

**Brain Tumour Foundation of Canada**  
**Financial Statements**  
*December 31, 2020*

	<i><b>Page</b></i>
<b>Independent Auditor's Report</b>	
<b>Financial Statements</b>	
Statement of Operations and Changes in Net Assets.....	1
Statement of Financial Position.....	2
Statement of Cash Flows.....	3
<b>Notes to the Financial Statements.....</b>	<b>4 - 13</b>

To the Board of Directors of Brain Tumour Foundation of Canada:

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the accompanying financial statements of Brain Tumour Foundation of Canada (the "Foundation"), which comprise the statement of financial position as at December 31, 2020, the statement of operations and changes in net assets, 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 Brain Tumour Foundation of Canada as at December 31, 2020 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 fundraising events and 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. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising events revenues, donations revenues, excess of revenues over expenditures and its cash flows for the years ended December 31, 2020 and December 31, 2019, current assets and fund balances as at December 31, 2020 and December 31, 2019.

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 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 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 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.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Corporations Act of Ontario, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*MNP LLP*

London, Ontario

March 22, 2021

Chartered Professional Accountants

Licensed Public Accountants

**Brain Tumour Foundation of Canada**  
**Statement of Operations and Changes in Net Assets**  
Year ended December 31, 2020

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2020	Total 2019
<b>Revenues</b>					
Fundraising events	\$ 1,294,537	\$ 348,048	\$ -	\$ 1,642,585	\$ 2,330,263
Donations	738,003	405,459	460	1,143,922	1,163,778
Other revenue (note 13)	6,989	120	-	7,109	9,992
Investment income (note 14)	132,009	-	18,277	150,286	221,860
	<b>2,171,538</b>	<b>753,627</b>	<b>18,737</b>	<b>2,943,902</b>	<b>3,725,893</b>
<b>Fundraising expenditures</b>					
Fundraising events	51,056	-	-	51,056	224,934
Other fundraising	371,364	-	-	371,364	421,328
	<b>422,420</b>	<b>-</b>	<b>-</b>	<b>422,420</b>	<b>646,262</b>
<b>Program expenditures</b>					
Patient services	1,569,864	38,186	-	1,608,050	2,021,214
Research	6,000	517,873	-	523,873	287,991
	<b>1,575,864</b>	<b>556,059</b>	<b>-</b>	<b>2,131,923</b>	<b>2,309,205</b>
<b>Administration expenditures</b>					
Salaries	106,360	-	-	106,360	109,192
Office and general	128,134	-	3,601	131,735	152,120
Amortization	3,486	-	-	3,486	3,297
Miscellaneous	4,984	-	-	4,984	5,374
	<b>242,964</b>	<b>-</b>	<b>3,601</b>	<b>246,565</b>	<b>269,983</b>
<b>Expenditures for the year</b>	<b>2,241,248</b>	<b>556,059</b>	<b>3,601</b>	<b>2,800,908</b>	<b>3,225,450</b>
<b>Excess (deficiency) of revenues over expenditures for the year from operations</b>	<b>\$ (69,710)</b>	<b>\$ 197,568</b>	<b>\$ 15,136</b>	<b>\$ 142,994</b>	<b>\$ 500,443</b>
<b>Government assistance (note 15)</b>	<b>348,299</b>	<b>-</b>	<b>-</b>	<b>348,299</b>	<b>-</b>
<b>Excess of revenues over expenditures for the year</b>	<b>\$ 278,589</b>	<b>\$ 197,568</b>	<b>\$ 15,136</b>	<b>\$ 491,293</b>	<b>\$ 500,443</b>
<b>Net Assets, Beginning of Year</b>	<b>\$ 1,086,045</b>	<b>\$ 1,436,943</b>	<b>\$ 366,853</b>	<b>\$ 2,889,841</b>	<b>\$ 2,389,398</b>
<b>Interfund transfer (note 16)</b>	<b>2,658</b>	<b>8,942</b>	<b>(11,600)</b>	<b>-</b>	<b>-</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,367,292</b>	<b>\$ 1,643,453</b>	<b>\$ 370,389</b>	<b>\$ 3,381,134</b>	<b>\$ 2,889,841</b>

