

**PEDIATRIC ONCOLOGY GROUP OF ONTARIO**

**FINANCIAL STATEMENTS**

**MARCH 31, 2021**

# **PEDIATRIC ONCOLOGY GROUP OF ONTARIO**

## **FINANCIAL STATEMENTS**

**MARCH 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Pediatric Oncology Group of Ontario

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the financial statements of Pediatric Oncology Group of Ontario (the "Organization") which comprise the statement of financial position as at March 31, 2021, and the statements of operations and 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 Organization as at March 31, 2021 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities and donations, 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and fund balances as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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 Organization 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.

## INDEPENDENT AUDITOR'S REPORT (cont'd)

### **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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization's internal control.

## INDEPENDENT AUDITOR'S REPORT (cont'd)

- ♦ 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 Organization'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 Organization 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.

### Report on Other Legal and Regulatory Requirements

As required by the Corporations Act (Ontario), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Toronto, Ontario  
June 22, 2021

Chartered Professional Accountants  
Licensed Public Accountants


**PEDIATRIC ONCOLOGY GROUP OF ONTARIO**  
**Statement of Financial Position**  
**As at March 31, 2021**




|  | <u>2021</u>      | <u>2020</u>      |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>ASSETS</b>                            |                  |                  |
| <b>CURRENT ASSETS</b>                    |                  |                  |
| Cash                                     | 1,026,150        | 638,227          |
| Investments (note 4)                     | 797,432          | 281,028          |
| Grants and other receivables             | 613,789          | 311,391          |
| Government remittances recoverable       | 15,324           | 27,748           |
| Prepaid expenses                         | <u>6,538</u>     | <u>8,139</u>     |
|  | 2,459,233        | 1,266,533        |
| <b>NON-CURRENT</b>                       |                  |                  |
| Investments (note 4)                     | 1,195,000        | 1,195,000        |
| Capital assets (note 5)                  | <u>65,287</u>    | <u>105,198</u>   |
|  | <u>3,719,520</u> | <u>2,566,731</u> |
| <b>LIABILITIES</b>                       |                  |                  |
| <b>CURRENT LIABILITIES</b>               |                  |                  |
| Accounts payable and accrued liabilities | 953,510          | 643,335          |
| Deferred revenue                         | <u>-</u>         | <u>34,740</u>    |
|  | 953,510          | 678,075          |
| <b>NON-CURRENT</b>                       |                  |                  |
| Lease inducement (note 6)                | <u>52,893</u>    | <u>27,695</u>    |
|  | <u>1,006,403</u> | <u>705,770</u>   |
| <b>FUND BALANCES</b>                     |                  |                  |
| General fund                             | 562,329          | 18,051           |
| Internally restricted funds              | 1,346,615        | 1,305,065        |
| Externally restricted funds              | <u>804,173</u>   | <u>537,845</u>   |
|  | <u>2,713,117</u> | <u>1,860,961</u> |
|  | <u>3,719,520</u> | <u>2,566,731</u> |

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board of Directors

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**PEDIATRIC ONCOLOGY GROUP OF ONTARIO**  
**Statement of Operations and Changes in Fund Balances**

