Financial Statements

CANADIAN PARTNERSHIP AGAINST CANCER CORPORATION

March 31, 2024

Contents

Tel: 289 881 1111
Fax: 905 845 8615
www.bdo.ca

BDO Canada LLP
360 Oakville Place Drive,
Suite 500
Oakville, ON L6H 6K8
Canada

Independent Auditor's Report

To the Members of Canadian Partnership Against Cancer Corporation

Opinion

We have audited the accompanying financial statements of Canadian Partnership Against Cancer Corporation (the "Partnership"), which comprise the statement of financial position as at March 31, 2024, and the statement of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant account policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Partnership Against Cancer Corporation as at March 31, 2024, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Partnership'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 Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership'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.

Independent Auditor's Report (continued)

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 Partnership'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 Partnership'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 Partnership 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
July 3, 2024

Canadian Partnership Against Cancer Corporation

Statement of operations and changes in net assets

Year ended March 31		**2024**		2023
Expenses				
Decrease risk of people getting cancer in Canada	**$**	**2,381,154**	$	2,416,749
Diagnose cancer faster, accurately and at an earlier stage		**4,943,768**		5,431,755
Deliver high-quality care in a sustainable, world-class system		**1,415,758**		807,326
Deliver Supports for Patients, Families and Caregivers		**1,902,124**		4,448,158
Culturally appropriate care closer to home		**2,801,646**		7,219,630
First Nations-, Inuit-, or Métis-governed research and data systems		**783,745**		277,293
Transforming research into improved care		**7,727,850**		6,925,606
Maximizing the impact of health system data to drive change and improving information flow among providers and patients		**4,526,999**		3,842,604
Public engagement and outreach and cancer strategy program support		**6,000,931**		6,005,258
		32,483,975		37,374,379
Operating expenses (Note 4)		**11,040,412**		10,512,236
		43,524,387		47,886,615
Revenue				
Government of Canada (Note 6)		**42,537,277**		47,854,429
Other revenue		**987,110**		32,186
		43,524,387		47,886,615
Excess of revenue over expenses for the year, and net assets at the end of the year	**$**	**-**	**$**	**-**

Approved by the Board of Directors

SRyhorchuk

Jeff Zweig
Chair of the Board of Directors

Shannon Ryhorchuk
Chair of the Finance, Audit and Risk Committee

See accompanying notes to the financial statements.

Canadian Partnership Against Cancer Corporation

Statement of financial position

As at March 31	2024	2023
Assets		
Current		
Cash	**$ 7,184,587**	$ 7,348,998
Short-term investments	**10,584,961**	8,224,143
Accounts receivable	**485,822**	539,630
Projects in process – advances (Note 3)	**995,186**	578,189
Prepaid expenses	**1,414,791**	559,245
	20,665,347	17,250,205
Capital assets (Note 4)	**1,943,325**	1,828,928
	1,943,325	1,828,928
	$ 22,608,672	$ 19,079,133
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	**$ 3,661,621**	$ 5,718,512
Government remittances payable (Note 5)	**44,463**	106,311
Deferred contributions – Expenses of future periods (Note 6(a))	**16,644,680**	11,072,241
	20,350,764	16,897,064
Deferred contributions - Capital assets (Note 6(b))	**1,601,873**	1,405,528
Lease inducements (Note 7)	**656,035**	776,541
	2,257,908	2,182,069
	22,608,672	19,079,133
Net assets	**-**	-
	$ 22,608,672	$ 19,079,133

Commitments and Guarantees (Notes 9 and 10)

See accompanying notes to the financial statements.

Canadian Partnership Against Cancer Corporation
Statement of cash flows

Year ended March 31	2024	2023
Increase (decrease) in cash		
Operating activities		
Government of Canada contributions received (Note 6)	**$ 47,500,000**	$ 47,500,000
Other contributions received	**898,549**	109,990
Interest received on short-term investments	**806,061**	501,056
Interest paid to Government of Canada	**(64,151)**	(70,993)
Cash paid for programs and operating expenses	**(46,624,371)**	(44,921,751)
	2,516,088	3,118,302
Investing activities		
Purchase of short-term investment	**(6,000,000)**	-
Redemption of short-term investment	**4,000,000**	-
	(2,000,000)	-
Financing activities		
Purchase of capital assets	**(680,499)**	(217,886)
	(680,499)	(217,886)
Increase (decrease) in cash	**(164,411)**	2,900,416
Cash, beginning of year	**7,348,998**	4,448,582
Cash, end of year	**$ 7,184,587**	$ 7,348,998

See accompanying notes to the financial statements.

