

Financial Statements of

**GILDA'S CLUB GREATER  
TORONTO**

Year ended December 31, 2015



**KPMG LLP**  
Yonge Corporate Centre  
4100 Yonge Street Suite 200  
Toronto ON M2P 2H3  
Canada

Telephone (416) 228-7000  
Fax (416) 228-7123  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of Gilda's Club Greater Toronto

We have audited the accompanying financial statements of Gilda's Club Greater Toronto, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

### *Auditors' 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 our 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, we consider internal control relevant to the entity'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 entity'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 qualified audit opinion.



Page 2

*Basis for Qualified Opinion*

In common with many charitable organizations, Gilda's Club Greater Toronto derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of Gilda's Club Greater Toronto. Therefore, we were not able to determine whether, as at and for the years ended December 31, 2015 and 2014, any adjustments might be necessary to donations and fundraising revenue, excess (deficiency) of revenue over expenditures reported in the statements of operations, excess (deficiency) of revenue over expenditures reported in the statements of cash flows and current assets and net assets reported in the statements of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2014.

*Qualified Opinion*

In our opinion, except for the possible 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 Greater Toronto as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

---

Chartered Professional Accountants, Licensed Public Accountants

April 14, 2016  
Toronto, Canada

# GILDA'S CLUB GREATER TORONTO

## Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 446,545	\$ 459,367
Accounts receivable	62,446	65,879
Investments	100,017	100,148
Prepaid expenses and supplies	32,708	32,621
	<u>641,716</u>	<u>658,015</u>
Capital assets (note 2)	98,574	140,466
	<u>\$ 740,290</u>	<u>\$ 798,481</u>

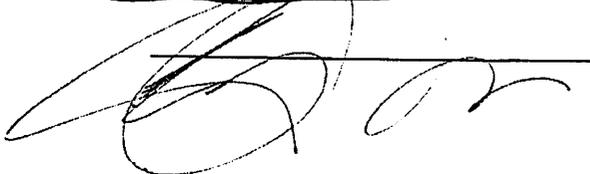
## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 76,832	\$ 76,185
Deferred revenue	65,000	95,765
	<u>141,832</u>	<u>171,950</u>
Deferred capital contributions (note 3)	57,351	81,984
Deferred lease inducements	79,167	91,167
	<u>136,518</u>	<u>173,151</u>
Net assets:		
Invested in capital assets (note 4(a))	41,223	58,482
Endowment fund (note 5)	100,000	100,000
Unrestricted	320,717	294,898
	<u>461,940</u>	<u>453,380</u>
Commitments (note 7)		
	<u>\$ 740,290</u>	<u>\$ 798,481</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# GILDA'S CLUB GREATER TORONTO

## Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Donations (note 6)	\$ 529,395	\$ 312,781
Fundraising events	838,144	922,420
Interest	1,000	1,602
Amortization of deferred capital contributions (note 3)	24,633	23,872
	<u>1,393,172</u>	<u>1,260,675</u>
Expenditures:		
Programs (note 6)	584,089	580,034
Fundraising events	418,801	422,226
Administration	219,470	238,595
Development	120,360	153,709
Amortization of capital assets	41,892	41,600
	<u>1,384,612</u>	<u>1,436,164</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 8,560</u>	<u>\$ (175,489)</u>

See accompanying notes to financial statements.

# GILDA'S CLUB GREATER TORONTO

## Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

				2015	2014
	Invested in capital assets (note 4)	Unrestricted	Endowment	Total	Total
Balance, beginning of year	\$ 58,482	\$ 294,898	\$ 100,000	\$ 453,380	\$ 528,869
Excess (deficiency) of revenue over expenditures	(17,259)	25,819	–	8,560	(175,489)
Endowment contributions	–	–	–	–	100,000
Balance, end of year	\$ 41,223	\$ 320,717	\$ 100,000	\$ 461,940	\$ 453,380

See accompanying notes to financial statements.

# GILDA'S CLUB GREATER TORONTO

## Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 8,560	\$ (175,489)
Items not involving cash:		
Amortization of capital assets	41,892	41,600
Amortization of deferred capital contributions	(24,633)	(23,872)
Amortization of deferred lease inducements	(12,000)	(13,674)
Loss on disposal of capital assets	—	73
	13,819	(171,362)
Change in non-cash operating working capital:		
Accounts receivable	3,433	111,957
Prepaid expenses and supplies	(87)	177
Accounts payable and accrued liabilities	647	35,507
Deferred revenue	(30,765)	(19,251)
	(12,953)	(42,972)
Financing activities:		
Endowment contributions	—	100,000
Investing activities:		
Additions to capital assets	—	(4,879)
Additions to deferred capital contributions	—	5,179
Net change in short-term investments	131	120,105
	131	120,405
Increase (decrease) in cash and cash equivalents	(12,822)	177,433
Cash and cash equivalents, beginning of year	459,367	281,934
Cash and cash equivalents, end of year	\$ 446,545	\$ 459,367

See accompanying notes to financial statements.

# GILDA'S CLUB GREATER TORONTO

Notes to Financial Statements

Year ended December 31, 2015

---

Gilda's Club Greater Toronto (the "Organization") is a place where children, teens, women and men whose lives have been touched by cancer, as well as their families and friends, can feel they are part of a welcoming community of support. The Organization offers free psychosocial and emotional support through a diverse calendar of programs that are an essential component in the cancer care plan and a complement to medical treatments.