For the year ended March 31, 2021

|   | General Fund     | Internally Restricted Funds | Externally Restricted Funds | Total 2021        | Total 2020        |
|---|------------------|-----------------------------|-----------------------------|-------------------|-------------------|
|   | \$               | \$                          | \$                          | \$                | \$                |
| <b>REVENUE</b>                                      |                  |                             |                             |                   |                   |
| Ontario Ministry of Health                          | -                | -                           | 8,476,600                   | 8,476,600         | 8,476,601         |
| Ministry of Health - one time grants                | -                | -                           | 550,000                     | 550,000           | 172,125           |
| POGO Symposium and conferences                      | -                | -                           | 1,090                       | 1,090             | 65,870            |
| COVID-19 wage subsidy (note 7)                      | 161,709          | -                           | 121,991                     | 283,700           | -                 |
| Donations & fundraising events                      | 974,274          | 1,550                       | 483,226                     | 1,459,050         | 2,144,069         |
| Investment income (loss) (note 4)                   | 433,516          | 40,000                      | -                           | 473,516           | (175,783)         |
|   | <u>1,569,499</u> | <u>41,550</u>               | <u>9,632,907</u>            | <u>11,243,956</u> | <u>10,682,882</u> |
|   |                  |                             | (See Schedule 1)            |                   |                   |
| <b>EXPENSES</b>                                     |                  |                             |                             |                   |                   |
| Salaries and benefits (hospitals)                   | -                | -                           | 4,738,586                   | 4,738,586         | 4,610,423         |
| Salaries and benefits                               | 395,495          | -                           | 3,321,199                   | 3,716,694         | 3,817,867         |
| Professional development                            | 1,327            | -                           | 41,631                      | 42,958            | 234,456           |
| Travel expenses                                     | 410              | -                           | 11,807                      | 12,217            | 32,424            |
| Office administration and supplies                  | 17,709           | -                           | 41,845                      | 59,554            | 45,172            |
| Promotional materials                               | 4,883            | -                           | 4,829                       | 9,712             | 60,475            |
| Purchased services                                  | 63,358           | -                           | 497,851                     | 561,209           | 728,690           |
| Office occupancy/rent                               | -                | -                           | 378,036                     | 378,036           | 360,912           |
| Amortization  | -                | -                           | 28,937                      | 28,937            | 50,639            |
| Financial assistance                                | -                | -                           | 640,258                     | 640,258           | 786,625           |
| Fundraising events                                  | 100,644          | -                           | -                           | 100,644           | 201,820           |
| Grants and donations                                | -                | -                           | 102,995                     | 102,995           | 71,589            |
|   | <u>583,826</u>   | <u>-</u>                    | <u>9,807,974</u>            | <u>10,391,800</u> | <u>11,001,092</u> |
|   | <u>985,673</u>   | <u>41,550</u>               | <u>(175,067)</u>            | <u>852,156</u>    | <u>(318,210)</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b> |                  |                             |                             |                   |                   |
| Fund balances, beginning of year                    | 18,051           | 1,305,065                   | 537,845                     | 1,860,961         | 2,179,171         |
| Interfund Transfers (note 8)                        | <u>(441,395)</u> | <u>-</u>                    | <u>441,395</u>              | <u>-</u>          | <u>-</u>          |
| <b>FUND BALANCES, END OF YEAR</b>                   | <u>562,329</u>   | <u>1,346,615</u>            | <u>804,173</u>              | <u>2,713,117</u>  | <u>1,860,961</u>  |

The accompanying notes are an integral part of these financial statements

**PEDIATRIC ONCOLOGY GROUP OF ONTARIO**  
**Statement of Operations and Changes in Fund Balances - Externally Restricted Funds**