The accompanying notes are an integral part of these financial statements

**Brain Tumour Foundation of Canada**

Statement of Financial Position

As at December 31, 2020

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2020	Total 2019
<b>Assets</b>					
<b>Current</b>					
Cash	\$ 103,645	\$ 1,190,542	\$ -	\$ 1,294,187	\$ 430,628
Short-term investments (note 3)	66,596	25,000	-	91,596	150,252
Accounts receivable	21,843	-	-	21,843	44,538
Prepaid expenses	94,416	-	-	94,416	86,363
	286,500	1,215,542	-	1,502,042	711,781
<b>Long-term investments (note 4)</b>	<b>1,047,291</b>	<b>678,952</b>	<b>-</b>	<b>1,726,243</b>	<b>1,794,237</b>
<b>Property, plant and equipment (note 5)</b>	<b>81,245</b>	<b>-</b>	<b>-</b>	<b>81,245</b>	<b>105,296</b>
<b>Intangible assets (note 6)</b>	<b>25,664</b>	<b>-</b>	<b>-</b>	<b>25,664</b>	<b>29,556</b>
<b>Endowment fund (note 7)</b>	<b>-</b>	<b>-</b>	<b>370,389</b>	<b>370,389</b>	<b>366,853</b>
	\$ 1,440,700	\$ 1,894,494	\$ 370,389	\$ 3,705,583	\$ 3,007,723
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 26,122	\$ 1,041	\$ -	\$ 27,163	\$ 52,629
Grants payable (note 8)	-	250,000	-	250,000	32,028
Current portion of capital lease obligation (note 9)	15,703	-	-	15,703	15,924
	41,825	251,041	-	292,866	100,581
<b>Capital lease obligation (note 9)</b>	<b>1,583</b>	<b>-</b>	<b>-</b>	<b>1,583</b>	<b>17,301</b>
<b>CEBA loan (note 10)</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>-</b>
	73,408	251,041	-	324,449	117,882
<b>Commitments (note 11)</b>					
<b>Significant event (note 19)</b>					
<b>Fund Balances</b>					
<b>Unrestricted Fund per page 3</b>	<b>1,367,292</b>	<b>-</b>	<b>-</b>	<b>1,367,292</b>	<b>1,086,045</b>
<b>Restricted Fund (note 12) per page 3</b>	<b>-</b>	<b>1,643,453</b>	<b>-</b>	<b>1,643,453</b>	<b>1,436,943</b>
<b>Endowment Fund (note 7) per page 3</b>	<b>-</b>	<b>-</b>	<b>370,389</b>	<b>370,389</b>	<b>366,853</b>
	1,367,292	1,643,453	370,389	3,381,134	2,889,841
	\$ 1,440,700	\$ 1,894,494	\$ 370,389	\$ 3,705,583	\$ 3,007,723

On behalf of the Board:

E-SIGNED by Phyllis Retty

E-SIGNED by Russell Smith

The accompanying notes are an integral part of these financial statements

**Brain Tumour Foundation of Canada**  
**Statement of Cash Flows**  
Year ended December 31, 2020

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures for the year	\$ 491,293	\$ 500,443
Items not affecting cash		
Amortization	49,802	47,099
Forgiveable portion of CEBA loan	(10,000)	-
	<b>531,095</b>	<b>547,542</b>
Changes in non-cash working capital balances		
Decrease in accounts receivable	22,695	5,019
(Increase) decrease in prepaid expenses	(8,053)	27,076
Decrease in accounts payable and accrued liabilities	(25,466)	(14,270)
(Increase) decrease in grants payable	217,972	(223,472)
	<b>738,243</b>	<b>341,895</b>
<b>Investing activities</b>		
Decrease (increase) in investments	126,650	(149,531)
Purchase of property, plant, and equipment	(12,416)	(20,012)
Purchase of intangible assets	(9,443)	(32,145)
Increase in Endowment Fund investments	(3,536)	(21,314)
	<b>101,255</b>	<b>(223,002)</b>
<b>Financing activities</b>		
Repayment of capital lease obligation	(15,939)	(9,588)
Proceeds of CEBA loan	40,000	-
	<b>24,061</b>	<b>(9,588)</b>
<b>Change in cash position</b>	<b>863,559</b>	<b>109,305</b>
<b>Cash, beginning of year</b>	<b>430,628</b>	<b>321,323</b>
<b>Cash, end of year</b>	<b>\$ 1,294,187</b>	<b>\$ 430,628</b>
<b>Cash resources are comprised of:</b>		
Cash - unrestricted fund	\$ 103,645	
Cash - restricted fund	1,190,542	
	<b>\$ 1,294,187</b>	

The accompanying notes are an integral part of these financial statements

**1. Nature of operations**

The Brain Tumour Foundation of Canada (the "Foundation") was incorporated on February 11, 1985 as a registered charity and is a national organization dedicated to reaching every person in Canada affected by a brain tumour through support, education, information and research.

