
Financial statements of
Dr. H. Bliss Murphy Cancer Care
Foundation

March 31, 2023

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations	4
Statement of changes in net assets	5
Statement of cash flows	6
Notes to the financial statements	7-11
Schedule 1 - Polka Dot Trot	12
Schedule 2 - Disbursements	13
Schedule 3 - Administrative and Management	14
Schedule 4 - Fundraising Costs	15
Schedule 5 - Charitable Programs	16
Schedule 6 - In This Together	17



Deloitte LLP
5 Springdale Street
Suite 1000
St. John's NL A1E 0E4

Tel: 709-576-8480
Fax: 709-576-8460
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
Dr. H. Bliss Murphy Cancer Care Foundation

Qualified Opinion

We have audited the financial statements of the Dr. H. Bliss Murphy Cancer Care Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023, and the results of its 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 Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023, current assets as at March 31, 2023, and net assets as at April 1, 2022 and March 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 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.

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 GAAS 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 GAAS, 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 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

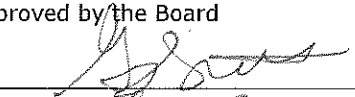
Chartered Professional Accountants
October 10, 2023

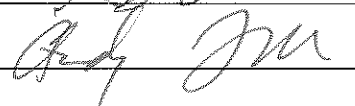
Dr. H. Bliss Murphy Cancer Care Foundation
Statement of financial position
As at March 31, 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash		193,348	173,006
Government remittance receivable		36,650	28,171
Contribution receivable		400	—
Inventories		—	2,000
Prepaid expenses		2,129	2,129
Other assets		1,963	4,963
		<u>234,490</u>	<u>210,269</u>
Investments	3	1,882,280	2,421,713
Tangible capital assets	4	187,537	194,577
Other long-term asset		11,925	13,172
		<u>2,316,232</u>	<u>2,839,731</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		128,239	100,134
Due to Eastern Health Regional Authority	8	54,526	107,058
		<u>182,765</u>	<u>207,192</u>
Net assets			
Dr. Kim Hong Endowment Fund	7	265,324	264,751
Patient and Family Support Endowment Fund	9	973,776	995,845
Internally restricted net assets	5	319,612	288,543
Externally restricted net assets	6	1,132,177	1,584,930
Unrestricted net assets		(744,959)	(696,107)
Invested in tangible capital assets		187,537	194,577
		<u>2,133,467</u>	<u>2,632,539</u>
		<u>2,316,232</u>	<u>2,839,731</u>
Commitments	11		

The accompanying notes are an integral part of the financial statements.

Approved by the Board


_____, Director


_____, Director

Dr. H. Bliss Murphy Cancer Care Foundation
Statement of operations
Year ended March 31, 2023

	Schedules	2023 \$	2022 \$
Revenue			
Annual Fund		1,054,753	1,007,513
Polka Dot Trot		359,907	308,846
In This Together		299,533	468,333
Memorial program		89,498	96,987
Investment income		39,181	59,984
Sparkles of Hope – bracelet sales		3,519	6,812
Gifts in kind		3,500	2,000
		1,849,891	1,950,475
Expenditures			
Disbursements	2	1,603,400	1,527,053
Administrative and management	3	423,883	455,379
Fundraising costs	4	201,005	348,761
Polka Dot Trot	1	85,120	34,690
Charitable programs	5	35,555	34,618
In This Together	6	—	894
		2,348,963	2,401,395
Excess of expenditures over revenue		(499,072)	(450,920)

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Statement of changes in net assets
Year ended March 31, 2023

	Dr. Kim Hong Endowment Fund	Patient and Family Support Endowment Fund	Internally restricted	Externally restricted	Unrestricted	Invested in tangible capital assets	Total 2023	Total 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	264,751	995,845	288,543	1,584,930	(696,107)	194,577	2,632,539	3,083,459
Excess of revenue over expenditures (expenditures over revenue)	573	(22,069)	31,069	(452,753)	(48,852)	(7,040)	(499,072)	(450,920)
Balance, end of year	265,324	973,776	319,612	1,132,177	(744,959)	187,537	2,133,467	2,632,539

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Statement of cash flows
Year ended March 31, 2023