SCHEDULE 1

For the year ended March 31, 2021



|   | Best Practices and Continuous Improvement |                  |                           |                |                  |                              |                |                  |                  |                  | Total            |                   |  |
|---|---|------------------|---------------------------|----------------|------------------|------------------------------|----------------|------------------|------------------|------------------|------------------|-------------------|--|
|   | Access and Education Fund                 | AfterCare Fund   | Financial Assistance Fund | Interlink Fund | Operations Fund  | Planning and Monitoring Fund | Research Fund  | Satellite Fund   | Transitions Fund | 2021             | 2020             |                   |  |
| <b>REVENUE</b>                                      |   |                  |                           |                |                  |                              |                |                  |                  |                  |                  |                   |  |
| Ontario Ministry of Health                          | 451,159                                   | 1,714,061        | 1,031,805                 | 984,334        | 1,147,766        | 1,269,993                    | -              | 1,756,815        | -                | 8,476,600        | 8,476,600        | 8,476,601         |  |
| Ontario Ministry of Health - one time grants        | -   | 270,000          | 30,000                    | -              | -                | -                            | -              | -                | 250,000          | 550,000          | 550,000          | 172,125           |  |
| POGO Symposium and conferences                      | -   | 1,090            | -                         | -              | -                | -                            | -              | -                | -                | 1,090            | 1,090            | 65,870            |  |
| COVID-19 wage subsidy (note 7)                      | -   | -                | -                         | -              | -                | -                            | 5,674          | -                | 79,436           | 121,991          | 121,991          | -                 |  |
| Donations & fundraising events                      | -   | 91,499           | 105,376                   | 1,614          | 1,147,766        | 91,499                       | 138,238        | -                | 55,000           | 483,225          | 483,225          | 983,859           |  |
|   | <u>451,159</u>                            | <u>2,076,650</u> | <u>1,061,805</u>          | <u>985,948</u> | <u>1,147,766</u> | <u>1,361,492</u>             | <u>143,912</u> | <u>1,756,815</u> | <u>384,436</u>   | <u>9,632,907</u> | <u>9,632,907</u> | <u>9,698,455</u>  |  |
| <b>EXPENSES</b>                                     |   |                  |                           |                |                  |                              |                |                  |                  |                  |                  |                   |  |
| Salaries and benefits (hospitals)                   | 82,600                                    | 1,622,553        | -                         | 955,398        | -                | 318,622                      | -              | 1,639,248        | 120,165          | 4,738,566        | 4,738,566        | 4,610,423         |  |
| Salaries and benefits                               | 348,036                                   | 201,988          | 63,111                    | 5,953          | 642,191          | 907,302                      | 13,914         | 113,751          | 154,166          | 3,321,199        | 3,321,199        | 3,376,668         |  |
| Professional development                            | 3,435                                     | 7,988            | -                         | 1,538          | 540              | -                            | 172            | 2,709            | 1,617            | 41,631           | 41,631           | 226,473           |  |
| Travel expenses                                     | -   | -                | -                         | 6,774          | 28               | -                            | -              | -                | 910              | 11,807           | 11,807           | 32,167            |  |
| Office administration and supplies                  | 18  | 221              | 950                       | 6,865          | 23,594           | 6,057                        | 710            | 87               | 3,363            | 41,845           | 41,845           | 24,313            |  |
| Promotional materials                               | -   | 124              | -                         | 589            | 631              | -                            | -              | 964              | -                | 4,829            | 4,829            | 34,419            |  |
| Purchased services                                  | 15,889                                    | 151,167          | -                         | 7,004          | 76,447           | 37,878                       | 113,469        | -                | 8,247            | 497,851          | 497,851          | 648,654           |  |
| Office occupancy/rent                               | -   | -                | -                         | -              | 378,036          | -                            | -              | -                | -                | 378,036          | 378,036          | 360,912           |  |
| Amortization  | 1,181                                     | -                | -                         | 213            | 27,352           | 135                          | -              | 56               | -                | 28,937           | 28,937           | 50,470            |  |
| Financial assistance                                | -   | -                | -                         | -              | -                | -                            | -              | -                | -                | 640,258          | 640,258          | 786,625           |  |
| Grants and donations                                | -   | -                | -                         | -              | -                | -                            | 29,995         | -                | -                | 102,995          | 102,995          | 59,773            |  |
|   | <u>451,159</u>                            | <u>1,984,061</u> | <u>1,061,805</u>          | <u>984,334</u> | <u>1,148,759</u> | <u>1,269,994</u>             | <u>158,280</u> | <u>1,756,815</u> | <u>288,468</u>   | <u>9,807,974</u> | <u>9,807,974</u> | <u>10,210,897</u> |  |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b> |   |                  |                           |                |                  |                              |                |                  |                  |                  |                  |                   |  |
|   | -   | 92,589           | -                         | 1,614          | (993)            | 91,498                       | (14,348)       | -                | 95,968           | (175,067)        | (175,067)        | (512,442)         |  |
| Fund balances, beginning of year                    | 92,327                                    | -                | -                         | -              | 336,083          | -                            | 51,370         | -                | 58,065           | 537,845          | 537,845          | 509,462           |  |
| Interfund Transfers (note 8)                        | -   | -                | -                         | -              | -                | -                            | -              | -                | -                | 441,395          | 441,395          | 540,825           |  |
| <b>FUND BALANCES, END OF YEAR</b>                   |   |                  |                           |                |                  |                              |                |                  |                  |                  |                  |                   |  |
|   | <u>92,327</u>                             | <u>92,589</u>    | <u>-</u>                  | <u>1,614</u>   | <u>335,090</u>   | <u>91,498</u>                | <u>37,022</u>  | <u>-</u>         | <u>154,033</u>   | <u>804,173</u>   | <u>804,173</u>   | <u>537,845</u>    |  |