**2. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows.

**(a) Fund accounting**

The Foundation has the following funds:

**(i) Unrestricted Fund**

The Unrestricted Fund accounts for the day to day operating activities of the Foundation, including any unrestricted fundraising events revenue, donations, other revenue and net investment income.

**(ii) Restricted Fund**

The Restricted Fund consists of externally restricted fundraising events revenue and donations that are to be used in accordance with restrictions in place and require Board of Directors approval for payment.

**(iii) Endowment Fund**

The Endowment Fund is held by the London Community Foundation and consists of six funds: Hannah Patterson Legacy Fund, Kelly Northey Legacy Fund, David Bloom Legacy Fund, R. Angus King Legacy Fund, Pam and Rolando Del Maestro Family and the Brain Tumour Foundation (General) Fund.

**(b) Revenue recognition**

The Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions including fundraising events, donations and other revenue are recognized as revenue of the restricted fund in the period in which they are received or receivable.

Unrestricted contributions including fundraising events, donations and other revenue are recognized as revenue of the unrestricted fund in the period in which they are received or receivable.

Restricted net investment income is recognized as revenue of the restricted fund in the year in which it is received or receivable. Unrestricted net investment income is recognized as revenue of the unrestricted fund when it is received or receivable. Investment gains and losses are recognized as revenue whether realized or unrealized.

Endowment contributions are recognized as revenue of the endowment fund in the period in which they are received or receivable. Net investment income is added to the principal amount of resources held for endowment in the statement of operations.

**(c) Recognition of pledges**

Because of the uncertainty of the collectability of pledges, the Foundation recognizes only those pledges for which contributions have been received at the date of completion of these financial statements.

# Brain Tumour Foundation of Canada

## Notes to the Financial Statements

For the year ended December 31, 2020

---

### 2. Significant accounting policies (continued from previous page)

#### (d) Property, plant and equipment

Property, plant and equipment are recorded at cost. The Foundation provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Office equipment	5 years	Straight-line
Leasehold improvements	10 years	Straight-line
Computer equipment	3 years	Straight-line
Signs	5 years	Straight-line
Asset under capital lease	5 years	Straight-line

#### (e) Intangible assets

Logos represent the cost of English and French registered logos designed for the Foundation in 2002. Logos are recorded at cost and amortized over their estimated useful lives of 10 years. Website is recorded at cost and amortized over the estimated useful life of 3 years. Computer software is recorded at cost and amortized over the estimated useful life of 5 years.

These intangible assets are tested for impairment only when an event or circumstance occurs indicating that the fair value may be lower than their carrying amount.

#### (f) Grants payable

Grants are recorded upon approval of the Committees of the Board of Directors. If ethics approval is required, this is obtained from the institution in which the project is conducted prior to any funds being disbursed. If the project does not involve human and/or animal subjects, ethics approval is not required. The funds are paid to the recipient according to the payment terms specified in the grant agreement.

#### (g) Volunteer contributions

Volunteers contribute countless hours to assist the Foundation in carrying out its fundraising activities. Due to the difficulty in determining fair value, volunteer contributions are not recognized in the financial statements.

#### (h) Income taxes

According to the provisions of the Income Tax Act (Canada), the Foundation is exempt from taxes on income.

During the year, the Foundation expended sufficient amounts on charitable activities and by way of gifts to qualified donees to meet the disbursement quota requirements as defined in paragraph 149(1)(f) of the Income Tax Act (Canada).

**2. Significant accounting policies (continued from previous page)**

**(i) Financial instruments**

**(i) Measurement of financial instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for bonds, common shares and other marketable securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable. Financial assets measured at fair value include short-term investments, Endowment fund and long-term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, CEBA loan and grants payable.