	2023	2022
	\$	\$
Operating activities		
Excess of revenue over expenditures (expenditures over revenue)	(499,072)	(450,920)
Items not involving cash		
Contributed assets	(13,883)	(5,148)
Amortization	7,040	7,040
Realized loss on disposal of investments	10,533	7,434
Unrealized loss (gain) on investments	16,327	(1,335)
	(479,055)	(442,929)
Changes in non-cash operating working capital		
Increase in government remittance receivable	(8,479)	(11,592)
(Increase) decrease in contribution receivable	(400)	25,000
Decrease (increase) in inventories	2,000	(2,000)
Decrease in other assets	3,000	3,000
Increase in accounts payable and accrued liabilities	28,105	41,675
(Decrease) increase in due to Eastern Regional Health Authority	(52,532)	57,385
	(507,361)	(329,461)
Investing activities		
Purchase of investments	(719,442)	(1,693,072)
Proceeds on disposal of investments	1,245,898	2,067,905
	526,456	374,833
Financing activity		
Decrease (increase) in other long-term asset	1,247	(13,172)
Net increase in cash	20,342	32,200
Cash, beginning of year	173,006	140,806
Cash, end of year	193,348	173,006

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Notes to the Financial statements
March 31, 2023

1. Nature of operations

Dr. H. Bliss Murphy Cancer Care Foundation (the "Foundation") was incorporated under the Laws of the Province of Newfoundland and Labrador on October 12, 2004, and operates as the "Cancer Care Foundation". The Foundation develops, stewards and distributes charitable resources to enhance treatment and supportive care programs for cancer patients, funds local cancer research initiatives and provides continuing education opportunities for staff of the Foundation and affiliated regional cancer programs in Newfoundland and Labrador.

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

2. Significant accounting policies

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada Accounting Handbook – Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

Revenue recognition

The Foundation follows the restricted fund method whereby externally restricted contributions (grants and donations) are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which no corresponding restricted fund is presented must be recognized in the unrestricted fund using the deferral method. Unrestricted contributions are recognized as revenues in the unrestricted fund. The Foundation recognizes grants when collection is reasonably assured.

Investment income, which consists of interest, dividends, and unrealized gains and losses is recorded in the statement of operations, as earned except to the extent that it is externally restricted, in which case it is added to or deducted from endowment net assets or other restricted balances.

Cash

Cash is comprised of bank balances on deposit with financial institutions.

Investments

Investments are recorded at fair value with any adjustments to fair value being reflected in excess of revenues over expenses in the statement of operations each year.

Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation

2. Significant accounting policies (continued)

Financial instruments (continued)

determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Donated goods and contributed services

Donated goods are recorded at their fair market value at the time of the donation, when such value is readily determinable. The total value of donated goods in 2023 was \$3,500 (\$2,000 in 2022).

The activities of the Foundation include time donated by a substantial number of volunteers. Since no objective basis exists for recording and assigning values to these services, they are not reflected in the financial statements.

Tangible capital assets

Tangible capital assets include donated artwork that is recorded at fair value when determinable at the date of acquisition and is not amortized. The Foundation uses an accredited appraiser to value the artwork. When the fair value of the artwork cannot be determined it is recorded at nil value.

The Garden of Hope retaining wall is recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the asset's useful life of twenty years.

Pension costs

Employees of the Foundation are members of the Public Service Pension Plan (PSPP) administered by the Public Service Pension Plan Corporation and the Government Money Purchase Plan (GMPP) administered by the Government of Newfoundland and Labrador, collectively (the "Plans").

PSPP is a defined benefit pension plan covering full-time employees of the Province of Newfoundland and Labrador, the Legislature and various crown corporation, agencies and commissions created by or under a statute of the Province. As there is insufficient information available at the employer level to account for this plan as a defined benefit plan, the Foundation accounts for PSPP as a defined contribution plan. PSPP's deficit is disclosed on the Public Service Pension Plan website. There are no significant changes in the contractual elements of PSPP.

GMPP is a defined contribution plan covering employees of the Government of Newfoundland and Labrador that are not eligible to participate in other plans sponsored by the Government of Newfoundland and Labrador.

