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

March 31, 2024

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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, 2024, 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, 2024, 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, 2024, current assets as at March 31, 2024, and net assets as at April 1, 2023 and March 31, 2024.

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
September 11, 2024

Dr. H. Bliss Murphy Cancer Care Foundation
Statement of financial position
As at March 31, 2024

	Notes	2024 $	2023 $
Assets			
Current assets			
Cash		**237,610**	193,348
Government remittance receivable		**44,263**	36,650
Contribution receivable		**—**	400
Prepaid expenses		**2,129**	2,129
Other assets		**1,963**	1,963
		285,965	234,490
Investments	3	**1,737,969**	1,882,280
Tangible capital assets	4	**180,497**	187,537
Other long-term asset		**—**	11,925
		2,204,431	2,316,232
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**133,260**	128,239
Due to Newfoundland and Labrador Health Services	8	**245,394**	54,526
		378,654	182,765
Net assets			
Dr. Kim Hong Endowment Fund	7	**260,312**	265,324
Patient and Family Support Endowment Fund	9	**891,285**	973,776
Internally restricted net assets	5	**122,517**	319,612
Externally restricted net assets	6	**387,375**	1,132,177
Unrestricted net assets		**(16,209)**	(744,959)
Invested in tangible capital assets		**180,497**	187,537
		1,825,777	2,133,467
		2,204,431	2,316,232
Commitments	11		

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

Approved by the Board

_____, ~~Director~~ Chair

_____, Director

Dr. H. Bliss Murphy Cancer Care Foundation
Statement of operations
Year ended March 31, 2024

	Schedules	2024 $	2023 $
Revenue			
Annual Fund		**1,469,084**	1,054,753
Polka Dot Trot		**356,489**	359,907
In This Together		**204,000**	299,533
Investment income		**97,824**	39,181
Memorial program		**82,190**	89,498
Gifts in kind		**8,518**	3,500
Sparkles of Hope – bracelet sales		**2,418**	3,519
		2,220,523	1,849,891
Expenditures			
Disbursements	2	**1,795,834**	1,603,400
Administrative and management	3	**425,703**	423,883
Fundraising costs	4	**197,032**	201,005
Polka Dot Trot	1	**67,363**	85,120
Charitable programs	5	**42,281**	35,555
		2,528,213	2,348,963
Excess of expenditures over revenue		**(307,690)**	(499,072)

The accompanying notes and schedules 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, 2024

	Dr. Kim Hong Endowment Fund $	Patient and Family Support Endowment Fund $	Internally restricted $	Externally restricted $	Unrestricted $	Invested in tangible capital assets $	Total 2024 $	Total 2023 $
Balance, beginning of year	**265,324**	**973,776**	**319,612**	**1,132,177**	**(744,959)**	**187,537**	**2,133,467**	2,632,539
Excess of revenue over expenditures (expenditures over revenue)	**4,429**	**(82,491)**	**54,961**	**(744,802)**	**467,253**	**(7,040)**	**(307,690)**	(499,072)
Interfund transfers	**(9,441)**	**—**	**(252,056)**	**—**	**261,497**	**—**	**—**	
Balance, end of year	**260,312**	**891,285**	**122,517**	**387,375**	**(16,209)**	**180,497**	**1,825,777**	2,133,467

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

Dr. H. Bliss Murphy Cancer Care Foundation

Statement of cash flows

Year ended March 31, 2024

	2024 $	2023 $
Operating activities		
Excess of expenditures over revenue	**(307,690)**	(499,072)
Items not involving cash		
Contributed assets	**(36,400)**	(13,883)
Amortization	**7,040**	7,040
Realized loss on disposal of investments	**—**	10,533
Unrealized (gain) loss on investments	**(18,063)**	16,327
	(355,113)	(479,055)
Changes in non-cash operating working capital		
Increase in government remittance receivable	**(7,613)**	(8,479)
Decrease (increase) in contribution receivable	**400**	(400)
Decrease in inventories	**—**	2,000
Decrease in other assets	**—**	3,000
Increase in accounts payable and accrued liabilities	**5,021**	28,105
Increase (decrease) in due to Newfoundland and Labrador Health Services	**190,868**	(52,532)
	(166,437)	(507,361)
Investing activities		
Purchase of investments	**(1,197,709)**	(719,442)
Proceeds on disposal of investments	**1,396,483**	1,245,898
	198,774	526,456
Financing activity		
Decrease in other long-term asset	**11,925**	1,247
Net increase in cash	**44,262**	20,342
Cash, beginning of year	**193,348**	173,006
Cash, end of year	**237,610**	193,348

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

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 2024 was $8,518 ($3,500 in 2023).

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.

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

	2024	2023
	$	$
Fixed income	**1,288,953**	1,498,829
Mutual funds	**362,444**	312,841
Equities	**86,572**	70,610
	1,737,969	1,882,280

Included in investment income on the statement of operations is interest of $31,700 ($33,666 in 2023), dividend income $6,031 ($5,041 in 2023), and unrealized gain of $18,063 (unrealized loss of $16,327 in 2023).