**(ii) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

**(j) Expense allocations**

The Foundation allocates its general expenses, with the exception of marketing and communications, between administrative, other fundraising and patient services based on percentages. This allocation basis consists of 7% to administrative, 18% to other fundraising and 75% to patient services. Marketing and communications expenses are allocated 15% to other fundraising and 85% to patient services. The Foundation believes that these allocation rates are appropriate and evaluates the rates annually.

**(k) Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. By their nature, these estimates are subject to measurement uncertainty. These estimates are reviewed periodically, and adjustments are made to income in the year in which they become known. Accounts specifically affected by estimates in these financial statements are the useful life of property, plant and equipment, useful life of intangible assets, and in-kind donations. Actual results may vary from these estimates.

**Brain Tumour Foundation of Canada**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

---

**2. Significant accounting policies (continued from previous page)**

**(l) In kind donations**

Materials and services donated to the Foundation that are normally purchased, are recorded at their fair value as a donation and corresponding expense. In 2020 in kind donations amounted to \$6,217 (2019 - \$3,595).

**(m) Government assistance**

Government assistance is recognized when there is reasonable assurance that the entity has met the eligibility criteria and the grant will be received.

**3. Short term investments**

Short term investments are recorded at fair market value and consist of:

	<b>2020</b>	<b>2019</b>
RBC portfolio	<b>\$ 91,596</b>	<b>\$ 150,252</b>

Included in the short term investments are restricted investments of \$25,000 (2019 - \$50,000) held in Research Fellowship Funds.

**4. Long term investments**

Long-term investments are recorded at fair market value and consist of:

	<b>2020</b>	<b>2019</b>
RBC portfolio	<b>\$ 1,726,243</b>	<b>\$ 1,794,237</b>

The long term investments consist of two portfolios: an internally designated stability fund and the restricted research fund investments.

The Foundation's Board of Directors considers the investments in the stability account to be allocated for the ensured continuance of the Foundation, and the earnings from those funds will be used to fulfil the priorities identified in the Foundation's mission statement.

The research funds are invested and held as the William Donald Nash Research Fellowship Fund, Richard Motyka Research Fellowship Fund and A.E. Research Fund. The goal of these funds is to support clinical and/or basic science research through research grant payments approved by the board.

# Brain Tumour Foundation of Canada

## Notes to the Financial Statements

*For the year ended December 31, 2020*

### 5. Property, plant and equipment

	<b>2020</b>		<b>2019</b>	
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net</i>	<i>Net</i>
Office equipment	\$ 94,368	\$ 73,780	\$ 20,588	\$ 20,454
Leasehold improvements	10,687	3,740	6,947	8,015
Computer equipment	157,335	145,902	11,433	12,076
Signs	8,551	5,985	2,566	4,276
	<b>270,941</b>	<b>229,407</b>	<b>41,534</b>	<b>44,821</b>
Asset under capital lease	103,593	63,882	39,711	60,475
	<b>\$ 374,534</b>	<b>\$ 293,289</b>	<b>\$ 81,245</b>	<b>\$ 105,296</b>

The amortization for 2020 was \$36,467 (2019 - \$33,795).

### 6. Intangible assets

	<b>2020</b>		<b>2019</b>	
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net</i>	<i>Net</i>
Registered logos	\$ 26,482	\$ 25,712	\$ 770	\$ 854
Website	143,294	118,400	24,894	28,376
Computer software	161,664	161,664	-	326
	<b>\$ 331,440</b>	<b>\$ 305,776</b>	<b>\$ 25,664</b>	<b>\$ 29,556</b>

The amortization of intangible assets for 2020 was \$13,335 (2019 - \$13,304).

### 7. Endowment Fund

The Foundation has established an Endowment Fund with the London Community Foundation. Each year the investment income from this fund is to be used to benefit the work of the Foundation. The Endowment Fund is recorded at fair value. The balance consists of the following funds:

	<b>2020</b>	<b>2019</b>
General	\$ 24,916	\$ 24,711
Kelly Northey Legacy	29,493	29,247
David Bloom Legacy	36,274	35,516
Hannah Patterson Legacy	80,241	79,574
R. Angus King Legacy	139,574	138,412
Pam and Rolando Del Maestro Family	59,891	59,393
	<b>\$ 370,389</b>	<b>\$ 366,853</b>