Contributions to the Plans are required from both the employees and the Foundation. The annual contributions to pensions are recognized as an expense in the period.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

Dr. H. Bliss Murphy Cancer Care Foundation
Notes to the financial statements
 March 31, 2023

2. Significant accounting policies (continued)

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in these financial statements include the useful lives of tangible capital assets and accrued liabilities. Actual results could differ materially from those estimates.

3. Investments

	2023	2022
	\$	\$
Fixed income	1,498,829	2,110,777
Mutual funds	312,841	227,446
Equities	70,610	83,490
	<u>1,882,280</u>	<u>2,421,713</u>

Included in investment income on the statement of operations is interest of \$33,666 (\$38,925 in 2022), dividend income \$5,041 (\$5,073 in 2022), and unrealized loss of \$16,327 (unrealized gain of \$1,335 in 2022).

4. Tangible capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
	\$	\$	\$	\$
Garden of Hope retaining wall	140,803	45,760	95,043	102,083
Works of art	92,494	—	92,494	92,494
	<u>233,297</u>	<u>45,760</u>	<u>187,537</u>	<u>194,577</u>

5. Internally restricted net assets

The balance included in internally restricted net assets represents amounts internally restricted by the Foundation's Board of Directors and is comprised of the following internally restricted funds:

	2023	2022
	\$	\$
Research funds	320,675	300,675
Cancer Centre – East/West Fund	65,761	45,761
Cancer Centre – Western Region Campaign	5,681	5,681
Kids With Cancer Travel Fund	14,626	14,626
Patient and Family Endowment Fund	47,249	47,249
Patient and Family Support Fund	(134,380)	(125,449)
	<u>319,612</u>	<u>288,543</u>

Dr. H. Bliss Murphy Cancer Care Foundation
Notes to the financial statements
 March 31, 2023

6. Externally restricted net assets

The balance included in externally restricted net assets represents amounts externally restricted by the Foundation's donors and is comprised of the following externally restricted funds:

	2023	2022
	\$	\$
Power of Life Special Fund	323,156	287,668
In This Together Campaign	809,021	1,297,262
	<u>1,132,177</u>	<u>1,584,930</u>

7. Dr. Kim Hong Endowment Fund

These investments represent the funds donated to the Dr. Kim Hong Endowment Fund that are required by the donors to be maintained by the Foundation on a permanent basis. These amounts are all externally restricted.

	2023	2022
	\$	\$
Canadian corporate bonds	221,663	261,389
High interest savings account	43,661	3,362
	<u>265,324</u>	<u>264,751</u>

Income earned on these investments can only be disbursed on educational scholarships and awards granted to staff of the Dr. H. Bliss Murphy Cancer Centre and affiliated regional cancer programs. During the year ended March 31, 2023, investment income on these net assets was \$3,363 (\$3,363 in 2022) which was recorded as income in the statement of operations. There was \$Nil (\$9,602 in 2022) disbursed from the fund in the year.

8. Related party debt

Eastern Regional Health Authority (Eastern Health) is a related party. One of the purposes of the Foundation is the accumulation of funds to assist Eastern Health with the purchase of medical equipment used in the provision of cancer patient care.

Eastern Health provides payroll services as well as IT services to the Foundation as well as insurance coverage for the Foundation's Board of Directors, at no cost to the Foundation. These in kind contributions have not been reflected in these financial statements. The Foundation has a payable to Eastern Health in the amount of \$54,526 (\$107,058 in 2022) relating to normal operating activities.

9. Patient and Family Support Endowment Fund

These investments represent the funds donated to the Patient and Family Support Endowment Fund that are required by the donors to be maintained by the Foundation on a permanent basis. These amounts are all externally restricted.

	2023	2022
	\$	\$
Canadian corporate bonds	706,166	768,388
Equity mutual funds	267,610	227,446
	<u>973,776</u>	<u>995,834</u>
Cash held	—	11
	<u>973,776</u>	<u>995,845</u>

9. Patient and Family Support Endowment Fund (continued)

Income earned on these investments can only be disbursed on funding the activities of the Patient and Family Support Annual Fund. During the year ended March 31, 2023, investment income on these net assets was \$12,767 (\$11,587 in 2022) which was recorded as income in the statement of operations. There was \$29,017 (\$36,230 in 2022) disbursed from the fund in the year.

