

Brain Tumour Foundation of Canada
Financial Statements
December 31, 2019

Brain Tumour Foundation of Canada
Contents

For the year ended December 31, 2019

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Independent Auditor's Report

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, 2019, the statement of fund 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, 2019 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 (deficiency) of revenues over expenditures and its cash flows for the years ended December 31, 2019 and December 31, 2018, current assets and fund balances as at December 31, 2019 and December 31, 2018.

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.

London, Ontario

March 23, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Brain Tumour Foundation of Canada
Statement of Operations and Changes in Net Assets
Year ended December 31, 2019

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2019	Total 2018
Revenues					
Fundraising events	\$ 2,083,558	\$ 246,705	\$ -	\$ 2,330,263	\$ 2,122,732
Donations	796,126	367,546	106	1,163,778	930,420
Other revenue (note 12)	9,992	-	-	9,992	11,577
Investment income (loss) (note 13)	185,486	-	36,374	221,860	(18,879)
	3,075,162	614,251	36,480	3,725,893	3,045,850
Fundraising expenditures					
Fundraising events	224,934	-	-	224,934	224,735
Other fundraising	421,328	-	-	421,328	417,625
	646,262	-	-	646,262	642,360
Program expenditures					
Patient services	1,896,592	124,622	-	2,021,214	2,052,619
Research	6,000	281,991	-	287,991	353,402
	1,902,592	406,613	-	2,309,205	2,406,021
Administration expenditures					
Salaries	109,192	-	-	109,192	101,247
Office and general	148,454	-	3,666	152,120	150,133
Amortization	3,297	-	-	3,297	3,516
Miscellaneous	5,374	-	-	5,374	6,889
	266,317	-	3,666	269,983	261,785
Expenditures for the year	2,815,171	406,613	3,666	3,225,450	3,310,166
Excess (deficiency) of revenues over expenditures for the year	\$ 259,991	\$ 207,638	\$ 32,814	\$ 500,443	\$ (264,316)
Net Assets, Beginning of Year	\$ 823,413	\$ 1,220,446	\$ 345,539	\$ 2,389,398	\$ 2,653,714
Interfund transfer (note 16)	2,641	8,859	(11,500)	-	-
Net Assets, End of Year	\$ 1,086,045	\$ 1,436,943	\$ 366,853	\$ 2,889,841	\$ 2,389,398

The accompanying notes are an integral part of these financial statements

Brain Tumour Foundation of Canada
Statement of Financial Position
Year ended December 31, 2019

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2019	Total 2018
Assets					
Current					
Cash	\$ 430,628	\$ -	\$ -	\$ 430,628	\$ 321,323
Short-term investments (note 3)	100,252	50,000	-	150,252	352,570
Accounts receivable	44,538	-	-	44,538	49,557
Prepaid expenses	86,363	-	-	86,363	113,439
	661,781	50,000	-	711,781	836,889
Long-term investments (note 4)	1,105,885	688,352	-	1,794,237	1,442,388
Due from unrestricted fund	(730,646)	730,646	-	-	-
Property, plant and equipment (note 5)	105,296	-	-	105,296	96,658
Intangible assets (note 6)	29,556	-	-	29,556	10,715
Endowment fund (note 7)	-	-	366,853	366,853	345,539
	\$ 1,171,872	\$ 1,468,998	\$ 366,853	\$ 3,007,723	\$ 2,732,189
Liabilities					
Current					
Accounts payable and accrued liabilities (note 8)	\$ 52,602	\$ 27	\$ -	\$ 52,629	\$ 66,899
Grants payable (note 10)	-	32,028	-	32,028	222,750
Current portion of capital lease obligation (note 9)	15,924	-	-	15,924	7,911
	68,526	32,055	-	100,581	297,560
Long-term portion of grants payable (note 10)	-	-	-	-	32,750
Capital lease obligation (note 9)	17,301	-	-	17,301	12,481
	85,827	32,055	-	117,882	342,791
Commitments (note 11)					
Fund Balances					
Unrestricted Fund per page 3	1,086,045	-	-	1,086,045	823,413
Restricted Fund (note 15) per page 3	-	1,436,943	-	1,436,943	1,220,446
Endowment Fund (note 7) per page 3	-	-	366,853	366,853	345,539
	1,086,045	1,436,943	366,853	2,889,841	2,389,398
	\$ 1,171,872	\$ 1,468,998	\$ 366,853	\$ 3,007,723	\$ 2,732,189

On behalf of the Board:
2020-04-27 Chris Sullivan (Chair)

