



Financial Statements

Gilda's Club Simcoe Muskoka

December 31, 2017

Contents

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

Independent Auditor's Report

Grant Thornton LLP
Suite 400
85 Bayfield Street
Barrie, ON
L4M 3A7

T +1 705 728 3397
F +1 705 728 2728
www.GrantThornton.ca

To the Board of Directors of
Gilda's Club Simcoe Muskoka

We have audited the accompanying financial statements of Gilda's Club Simcoe Muskoka, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (continued)

Basis for qualified opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses, assets and net assets.

Opinion

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of Gilda's Club Simcoe Muskoka as at December 31, 2017, 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.

Barrie, Canada
March 26, 2018



Chartered Professional Accountants
Licensed Public Accountants

Gilda's Club Simcoe Muskoka Statement of Operations

Year ended December 31	2017	2016
Revenues		
Donations	\$ 343,809	\$ 220,746
Events	381,629	343,030
Grants	80,403	20,952
Miscellaneous	<u>29,020</u>	<u>12,405</u>
	<u>834,861</u>	<u>597,133</u>
Expenditures		
Program expenses	288,261	303,969
Administrative support	161,819	175,765
Facilities	151,565	123,471
Miscellaneous	<u>44,823</u>	<u>52,149</u>
	<u>646,468</u>	<u>655,354</u>
Excess (deficiency) of revenues over expenditures from operations	188,393	(58,221)
Amortization of capital assets	(79,134)	(83,290)
Amortization of deferred capital contributions	<u>72,991</u>	<u>67,291</u>
Excess (deficiency) of revenues over expenditures for the year	182,250	(74,220)
Transfer (to) from It's Always Something Fund	<u>(150,525)</u>	<u>50,000</u>
Excess (deficiency) of revenue over expenditures after transfer (to) from It's Always Something Fund	<u>\$ 31,725</u>	<u>\$ (24,220)</u>

Gilda's Club Simcoe Muskoka Statement of Changes in Net Assets

Year ended December 31

2017				
	Total	Invested in capital assets	It's Always Something Fund	Unrestricted
Balance, beginning of year	\$ 204,698	\$ 34,294	\$ 100,000	\$ 70,404
Excess (deficiency) of revenues over expenditures	182,250	(6,143)	-	188,393
Transfer to deferred internally restricted contributions	-	-	150,525	(150,525)
Net capital expenditures	-	3,218	-	(3,218)
Balance, end of year	\$ 386,948	\$ 31,369	\$ 250,525	\$ 105,054
2016				
	Total	Invested in capital assets	It's Always Something Fund	Unrestricted
Balance, beginning of year	\$ 278,918	\$ 50,293	\$ 150,000	\$ 78,625
Deficiency of revenues over expenditures	(74,220)	(15,999)	-	(58,221)
Transfer from deferred internally restricted contributions	-	-	(50,000)	50,000
Balance, end of year	\$ 204,698	\$ 34,294	\$ 100,000	\$ 70,404

See accompanying notes to the financial statements.

Gilda's Club Simcoe Muskoka

Statement of Financial Position

December 31	2017	2016
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 352,930	\$ 153,527
Accounts receivable	7,486	3,810
Inventories	2,875	1,179
Prepaid expenses	4,848	5,028
Short term investments (Note 4)	41,801	41,459
Harmonized sales tax receivable	4,911	3,051
	<u>414,851</u>	<u>208,054</u>
Long-term		
Capital assets (Note 5)	<u>1,291,194</u>	<u>1,367,111</u>
	<u>\$ 1,706,045</u>	<u>\$ 1,575,165</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ <u>30,825</u>	\$ <u>37,651</u>
Long-term		
Deferred capital contributions (Note 6)	1,259,825	1,332,816
Deferred revenue (Note 7)	<u>28,447</u>	<u>-</u>
	<u>1,288,272</u>	<u>1,332,816</u>
	<u>1,319,097</u>	<u>1,370,467</u>
Net assets (Page 4)		
Internally restricted		
- Invested in capital assets	31,369	34,294
- It's Always Something Fund	250,525	100,000
Unrestricted	<u>105,054</u>	<u>70,404</u>
	<u>386,948</u>	<u>204,698</u>
	<u>\$ 1,706,045</u>	<u>\$ 1,575,165</u>