10. Financial instruments

Financial risk factors

The Foundation has exposure to credit risk, liquidity risk and interest rate risk. The Foundation's Board of Directors has overall responsibility for the oversight of these risks and reviews the Foundation's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below:

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligation. The Foundation's credit risk is primarily attributed to cash and investments. The Foundation manages this risk by maintaining cash and investment balances with recognized financial institutions.

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. The Foundation manages this risk by monitoring cash from operations.

Interest rate risk

The Foundation is exposed to interest rate risk with respect to its managed investment portfolio because fair value and expected interest income will fluctuate due to changes in market interest rates.

11. Commitments

Through the In This Together campaign, the Foundation has committed to disburse a total of \$4,622,500 to Eastern Regional Health Authority over the five year period from 2020-2024. As at March 31, 2023, \$3,816,875 of the obligation has been paid to Eastern Regional Health Authority with the remainder to be paid in equal annual installments of \$805,625.

Dr. H. Bliss Murphy Cancer Care Foundation
Schedule 1 – Polka Dot Trot
Year ended March 31, 2023

	2023	2022
	\$	\$
Public relations	28,064	11,524
Event supplies	26,271	210
Bank charges and interest	14,666	12,572
Signage	7,266	1,729
Promotion material	4,962	4,417
Insurance	830	—
Travel	780	1,076
Printing	722	—
Office supplies	509	—
Photography	500	—
Professional fees	300	—
Web design and maintenance	150	50
Stewardship	100	715
Software maintenance	—	2,385
Courier	—	12
	85,120	34,690

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Schedule 2 – Disbursements
Year ended March 31, 2023

	2023	2022
	\$	\$
In This Together	837,405	834,250
Patient support programs	335,823	317,645
Wages, salaries and benefits	197,119	164,271
Polka Dot Trot	120,000	76,663
Breast cancer conference	58,979	—
Swim for Hope Payouts	28,067	23,492
Power of Life	23,007	106,732
Scholarships, bursaries and grants	3,000	4,000
	1,603,400	1,527,053

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Schedule 3 – Administrative and Management
Year ended March 31, 2023

	2023	2022
	\$	\$
Salaries and benefits	308,135	351,499
Harmonized sales tax expense	36,651	35,418
Accounting and legal	18,458	21,165
Professional fees	16,432	7,860
Storage	13,524	4,216
Amortization	7,040	7,040
Minor equipment and furniture	5,449	3,000
Administration	5,369	—
Bank charges and interest	3,000	2,563
Postage	2,220	2,775
Insurance	2,194	1,654
Office supplies	2,078	6,219
Printing	1,483	932
Membership fees	904	1,425
Courier	527	459
Business meetings	419	303
Public relations	—	8,850
	423,883	455,379

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Schedule 4 – Fundraising Costs
Year ended March 31, 2023

	2023	2022
	\$	\$
Direct mail program	135,565	111,130
Bank charges	25,563	16,241
Promotional materials	16,018	—
Event supplies	13,482	500
Subscription fees	6,205	5,244
Insurance	1,260	—
Postage	1,026	739
Printing	995	—
Signage	660	—
Public relations	231	—
Hope Lottery - prize	—	109,115
Hope Lottery - expense	—	104,696
Sparkles of Hope	—	1,096
	201,005	348,761

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Schedule 5 - Charitable Programs
Year ended March 31, 2023

	2023	2022
	\$	\$
Software maintenance	15,916	13,115
Web design and maintenance	4,169	10,807
Photography	3,850	200
Travel	2,637	36
Stewardship	2,277	3,815
Telephone	1,972	3,524
Promotional materials	1,610	100
Event supplies	1,250	—
Professional development	838	871
Postage	740	1,940
Printing	171	—
Signage	125	210
	35,555	34,618

The accompanying notes are an integral part of the financial statements.

Dr. H. Bliss Murphy Cancer Care Foundation
Schedule 6 – In This Together
Year ended March 31, 2023

	2023	2022
	\$	\$
Public relations	—	594
Photography	—	300
	<u>—</u>	<u>894</u>

The accompanying notes are an integral part of the financial statements.