Terry Fox Research Institute
Financial Statements
March 31, 2024

Independent Auditor's Report

To the Board of Directors of the Terry Fox Research Institute:

Opinion

We have audited the financial statements of the Terry Fox Research Institute (the "Institute"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 Institute 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 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute'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 Institute’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 Institute’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 Institute 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.

Vancouver, British Columbia

July 9, 2024

MNP LLP

Chartered Professional Accountants

Terry Fox Research Institute
Statement of Financial Position
As at March 31, 2024

	2024	2023
Assets		
Current		
Cash	**9,875,406**	3,691,972
Accounts receivable and other assets *(Note 7)*	**3,677,367**	2,119,990
	13,552,773	5,811,962
Capital assets *(Note 4)*	**58,843**	72,541
	13,611,616	5,884,503
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 7)*	**4,007,085**	1,192,572
Grants payable	**3,696,970**	661,775
Deferred contributions *(Note 5)*	**3,912,663**	2,851,792
	11,616,718	4,706,139
Economic dependence *(Note 2)*		
Commitments *(Note 8)*		
Net Assets		
Invested in capital assets	**58,843**	72,541
Unrestricted	**1,936,055**	1,105,823
	1,994,898	1,178,364
	13,611,616	5,884,503

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these financial statements

Terry Fox Research Institute
Statement of Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
The Terry Fox Foundation contributions *(Note 7)*	**21,179,000**	15,025,000
Recognition of deferred contributions *(Note 5)*	**26,212,782**	16,249,888
Other research funding	**100,000**	100,000
Other income	**418,330**	355,759
	47,910,112	31,730,647
Research expenses		
TFRI Programs		
Translational cancer research programs	**1,079,992**	1,252,063
Cancer centre pilots	**-**	766,066
Discovery programs	**17,020,350**	10,544,381
Research - other	**275,000**	250,000
Strategic & co-funded initiatives	**714,258**	-
Program operations	**411,995**	761,570
Marathon of Hope Cancer Centres Network		
Building the cohort	**23,507,865**	15,037,468
Network training	**796,125**	213,750
Patient and health benefits	**315,827**	50,000
Network operations	**1,206,717**	926,734
Digital Health and Discovery Platform		
Platform development	**200,000**	247,315
Network operations	**201,889**	95,105
	45,730,018	30,144,452
Administrative expenses *(Note 6)*	**1,363,560**	1,212,922
	47,093,578	31,357,374
Excess of revenue over expenses	**816,534**	373,273

The accompanying notes are an integral part of these financial statements

Terry Fox Research Institute
Statement of Changes in Net Assets
For the year ended March 31, 2024

	Invested in capital assets	*Unrestricted*	*2024*	*2023*
Balance, beginning of year	**72,541**	**1,105,823**	**1,178,364**	805,091
Excess (deficiency) of revenue over expenses	**(31,374)**	**847,908**	**816,534**	373,273
Investment in capital assets	**17,676**	**(17,676)**	**-**	-
Balance, end of year	**58,843**	**1,936,055**	**1,994,898**	1,178,364

The accompanying notes are an integral part of these financial statements

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**816,534**	373,273
Amortization	**31,374**	36,270
	847,908	409,543
Changes in working capital accounts		
Accounts receivable and other assets	**(1,557,377)**	2,049,670
Accounts payable and accrued liabilities	**2,814,513**	(3,174,717)
Grants payable	**3,035,195**	180,989
Deferred contributions	**1,060,871**	(1,307,477)
	6,201,110	(1,841,992)
Financing		
Decrease in pension payable	**-**	(307,847)
Investing		
Purchase of capital assets	**(17,676)**	(31,676)
Increase (decrease) in cash	**6,183,434**	(2,181,515)
Cash, beginning of year	**3,691,972**	5,873,487
Cash, end of year	**9,875,406**	3,691,972

The accompanying notes are an integral part of these financial statements

1. General

The Terry Fox Research Institute (the "Institute") was incorporated by letters patent on March 14, 2007 to promote, advance and fund scientific research into the diagnosis, treatment and prevention of cancer. The Institute's mission is to provide grants to groups of researchers working toward a common cancer-related goal. The Institute also undertakes targeted programs supported by the Terry Fox Foundation and other external funders.