Chris Sullivan *Angela Perry 09/27/2020*

The accompanying notes are an integral part of these financial statements

Brain Tumour Foundation of Canada
Statement of Cash Flows
Year ended December 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Excess (deficiency) of revenues over program expenditures	\$ 500,443	\$ (264,316)
Items not affecting cash		
Amortization	47,099	50,226
	547,542	(214,090)
Changes in non-cash working capital balances		
Decrease (increase) in HST receivable	5,019	(3,728)
Decrease in prepaid expenses	27,076	12,835
Decrease in accounts payable and accrued liabilities	(14,270)	(3,241)
Decrease in grants payable	(223,472)	(200,810)
Decrease in deferred revenue	-	(4,000)
	341,895	(413,034)
Investing activities		
(Increase) decrease in investments	(149,531)	437,564
Purchase of property, plant, and equipment	(41,596)	(6,195)
Purchase of intangible assets	(32,145)	(2,760)
Decrease (increase) in Endowment Fund investments	(21,314)	16,027
	(244,586)	444,636
Financing activities		
Repayment of capital lease obligation	11,996	(32,796)
Change in cash position	109,305	(1,194)
Cash, beginning of year	321,323	322,517
Cash, end of year	\$ 430,628	\$ 321,323

The accompanying notes are an integral part of these financial statements

Brain Tumour Foundation of Canada

Notes to the Financial Statements

For the year ended December 31, 2019

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.

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

The estimated useful lives of assets are reviewed by management and adjusted if necessary. During the year, management adjusted the useful life of office equipment from a 20% declining balance rate to 5 years straight-line and the useful life of computer equipment from a 50% declining balance rate to 3 years straight-line to reflect the remaining useful lives of these pieces of equipment. This change in management estimate was recorded on a prospective basis.

(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 15 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 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, net realizable value of inventory, 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, 2019

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 2019 in kind donations amounted to \$3,595 (2018 - \$5,806).

3. Short term investments

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

	<i>2019</i>	<i>2018</i>
RBC portfolio	\$ 150,252	\$ 352,570

Included in the short term investments are restricted investments of \$50,000 (2018 - \$29,840) held in the Richard Motyka Research Fellowship Fund.

4. Long term investments

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

	<i>2019</i>	<i>2018</i>
RBC portfolio	\$ 1,794,237	\$ 1,442,388

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.

5. Property, plant and equipment

	<i>2019</i>		<i>2018</i>	
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net</i>	<i>Net</i>
Office equipment	\$ 88,930	\$ 68,476	\$ 20,454	\$ 11,148
Leasehold improvements	10,687	2,672	8,015	9,084
Computer equipment	150,356	138,280	12,076	13,034
Signs	8,551	4,275	4,276	5,986
	258,524	213,703	44,821	39,252
Asset under capital lease	103,593	43,118	60,475	57,406
	\$ 362,117	\$ 256,821	\$ 105,296	\$ 96,658

The amortization for 2019 was \$33,795 (2018 - \$29,539).

Brain Tumour Foundation of Canada
Notes to the Financial Statements

For the year ended December 31, 2019

6. Intangible assets

	2019	2018	
<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net</i>	<i>Net</i>
Registered logos	\$ 26,481	\$ 25,627	\$ 854
Website	133,851	105,475	28,376
Computer software	161,664	161,338	326
	\$ 321,996	\$ 292,440	\$ 29,556
			\$ 10,715

The amortization of intangible assets for 2019 was \$13,304 (2018 - \$20,687).

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:

	2019	2018
General	\$ 24,711	\$ 23,741
Kelly Northey Legacy	29,247	27,555
David Bloom Legacy	35,516	32,913
Hannah Patterson Legacy	79,574	74,969
R. Angus King Legacy	138,412	130,405
Pam and Rolando Del Maestro Family	59,393	55,956
	\$ 366,853	\$ 345,539

8. Government remittances payable

The accounts payable include the following amounts of government remittances payable:

	2019	2018
Income tax withheld at source	\$ 1,810	\$ 5,081
Canada pension plan	1,033	2,848
Employment insurance	395	1,154
	\$ 3,238	\$ 9,083

Brain Tumour Foundation of Canada
Notes to the Financial Statements
For the year ended December 31, 2019

9. Capital lease obligations

	2019	2018
Capital lease contract for equipment with net book value of \$20,746, 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.	\$ 20,756	-
Capital lease contract for equipment with net book value of \$48,609, repayable in monthly installments of \$2,349 plus HST including interest at 0% per annum with a maturity date of February 2019 and a buyout option of \$1 at maturity.	-	2,359
Capital lease contract for equipment with net book value of \$25,199, 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.	12,469	18,033
	33,225	20,392
Less current portion	15,924	7,911
Due beyond one year	\$ 17,301	\$ 12,481

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.

