

**FINANCIAL STATEMENTS**  
**For**  
**PANCREATIC CANCER CANADA**  
**For year ended**  
**DECEMBER 31, 2023**

**PANCREATIC CANCER CANADA**  
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**DECEMBER 31, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the members of the

**PANCREATIC CANCER CANADA***Qualified Opinion*

We have audited the accompanying financial statements of the Pancreatic Cancer Canada (the Organization), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in fund balances 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 Organization as at December 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 Organization 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2022 and 2023, current assets as at December 31, 2022 and 2023, and net assets as at January 1 and December 31 for both the 2022 and 2023 years. The audit opinion on the financial statements for the year ended December 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

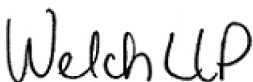
## *Auditor's Responsibilities for the Audit of the Financial Statements*

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 Organization'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 Organization'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 Organization 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.




Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
April 17, 2024.

**PANCREATIC CANCER CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,235,825	\$ 1,671,924
Investments (notes 3 and 11)	7,536	-
Accounts receivable	-	361
HST recoverable	54,810	50,142
Prepaid expenses and deposits	<u>50,705</u>	<u>43,642</u>
	1,348,876	1,766,069
<b>DUE FROM RELATED PARTY</b> (note 5)	150,000	-
<b>TANGIBLE CAPITAL ASSETS</b> (note 4)	<u>7,537</u>	<u>10,409</u>
	<u>\$ 1,506,413</u>	<u>\$ 1,776,478</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>\$ 93,361</u>	<u>\$ 142,068</u>
<b>FUND BALANCES</b>		
Operations fund	621,863	962,876
Externally restricted funds	428,578	233,923
Internally restricted funds (note 10)	<u>362,611</u>	<u>437,611</u>
	<u>1,413,052</u>	<u>1,634,410</u>
	<u>\$ 1,506,413</u>	<u>\$ 1,776,478</u>

Approved by the Board:

 ..... Director  
 ..... Director

(See accompanying notes)

**PANCREATIC CANCER CANADA**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2023**

	Operations Fund		Externally Restricted Funds		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenue</b>						
Community development	\$ 150,653	\$ 162,277	\$ -	\$ -	\$ 150,653	\$ 162,277
Major gifts	729,107	1,981,197	194,655	57,923	923,762	2,039,120
Special events	772,999	747,251	-	-	772,999	747,251
Corporate partnerships	296,509	91,415	-	-	296,509	91,415
Government subsidies	-	9,520	-	-	-	9,520
	<u>1,949,268</u>	<u>2,991,660</u>	<u>194,655</u>	<u>57,923</u>	<u>2,143,923</u>	<u>3,049,583</u>
<b>Expenses (note 9)</b>						
Administration (notes 4 and 5)	526,855	551,032	-	-	526,855	551,032
Fundraising	917,232	742,471	-	-	917,232	742,471
Mission	775,586	556,445	-	-	775,586	556,445
	<u>2,219,673</u>	<u>1,849,948</u>	<u>-</u>	<u>-</u>	<u>2,219,673</u>	<u>1,849,948</u>
<b>Excess (deficiency) of revenue over expenses before the undernoted</b>	(270,405)	1,141,712	194,655	57,923	(75,750)	1,199,635
Investment income (note 7)	<u>42,892</u>	<u>12,954</u>	<u>-</u>	<u>-</u>	<u>42,892</u>	<u>12,954</u>
<b>Excess (deficiency) of revenue over expenses before grants</b>	(227,513)	1,154,666	194,655	57,923	(32,858)	1,212,589
Grants awarded	<u>(188,500)</u>	<u>(651,188)</u>	<u>-</u>	<u>(4,810)</u>	<u>(188,500)</u>	<u>(655,998)</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ (416,013)</u>	<u>\$ 503,478</u>	<u>\$ 194,655</u>	<u>\$ 53,113</u>	<u>\$ (221,358)</u>	<u>\$ 556,591</u>

(See accompanying notes)

**PANCREATIC CANCER CANADA**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2023**

	December 31, 2023			<u>Total</u>
	<u>Operations Fund</u>	<u>Externally Restricted Funds</u>	<u>Internally Restricted Funds</u>	
Fund balances, beginning of year	\$ 962,876	\$ 233,923	\$ 437,611	\$ 1,634,410
Excess (deficiency) of revenue over expenses	(416,013)	194,655	-	(221,358)
Interfund transfers (note 10)	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>
Fund balances, end of year	<u>\$ 621,863</u>	<u>\$ 428,578</u>	<u>\$ 362,611</u>	<u>\$ 1,413,052</u>

