

**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, 2020**



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, 2020, 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, 2020, 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 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, deficiency of revenues over expenses and distributions, and cash flows used in operating activities for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and funds' balances as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 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*¹

Montreal, Canada
October 28, 2020

¹ CPA auditor, CA, 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, 2020					March 31, 2019	
	General fund	Sarah's Pediatric endowed fund	Other endowed funds	BCFL Fund restricted fund	Other restricted funds	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Assets							
Current assets							
Cash and cash equivalents	1,062,748	—	—	—	—	1,062,748	784,700
Investments in a Master Trust <i>[note 3]</i>	932,441	2,129,165	1,026,089	5,822,929	1,025,307	10,935,931	11,666,353
Interfunds receivable <i>[notes 2 c) and 3)]</i>	—	—	18,824	13,130	—	31,954	101,870
Accounts receivable and other <i>[note 4]</i>	111,089	—	—	—	—	111,089	176,183
Prepaid and deposits to suppliers	76,443	—	—	—	—	76,443	40,741
	2,182,721	2,129,165	1,044,913	5,836,059	1,025,307	12,218,165	12,769,847
Non-current assets							
Capital assets	276,447	—	—	—	—	276,447	43,774
	2,459,168	2,129,165	1,044,913	5,836,059	1,025,307	12,494,612	12,813,621
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	816,799	—	—	—	—	816,799	587,267
Interfunds payable <i>[notes 2 c) and 3)]</i>	31,954	—	—	—	—	31,954	101,870
	848,753	—	—	—	—	848,753	689,137
Funds' balances							
Restricted funds <i>[note 5]</i>	—	2,129,165	1,044,913	5,836,059	1,025,307	10,035,444	10,624,522
Internally restricted funds <i>[note 5]</i>	1,974,043	—	—	—	—	1,974,043	1,934,018
Unrestricted funds (deficiency)	(363,628)	—	—	—	—	(363,628)	(434,056)
	1,610,415	2,129,165	1,044,913	5,836,059	1,025,307	11,645,859	12,124,484
Total liabilities and funds' balances	2,459,168	2,129,165	1,044,913	5,836,059	1,025,307	12,494,612	12,813,621

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 funds \$	BCFL Fund restricted fund \$	Other restricted funds \$	Total \$
March 31, 2020						
Fund balances, beginning of the year	1,499,962	2,271,373	1,149,380	6,109,981	1,093,788	12,124,484
Reallocation of transfer between funds	285,933	—	(35,933)	(250,000)	—	—
(Deficiency) excess of revenues over expenses and distributions during 2020	(175,480)	(142,208)	(68,534)	(23,922)	(68,481)	(478,625)
Fund balances, end of year	1,610,415	2,129,165	1,044,913	5,836,059	1,025,307	11,645,859
March 31, 2019						
Fund balances, beginning of the year	1,868,770	2,198,910	1,052,450	6,543,630	1,090,199	12,753,959
Transfer between funds <i>[note 2 c)]</i>	(54,758)	—	54,758	—	—	—
Reallocation of transfer between funds	32,615	—	—	—	(32,615)	—
(Deficiency) excess of revenues over expenses and distributions during 2019	(346,665)	72,463	42,172	(433,649)	36,204	(629,475)
Fund balances, end of year	1,499,962	2,271,373	1,149,380	6,109,981	1,093,788	12,124,484

See accompanying notes

**The Cedars Cancer Foundation at the McGill University Health Center /
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Statement of operations