The Organization is a registered charity (charity registration number 892423542) incorporated without share capital. The Organization was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act in September 2014. The Organization is exempt from income taxes and is able to issue donation receipts for income tax purposes.

## 1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

### (a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions, which include donations and proceeds from fundraising activities.

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 incurred.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Endowments are recognized as direct increases in net assets and are required to be maintained on a permanent basis and only the revenue derived therefrom is available to support the Organization's activities.

# GILDA'S CLUB GREATER TORONTO

Notes to Financial Statements (continued)

Year ended December 31, 2015

---

## 1. Significant accounting policies (continued):

### (b) Capital assets:

Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance cost are charged to expense. Betterments which extend the estimated life of asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Amortization is recorded on a straight-line basis over the assets' estimated useful lives as follows:

---

Furniture and fixtures	5 years
Computers	3 years
Software	1 year
Leasehold improvements	Term of lease

---

### (c) Cash and cash equivalents:

The Organization considers cash on hand, balances with banks and highly liquid temporary money market instruments with original maturity dates of three months or less as cash and cash equivalents.

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization 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.

# GILDA'S CLUB GREATER TORONTO

Notes to Financial Statements (continued)

Year ended December 31, 2015

---

## 1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (e) Donated materials and services:

Donated materials and services are recorded at fair value when fair value can reasonably be determined.

The operation of the Organization is dependent on services provided by volunteers. Since these services are not normally purchased by the Organization and due to the difficulty of determining their fair market value, donated services are not recorded in the accounts.

### (f) Lease inducements:

Lease inducements, including rent-free periods, are deferred and accounted for as a reduction of rent expense over the term of the related lease on a straight-line basis.

### (g) Allocation of expenses:

The Organization classifies expenses on the statement of operations by function. The Organization allocates costs by identifying an appropriate basis of allocating and applying it on a consistent basis. When required, the Organization allocates certain expenses on the following bases:

- (i) Salaries and benefits are allocated based on the estimated percentage worked within each function; and
- (ii) Occupancy costs are allocated based on the space occupied by each function.

# GILDA'S CLUB GREATER TORONTO

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of financial statements 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 revenue and expenditures during the year. Significant items subject to such estimates and assumptions include allocation of expenses. Actual results could differ from those estimates.

## 2. Capital assets:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 201,335	\$ 138,337	\$ 62,998	\$ 94,352
Computers	62,762	61,262	1,500	6,926
Software	35,167	35,167	–	–
Leasehold improvements	56,111	22,035	34,076	39,188
	\$ 355,375	\$ 256,801	\$ 98,574	\$ 140,466

## 3. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets.

	2015	2014
Balance, beginning of year	\$ 81,984	\$ 100,677
Additions in current year	–	5,179
Amounts amortized to revenue	(24,633)	(23,872)
Balance, end of year	\$ 57,351	\$ 81,984

# GILDA'S CLUB GREATER TORONTO

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 4. Invested in capital assets:

(a) Invested in capital assets is calculated as follows:

	2015	2014
Capital assets	\$ 98,574	\$ 140,466
Amounts financed by:		
Deferred capital contributions	(57,351)	(81,984)
	\$ 41,223	\$ 58,482

(b) Net change in net assets invested in capital assets is calculated as follows:

	2015	2014
Excess of expenditures over revenue:		
Amortization of capital assets	\$ (41,892)	\$ (41,600)
Amortization of deferred capital contributions	24,633	23,872
Write-off of capital assets	—	(73)
	17,259	(17,801)
Net change in investment in capital assets:		
Capital asset additions	—	4,879
Additions to deferred capital contributions	—	(5,179)
	—	(300)
	\$ 17,259	\$ (18,101)

## 5. Endowment fund:

In 2015, the Organization earned interest of \$1,000 (2014 - \$147), which was recorded in the statement of operations.

## 6. Gifts in-kind:

As described in note 1(e), the Organization receives contributions of certain materials and services for which a fair market value can be reasonably estimated. Included in donations revenue and program expenses is donated materials of \$13,984 (2014 - \$7,691).

# GILDA'S CLUB GREATER TORONTO

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 7. Commitments:

The Organization is committed to minimum annual lease payments under various operating leases for office building and office equipment as follows:

	Building	Equipment	Total
2016	\$ 216,000	\$ 6,620	\$ 222,620
2017	216,000	6,620	222,620
2018	216,000	6,620	222,620
2019	216,000	4,220	220,220
2020	216,000	1,055	217,055
2021 and thereafter	360,000	–	360,000
	<u>\$ 1,440,000</u>	<u>\$ 25,135</u>	<u>\$ 1,465,135</u>

## 8. Allocation of costs by function:

Salaries and benefits and occupancy costs of \$566,038 (2014 - \$572,708) have been allocated as follows:

	2015	2014
Programs	\$ 294,265	\$ 292,154
Administration	132,987	131,429
Fundraising events	67,611	82,492
Development	71,175	66,633
	<u>\$ 566,038</u>	<u>\$ 572,708</u>

## 9. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.