The Institute is a registered charitable organization under the Income Tax Act and, accordingly, is exempt from income taxes.

The Terry Fox Foundation (the "Foundation"), a party related to the Institute with common members, raises funds for cancer research. Funds raised are provided to the Institute for allocation to cancer research chosen based upon excellence and the potential for impact. The Institute and the Foundation are maintained as separate and independent organizations with many common purposes and mutual interests.

The Institute has signed two major federal government contribution agreements toward the Marathon of Hope Cancer Centres (the "MOHCCN") and the Digital Health and Discovery Platform (the "DHDP") projects.

The MOHCCN is a $300,000,000 five-year, pan-Canadian collaborative project that brings together the top cancer research centres across Canada to create a national network for collaborating cancer centres to accelerate precision medicine cancer research. The project will produce linked and shareable data on 15,000 fully sequenced cancer cases to be used by leading Canadian cancer researchers and data scientists to propel discoveries and impact patient care in Canada. Under the agreement, Health Canada will contribute up to $150,000,000 over the term provided that other funds are secured to match that contribution.

The DHDP is an Institute-led $137,200,000 five-year, pan-Canadian project that brings together numerous public health institutions, not-for-profits, foundations, charities and private sector partners to create and use a state-of-the-art digital health and discovery platform. Under the agreement, Innovation, Science and Economic Development Canada ("ISED") will contribute up to $49,000,000 over the term towards the total project costs provided that other partner funds are secured for the remainder of the project costs.

These federal government projects are dependent on the continued financial support from Health Canada and ISED who provide significant funding to the multi-year MOHCCN and DHDP initiatives.

2. Economic dependence

The Foundation provides significant funding to the Institute and the Institute remains economically dependent on the Foundation for significant future research commitments and operating funding.

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook - Accounting. The Institute's significant accounting policies are as follows:

Revenue recognition

The Institute follows the deferral method of accounting for contributions, which includes donations and government grants.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Interest income on short-term investments is recorded on an accrual basis. Investment income generated by Health Canada funds is restricted and deferred for enhancing the MOHCCN project in future years.

3. Significant accounting policies *(Continued from previous page)*

Research and other expenses

Research expenses include research funding and the costs of managing research programs and networks. The Institute's research expenses (for translational and discovery projects, cancer centres, training and other projects) focuses on activities to advance the understanding, diagnosis and treatment of cancer with the goal of significantly improving the outcomes of cancer research for the patient. MOHCCN research expenses consist of grants to leading Canadian cancer research centres and other related projects with the aim of building and sharing a 15,000 cancer case data set. DHDP research expenses consist of grants that focus on building a shareable data platform driven by artificial intelligence, leading to novel research discoveries. Program operations and network operations include activities such as the scientific review processes, annual funding competitions, research forums, advisory committees, linkages with researchers, partnering and other project management salaries and contracted services.

The Institute recognizes a research grant expense when an approved research recipient has complied with the conditions of a research grant or collaborative research agreement and the Institute has approved payment of the research grant expense.

Other project management and operating expenses are recognized on the accrual basis of accounting.

Allocation of expenses

The Institute allocates a portion of its administrative expenses by identifying the appropriate allocation basis and applying that basis consistently each year. Administrative salaries are allocated on the basis of hours incurred related to each project.

Cash

Cash consists of short-term, highly liquid investments that are subject to insignificant changes in fair value, including cash on hand and deposits with financial institutions that can be withdrawn without prior notice. Cash is carried at cost, which approximates its fair value due to its short-term nature.

Financial instruments

Financial instruments are recorded at fair value on initial recognition and subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Institute has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Capital assets

Purchased capital assets are recorded at cost.

Amortization is provided using the straight-line method and the following annual rates:

	Years
Computer equipment	3 years
Computer software	5 years
Furniture and fixtures	5 years
Leasehold improvements	5 years

Use of estimates

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. Capital assets

	Cost	*Accumulated amortization*	*2024 Net book value*	*2023 Net book value*
Computer equipment	**54,251**	**41,882**	**12,369**	27,875
Computer software	**87,717**	**50,973**	**36,744**	32,156
Furniture and fixtures	**11,640**	**3,492**	**8,148**	10,476
Leasehold improvements	**2,260**	**678**	**1,582**	2,034
	155,868	**97,025**	**58,843**	72,541

5. Deferred contributions

Deferred contributions represent unspent grants or contract resources restricted for specific purposes and projects and include expenses for operating as well as capital purposes.