	December 31, 2022			<u>Total</u>
	<u>Operations Fund</u>	<u>Externally Restricted Funds</u>	<u>Internally Restricted Funds</u>	
Fund balances, beginning of year	\$ 459,398	\$ 180,810	\$ 437,611	\$ 1,077,819
Excess of revenue over expenses	503,478	53,113	-	556,591
Interfund transfers (note 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 962,876</u>	<u>\$ 233,923</u>	<u>\$ 437,611</u>	<u>\$ 1,634,410</u>

(See accompanying notes)

**PANCREATIC CANCER CANADA**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses:		
Operating fund	\$ (416,013)	\$ 503,478
Restricted funds	<u>194,655</u>	<u>53,113</u>
	(221,358)	556,591
 Items not affecting cash:		
Amortization of tangible capital assets	<u>5,389</u>	<u>4,957</u>
	(215,969)	561,548
 Changes in non-cash operating items:		
Accounts receivable	361	(361)
HST recoverable	(4,668)	(17,893)
Prepaid expenses and deposits	(7,063)	(12,167)
Due from related party	(150,000)	-
Accounts payable and accrued liabilities	(48,707)	21,198
Deferred contributions	<u>-</u>	<u>(1,450)</u>
	<u>(426,046)</u>	<u>550,875</u>
 <b>INVESTING ACTIVITIES</b>		
Acquisition of investments	(7,536)	-
Purchase of tangible capital assets	<u>(2,517)</u>	<u>(8,404)</u>
	<u>(10,053)</u>	<u>(8,404)</u>
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(436,099)	542,471
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,671,924</u>	<u>1,129,453</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,235,825</u>	<u>\$ 1,671,924</u>

(See accompanying notes)



**PANCREATIC CANCER CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**1. NATURE OF OPERATIONS**

The Pancreatic Cancer Canada (the "Organization") is a not-for-profit organization incorporated without share capital under the laws of Ontario. The Organization is engaged in the operation of promoting awareness and to fund research into early detection and treatment of pancreatic cancer. The Organization is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of accounting*

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

*Revenue recognition*

The Organization follows the restricted fund method of accounting for contributions, which consists of donations, bequests, proceeds from special events, and investment income.

Revenue from donations, corporate partnerships and other contributions including gifts in kind, is recorded when received. Restricted contributions are recorded as revenue of the appropriate restricted fund. Events revenue from ticket sales is recognized when the event has occurred and when collection is reasonably assured, while donations derived from events are recognized when collectability is reasonably assured.

Investment income is accrued as it is earned and includes interest income. General investment income earned on the assets of the Restricted Funds is recognized as revenue of the Restricted Funds. General investment income earned on the assets of the Operations Fund is recognized as revenue of the Operations Fund.

*Cash and cash equivalents*

Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition.

*Funds*

The financial statements separately disclose the activities of the following funds maintained by the Organization:

Operations fund

- The Operations Fund comprises amounts available for immediate use for the general purpose of the Organization as determined by the Board of Directors.

Restricted funds

- The Restricted Funds comprises amounts that are to be used for specific purposes as specified by the donors, the Board of Directors, or as stipulated by the fundraising appeal.

**PANCREATIC CANCER CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2023**

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

*Contributed goods and services*

Donors contribute gifts in kind for use in special fundraising events, and for the Organization's use in operations and would otherwise have been purchased. These gifts are recognized at their fair market value when such value can be reasonably determined.

*Contributed securities*

Gifts of publicly-traded securities are recognized at estimated fair value based on the published closing price on the date of receipt, when such information is available, or other estimated fair value as applicable.

*Volunteer services*

The work of the Organization is dependent on the volunteer activities of many individuals. Because these services are not normally purchased by the Organization and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

*Foreign currency translation*

Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the transaction date. Investments and other monetary items denominated in foreign currencies are translated at the year end rate. Translation gains and losses are included in the statement of operations and changes in fund balances.

*Financial instruments*

The Organization initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

<u>Asset/liability</u>	<u>Measurement</u>
Cash and cash equivalents	Fair value
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

*Tangible capital assets*

Purchased tangible capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

	<u>Method</u>	<u>Estimated useful life</u>
Furniture and equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	3 years

**PANCREATIC CANCER CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2023**

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

*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 amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available. Areas requiring significant estimates and assumptions include determining the useful life of tangible capital assets and the amount of accrued liabilities.

*Allocation of costs by function*

The Organization records a number of its expense by function: administration and general, fundraising, and mission.

While direct costs are allocated directly to each function, certain overhead costs are allocated on the following basis:

- Salary costs: Based on the time worked by each employee for each function
- Rental costs: Based on the space used for each function
- Other indirect costs: Based on the activities of each function

**3. INVESTMENTS**

Investments consist of common share equity intended to be liquidated in early 2024.