	March 31, 2020					March 31, 2019	
	General fund	Sarah's Pediatric endowed fund	Other endowed funds	BCFL Fund restricted fund	Other restricted funds	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Revenues from operations							
Charity events organized by the Cedars and third parties	3,168,832	—	—	—	—	3,168,832	3,779,371
Revenue generated from charity events and donations benefiting Sarah's Fund	—	—	—	—	—	—	—
Special restricted donation related to BCFL campaign	332,188	—	—	—	—	332,188	337,111
Donations	—	—	—	365,000	—	365,000	1,040,000
Other contributions	918,664	—	—	—	—	918,664	656,325
	1,702,647	—	—	—	—	1,702,647	1,370,087
	6,122,331	—	—	365,000	—	6,487,331	7,182,894
Investment income (loss)							
Changes in unrealized gains (losses) on investments in a Master Trust	(108,282)	(247,263)	(119,297)	(676,123)	(119,194)	(1,270,159)	105,830
Net investment income realized from investments in a Master Trust	50,022	105,055	50,763	287,201	50,713	543,754	292,295
Total revenues (loss)	6,064,071	(142,208)	(68,534)	(23,922)	(68,481)	5,760,926	7,581,019
Expenses							
General, administrative and fundraising	1,157,706	—	—	—	—	1,157,706	1,048,934
Charity events organized by the Cedars	1,626,433	—	—	—	—	1,626,433	2,008,986
Other expenses	212,638	—	—	—	—	212,638	166,181
Charity events in connection with Sarah's Fund	88,386	—	—	—	—	88,386	105,247
	3,085,163	—	—	—	—	3,085,163	3,329,348
Excess of revenues over expenses available for distributions, grants, program costs and other undernoted items	2,978,908	(142,208)	(68,534)	(23,922)	(68,481)	2,675,763	4,251,671
Distribution related to commitments <i>[note 5]</i>	1,271,191	—	—	—	—	1,271,191	2,235,000
Distributions	1,205,340	—	—	—	—	1,205,340	1,803,349
Distributions (paid / payable) in connection with Sarah's Fund	120,000	—	—	—	—	120,000	149,240
Disbursements (paid / payable) under the Cedars CanSupport Program	557,857	—	—	—	—	557,857	693,557
	3,154,388	—	—	—	—	3,154,388	4,881,146
(Deficiency) of revenues over expenses and distributions for the year	(175,480)	(142,208)	(68,534)	(23,922)	(68,481)	(478,625)	(629,475)

See accompanying notes

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Statement of cash flows

Year ended March 31

	2020	2019
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses for the year	(478,625)	(629,475)
Amortization	34,000	9,000
Net change in non-cash working capital balances related to operations	258,924	94,511
Cash flows used in operating activities	(185,701)	(525,964)
Investing activities		
Addition to capital assets	(266,673)	—
Net decrease in investments in a Master Trust	730,422	791,876
Cash flows provided by investing activities	463,749	791,876
Net increase in cash and cash equivalents during the year	278,048	265,912
Cash and cash equivalents, beginning of year	784,700	518,788
Cash and cash equivalents, end of year	1,062,748	784,700

See accompanying notes

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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”] capital fund is a restricted fund for which donations to Cedars on behalf of the BCFL are restricted specifically to the BCFL campaign benefiting the MUHC;
- The Sarah’s 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.

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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.

[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"]. This balance plus any investment income is presented as part of the restricted funds on the statement of financial position under the caption "other restricted funds".

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.

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.

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.

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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.

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.

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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.

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:

	2020	2019
	\$	\$
Endowed funds		
Sarah's fund at Cedars for pediatric hematology-oncology	2,129,165	2,271,373
Wilfrid Howick Humanitarian	834,933	890,700
Vivian Saykaly Visiting Professor in Medical Oncology	140,790	150,193
Bob and Mariko Humanitarian Fund	50,366	53,729
	1,026,089	1,094,622
Restricted Funds		
BCFL Capital Campaign Fund	5,822,929	6,211,851
Rossy Family Foundation – for the COSCC	1,025,307	1,093,788
	6,848,236	7,305,639
General Fund	932,441	994,719
Total	10,935,931	11,666,353

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, 2020, the total fair market value of investments amounted to \$10,935,931 and was negatively impacted by the market decline in the early stages of COVID-19 pandemic. As at September 30, 2020, the total fair market value of investments had partially recovered and amounted to \$11,427,110.

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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.

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, 2020 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, 2020, the investments' mix accounted for approximately 10% of foreign investments exposed 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.

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4. Accounts receivable and other

The accounts receivable and other consist of:

	2020	2019
	\$	\$
Commodity taxes receivable	111,089	116,183
Other	—	60,000
	111,089	176,183

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:

	2020
	\$
Commitments for	
Sarah's Fund	322,594
Frank Rana Capital Campaign for the COSCC	1,001,449
The Bell Fund	650,000
As at March 31, 2020	1,974,073

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. Up until March 31, 2020, payments already made by the Organization amounted to \$3.3 million. The Cedars' estimated amount to be disbursed under this agreement for fiscal 2021 is being reassessed with the RCN and the various partners involved in the donation gift and has not yet been fixed.

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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 \$13 million of its promised \$22.9 million commitment to the BCFL campaign. Due to COVID-19, no disbursement has been made in fiscal 2020 [\$1.69 million in 2019]. While the outstanding amount of \$9.9 million is expected to be paid out over the next five years until the end of 2025, the parties agreed to be flexible about the timing of future disbursements given the COVID-19 adverse effects on the Organization's fundraising activities and the next disbursement which was originally due in March 2020 is no longer expected before March 2021 at the earliest.

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	68,622
After one year but not more than five years	368,930
More than five years	37,685
	<u>475,237</u>

7. COVID-19 outbreak

The recent COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. This 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.

Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in revenues, cash flows, working capital levels and fair values of marketable investments, 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.