**Brain Tumour Foundation of Canada**  
**Notes to the Financial Statements**

*For the year ended December 31, 2020*

**8. Grants payable**

	<b>2020</b>	<b>2019</b>
Feature grants	<b>\$ 250,000</b>	\$ -
BT Funders Collaborative	-	32,028
	<b>\$ 250,000</b>	<b>\$ 32,028</b>

**9. Capital lease obligations**

	<b>2020</b>	<b>2019</b>
Capital lease contract for equipment with net book value of \$8,400, repayable in monthly installments of \$899 plus HST including interest at 4.17% per annum with a maturity date of December 2021 and a buyout option of \$1 at maturity.	<b>\$ 10,638</b>	\$ 20,756
Capital lease contract for equipment with net book value of \$15,108, repayable in monthly installments of \$518 plus HST including interest at 4.17% per annum with a maturity date of January 2022 and a buyout option of \$10 at maturity.	<b>6,648</b>	12,469
	<b>17,286</b>	33,225
Less current portion	<b>15,703</b>	15,924
Due beyond one year	<b>\$ 1,583</b>	<b>\$ 17,301</b>

Capital leases are recorded at an amount equal to the present value of the lease payments using the interest rate implicit in the lease. The implicit interest rate of these obligations is 4.17% and their expiry dates are from December 2021 to January 2022. The following is a schedule of future minimum lease payments under capital leases.

2021	16,105
2022	1,583
Total future minimum lease payments	17,688
Less amount representing interest	402
Present value of minimum net lease payments	17,286
Less current portion	15,703
Due beyond one year	<b>\$ 1,583</b>

Interest charges to the accounts of the Foundation on the above during the year amounts to \$1,116 (2019 - \$726).

# Brain Tumour Foundation of Canada

## Notes to the Financial Statements

For the year ended December 31, 2020

### 10. CEBA loan

During the year, the Foundation was approved for and received a \$40,000 loan payable ("CEBA loan") with the Royal Bank of Canada under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA loan is non-interest bearing, can be repaid at any time without penalty and is valid until December 31, 2020.

On January 1, 2021, the outstanding balance of the CEBA loan will automatically convert to a 2-year interest free term loan ("CEBA Term Loan"). The CEBA Term Loan may be repaid at any time without notice or the payment of any penalty. If 75% of the CEBA Term Loan at the CEBA Term Loan Commencement date is repaid on or before December 31, 2022, the repayment of the remaining 25% of such CEBA Term Loan shall be forgiven. If on December 31, 2022, the Organization exercises the option for a 3-year term extension, 5% interest during the term extension period will apply on any balance remaining.

The \$10,000 forgivable portion of the CEBA loan received has been recorded as government assistance income for the year ended December 31, 2020.

### 11. Commitments

The Foundation leases office space and equipment under operating lease agreements. The London office space leases on Horton Street expire January 2024. The aggregate minimum lease payments including HST are as follows:

2021	169,321
2022	167,532
2023	159,496
2024	57,603
<hr/>	
Total future minimum lease payments	\$ 553,952

#### *Blackbaud agreement*

The Foundation has made an annual commitment of \$32,896 from 2020 to 2022 for the aggregate amount of \$98,688 on a three-year contract to obtain subscription based services to upgrade their computer software. The Foundation has paid \$32,896 in 2020 as per the agreement with Blackbaud.

#### **Future Grant Commitments**

##### *Brain Tumour Tissue Bank Project*

The Foundation has committed to a donation of \$88,034 in 2021 for the Tissue Bank Project administered by the London Health Sciences Centre.

##### *William Donald Nash Fellowship Award*

The Foundation has approved the contribution of \$100,000 towards this fellowship; \$25,000 is to be paid annually over 2020 to 2023. During the year \$25,000 was expensed, the remaining \$75,000 has not been accrued in the financial statements as there are future conditions that need to be met prior to their eligibility for release.

##### *Studentship awards*

The Foundation has approved the contribution of \$20,000 towards research grants; the first \$10,000 was paid in 2020 and the second instalment is to be paid in 2021. During the year, \$10,000 was expensed, the remaining \$10,000 has not been accrued in the financial statements as there are future conditions that need to be met prior to their eligibility for release.