The accompanying notes are an integral part of these financial statements



**PEDIATRIC ONCOLOGY GROUP OF ONTARIO**  
**Statement of Cash Flows**  
For the year ended March 31, 2021



|  | <u>2021</u>      | <u>2020</u>      |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |                  |                  |
| Excess (deficiency) of revenue over expenses     | 852,156          | (318,210)        |
| Adjustments for items not involving cash:        |                  |                  |
| Amortization of capital assets                   | 28,937           | 34,996           |
| Amortization of intangible assets                | -                | 15,643           |
| Amortization of lease inducement                 | (17,502)         | (13,847)         |
| (Gain) loss on marketable securities             | (423,646)        | 224,862          |
| Increase (decrease) in non-cash operating items: |                  |                  |
| Grants and other receivables                     | (302,398)        | (14,985)         |
| Prepaid expenses                                 | 1,601            | (8,139)          |
| Accounts payable and accrued liabilities         | 310,175          | (292,917)        |
| Government remittances recoverable               | 12,424           | 27,348           |
| Deferred revenue                                 | (34,740)         | 34,740           |
|  | <u>427,007</u>   | <u>(310,509)</u> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>       |                  |                  |
| Lease inducement                                 | 42,700           | 41,542           |
| Purchase of investments                          | (680,966)        | (955,301)        |
| Proceeds from sale of investments                | 588,208          | 929,238          |
| Purchase of capital assets                       | (1,195)          | (36,438)         |
| Capital assets returned                          | 12,169           | -                |
|  | <u>(39,084)</u>  | <u>(20,959)</u>  |
| Net increase (decrease) in cash during the year  | 387,923          | (331,468)        |
| Cash, beginning of year                          | <u>638,227</u>   | <u>969,695</u>   |
| Cash, end of year                                | <u>1,026,150</u> | <u>638,227</u>   |

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

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021



### 1. PURPOSE OF THE ORGANIZATION

Pediatric Oncology Group of Ontario (POGO or the “Organization”) works to ensure that everyone affected by childhood cancer has access to the best care and support. We partner to achieve an excellent childhood cancer care system for children, youth, their families, survivors and healthcare teams in Ontario and beyond. POGO champions childhood cancer care, and as the collective voice of this community, is the official advisor to Ontario's Ministry of Health (MOH) on children's cancer control and treatment.

POGO is a not for profit organization incorporated on August 25, 1997 under the laws of Ontario without share capital. POGO is a registered charity under the Income Tax Act and is exempt from income taxes. Its charity registration business number is 871067245 RR0001.

The global pandemic COVID-19 continues to have a significant impact on organizations, businesses and people through the restrictions which have been put in place by the Governments in Canada regarding travel, business operations and lockdown & quarantine orders. The current protocols and economic environment have adversely impacted POGO's fundraising activities and donations received. POGO continues to receive core funding from the Ontario Ministry of Health.

### 2. DESCRIPTION AND PURPOSE OF FUNDS

The following program funds are externally restricted, funded by donors and MOH. POGO operates these programs in accordance with its purpose and restrictions agreed upon with the funding contributors. These individual programs are dependent upon MOH and donor funding for their continued operations. The program activities are described below:

Externally restricted funds

#### (a) Access and Education Fund

Education is the cornerstone of patient safety, successful health delivery innovation and quality of care. Regardless of where in Ontario they live, those who experience cancer in childhood and their families receive care from a dedicated team of pediatric oncology professionals. POGO supports these individuals by continually developing and updating standards and guidelines designed to improve care for children with cancer. Additionally, POGO undertakes a critical contribution via education and knowledge transfer activities to survivors, patients, their families, and the public.

