Georgian Bay Cancer Support Centre
Financial Statements
For the year ended September 30, 2022

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Tel: 705 726 6331
Fax: 705 722 6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive
Suite 300
Barrie, ON L4N 0B4
Canada

Independent Auditor's Report

To the Board of Directors of Georgian Bay Cancer Support Centre

Qualified Opinion

We have audited the financial statements of Georgian Bay Cancer Support Centre (the "Centre"), which comprise the statement of financial position as at September 30, 2022, the statements of operations, 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 Centre as at September 30, 2022, and the results of its operations and 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 charitable organizations, the Centre derives revenues from donations and 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 Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended September 30, 2022 and 2021, current assets as at September 30, 2022 and 2021, and net assets as at October 1 and September 30 for both the 2022 and 2021 years, 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 Centre 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 opinion.

Other Matters

The financial statements of Georgian Bay Cancer Support Centre for the year ended September 30, 2021 were audited by another auditor who expressed a qualified opinion on those statements on December 14, 2021 for reasons described in the *Basis for Qualified Opinion* section.

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

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
January 17, 2023

Georgian Bay Cancer Support Centre
Statement of Financial Position

September 30	General Fund	Building Fund	2022 Total	2021 Total
				(note 10)
Assets				
Current				
Cash (note 2)	$ 170,236	$ 2,170	$ 172,406	$ 250,583
Investments (note 3)	-	313,254	313,254	-
Accounts receivable	7,097	-	7,097	22,055
Inventory	16,500	-	16,500	-
Prepaid expenses	5,256	-	5,256	6,791
Interfund balances	4,311	(4,311)	-	-
	203,400	311,113	514,513	279,429
Capital Assets, at cost less accumulated amortization (note 4)	15,553	1,887,471	1,903,024	1,953,767
	$ 218,953	$2,198,584	$2,417,537	$ 2,233,196
Liabilities and Fund Balances				
Current				
Accounts payable and accrued liabilities	$ 22,070	$ -	$ 22,070	$ 15,408
Government remittances payable	3,769	-	3,769	3,226
Deferred contributions (note 6)	33,078	-	33,078	47,648
	58,917	-	58,917	66,282
Deferred Contributions Related to Capital Assets (note 7)	10,150	-	10,150	12,333
	69,067	-	69,067	78,615
Fund Balances				
Net assets	149,886	2,198,584	2,348,470	2,154,581
	$ 218,953	$2,198,584	$2,417,537	$ 2,233,196

On behalf of the Board:

____________________ Director

____________________ Director

The accompanying notes are an integral part of these financial statements.

Georgian Bay Cancer Support Centre
Statement of Changes in Fund Balances

For the year ended September 30	2022 General Fund	2022 Building Fund	2022 Total	2021 Total
Balance, beginning of the year	$ 215,065	$ 1,939,516	$ 2,154,581	$ 1,991,422
Excess of revenues over expenses (expenses over revenues) for the year	(65,179)	259,068	193,889	163,159
Balance, end of the year	$ 149,886	$ 2,198,584	$ 2,348,470	$ 2,154,581

The accompanying notes are an integral part of these financial statements.

Georgian Bay Cancer Support Centre
Statement of Operations

For the year ended September 30	2022 General Fund	2022 Building Fund	2022 Total	2021 Total
Revenues				
Donations	$ **81,799**	$ **307,250**	$ **389,049**	$ 222,028
Fundraising events	**111,473**	**-**	**111,473**	81,752
Grants	**47,289**	**-**	**47,289**	33,744
Contributions in-kind	**26,489**	**1,284**	**27,773**	14,153
Amortization of deferred contributions related to capital assets	**2,183**	**-**	**2,183**	372
Interest	**135**	**918**	**1,053**	232
	269,368	**309,452**	**578,820**	352,281
Expenses				
Advertising and promotion	**4,550**	**-**	**4,550**	7,811
Amortization of capital assets	**626**	**50,118**	**50,744**	51,486
Fundraising expenses	**38,320**	**266**	**38,586**	31,963
Insurance	**5,554**	**-**	**5,554**	5,904
Occupancy costs	**14,364**	**-**	**14,364**	5,188
Office and administration	**21,874**	**-**	**21,874**	11,757
Professional fees	**19,658**	**-**	**19,658**	13,492
Program expenses	**42,116**	**-**	**42,116**	31,449
Repairs and maintenance	**15,497**	**-**	**15,497**	17,701
Wages and benefits	**171,988**	**-**	**171,988**	84,602
	334,547	**50,384**	**384,931**	261,353
Excess of revenues over expenses (expenses over revenues) before other items	**(65,179)**	**259,068**	**193,889**	90,928
Other items				
Government assistance (note 8)	**-**	**-**	**-**	47,231
Loans forgiven (note 5)	**-**	**-**	**-**	25,000
	-	**-**	**-**	72,231
Excess of revenues over expenses (expenses over revenues) for the year	$ **(65,179)**	$ **259,068**	$ **193,889**	$ 163,159

The accompanying notes are an integral part of these financial statements.