On behalf of the board

_____ Director

_____ Director

Gilda's Club Simcoe Muskoka Statement of Cash Flows

Year ended December 31	2017	2016
Increase (decrease) in cash and cash equivalents		
Operating		
Excess (deficiency) of revenues over expenditures	\$ 182,250	\$ (74,220)
Items not affecting cash		
Amortization of capital assets	79,134	83,290
Amortization of deferred capital contributions	<u>(72,991)</u>	<u>(67,291)</u>
	188,393	(58,221)
Change in non-cash working capital items (Note 8)	<u>14,228</u>	<u>(30,340)</u>
	202,621	(88,561)
Investing		
Purchase of capital assets	<u>(3,218)</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	199,403	(88,561)
Cash and cash equivalents		
Beginning of year	<u>153,527</u>	<u>242,088</u>
End of year	<u>\$ 352,930</u>	<u>\$ 153,527</u>

Gilda's Club Simcoe Muskoka

Notes to the Financial Statements

December 31, 2017

1. Nature of operations

The Organization operates as a non-profit organization incorporated without share capital under the laws of Ontario. The Organization maintains a facility where men, women and children who are living with cancer, along with their family and friends, can join with others to build social and emotional support to complement their medical care. The facility is non-residential and free of charge. The Organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

2. Significant accounting policies

The financial statements of the organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of the more significant accounting policies:

Basis of presentation

These financial statements have been prepared and are presented in accordance with the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Fund accounting

The Organization follows fund accounting to account for and report on the separate activities or objectives as determined by resolution of the Board of Directors (hereinafter the "Board"). For financial statement purposes, the funds have been grouped into the following categories:

Unrestricted fund:

The unrestricted fund is available for general purposes and reflects the transactions associated with program delivery and administrative activities of the Organization.

Internally restricted funds:

(i) *Invested in capital assets*

Assets, liabilities, revenues and expenses relating to the Organization's capital assets are reported in Invested in capital assets.

(ii) *It's Always Something Fund*

The Organization maintains the It's Always Something Fund to cover operating shortfalls in future years. Funds are transferred to and from this fund based on the operations of the Organization during the year.

Fund transfers

The Board approves fund transfers to the internally restricted funds for the specific purposes as described above. The internally restricted net assets are not available for other purposes without the approval of the Board.

Gilda's Club Simcoe Muskoka

Notes to the Financial Statements

December 31, 2017

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of overdrafts, and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Short term investments

Short term investments include short term deposits with original maturities of over three months and under one year.

Inventories

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the FIFO method.

Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization, based on the estimated useful life of the asset, is calculated on the straight line basis as follows:

Buildings and facility	25 years
Office equipment	3 years
Furniture and fixtures	3-5 years
Landscape improvements	5 years
Computer hardware	3 years
Computer software	3 years

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

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

Donated investments are sold on receipt and recognized as revenue at a value equal to the proceeds received on the sale.

Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. Amortization is provided on a basis is consistent with the capital asset for which the contributions were received.

Gilda's Club Simcoe Muskoka

Notes to the Financial Statements

December 31, 2017

2. 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 reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Donated services

The organization is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the organization and because of the difficulty in estimating their fair value, these services are not recorded in these financial statements.

Financial instruments

Initial measurement

The Organization's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. All changes in fair value of the Organization's investments in equities quoted in an active market and in bonds are recorded in the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, harmonized sales tax receivable, accounts payable and accrued charges, deferred capital contributions and deferred revenue.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Gilda's Club Simcoe Muskoka Notes to the Financial Statements

December 31, 2017

3. Cash and cash equivalents

	<u>2017</u>	<u>2016</u>
Cash - unrestricted	\$ 252,812	\$ 124,358
Cash - restricted	4,725	4,169
Term deposits	<u>95,393</u>	<u>25,000</u>
	<u>\$ 352,930</u>	<u>\$ 153,527</u>

The term deposits bear interest at rate of 1%. Maturity dates on the term deposits range from January 2018 to February 2018.

