and presentation purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors of the Organization.

For financial reporting purposes, the funds have been classified as follow:

*[a] General fund*

The General fund includes all the unrestricted resources. It includes unrestricted donations, restricted donations for which a separate fund is not created, unrestricted investment income and operating expenditures.

*[b] Endowment and restricted funds*

The Endowment and restricted funds consist of donations received from donors requesting that their donations be permanently retained and the income generated be spent in accordance with the donor’s specifications.

- The Best Care for Life [“BCFL”] and other capital campaign restricted funds is a restricted fund for which donations to Cedars on behalf of the BCFL benefiting the MUHC and other capital campaigns the Organization initiates from time to time are being designated and restricted internally for those future needs or commitments;



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- The Sarah's endowed Fund at Cedars for Pediatric Hematology-Oncology ["Sarah's pediatric endowment fund"] was created as an endowment fund for the needs of the Montreal Children Hospital oncology department.

Other endowment funds include the following:

- The Wilfrid Howick Humanitarian Endowment ["Howick"] fund exists to assist needy cancer patients and/or families who have limited financial means;
- The Vivian Saykaly Visiting Professor in Medical Oncology Endowment ["Saykaly"] fund exists to defray the cost of inviting a visiting professor in medical oncology, annually and in perpetuity;
- The Bob and Mariko Humanitarian fund exists to help Cedars CanSupport Humanitarian activities;
- The Nadya and Robert Murdoch new endowment fund was created to help the priority needs;
- The Dr. Edward J. Tabah Visiting Professor in surgical oncology was created to bring World class surgical oncologist annually to the MUHC.

*[c] Other restricted funds*

An amount of \$1 million from an original endowment received from the Rossy Family Foundation is restricted for the commitment towards the Cedars Oncology Supportive Care Centre ["COSCC"]. Also, designated contributions totaling \$300,000 were received by a third-party corporate donor towards the COSCC project. In addition, an amount of \$1 million was restricted by the Organization for the creation of the Rossy- Cedars Chair in Precision Oncology. Finally, an amount of \$1.5 million is internally restricted towards research, care and education. This balance is presented as part of the restricted funds on the statement of financial position under the caption "other restricted funds".

Sarah's Fund in Pediatric Oncology ["Sarah's Fund"] activities and account balances are presented as part of the General fund. Net revenues from the Sarah's Fund activities, after distributions [if any], as well as any committed amount to the pediatric mission are presented as commitments in note 5 to the financial statements.

*[d] Expenditures*

Expenditures related to a specific fund are expensed in the appropriate fund. Operating expenses are expensed in the General fund unless management determines to allocate them to a specific fund, based on the nature of expense. Operating expenses include administrative expenses, a portion of which is allocated to charity events or CanSupport Program based on a rational basis related to the individuals' involvement with these events and programs.

As a policy, 90% of the designated or restricted contributions received by the Organization are considered as such while 10% are considered as unrestricted towards the Organization's priority needs.

**Accounting estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

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**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and from time to time short-term bank deposits with a maturity of three months or less from the date of purchase and are recorded at cost, which approximates their fair value due to their short-term nature.

**Financial instruments**

The Organization recognizes and measures its significant financial instruments as follows:

Cash and cash equivalents	held for trading
Investments	designated as held for trading
Accounts receivable	loans and receivables
Accounts payable and accrued liabilities	other financial liability

All financial instruments are initially measured at fair value including loans and receivables and other financial liabilities which are subsequently measured at amortized cost. The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

Investments, designated as held-for-trading financial assets, are measured at fair value at each reporting period and changes in fair value are recognized in the excess (deficiency) of revenues over expenses.

Transaction costs over financial instruments classified as held-for-trading are expensed as incurred.

**Revenue recognition**

The Organization uses the restricted fund method of accounting for contributions. The Organization also recognizes its revenues when cash is received in the appropriate fund and by using the deferral method until the related expenses are incurred and services are rendered to the contributors for restricted contributions for which a separate fund is not created. Expenses are recognized as incurred. Pledges for donations and contributions are recognized only when received.

Revenues and expenses related to charitable events organized and controlled by the Cedars are presented at their respective gross amounts in the statement of operations. Events organized by third parties where the Cedars is only the beneficiary from amounts and profits collected are shown on a net basis which corresponds to the amounts received by the Organization, as the beneficiary of the event.

Investment income, which consists of interest, dividends, and realized and unrealized gains and losses, is recorded as revenue in the statement of operations. Dividend income is recognized as of the ex-dividend date. Interest income is recognized according to the accrual basis of accounting. Realized gains and losses on disposals of investments are accounted for at the date of disposal, based on the average cost of the investments. Investment management fees and custodian fees are presented net of the investment income in the statement of operations.