1. Description of the organization

Canadian Partnership Against Cancer Corporation (the “Partnership”) was incorporated on October 24, 2006 under the *Canada Corporations Act* and commenced start-up operations on January 1, 2007 to implement the Canadian Strategy for Cancer Control (the Strategy). In June 2013, the Partnership submitted Articles of Continuance to Industry Canada and transitioned to the *Canada Not-for-profit Corporations Act* (CNCA).

As the steward for the implementation of the Canadian Strategy for Cancer Control, the Partnership works to reduce the burden of cancer on people in Canada and improve cancer outcomes by collaborating with partners across Canada. A major focus of these efforts is to accelerate work that promotes equity of access, experience and outcomes in cancer care for everyone in Canada including with First Nations, Inuit and Métis, and equity-deserving populations.

A pan-Canadian network of partners including cancer agencies, health system leaders and experts, and people affected by cancer, brings a wide variety of expertise to every aspect of the Partnership’s work to achieve the vision of the Canadian Strategy for Cancer Control: a future in which fewer people get cancer, more people survive cancer, those living with the disease have a better quality of life and all people in Canada have equitable access to quality cancer care.

The Partnership is primarily funded through an agreement with the Government of Canada. The initial funding agreement provided a contribution of $240.4 million over five years ending March 31, 2012. The second funding agreement provided a contribution of $239.6 million over the period of April 1, 2012 to March 31, 2017. Subsequently, the Contribution Agreement signed in March 2017 provided a contribution of $237.5 million over five years ending March 31, 2022. This agreement was extended to March 31, 2023 due to the impact of the COVID-19 pandemic. On March 10, 2022, the Partnership signed a fourth Contribution Agreement with the Government of Canada, providing $237.5 million over the next 5 years ending March 31, 2027.

The Partnership is registered as a not-for-profit Corporation under the Income Tax Act and, accordingly, is exempt from income taxes.

2. Significant accounting policies

Financial statement presentation

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

Revenue recognition

The Partnership follows the deferral method of accounting for restricted contributions. Contributions from the Government of Canada are recognized as revenue in the fiscal year in which the related expenses are recognized.

Contributions for the purchase of capital assets are recorded as deferred contributions – capital assets, and subsequently recognized as revenue over the same terms and on the same basis as the amortization of the related capital assets.

Short-term investments

Short-term investments consist of deposits in high interest savings accounts and deposits with a maturity at acquisition of less than 1 year.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful life on a straight-line basis using the following rates:

Information technology and telecommunication	3 years
Furniture and equipment	5 years
Leasehold improvements	Over the term of the lease

Financial instruments

The Partnership considers any contract creating a financial asset or financial liability a financial instrument. The Partnership accounts for the following as financial instruments:

- cash
- short-term investments
- accounts receivable
- projects in process
- accounts payable and accrued liabilities
- government remittances payable

A financial asset or liability is recognized when the Partnership becomes party to contractual provisions of the instrument. The Partnership removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

2. Significant accounting policies (continued)

The Partnership initially measures its financial assets and financial liabilities at fair value. In the case of a financial asset or financial liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. The Partnership subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less impairment.

At the end of each reporting period, the Partnership assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. When there is any such indication of impairment, the Partnership determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from that financial asset. Where this is the case, the carrying amounts of the assets are reduced to the highest of the expected value that is actually recoverable from the assets either by holding the assets, by their sale or by exercising the right to any collateral, net of cost. The carrying amounts of the assets are reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in the statement of operations.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the fiscal year they become known.

Items subject to significant management estimates include the estimated useful life of capital and intangible assets. Actual results could differ from those estimates.

3. Projects in process - advances

Projects in process – advances represent projects where the Partnership has advanced funds to third party partners where project milestones were in process and funds have not been expended by the third-party partner.

4. Capital assets

	Cost	Accumulated Amortization	**2024** **Net book Value**	2023 Net book Value
Information technology and telecommunication	$ 651,204	$ 531,897	**$ 119,307**	$ 115,105
Furniture and equipment	1,193,389	960,478	**232,911**	111,318
Leasehold improvements	3,618,164	2,027,057	**1,591,107**	1,602,505
	$ 5,462,757	$ 3,519,432	**$ 1,943,325**	$ 1,828,928

Included in operating expenses is amortization expense related to capital assets of $566,102 (2023 - $424,582). During the year, the Partnership disposed capital assets with a cost of $244,791 (2023 – $525,361) which were fully amortized.

5. Government remittances payable

	2024	2023
Interest received on short-term investments payable	**$ -**	$ 64,151
Employee withholdings and other payable	**44,463**	42,160
Government remittances payable	**$ 44,463**	$ 106,311

6. Deferred contributions

(a) Expenses of future periods

Deferred contributions are restricted for expenses of future periods.