#### (b) POGO's Provincial Pediatric Oncology AfterCare Program for Survivors of Childhood Cancer (POGO AfterCare Fund)

POGO established and launched a provincial system of POGO AfterCare Clinics for survivors of childhood cancer to ensure the appropriate and specific monitoring of health care for all survivors. Oriented to evidence-based indications of the health risks associated with the original cancers and treatments, the clinics are conducted by multi-disciplinary teams whose activities focus on health promotion and monitoring the medical and psycho-social well-being of survivors.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021

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### 2. DESCRIPTION AND PURPOSE OF FUNDS (cont'd)

#### (c) Best Practices and Continuous Improvement Fund

As the official advisor on childhood cancer care and control to the MOH, POGO is relied upon to address priority issues in the system, to evaluate new treatments and anticipate resource requirements promoting evidence-based practice to achieve best outcomes, equitable access and optimal use of resources in alignment with the Childhood Cancer Care Plan.

#### (d) POGO Financial Assistance Program Fund

POGO provides financial assistance to families of children with cancer, helping to mitigate treatment-related out of pocket costs such as: food away from home, accommodations for those traveling for treatment, and childcare for siblings. The POGO Financial Assistance Program is administered by POGO through the five specialized childhood cancer programs in Ontario.

#### (e) POGO Pediatric Interlink Community Cancer Nurses Program (POGO Interlink Fund)

The POGO Pediatric Interlink Community Cancer Nurses Program was established to help children with cancer and their families to adjust to their diagnoses and to assist them in linking with the supports and services they require. Provided at all stages of illness, POGO Interlink services include referral to professional and volunteer community services, liaison with community agency nurses and family physicians, coordination of care in the home, contact with the child's school prior to his/her return after treatment, and support for siblings.

#### (f) Operations Fund

POGO's Operations Fund incorporates functions including finance, risk management, human resources management, business planning and reporting, senior leadership and Board relations.

#### (g) Planning and Monitoring Fund

The Planning and Monitoring Fund leads the development and execution of POGO's Childhood Cancer Care Plan; identifies, collects, maintains, and makes available childhood cancer-related data; monitors performance, patterns of care and conducts disease surveillance; promotes coordination and linkages among stakeholders; disseminates information in support of policy, planning, administration, clinical management and public education.

#### (h) Research Fund

The POGO Research Unit (PRU) was initiated in 1996 in response to the Provincial Pediatric Oncology Working Group's 1994 recommendation to the MOH that a broad, but selective spectrum of areas of research be facilitated in order for the childhood cancer system and pediatric oncology research to evolve. The agenda of the PRU reflects a cross section of research priorities within the field of childhood cancer control, including surveillance, forecasting, epidemiological research, program evaluation and survivorship studies, as well as outcome and cost benefit evaluations.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021



### 2. DESCRIPTION AND PURPOSE OF FUNDS (cont'd)

#### (i) POGO Provincial Pediatric Oncology Satellite Program (POGO Satellite Fund)

The POGO Provincial Pediatric Oncology Satellite Program was formally established and launched by POGO in 1998 to allow certain elements of pediatric oncology care to be delivered to children with cancer closer to home in formalized satellite centres (community hospitals). The satellite activity is circumscribed, to include selected aspects of chemotherapy and the treatment of the complications of such therapies, and is closely linked at all times with the care delivered in a specialized childhood cancer program. The POGO Satellite Program is intended to render equivalent care to children and families, while allowing them to enjoy the benefits of remaining close to home and family, and minimizing the loss of working potential of the parents. It has provided the additional advantage of relocating many hospital days from tertiary to community hospitals.

#### (j) POGO School and Work Transitions Program (POGO Transitions Fund)

The POGO School and Work Transitions Program (The POGO Transitions Program) was launched as a pilot program under the aegis of the POGO Aftercare initiative in 2002 to assist childhood cancer survivors with neurological and neuro cognitive long-term effects of their treatment. The POGO Transitions Program is designed to help survivors manage the transition to their postsecondary education or employment goals.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

#### (a) Revenue Recognition

Contributions are recognized in the appropriate fund as noted herein when received or receivable and there is reasonable assurance of collecting the receivable. Restricted contributions for which there is no restricted fund established, are recorded as deferred revenue in the General Fund and recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recorded in the General Fund.

Grants received and funding from MOH are recorded as revenue in the period the grants relate to, when approved and there is reasonable assurance of collection of the amount to be received.