4. Short term investments

<u>2017</u>	<u>2016</u>
<u>\$ 41,801</u>	<u>\$ 41,459</u>

The short term investments bear interest at rates varying from 0.4% to 1.4%. Maturity dates on the short term investments range from May 2018 to October 2018.

5. Capital assets

	<u>2017</u>	<u>2016</u>		
<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	
Buildings and facility	\$ 1,854,606	\$ 568,673	\$ 1,285,933	\$ 1,360,118
Office equipment	23,629	23,629	-	3,083
Furniture and fixtures	153,794	153,794	-	67
Landscape improvements	15,382	12,863	2,519	3,486
Computer hardware	35,244	32,563	2,681	155
Computer software	<u>24,167</u>	<u>24,106</u>	<u>61</u>	<u>202</u>
	<u>\$ 2,106,822</u>	<u>\$ 815,628</u>	<u>\$ 1,291,194</u>	<u>\$ 1,367,111</u>

During the year, amortization of \$79,134 (2016 - \$83,290) was recorded.

6. Deferred capital contributions

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 1,332,816	\$ 1,400,107
Amounts amortized to revenue	<u>(72,991)</u>	<u>(67,291)</u>
	<u>\$ 1,259,825</u>	<u>\$ 1,332,816</u>

Gilda's Club Simcoe Muskoka

Notes to the Financial Statements

December 31, 2017

7. Deferred revenue	<u>2017</u>	<u>2016</u>
<i>Trillium Fund - Ontario Community Grant</i>		
Balance, beginning of year	\$ -	\$ -
Amounts received during the year	31,600	-
Amounts recognized as revenue during the year	<u>(7,903)</u>	<u>-</u>
Balance, end of year	<u>\$ 23,697</u>	<u>\$ -</u>
<i>Other</i>		
Balance, Beginning of year	\$ -	\$ -
Amounts received during the year	<u>4,750</u>	<u>-</u>
Balance, end of year	<u>\$ 4,750</u>	<u>\$ -</u>
Total deferred revenue	<u>\$ 28,447</u>	<u>\$ -</u>
<hr/>		
8. Change in non-cash working capital items	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ (3,676)	\$ 18,524
Inventories	(1,696)	2,102
Prepaid expenses	180	(181)
Short term investments	(342)	(24,357)
Harmonized sales tax	(1,860)	1,108
Accounts payable and accrued liabilities	(6,825)	(27,536)
Deferred revenue	<u>28,447</u>	<u>-</u>
	<u>\$ 14,228</u>	<u>\$ (30,340)</u>

Gilda's Club Simcoe Muskoka

Notes to the Financial Statements

December 31, 2017

9. Financial instruments

The Organization's main financial instrument risk exposure is detailed as follows:

(a) Credit risk

The Organization has determined that the financial assets with credit risk exposure are accounts receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization. The Organization is also exposed to concentration risk in that all of its cash is held with one financial institution.

(b) Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to its accounts payable and accrued charges.

(c) Interest rate risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk with respect to its term deposits and mutual funds.

During the year, there were no changes to the Organization's exposure to financial instrument risks.

10. Commitments

The Organization has entered into a lease agreement for the land where the Organization's facility is situated. The lease began January 1, 2009 and extends over a period of 21 years. The annual rent under the terms of the lease is \$50,240 and is subject to an annual adjustment for inflation.

The Organization has also entered into a lease agreement for a photocopier. The lease began October 1, 2015 and extends over a period of 60 months, expiring September 1, 2020. The quarterly lease payment is \$420 plus HST.

11. Government assistance

During the year, the Organization received \$10,432 (2016 - \$10,114) of government assistance relating to the summer employment of students. These amounts have been recorded as a reduction to wages and benefits.

Gilda's Club Simcoe Muskoka

Notes to the Financial Statements

December 31, 2017

12. Capital disclosures

The Organization's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its stakeholders. The Organization manages the net assets in proportion to risks, manages its capital structure and makes adjustments in light of economic conditions and the risk characteristics of the underlying assets.

13. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.