4. Tangible capital assets

	Cost	**Accumulated amortization**	**2024 Net book value**	2023 Net book value
	$	**$**	**$**	$
Garden of Hope retaining wall	**140,803**	**52,800**	**88,003**	95,043
Works of art	**92,494**	**—**	**92,494**	92,494
	233,297	**52,800**	**180,497**	187,537

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:

	2024	2023
	$	$
Cancer Centre - East/West Fund	**20,856**	65,761
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	**34,105**	(134,380)
Research funds	**—**	320,675
	122,517	319,612

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:

	2024 $	2023 $
Power of Life Special Fund	**352,503**	323,156
In This Together Campaign	**14,872**	809,021
Research funds	**20,000**	—
	387,375	1,132,177

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.

	2024 $	2023 $
Canadian corporate bonds	**211,000**	221,663
High interest savings account	**49,312**	43,661
	260,312	265,324

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, 2024, investment income on these net assets was $3,243 ($3,363 in 2023) which was recorded as income in the statement of operations. There was $9,441 (nil in 2023) disbursed from the fund in the year.

8. Related party debt

Newfoundland and Labrador Health Services ("NLHS") is a related party. One of the purposes of the Foundation is the accumulation of funds to assist NLHS with the purchase of medical equipment used in the provision of cancer patient care.

NLHS 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 NLHS in the amount of $245,394 ($54,526 in 2023) relating to normal operating activities and cancer treatment equipment commitments.

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.

	2024	2023
	$	$
Canadian corporate bonds	**702,955**	706,166
Equity mutual funds	**188,330**	267,610
	891,285	973,776

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, 2024, investment income on these net assets was $12,297 ($12,767 in 2023) which was recorded as income in the statement of operations. There was $134,380 ($29,017 in 2023) 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

Pursuant to a Memorandum of Understanding, dated December 15, 2020, between the Foundation and the Eastern Regional Health Authority (now operating as Newfoundland and Labrador Health Services ("NLHS")) in connection with the Foundation's support of the construction and opening of the new Systemic Therapy Unit (the "Unit"), the Foundation made an additional commitment of up to $325,000 for certain furniture, fixture and equipment items in support of patient care in the Unit. To date, both organizations agree on a balance owing of $189,541 in respect of this commitment which has been accrued for and nil has been transferred.

Dr. H. Bliss Murphy Cancer Care Foundation
Schedule 1 – Polka Dot Trot
Year ended March 31, 2024

	2024 $	2023 $
Event supplies	**28,748**	26,271
Public relations	**22,321**	28,064
Bank charges and interest	**6,402**	14,666
Signage	**3,274**	7,266
Printing	**1,474**	722
Stewardship	**1,400**	100
Business meetings	**1,010**	—
Promotion material	**981**	4,962
Insurance	**700**	830
Photography	**600**	500
Travel	**353**	780
Web design and maintenance	**100**	150
Office supplies	**—**	509
Professional fees	**—**	300
	67,363	85,120

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, 2024

	2024 $	2023 $
In This Together	**997,897**	837,405
Patient support programs	**350,032**	335,823
Wages, salaries and benefits	**199,215**	197,119
Power of Life	**81,416**	23,007
Breast cancer conference	**80,167**	58,979
Swim for Hope Payouts	**68,119**	28,067
Scholarships, bursaries and grants	**16,538**	3,000
Polka Dot Trot	**2,450**	120,000
	1,795,834	1,603,400

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, 2024

	2024 $	2023 $
Salaries and benefits	**300,360**	308,135
Harmonized sales tax expense	**39,375**	36,651
Professional fees	**25,353**	16,432
Accounting and legal	**19,084**	18,458
Administration	**9,023**	5,369
Storage	**8,719**	13,524
Amortization	**7,040**	7,040
Office supplies	**4,106**	2,078
Bank charges and interest	**3,000**	3,000
Insurance	**2,261**	2,194
Postage	**2,220**	2,220
Minor equipment and furniture	**2,200**	5,449
Membership fees	**1,375**	904
Courier	**1,008**	527
Printing	**432**	1,483
Business meetings	**147**	419
	425,703	423,883

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, 2024

	2024 $	2023 $
Direct mail program	**97,493**	135,565
Event supplies	**50,111**	13,482
Bank charges	**27,059**	25,563
Subscription fees	**6,846**	6,205
Printing	**3,810**	995
Postage	**3,590**	1,026
Promotional materials	**3,411**	16,018
Signage	**1,910**	660
Insurance	**1,811**	1,260
Photography	**500**	—
Public relations	**491**	231
	197,032	201,005

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

	2024 $	2023 $
Software maintenance	**23,155**	15,916
Web design and maintenance	**5,196**	4,169
Travel	**4,156**	2,637
Telephone	**2,572**	1,972
Stewardship	**2,168**	2,277
Professional development	**1,933**	838
Event supplies	**1,352**	1,250
Postage	**1,024**	740
Promotional materials	**375**	1,610
Signage	**299**	125
Printing	**51**	171
Photography	**—**	3,850
	42,281	35,555

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