

Georgian Bay Cancer Support Centre
Financial Statements
For the year ended September 30, 2023

Contents

Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Fund Balances	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13



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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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at September 30, 2023 and 2022, and net assets as at October 1 and September 30 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended September 30, 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 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.

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 16, 2024

Georgian Bay Cancer Support Centre Statement of Financial Position

September 30	General Fund	Building Fund	2023 Total	2022 Total
Assets				
Current				
Cash (note 2)	\$ 348,842	\$ 261,801	\$ 610,643	\$ 172,406
Investments (note 3)	-	-	-	313,254
HST receivable	12,502	-	12,502	7,097
Inventory	15,500	-	15,500	16,500
Prepaid expenses	1,310	-	1,310	5,256
Interfund balances	(67,933)	67,933	-	-
	<u>310,221</u>	<u>329,734</u>	<u>639,955</u>	<u>514,513</u>
Capital Assets, at cost less accumulated amortization (note 4)	<u>21,117</u>	<u>1,919,898</u>	<u>1,941,015</u>	<u>1,903,024</u>
	\$ 331,338	\$2,249,632	\$2,580,970	\$ 2,417,537
Liabilities and Fund Balances				
Current				
Accounts payable and accrued liabilities	\$ 43,016	\$ -	\$ 43,016	\$ 22,070
Government remittances payable	4,106	-	4,106	3,769
Deferred contributions (note 5)	100,905	-	100,905	33,078
	<u>148,027</u>	<u>-</u>	<u>148,027</u>	<u>58,917</u>
Deferred Contributions Related to Capital assets (note 6)	<u>10,957</u>	<u>-</u>	<u>10,957</u>	<u>10,150</u>
Fund Balances				
Net assets	<u>172,354</u>	<u>2,249,632</u>	<u>2,421,986</u>	<u>2,348,470</u>
	\$ 331,338	\$2,249,632	\$2,580,970	\$ 2,417,537

On behalf of the Board:

_____ Director

_____ Director

**Georgian Bay Cancer Support Centre
Statement of Changes in Fund Balances**

For the year ended September 30	2023			2022
	General Fund	Building Fund	Total	Total
Balance, beginning of the year	\$ 149,886	\$ 2,198,584	\$ 2,348,470	\$ 2,154,581
Excess of revenues over expenses for the year	22,468	51,048	73,516	193,889
Balance, end of the year	\$ 172,354	\$ 2,249,632	\$ 2,421,986	\$ 2,348,470

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	2023			2022
	General Fund	Building Fund	Total	Total
Revenues				
Donations	\$ 174,033	\$ 500	\$ 174,533	\$ 389,049
Fundraising events	203,097	-	203,097	111,473
Ontario Trillium Foundation grants	20,369	84,000	104,369	-
Huronian Community Foundation grant	8,813	-	8,813	-
Other grants	13,563	-	13,563	47,289
Contributions in-kind	6,463	12,126	18,589	27,773
Amortization of deferred contributions related to capital assets (note 6)	2,516	-	2,516	2,183
Interest	235	7,015	7,250	1,053
	429,089	103,641	532,730	578,820
Expenses				
Advertising and promotion	17,093	-	17,093	4,550
Amortization of capital assets	3,629	49,968	53,597	50,744
Fundraising expenses	49,681	410	50,091	38,586
Insurance	5,902	-	5,902	5,554
Occupancy costs	19,084	-	19,084	14,364
Office and administration	30,285	-	30,285	21,874
Professional fees	21,767	-	21,767	19,658
Program expenses	40,809	2,215	43,024	42,116
Repairs and maintenance	18,010	-	18,010	15,497
Wages and benefits	200,361	-	200,361	171,988
	406,621	52,593	459,214	384,931
Excess of revenues over expenses for the year	\$ 22,468	\$ 51,048	\$ 73,516	\$ 193,889