2020	17,003
2021	16,105
2022	528
Total future minimum lease payments	33,636
Less amount representing interest	1,411
Present value of minimum net lease payments	33,225
Less current portion	15,924
Due beyond one year	\$ 17,301

Interest charges to the accounts of the Foundation on the above during the year amounts to \$726 (2018 - \$1,592).

Brain Tumour Foundation of Canada

Notes to the Financial Statements

For the year ended December 31, 2019

10. Grants payable and future grant commitments

	2019	2018
Studentships	\$ -	\$ 15,000
Canadian Cancer Society – Impact Grant Fund	-	125,000
William Donald Nash Fellowship	-	50,000
BT Funders Collaborative	32,028	32,750
Current portion of grants payable	32,028	222,750
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BT Funders Collaborative	-	32,750
<hr/>		
Long-term portion of grants payable	-	32,750
	\$ 32,028	\$ 255,500

BT Funders Collaborative

The Foundation has committed to contributions of \$25,000 USD in 2020, which are translated into Canadian dollars at the year-end exchange rate.

Brain Tumour Tissue Bank Project

The Foundation has committed to a donation of \$87,171 in 2020 for the Tissue Bank Project administered by the London Health Sciences Centre

Brain Tumour Registry of Canada

The Foundation committed to contributing \$58,500 to Brain Registry commencing March 2020 to December 2020.

Motyka Fellowship Award

The Foundation has approved the contribution of \$100,000 towards fellowship; \$50,000 paid in 2019 and the second instalment to be paid December 31, 2020.

Studentship award

The Foundation has approved the contribution of \$10,000 towards research grant; the first \$5,000 was paid in 2019 and the second instalment to be paid October 2020.

11. Commitments

The Foundation leases office space and equipment under operating lease agreements. The London office space lease on Horton St commenced February 1, 2018 and a new lease for extending the office space commencing January 1, 2020. The first office lease is for a seven-year term and the second is for a four-year term both expiring January 2024. The aggregate minimum lease payments including HST are as follows:

2020	\$ 142,845
2021	144,026
2022	142,087
2023	133,899
Subsequent years	11,167
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Total future minimum lease payments	\$ 574,024

Brain Tumour Foundation of Canada

Notes to the Financial Statements

For the year ended December 31, 2019

11. Commitments (continued from previous page)

Blackbaud agreement

The current agreement had been extended from December 19, 2019 to May 19, 2020 with no requirement to pay for the extended months. The Foundation has made a new annual commitment of \$32,896 for the aggregate amount of \$98,689 on a three-year contract to obtain subscription based services to upgrade their computer software. The foundation will start paying on May 20, 2020 as per the agreement with Blackbaud.

Website

The Foundation has contracted with Rhinoactive for website upgrades and support costing \$56,390 over the next five years.

12. Other revenue

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

13. Investment income (loss)

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

	<i>2019</i>	
	<i>Unrestricted</i>	<i>Endowment</i>
Other	\$ 29,421	\$ 36,374
Interest	27,939	-
Dividends	9,771	-
Capital gain (loss)	(4,346)	-
Unrealized gain (loss)	122,701	-
	\$ 185,486	\$ 36,374
	<i>2018</i>	
	<i>Unrestricted</i>	<i>Endowment</i>
Other	\$ 24,271	\$ (3,591)
Interest	33,922	-
Dividends	10,014	-
Capital gain (loss)	22,391	-
Unrealized gain (loss)	(105,886)	-
	\$ (15,288)	\$ (3,591)

Brain Tumour Foundation of Canada
Notes to the Financial Statements
For the year ended December 31, 2019

14. 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.

15. Restricted Fund

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

	2019	2018
A.E. Research Fund	\$ 451,685	\$ 600,921
Handbooks	-	35,422
Programs & Services	-	8,302
Research – General	151,781	108,261
Research – Pediatric	228,202	100,628
Research – Registry	256,153	126,284
Research – Studentship	43,137	8,309
Richard Motyka Research Fellowship Fund	61,560	29,840
Video Series	5,570	5,570
William Donald Nash Research Fellowship Fund	225,107	183,192
Youth Education Awards	13,748	13,717
	\$ 1,436,943	\$ 1,220,446

16. Interfund transfers

During the year, the board approved the transfer of \$8,859 from the Endowment Fund to the Restricted Fund to be spent in accordance with donor instructions. The board also approved the transfer of \$2,641 from the Endowment Fund to the Unrestricted Fund.

Brain Tumour Foundation of Canada

Notes to the Financial Statements

For the year ended December 31, 2019

17. 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.

18. Subsequent events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses 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 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.