Contributions restricted for the purchase of capital assets are accounted for in the appropriate fund when received.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (a) Revenue Recognition (cont'd)

In-kind donations are recognized as revenue when received. Donations in-kind are recorded at fair value if fair value is reasonably determinable.

Investment income, which consists of interest, dividends and gains and losses, are recorded in the statement of operations in the period of sale or earned, in the respective fund.

#### (b) Fund Accounting

The Organization follows the restricted fund method of accounting for contributions. Under this method, the Organization reports its revenue and expenses in a general fund and in various restricted funds as described in Note 2.

##### (i) Externally Restricted Funds

Externally restricted funds represent contributions and expenses relating to designated program activities, and reflect restrictions imposed by Ontario Ministry of Health or donors. These restrictions require that funds received are to be spent for the designated purposes.

##### (ii) Internally Restricted Funds

Internally restricted funds represent amounts that have been designated by the Organization's Board of Directors to be held in reserve for Board approved childhood cancer initiatives and unforeseen events. Internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

##### (iii) General Fund

The general fund is not subject to restrictions and are available to fund operations of current and future periods as required. Revenue and expenses related to fundraising and other activities not designated for restricted programs are reported in the general fund.

#### (c) Contributed Materials and Services

From time to time, volunteers contribute their services to the Organization's programs and activities. Since these services are not normally purchased by the Organization and due to the difficulty of determining the fair value of such services, they are not recognized in these financial statements.

#### (d) Lease Inducement

Lease inducement is amortized on a straight-line basis over the term of the lease and is presented as a reduction of rent expense.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (e) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution and corresponding revenue is recognized. Amortization is provided over the estimated useful lives of the assets at the following undernoted rates and methods:

|                                |  |
|--------------------------------|--|
| Office furniture and equipment | 20% Declining balance  |
| Computer hardware              | 30-50% Declining balance                                       |
| Leasehold improvements         | Lesser of 10 years or remaining term of lease<br>straight-line |

Amortization expense is allocated to the restricted funds on the basis of the cost of capital assets identified and utilized by a specific fund. Capital assets are reviewed for impairment whenever events or change in circumstances indicate that the carrying value of an assets may not be recoverable. When a capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations and is not reversed in a subsequent year.

#### (f) Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value of investments quoted in an active market are recognized in net income.

Financial assets measured at amortized cost include cash, investments, grants and other receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Transaction costs incurred in the acquisition of investments measured at fair value are expensed as incurred. Transaction costs related to financial instruments measured at amortized cost are included in the cost of the instrument and amortized over the term of the related instrument.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (g) Impairment of Financial Assets

At the end of each year, the Organization assesses, for all its financial assets, whether there is an indication of impairment. When there is an indication of impairment, a write down is recognized as a charge to income by reducing the carrying amount of the asset to the highest of the following three amounts:

- (i) the present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to the asset;
- (ii) the amount that could be realized by selling the asset at the balance sheet date; and
- (iii) the amount the Organization expects to realize by exercising its right to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

A previously recognized write down may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal of write downs is recognized in net income in the period the reversal occurs.

#### (h) Use of Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The significant estimates requiring management's judgement relate to the collectability of grants and other receivable, the valuation of in-kind contributions and the estimated useful lives of capital assets. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### (i) Government Assistance

Government assistance is recognized as revenue when there is reasonable assurance that the Organization meets the conditions to qualify for the subsidy and the collection of the amount is reasonably assured.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021



### 4. INVESTMENTS

|   | 2021         | 2020         |
|---|--------------|--------------|
| Cash and banker's acceptance            | \$ 515,594   | \$ 11,125    |
| Government and corporate bonds          | 483,989      | 352,785      |
|   | 999,583      | 363,910      |
| Equities:                               |              |              |
| Canadian                                | 795,258      | 890,095      |
| US and other foreign                    | 197,591      | 222,023      |
| Total current and long-term investments | \$ 1,992,432 | \$ 1,476,028 |

Presentation in the Statement of Financial Position:

|   | 2021         | 2020         |
|---|--------------|--------------|
| Current                                 | \$ 797,432   | \$ 281,028   |
| Long-term - internally restricted       | 1,195,000    | 1,195,000    |
| Total current and long-term investments | \$ 1,992,432 | \$ 1,476,028 |

The amount of \$1,195,000 (\$1,195,000 in 2020) has been internally restricted and will not be used for short-term purposes.

