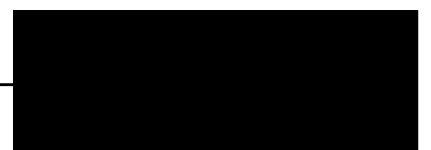


**FINANCIAL STATEMENTS**  
**For**  
**THE PROSTATE CANCER FIGHT FOUNDATION**  
**For the year ended**  
**JULY 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the directors of

### **THE PROSTATE CANCER FIGHT FOUNDATION**

#### *Qualified Opinion*

We have audited the financial statements of The Prostate Cancer Fight Foundation (the Foundation), which comprise the statement of financial position as at July 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 the Foundation as at July 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, 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 revenue, net revenue, and cash flows from operations for the years ended July 31, 2023 and 2022, current assets as at July 31, 2023 and 2022 and net assets as at August 1 and July 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended July 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 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.

[REDACTED]  
Chartered Professional Accountants  
Licensed Public Accountants

[REDACTED]

**THE PROSTATE CANCER FIGHT FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**JULY 31, 2023**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,129,553	\$ 3,277,532
Receivable from Ride for Dad (note 5)	257,470	222,330
Accounts receivable	28,992	27,978
Government remittance receivable	<u>60,779</u>	<u>45,433</u>
	3,476,794	3,573,273
<b>RESTRICTED CASH (note 4)</b>	<u>22,257</u>	<u>21,658</u>
	<u>\$ 3,499,051</u>	<u>\$ 3,594,931</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 4)	\$ 56,692	\$ 192,827
<b>NET ASSETS</b>		
Unrestricted	<u>3,442,359</u>	<u>3,402,104</u>
	<u>\$ 3,499,051</u>	<u>\$ 3,594,931</u>

Approved by the Board:

GARRY JANZ

..... Director

BYRON SMITH

..... Director

(See accompanying notes)

**THE PROSTATE CANCER FIGHT FOUNDATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEAR ENDED JULY 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Fundraising revenue</b>		
<b>Ride for Dad fundraising revenue</b>		
Donations	\$ 1,529,909	\$ 1,530,149
Sponsorship and other fundraising amounts	<u>607,609</u>	<u>313,601</u>
Gross Ride for Dad fundraising amounts (note 5)	2,137,518	1,843,750
Less:		
Fundraising services provided by the Ride for Dad (note 5)	(328,711)	(231,235)
Non-recoverable portion of HST on fundraising services	<u>(12,951)</u>	<u>(9,111)</u>
Ride for Dad fundraising revenue (net)	<u>1,795,856</u>	<u>1,603,404</u>
<b>Lottery fundraising revenue</b>		
Progressive lottery sales	-	11,740
50/50 draw	63,110	-
Less:		
Weekly payouts	-	(2,348)
Progressive payout	-	(3,522)
Advertising and administration	<u>(15,145)</u>	<u>(1,686)</u>
Lottery fundraising revenue (net)	<u>47,965</u>	<u>4,184</u>
<b>Total fundraising revenue</b>	1,843,821	1,607,588
<b>Interest and other revenue</b>	<u>125,105</u>	<u>32,076</u>
	<u>1,968,926</u>	<u>1,639,664</u>
<b>Expenses</b>		
Research grants	1,281,774	232,612
Education and awareness	462,035	320,542
Salaries and benefits	79,608	89,608
Outside services	66,406	59,138
Office and administration	15,383	11,056
Professional fees	<u>23,465</u>	<u>34,355</u>
	<u>1,928,671</u>	<u>747,311</u>
<b>Net revenue</b>	40,255	892,353
<b>Unrestricted net assets at beginning of year</b>	<u>3,402,104</u>	<u>2,509,751</u>
<b>Unrestricted net assets at end of year</b>	<u>\$ 3,442,359</u>	<u>\$ 3,402,104</u>

(See accompanying notes)

**THE PROSTATE CANCER FIGHT FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JULY 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Net revenue	\$ 40,255	\$ 892,353
Changes in level of:		
Receivable from Ride for Dad	(35,140)	(313,410)
Accounts receivable	(1,014)	(14,316)
Government remittance receivable	(15,346)	(23,275)
Prepaid expenses	-	2,531
Restricted cash	(599)	21,244
Accounts payable and accrued liabilities	<u>(136,135)</u>	<u>125,186</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(147,979)	690,313
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>3,277,532</u>	<u>2,587,219</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 3,129,553</u>	<u>\$ 3,277,532</u>

(See accompanying notes)

**THE PROSTATE CANCER FIGHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JULY 31, 2023**

**1. NATURE OF OPERATIONS**

The Prostate Cancer Fight Foundation (the "Foundation") was incorporated under the Canada Corporations Act on January 21, 2005. The Foundation received its Certificate of Continuance under the Canada Not-for-Profit Corporations Act on October 9, 2014.