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	2023	2022
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ 73,516	\$ 193,889
Adjustments for items not affecting cash:		
Amortization of capital assets	53,597	50,744
Amortization of deferred contributions related to capital assets	(2,516)	(2,183)
	<u>124,597</u>	<u>242,450</u>
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(5,404)	14,957
Inventory	1,000	(16,500)
Prepaid expenses	3,946	1,535
Accounts payable and accrued liabilities	21,282	7,205
Deferred contributions	67,827	(14,570)
	<u>213,248</u>	<u>235,077</u>
Cash flows from investing activities		
Additions of capital assets	(91,588)	-
Decrease (increase) in investments	313,254	(313,254)
	<u>221,666</u>	<u>(313,254)</u>
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	3,323	-
Net increase (decrease) in cash during the year	438,237	(78,177)
Cash, beginning of the year	<u>172,406</u>	<u>250,583</u>
Cash, end of the year	\$ 610,643	\$ 172,406

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

Georgian Bay Cancer Support Centre

Notes to Financial Statements

September 30, 2023

1 . Significant Accounting Policies

Nature and Purpose of Organization	<p>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).</p> <p>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.</p>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Fund Accounting	<p>The Centre follows the restricted fund method of accounting for contributions.</p> <p>The Building Fund reports the assets, liabilities, revenues and expenses related to the Centre's facility, which was funded through externally restricted contributions.</p> <p>The General Fund reports all other assets, liabilities, revenues and expenses.</p>
Revenue Recognition	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

Georgian Bay Cancer Support Centre

Notes to Financial Statements

September 30, 2023

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

Assets under construction are not amortized until the capital assets are substantially completed and ready for use.

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.

Georgian Bay Cancer Support Centre

Notes to Financial Statements

September 30, 2023

1. Significant Accounting Policies (continued)

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.
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.

Georgian Bay Cancer Support Centre Notes to Financial Statements

September 30, 2023

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

	<u>2023</u>	<u>2022</u>
Guaranteed Investment Certificate, The Bank of Nova Scotia, interest at 3.25%, maturity date of February 28, 2023	\$ -	\$ 312,336
Accrued interest	-	918
	<u>\$ -</u>	<u>\$ 313,254</u>

The carrying value plus accrued interest of investments approximates market value as at September 30, 2023.

Georgian Bay Cancer Support Centre Notes to Financial Statements

September 30, 2023

4. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 235,000	\$ -	\$ 235,000	\$ -
Building	1,662,433	142,181	1,662,433	100,610
Furniture and fixtures	52,413	19,702	46,543	15,762
Computer equipment	23,801	11,261	20,477	8,192
Parking lot	75,260	17,143	75,260	12,125
Assets under construction	82,395	-	-	-
	\$ 2,131,302	\$ 190,287	\$ 2,039,713	\$ 136,689
Net book value		\$ 1,941,015		\$ 1,903,024

During the year, the Centre began the construction of a new garden. The landscaping costs to date of this new project have been included in capital assets under construction above but no amortization has been recorded since the project is not complete at year end.

5. 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:

	2023	2022
GAP Fund	\$ 29,411	\$ 33,078
Ontario Trillium Foundation	12,807	-
Huronian Community Foundation	51,187	-
Petro-Canada Care Makers Foundation	7,500	-
	\$ 100,905	\$ 33,078

Georgian Bay Cancer Support Centre Notes to Financial Statements

September 30, 2023

6. Deferred Contributions Related to Capital Assets

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 10,150	\$ 12,333
Restricted contributions received from Ontario Trillium Foundation for the purchase of computer equipment	3,323	-
Amounts amortized to revenue	<u>(2,516)</u>	<u>(2,183)</u>
Balance, end of year	<u>\$ 10,957</u>	<u>\$ 10,150</u>

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.

7. Related Party Transactions

The following table summarizes the Centre's related party transactions for the year:

	<u>2023</u>	<u>2022</u>
Revenues		
Donation and fundraising revenues received from members of the board of directors	<u>\$ 9,791</u>	<u>\$ 3,043</u>

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

Georgian Bay Cancer Support Centre Notes to Financial Statements

September 30, 2023

8. 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, 2023.

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 its 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.