**4. TANGIBLE CAPITAL ASSETS**

Tangible capital assets consist of the following:

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and equipment	\$ 23,438	\$ 21,603	\$ 23,438	\$ 20,162
Computer equipment	30,464	24,762	27,947	20,814
	53,902	\$ 46,365	51,385	\$ 40,976
Less: accumulated amortization	(46,365)		(40,976)	
	\$ 7,537		\$ 10,409	

Included in administration and general expense is \$5,389 (2022 - \$4,957) of amortization expense.

**PANCREATIC CANCER CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2023**

**5. RELATED PARTY**

In March 2020, Pancreatic Cancer North America (formerly PancOne) was incorporated without share capital in Delaware, U.S. and subsequently approved as a public charity in July 2020. Pancreatic Cancer North America was created to provide financial and other resources to aid research into treatments and cures for pancreatic cancer, and provide support to families and individuals affected by pancreatic cancer.

The Organization has significant influence over Pancreatic Cancer North America by virtue of several common board members and the same CEO. The Organization currently provides on-going administrative and back office support to Pancreatic Cancer North America at no cost.

As at December 31, 2023 \$150,000 (2022 - \$nil) included in due from related party was owed by Pancreatic Cancer North America to the Organization for salaries incurred on Pancreatic Cancer North America's behalf but paid directly by the Organization.

These related party transactions occurred in the normal course of operations and are measured at the exchange amounts, which is the amount of consideration agreed upon by the related parties.

**6. COMMITMENTS**

The Organization has a lease for office premises on Yonge which began September 1, 2020 and continues until August 31, 2026. This lease was amended in June 2023 to include additional space. The approximate annual payments due under this amended lease are as follows:

2024	\$ 69,847
2025	71,192
2026	<u>48,102</u>
	<u>\$ 189,141</u>

**7. INVESTMENT INCOME**

Investment income earned consists of the following:

	<u>2023</u>	<u>2022</u>
Interest income	\$ 42,761	\$ 12,892
Unrealized gain on disposal of stock donations	<u>131</u>	<u>62</u>
	<u>\$ 42,892</u>	<u>\$ 12,954</u>

**8. PENSION**

Substantially all employees are eligible to be members of the Healthcare of Ontario Pension Plan ("the Plan") which is a multi-employer defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings.

The most recent actuarial valuation of the Plan was conducted on December 31, 2023. As of December 31, 2023, the Plan is in a surplus position with value of net assets of \$117,615 million and value of pensions obligations of \$102,454 million.

Contributions to the Plan made during the year by the Organization on behalf of participating employees amounted to \$123,056 (2022 - \$90,640) and are included in the statement of operations.

**PANCREATIC CANCER CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2023**

**9. ALLOCATION OF COSTS BY FUNCTION**

	<u>Direct expenses</u>	<u>Allocated fundraising expenses</u>	<u>Allocated general support expenses</u>	<u>2023 Total</u>	<u>2022 Total</u>
Administration	\$ 236,054	\$ -	\$ 290,801	\$ 526,855	\$ 551,032
Fundraising	25,529	114,610	777,093	917,232	742,471
Mission	<u>25,245</u>	<u>48,739</u>	<u>701,602</u>	<u>775,586</u>	<u>556,445</u>
	<u>\$ 286,828</u>	<u>\$ 163,349</u>	<u>\$ 1,769,496</u>	<u>\$ 2,219,673</u>	<u>\$ 1,849,948</u>

**10. INTERNALLY RESTRICTED FUNDS**

The Organization approved interfund transfers of \$75,000 (2022 - \$nil) from the temporary contingency reserve fund to cover extraordinary legal fees incurred in 2023.

**11. FINANCIAL INSTRUMENTS**

The Organization, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: currency risk, credit risk and liquidity risk.

*Credit risk*

The Organization is exposed to credit risk arising from its Harmonized sales tax receivable and other receivables. The majority of the Organization's receivables are from government sources. The risk has not changed from the previous year. As well, the Organization's bank accounts are held at a major financial institution and are in excess of the amount insured by agencies of the Federal government.

*Liquidity risk*

The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization's approach to managing liquidity is to ensure that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk. Market risk is comprised of currency risk, interest rate risk, and other price risk. It is management's opinion that unless otherwise noted, the Organization is not exposed to significant market risk arising from its financial instruments.

i) *Currency risk*

Current risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization's accounts payable and accrued liabilities include amounts due to US suppliers, the value of which fluctuates in part due to changes in foreign exchange rates. Included in investments is \$2,457 (2022 - \$nil) denominated in U.S. dollars and converted into Canadian dollars.

*Changes in risk*

There have been no significant changes in the Organization's risk exposure from the prior year.

**12. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year presentation.