	2024	2023
Deferred contributions, beginning of year	**$ 11,072,241**	$ 10,840,807
Current year contribution from Government of Canada	**47,500,000**	47,500,000
Interest and other deferred revenue	**806,061**	565,570
	59,378,302	58,906,377
Amount recognized as revenue during the year	**(42,053,123)**	(47,511,795)
Amount applied towards capital assets acquired	**(680,499)**	(217,886)
Interest paid to Government of Canada	-	(40,304)
Interest payable to Government of Canada	-	(64,151)
Deferred contributions, end of year	**$ 16,644,680**	$ 11,072,241

6. Deferred contributions (continued)

(b) Capital assets

Deferred contributions related to capital assets include the unamortized portions of contributions with which assets were purchased.

		2024		2023
Deferred contributions, beginning of year	**$**	**1,405,528**	$	1,530,276
Contributions applied toward capital asset purchases		**680,499**		217,886
Amount amortized to revenue during the year		**(484,154)**		(342,634)
Deferred contributions, end of year	**$**	**1,601,873**	$	1,405,528

Total Government of Canada revenues recognized of $42,537,277 (2023 - $47,854,429) during the year include amounts amortized to revenues from capital assets.

7. Lease inducements

The lease inducements include the following amounts:

		2024		2023
Leasehold improvements	**$**	**341,452**	$	423,400
Free rent and other		**314,583**		353,141
Total lease inducements	**$**	**656,035**	$	776,541

During the year, leasehold improvements and other inducements of $38,558 (2023 – $38,558) were amortized. The amortization of leasehold improvements allowances is $81,948 (2023 - $81,948).

8. Allocation of expenses

Salaries and benefits are allocated to the expense categories based on the relative effort level. Amounts reflected in each category are as follows:

Salaries and benefits	**2024**	**2023**
Decrease risk of people getting cancer in Canada	$ 1,013,328	$ 1,009,913
Diagnose cancer faster, accurately and at an earlier stage	2,172,990	2,023,444
Deliver high-quality care in a sustainable, world-class system	1,014,432	592,208
Deliver Supports for Patients, Families and Caregivers	1,132,347	1,224,156
Culturally appropriate care closer to home	1,117,602	1,650,540
First Nations-, Inuit-, or Métis-governed research and data systems	497,548	226,475
Transforming research into improved care	973,766	886,619
Maximizing the impact of health system data to drive change and improving information flow among providers and patients	1,976,919	1,902,917
Public engagement and outreach and cancer strategy program support	5,258,350	4,505,254
Operating expenses	6,417,291	6,294,530
	$ 21,574,573	**$ 20,316,056**

9. Commitments

Contractual commitments

As of March 31, 2024 the Partnership has contractual commitments related to specific projects and professional services amounting to approximately $41.7 million (2023 - $19.3 million) which are subject to terms and conditions as set out in the related agreements. More specifically, project related commitments are contingent upon meeting contractually defined milestones and deliverables. These are as follows:

	(000’s)
2025	$ 21,626
2026	12,466
2027 and thereafter	7,587
	$ 41,679

Operating lease commitments

The future minimum lease payments for premises and equipment for the next 5 years are as follows:

	(000’s)
2025	$ 750
2026	793
2027	802
2028	802
2029	134
	$ 3,281

10. Guarantees

In the normal course of operations, the Partnership enters into agreements that meet the definition of a guarantee.

The Partnership has provided indemnities under a lease agreement for the use of operating facilities. Under the terms of this agreement the Partnership agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated. The Partnership has purchased commercial property and general liability insurance with respect to these indemnities.

The Partnership has indemnified its present and future directors, officers and employees against expenses, judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to serving the best interest of the Partnership. The nature of the indemnity prevents the Partnership from reasonably estimating the maximum exposure. The Partnership has purchased directors' and officers' liability insurance with respect to this indemnification.

11. Contingencies

The Partnership is a member of Healthcare Insurance Reciprocal of Canada (HIROC), which was established by hospitals and other organizations to self-insure. If the aggregate premiums paid are not sufficient to cover claims, the Partnership will be required to provide additional funding on a participatory basis.

Since the inception, HIROC has accumulated an unappropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Each subscriber which has an excess of premium plus investment income over the obligation for their allocation of claims reserves and operating expenses may be entitled to receive distributions of their share of the unappropriated surplus at the time distributions are declared by the Board of Directors of HIROC.

12. Pension plan

The Partnership is a member of the Healthcare of Ontario Pension Plan ["HOOPP"]. HOOPP is a multi-employer defined benefit pension plan that is being accounted for as a defined contribution pension plan as sufficient information is not available to follow the accounting guidelines for a defined benefit pension plan. The employer contributions made by the Partnership to the plan in the current year amounted to $1,587,159 (2023 - $1,469,483) and are included in the Statement of operations and changes in net assets.