The Foundation is a registered charity under the Income Tax Act and was formed to provide funding to organizations that conduct research and to promote education and awareness of prostate cancer.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Cash and cash equivalents**

Cash and cash equivalents include cash on deposit with financial institutions, demand deposits and redeemable or short-term investments with maturity of 90 days or less at acquisition.

**b) Revenue recognition**

**i) Contributions**

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**ii) Fundraising**

Unrestricted donations, sponsorship and other fundraising amounts are recognized as revenue when received.

**iii) Lottery sales**

Income from the 50/50 lottery sales is recognized as revenue was paid out by Rafflebox, with 50% of the sales being accrued for the prize.

**iv) Investment income**

Investment income is comprised of interest from cash and cash equivalents. Revenue is recognized on an accrual basis. Interest on investments is recognized over the term of these investments using the effective interest method.

**c) Financial instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or liability is subsequently measured at amortized cost.

The Foundation subsequently measures cash and cash equivalents at fair value at the statement of financial position date. All other financial assets and financial liabilities are measured at amortized cost at the statement of financial position date.

**THE PROSTATE CANCER FIGHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED JULY 31, 2023**

**2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

*d) Contributed goods and services*

Volunteers contributed goods and time to assist the Foundation in carrying out its mandate. Due to the difficulty of determining their fair value, contributed goods and services are not recognized in these financial statements.

*e) 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 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 revenue and expenses during the reporting period.

Management makes accounting estimates when determining the collectibility of its receivables and significant accrued liabilities. By their nature, these estimates are subject to uncertainty and the impact on the financial statements of the current and future years could be material.

**3. FINANCIAL INSTRUMENTS**

The Foundation is exposed to the following risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations.

The Foundation does not use derivative financial instruments to manage its risk.

*Credit risk*

The Foundation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Foundation's maximum exposure to credit risk represents the sum of the carrying value of its cash and cash equivalents, restricted cash and receivables.

The Foundation's cash and cash equivalents and restricted cash are deposited with a Canadian chartered bank and as a result, management believes the risk of loss of these items to be remote.

The Foundation manages the credit risk of its receivables by reviewing receivables on a monthly basis and following up on any outstanding amounts. Management believes that all receivables, including those from the Ride for Dad, will be collectible and that no provision for uncollectible amounts is necessary.

*Liquidity risk*

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they become due. The Foundation meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipating investing and financing activities and generally holding assets that can be readily converted to cash.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

*i) Currency risk*

Currency risk is the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

Substantially all of the Foundation's operations are transacted in Canadian dollars and as such, are not exposed to significant currency fluctuations.



**THE PROSTATE CANCER FIGHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED JULY 31, 2023**

**3. FINANCIAL INSTRUMENTS - Cont'd.**

*Market risk - Cont'd.*

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

A portion of the Foundation's cash and cash equivalents bear interest at a fixed interest rate and there are no other interest bearing instruments held by the Foundation. Management is of the opinion that the Foundation's exposure to interest rate risk is minimal.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Foundation is not exposed to other price risk.

*Changes in risk*

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

**4. RESTRICTED CASH**

Restricted cash is comprised of \$22,257 (2022 - \$21,658) for a security deposit on the Foundation's credit card.

**5. RELATED PARTY TRANSACTIONS**

The Foundation is related to the Ride for Dad ("RFD"). Some of the Board of Directors of RFD are also members of the Foundation's Board of Directors. RFD is a not-for-profit organization which operates fundraising events to support prostate cancer research.

Effective August 1, 2017, the Foundation entered into an annual renewable agreement with the RFD with respect to its annual fundraising activities. Under this arrangement, any sponsorship revenues, are first retained by the RFD to completely fund the administrative expenses for the RFD's National Office with any excess being for the Foundation. In addition, this agreement also stipulates that the RFD provides fundraising services to the Foundation with these services being on a cost recovery basis. The cost recovery amount in the current year was \$328,711 (2022 - \$231,235).

The net contribution to the Foundation for the 2023 fiscal year-end was \$1,795,856 (2022 - \$1,603,404). At July 31, 2023, there were amounts receivable from the RFD in the amount of \$257,470 (2022 - \$222,330). The amount was fully collected subsequent to the year-end.

All of the above transactions occurred in the normal course of operations and were recorded at the exchange amount which is agreed upon by all parties.