Georgian Bay Cancer Support Centre
Statement of Cash Flows

For the year ended September 30	2022	2021
Cash flows from operating activities		
Excess of revenues over expenses for the year	$ **193,889**	$ 163,159
Adjustments for items not affecting cash:		
Amortization of capital assets	**50,744**	51,486
Amortization of deferred contributions related to capital assets	**(2,183)**	(372)
Forgivable loan	**-**	(25,000)
	242,450	189,273
Net change in non-cash working capital balances related to operations:		
Accounts receivable	**14,957**	(8,792)
Inventory	**(16,500)**	-
Prepaid expenses	**1,535**	18,614
Accounts payable and accrued liabilities	**7,205**	(817)
Deferred contributions	**(14,570)**	24,304
	235,077	222,582
Cash flows from investing activities		
Additions of capital assets	**-**	(52,856)
Increase in investments	**(313,254)**	-
	(313,254)	(52,856)
Cash flows from financing activities		
Repayment of loan payable	**-**	(100,000)
Increase in deferred contributions related to capital assets	**-**	12,705
	-	(87,295)
Net (decrease) increase in cash during the year	**(78,177)**	82,431
Cash, beginning of the year	**250,583**	168,152
Cash, end of the year	$ **172,406**	$ 250,583

The accompanying notes are an integral part of these financial statements.

September 30, 2022

1 . Significant Accounting Policies

Nature and Purpose of Organization

The Georgian Bay Cancer Support Centre ("the Centre") was incorporated without share capital under the Canada Corporations Act on October 4, 2010 as a charitable organization and is a registered charity under the Income Tax Act (Canada).

The objectives of the Centre are to offer emotional support, education and information as a complement to medical treatment for individuals diagnosed and living with cancer.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund Accounting

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

The Building Fund reports the assets, liabilities, revenues and expenses related to the Centre's facility, which was funded through externally restricted contributions.

The General Fund reports all other assets, liabilities, revenues and expenses.

Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants approved but not received at the end of the accounting period are accrued. When a portion a grant relates to a future period, it is deferred and recognized in that future period.

Net investment income earned on externally restricted Building Fund resources are recognized as revenue of the Building Fund. All other investment income is recognized as revenue of the General Fund when earned.

1. Significant Accounting Policies (continued)

In-Kind Contributions

Contributions of assets are recognized in the period they are donated at their fair market value when a fair value can be reasonably estimated and when the assets are used in the normal course of the Centre's operations and would otherwise been purchased.

The Centre is dependent on the voluntary services of many individuals. Contributed services are not recognized in the financial statements due to the inherent difficulty in valuing the time of volunteers.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed assets are recorded at a nominal amount.

Amortization is provided on capital assets based on the estimated useful life of the assets as follows:

	Method	Rate
Building	Straight-line	40 years
Parking lot	Straight-line	15 years
Furniture and fixtures	Straight-line	10 years
Computer equipment	Straight-line	5 years

Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the Centre's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow is required. The Centre considers that no circumstances exist that would require such an evaluation.

Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant estimate used in the preparation of these financial statements include the estimated useful life of capital assets and the fair value of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Significant Accounting Policies (continued)

Income Taxes	The Centre is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the income tax legislation.
Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.
Inventory	Inventory includes pieces of art work that have been contributed to the centre. Contributed inventory is recorded at its fair value at the date of contribution.

2. Cash

The Centre's bank accounts are held at one chartered bank. The bank accounts earn interest at variable rates dependent on average monthly balances.

3. Investments

	2022	2021
Guaranteed Investment Certificate, The Bank of Nova Scotia, interest at 3.25%, maturity date of February 28, 2023	$ **312,336**	$ -
Accrued interest	**918**	-
	$ **313,254**	$ -

The carrying value plus accrued interest of the investments approximates market value as at September 30, 2022.

4. Capital Assets

	2022		2021	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	$ **235,000**	$ **-**	$ 235,000	$ -
Building	**1,662,433**	**100,610**	1,662,433	59,049
Furniture and fixtures	**46,543**	**15,762**	46,543	12,296
Computer equipment	**20,477**	**8,192**	20,477	7,493
Parking lot	**75,260**	**12,125**	75,260	7,108
	$ **2,039,713**	$ **136,689**	$ 2,039,713	$ 85,946
Net book value		$ **1,903,024**		$ 1,953,767

5. Loan Payable

During the 2020 fiscal year the Centre received a short term loan of $325,000 from the Weber Foundation to assist with payments relating to the construction of the building on 45 Edward Street. The loan was non-interest bearing and repayable by December 30, 2020. The Centre repaid $NIL (2021 - $100,000) during the fiscal year and the Weber Foundation waived repayment of $NIL (2021 - $25,000) which is recorded as revenue in the Building Fund.

6. Deferred Contributions

Deferred contributions reported in the General Fund represent restricted operating funding received in the current period that is related to expenses of a subsequent period. Changes in deferred contributions balance are as follows:

	2022	2021
GAP Fund	**$ 33,078**	$ 20,165
Ontario Trillium Foundation	**-**	25,371
Indigenous Wage Grant	**-**	2,000
Lady Bug Fund	**-**	112
	$ 33,078	$ 47,648

7. Deferred Contributions Related to Capital Assets

	2022	2021
Balance, beginning of year	**$ 12,333**	$ -
Restricted contributions received during the year for the purchase of capital assets	**-**	12,705
Amounts amortized to revenue	**(2,183)**	(372)
Balance, end of year	**$ 10,150**	$ 12,333

Deferred contributions represent the unamortized amount of grants and restricted donations received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

8. Government Assistance

During the year, the Centre determined they were eligible for $NIL (2021 - $47,231) of Canadian Emergency Wage Subsidy (CEWS) funding. The subsidy program provides employers with assistance by paying a percentage of an employee's wages up to a maximum per week. The total eligible amount of the grant funding was recorded as revenue during the year.

9. Financial Instruments

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to credit risk since the Centre's cash deposits are in excess of the amount insured by the agencies of the federal government in the amounts of $100,000 at September 30, 2022.

Liquidity Risk

Liquidity risk is the risk that the Centre encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Centre will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and government remittances payable. The Centre reduces it exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintaining adequate cash to meet its obligations when due.

There have been no changes to the Centre's financial instrument risk exposure from the prior year.

10. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.