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Unrestricted donations and restricted donations for which a separate fund is not created are recognized as revenue in the General fund when received or by using the deferral method, respectively. Endowment contributions are recognized as revenue in the respective Endowment fund, when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured. Restricted donations or contributions to the BCFL campaign or fund are recognized as revenue in the BCFL fund, when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

**Foreign currency translation**

Foreign currency transactions entered into by the Organization are translated as follows: monetary assets and liabilities are translated at the exchange rates in effect at the statement of financial position date. Revenues and expenses are translated at exchange rates prevailing at the transaction dates. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of operations.

**Volunteer services**

The Cedars benefits from substantial services in the form of volunteer time. Due to the difficulty of determining their fair value, volunteer services are not recorded in these financial statements.

**Government assistance**

Government assistance, which mainly includes the Canada Emergency Business Account partially forgivable loan and the Canada Emergency Wages Subsidy program [CEWS], is recognized when there is reasonable assurance that it will be received, and all related conditions will be complied with. The government assistance relating to expenses is recognized as a reduction of expense during the period it is earned.

**Income taxes**

The Organization is a charity as defined in the *Income Tax Act* (Canada) and is not subject to income taxes.

**3. Investments**

Certain of the Cedars' investments are managed by the CIBC Mellon Trust and consist of units held in separate accounts of a Master Trust in which the Royal Victoria Hospital Foundation [the "RVHF"] manages its own investments. The underlying investments of the Master Trust at the RVHF consist of marketable securities and are carried at their fair value. The fair values and allocation of restricted / endowed funds, before effecting the reallocation of the interfunds amounts receivable / payable, were as follows as at March 31:

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	2022 \$	2021 \$
<b>Endowed funds</b>		
Sarah's fund at Cedars for pediatric hematology-oncology	<b>2,636,908</b>	2,710,840
Wilfrid Howick Humanitarian	<b>1,072,055</b>	1,063,032
Vivian Saykaly Visiting Professor in Medical Oncology	<b>159,575</b>	179,253
Dr. Edward J. Tabah Visiting Professor in surgical oncology	<b>147,925</b>	—
Other	<b>134,272</b>	64,125
	<b>1,513,827</b>	1,306,410
<b>Restricted Funds</b>		
BCFL and other capital campaign Fund	<b>6,811,093</b>	6,406,047
Rossy Family Foundation and National Bank of Canada for the COSCC	<b>1,269,812</b>	1,305,415
	<b>8,080,905</b>	7,711,462
<b>General Fund</b>	<b>336,660</b>	1,187,178
<b>Total</b>	<b>12,568,300</b>	12,915,890

**Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices and general market volatility, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. As at March 31, 2022, the total fair market value of investments is subject to market volatility and the risks that the ongoing COVID-19 pandemic poses on the global economy.

The Organization, through its finance committee and board of directors, manages the financial risk related to its investments by monitoring the asset allocation among its investments to offer a range of investment options and effectively manage the risk/return spectrum appropriate for its investment funds. Exposure to the market risk is closely monitored and maintained within the limits set out in the Organization's various policies.

**Interest rate risk**

The interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Furthermore, interest rate fluctuations could have an effect on the Organization's interest income derived from its cash and cash equivalents and investments. Even though it is impossible to completely eliminate such risk, it can be mitigated by the various investment options available to the Organization and managed by its finance committee and board of directors.

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**Credit risk and counterparty risk**

Given the nature of its accounts receivable the Organization does not believe it is exposed to a significant credit risk. For financial institutions including the various counterparties, the maximum credit risk as at March 31, 2022 relates to cash and cash equivalents and investments. These assets are held or traded with a limited number of financial institutions and other counterparties.

The Organization is exposed to the risk that the financial institutions and other counterparties with which it holds securities or enters into agreements could be unable to honour their obligations. The Organization minimizes this risk by entering into agreements with large financial institutions and other large counterparties with appropriate credit ratings and reputation.

**Foreign currency risk**

Foreign currency risk is the risk that the value of investments will fluctuate as a result of changes in foreign exchange rates. Foreign currency risk derives from investments and deposits denominated in non-Canadian currencies. As at March 31, 2022, the investments' mix included global equity and bond funds which foreign investments expose the Organization's investments to foreign currency risks. The finance committee and board of directors manage the foreign currency risk as part of their mandate.

**Liquidity risk**

The Organization is exposed to the risk of being unable to honour its financial commitments on a timely basis as set out under the terms of such commitments. The Organization, through its finance committee and board of directors, monitors its cash and investments resources to ensure their sound management, financing and timely payment of commitments on an Organization-wide basis.

**Capital management**

In managing capital, the Organization focuses on liquid resources available for operations. The Organization defines its capital as the restricted and unrestricted funds. The Organization's objective is to have sufficient liquid resources to continue operating despite events with adverse financial consequences and to provide itself with the flexibility to take advantage of opportunities that will advance its objectives. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. The Organization has certain commitments disclosed in note 5 to the financial statements and it expects to meet these commitments by raising funds in the future years.