# Brain Tumour Foundation of Canada

## Notes to the Financial Statements

*For the year ended December 31, 2020*

### 12. Restricted Fund

The Foundation's restricted fund consists of the following balances at year-end:

	<u>2020</u>	<u>2019</u>
A.E. Research Fund	\$ 451,685	\$ 451,685
Brainwave	15,338	-
Programs & Services	25,244	-
Research – General	207,590	151,781
Research – Pediatric	251,759	228,202
Research – Registry	227,027	256,153
Research – Studentship	45,521	43,137
Richard Motyka Research Fellowship Fund	52,160	61,560
Video Series	-	5,570
William Donald Nash Research Fellowship Fund	200,107	225,107
Dunn with Cancer Research Fund	122,847	-
Vikes Kick Cancer Fund	31,914	-
Youth Education Awards	12,261	13,748
	<b>\$ 1,643,453</b>	<b>\$ 1,436,943</b>

### 13. Other revenue

Other revenue consists of Nevada, registration fees, interest income on bank accounts and tissue bank payments.

### 14. Investment income

Investment income and losses are broken down between realized and unrealized amounts as follows:

	<u>2020</u>	
	<i>Unrestricted</i>	<i>Endowment</i>
Other	\$ 6,651	\$ 18,277
Interest	29,534	-
Dividends	9,885	-
Capital gain	60,861	-
Unrealized gain	25,078	-
	<b>\$ 132,009</b>	<b>\$ 18,277</b>

	<u>2019</u>	
	<i>Unrestricted</i>	<i>Endowment</i>
Other	\$ 29,421	\$ 36,374
Interest	27,939	-
Dividends	9,771	-
Capital gain (loss)	(4,346)	-
Unrealized gain	122,701	-
	<b>\$ 185,486</b>	<b>\$ 36,374</b>

**Brain Tumour Foundation of Canada**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

---

**15. Government assistance**

During the year, the Company received government assistance related to COVID-19.

The Canada Emergency Wage Subsidy ("CEWS") is available to certain eligible employers who have experienced a decline in eligible revenue compared to a previous period (baseline revenue). Employers may be eligible to receive a wage subsidy if they meet certain criteria as determined by the Federal Government of Canada.

The 10% Temporary Wage Subsidy ("TWS") program provides relief for eligible employers through a 10% reduction in payroll deductions paid between March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee.

The Canada Emergency Rent Subsidy ("CERS") is available to certain eligible businesses to cover part of their commercial rent or property expenses. Businesses may be eligible to receive a rent subsidy if they meet certain criteria as determined by the Federal Government of Canada.

Refer to note 10 for more information regarding the Canada Emergency Business Account loan ("CEBA loan").

The breakdown of government assistance recognized as revenue by the Company related to COVID-19 is as follows:

	<b>2020</b>
Canada Emergency Wage Subsidy	<b>\$ 312,789</b>
10% Temporary Wage Subsidy	<b>25,000</b>
Canada Emergency Rent Subsidy	<b>510</b>
Forgivable portion of CEBA loan (note 10)	<b>10,000</b>
	<b>\$ 348,299</b>

---

**16. Interfund transfers**

During the year, the board approved the transfer of \$8,942 from the Endowment Fund to the Restricted Fund to be spent in accordance with donor instructions. The board also approved the transfer of \$2,658 from the Endowment Fund to the Unrestricted Fund.

**17. Financial instruments and risks**

The Foundation has policies and procedures to establish a target asset mix to help protect against the follow risks:

*Interest rate risk*

The Foundation is exposed to interest rate risk as the value of the assets is affected by market changes in interest rates. Interest rate changes directly impact the value of the fixed income securities.

*Market risk*

The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issues the securities. The Foundation manages this risk through controls to monitor and limit concentration levels.

*Liquidity risk*

Liquidity risk is the risk that the Foundation will not be able to meet its obligations as they become due. The Foundation manages this risk by establishing budgets and funding plans. Cash is held in an interest bearing account which provides a rate of return as well as liquidity.

*Credit risk*

The financial instruments that potentially subject the Foundation to a significant concentration of credit risk consist primarily of cash, short-term investments, long-term investments and Endowment Fund. The Foundation mitigates its exposure to credit loss by placing its cash and investments with a Chartered Canadian Bank.

There have been no changes in the Foundation's risk exposures from the prior year.

**18. Comparative amounts**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

**19. Significant event**

During the year there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and charities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on businesses and charities like the Foundation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.