Deferred contributions relating to expenses of future periods:

	Balance - March 31, 2023	**Current Year Contributions & Donations**	**Amounts Recognized as Revenue**	**Balance - March 31, 2024**
	$	**$**	**$**	**$**
Marathon of Hope Cancer Centres Network				
Health Canada	1,420,458	24,718,425	25,733,502	**405,381**
David & Dorothy Lam Foundation	200,000	200,000	88,250	**311,750**
The Terry Fox Foundation	1,131,334	1,908,711	-	**3,040,045**
Digital Health Discovery Platform				
Industry Science & Economic Development	-	446,516	391,030	**55,486**
The Terry Fox Foundation	100,000	-	-	**100,000**
	2,851,792	27,273,652	26,212,782	**3,912,663**

6. Administrative expenses

	2024	*2023*
Amortization	**21,558**	29,758
Communications	**86,540**	47,739
Compensation	**898,424**	823,971
Office space	**59,083**	59,083
Other admin	**117,425**	92,700
Professional fees	**109,502**	158,236
Travel	**71,028**	1,435
	1,363,560	1,212,922

Administrative expenses do not include research expenses allocated to program delivery costs or network operations. During the year, administrative compensation costs of $189,305 (2023 - $176,699) and amortization expenses of $9,816 (2023 - $6,512) have been allocated to the MOHCCN and the DHDP through network operations.

7. Related party transactions

During the year, the Foundation provided the Institute with $ 23,087,711 (2023 - $15,756,334) in research funding, which included restricted funding of $1,908,711 (2023 - $731,334) towards future expenses under the MOHCCN project. The Institute then distributed $19,089,600 (2023 - $12,812,510) of the total funds received to various institutions and partners for cancer research. During the year, the Institute paid the Foundation $19,585 for payroll-related costs and other shared expenses. There is no balance outstanding between the Institute and the Foundation as at March 31, 2024. As at March 31, 2023, there was $13,212 payable by the Institute to the Foundation for payroll-related costs incurred in the year and paid on behalf of the Institute, which was included in accounts payable, and $241,334 receivable by the Institute from the Foundation related to the balance of fiscal year funding, which was included in accounts receivable.

8. Commitments

The Institute has entered into a lease agreement for office premises in Vancouver that requires monthly base rent payments of $4,804 until July 2024, with an option to renew for one additional year. Subsequent to year-end, this lease agreement was extended for one additional year. In August 2022, the Institute entered into a lease agreement for office premises in Montreal that requires monthly base rent payments of $2,400 until March 2025 and is expected to renew after this date.

The Institute has also entered into a vendor agreement with a commitment to spend $2 Million from January 2024 to March 2027 related to the DHDP Platform and eligible funded projects.

The Institute has committed to funding research projects over the next five years. The commitments are subject to availability of funds.

	Cancer research programs $	**Program project grants $**	**New investigator awards $**	**Strategic & co-funded initiatives $**	**Other research $**	**Marathon of Hope Cancer Centres Network $**	**Digital Health and Discovery Platform**	**Total commitments $**
2025	410,661	14,354,588	2,105,500	1,261,500	187,500	2,133,383	450,000	20,903,132
2026	-	12,424,287	1,421,865	1,148,000	-	430,000	675,000	16,099,152
2027	-	10,445,279	787,286	1,150,000	-	75,000	675,000	13,132,565
2028	-	4,841,988	-	1,125,000	-	-	-	5,966,988
2029	-	1,704,399	-	531,250	-	-	-	2,235,649
	410,661	**43,770,541**	**4,314,651**	**5,215,750**	**187,500**	**2,638,383**	**1,800,000**	**58,337,486**

9. Financial instruments

The Institute, as part of its operations, carries a number of financial instruments. It is management's opinion that the Institute is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Institute deals with government and other creditworthy counterparties to mitigate the risk of financial loss from defaults. The Institute is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Institute will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Institute manages its liquidity risk by monitoring its operating requirements. The Institute prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.