**4. Accounts receivable and other**

The accounts receivable and other consist of:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Commodity taxes receivable	<b>69,816</b>	35,752
CEWS receivable	<b>—</b>	31,000
Other	<b>2,752</b>	—
	<b>72,568</b>	66,752

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**5. Internally restricted funds**

Internally restricted funds consist mainly of funds committed by the Cedars for the benefit of third parties. Major categories of internally restricted fund balances are as follows:

	2022 \$	2021 \$
<b>Commitments for</b>		
Sarah's Fund in Pediatric Oncology	116,666	228,964
Jackie Aziz Adolescent & Young Adults Fund [AYA]	671,468	—
Frank Rana Capital Campaign Fund	1,260,792	1,157,015
The Bell Fund	923,215	889,159
<b>Total</b>	<b>2,972,141</b>	<b>2,275,138</b>

**Pledge to support raising funds in support of MUHC**

In February 2013, the Rossy Foundation, McGill, the MUHC and other affiliated hospitals [hereafter the "MAHN hospitals"] signed a Gift Agreement [the "Gift"] under which the Rossy Foundation wishes to donate a Gift to the MAHN and the McGill University in the amount of \$28 million over a period of 10 years or \$2.8 million every year, being effective as of the year ended March 31, 2012. As a result, the Rossy Cancer Network ["RCN"] was created with the objective to improve the quality of cancer care amongst the patients of the MAHN hospitals by allocating from the Gift an amount of \$18 million to the benefit of the MAHN hospitals and another \$10 million for academic expenditures of the Faculty of Medicine at the McGill University.

The MAHN and McGill, being the recipients, will be required to match the donation gifts annually. The Cedars Cancer Foundation, through its board of directors, has agreed to support the RCN by raising funds in support of the MUHC annual contribution. The Cedars has therefore agreed to raise, without being obligated to and subject to its General funds' availability, an amount of \$800,000 annually originally payable in four installments of 25% each for the next 9 years or \$7.2 million in total, being effective as of fiscal 2014. However, as agreed among all parties to the Gift agreement, payment schedule has been variable and more flexible. During fiscal 2022, the Organization's disbursements towards RCN amounted to \$137,000 [\$341,000 in fiscal 2021] while total payments until March 31, 2022 made by the Organization amounted to \$3.6 million. Subsequent to year end, an additional amount of \$90,000 was disbursed towards RCN commitment.

**Pledge to support the BCFL capital campaign**

The Cedars Cancer Foundation, through its board of directors, has agreed to support the MUHC's BCFL fundraising campaign. The Cedars has therefore agreed to raise, subject to its General fund and BCFL fund's availability a total amount of \$22.9 million. The Cedars Cancer Foundation has already contributed \$14.8 million of its promised \$22.9 million commitment to the BCFL campaign and fiscal 2022 contribution amounted to \$1.0 million [\$1.0 million in 2021]. While the outstanding amount of \$8.1 million is expected to be paid out over the next eight years subject to agreement between the parties and availability of funds.

**The Cedars Cancer Foundation at the McGill University Health Center /  
La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill**

**Notes to financial statements**

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**6. Lease commitments**

The Organization rents certain offices under an operating lease which matures in fiscal 2027 and for which the future minimum annual lease payments are as follows:

	\$
Within one year	72,576
After one year but not more than five years	262,624
	<u>335,200</u>

**7. COVID-19 pandemic and government assistance**

The ongoing COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown and creating significant disruption in supply chain and economic activity and are having a particularly adverse impact on various industries including charitable foundations.

The current challenging economic climate and COVID situation may continue to have adverse effects on revenues from donations and fundraising events and may lead to volatility in the fair values of marketable investments as seen in fiscal 2022, which may also have a direct impact on the Organization's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization's business is not known at this time.

During 2021, the Organization recorded a subsidy in the amount of \$258,000 under the Canada Emergency Wage Subsidy [CEWS] program which was recorded against general, administrative, and fundraising expenses for \$154,000 as well as against disbursements under the CanSupport program in the amount of \$104,000. In addition, the Organization applied and received bank loans totaling \$60,000 under the Canada Emergency Business Account program [CEBA]. Of this amount, \$20,000 are reasonably assured to be forgivable as the Organization believes it will meet the loan forgiveness eligibility criteria and was also accounted for as a grant against general, administrative and fundraising expenses in the statement of operations. The CEBA loan is interest-free and \$20,000 of the total loans can be forgiven if the CEBA balance is repaid prior to December 31, 2022. Therefore, the CEBA remaining loan of \$40,000 is still recorded on the statement of financial position as at March 31, 2022 and the Organization intends to repay it in fiscal 2023 but before December 31, 2022.