Investment income (loss) is comprised of:

|   | 2021       | 2020         |
|---|------------|--------------|
| Interest and dividend income              | \$ 49,870  | \$ 49,079    |
| Gain (loss) on sale of equities and bonds | 423,646    | (224,862)    |
|   | \$ 473,516 | \$ (175,783) |



# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021



### 5. CAPITAL ASSETS

|                                |              |                             | 2021              | 2020              |
|--------------------------------|--------------|-----------------------------|-------------------|-------------------|
|                                | Cost         | Accumulated<br>amortization | Net book<br>value | Net book<br>value |
| Office furniture and equipment | \$ 263,975   | \$ 255,423                  | \$ 8,552          | \$ 11,450         |
| Computer hardware              | 433,918      | 377,183                     | 56,735            | 93,748            |
| Leasehold improvements         | 740,997      | 740,997                     | -                 | -                 |
|                                | \$ 1,438,890 | \$ 1,373,603                | \$ 65,287         | \$ 105,198        |

Amortization for the year amounted to \$28,937 (\$34,996 in 2020).

### 6. LEASE INDUCEMENT

Lease inducement comprise financial assistance of \$42,700 received from the owners of the building out of which the Organization operates, for leasehold improvements incurred by the Organization. The lease inducement is being amortized over the term of the lease to rent expense (included in occupancy costs). Amortization for the year amounted to \$17,502 (\$13,847 in 2020).

### 7. GOVERNMENT ASSISTANCE

During the year, the Organization was granted wage subsidies in the amount of \$283,700 under the Government of Canada's emergency COVID-19 pandemic relief measures for businesses. Approved wage subsidy claims are subject to audits by the government authorities at a later date. The wage subsidy has been accounted for as revenue in the current year.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021



### 8. INTERFUND TRANSFERS

During the years ended March 31, 2021 and 2020, the Board of Directors approved the following transfers from the General Fund and Internally Restricted Funds to the following restricted funds to cover program operating costs:

|                             |              |             | 2021      | 2020        |
|-----------------------------|--------------|-------------|-----------|-------------|
|                             | Transfer out | Transfer in | Total     | Total       |
| Research Fund               | \$ -         | \$ -        | \$ -      | \$ (41,113) |
| Financial Assistance        |              |             |           |             |
| Program Fund                | -            | 441,395     | 441,395   | 581,938     |
| General fund                | (441,395)    | -           | (441,395) | (300,825)   |
| Internally restricted funds | -            | -           | -         | (240,000)   |
|                             | \$ (441,395) | \$ 441,395  | \$ -      | \$ -        |

### 9. COMMITMENTS

Operating lease:

The operating lease for the Organization's office premises with an initial expiry date of November 30, 2020 was extended to November 30, 2022. Future minimum lease payments to expiry date, excluding operating costs and realty taxes, are as follows:

|      |            |
|------|------------|
| 2022 | \$ 236,985 |
| 2023 | 157,990    |
|      | \$ 394,975 |

### 10. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2021 which did not change significantly from the previous period unless otherwise noted.

# PEDIATRIC ONCOLOGY GROUP OF ONTARIO

## Notes to Financial Statements

March 31, 2021

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### 10. FINANCIAL INSTRUMENTS (cont'd)

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is exposed to all three types of risk. The Organization does not use derivative financial instruments to reduce its exposure to this risk.

The Organization has approved a Statement of Investment Policies and Procedures that provides guidelines for managing investments of the Organization. Through this approach, investments are strategically distributed among several classes of assets to reduce the risk of investment volatility. Concentration of risk exists when a significant portion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the risk exposure is within its guidelines and monitors and limits concentration levels.

#### 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 Organization has fixed-interest rate debt instruments at the year-end which subject the Organization to a fair value risk. The Organization does not use derivative financial instruments to mitigate this risk.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 14% of the Organization's investments are in US dollar denominated securities. Consequently, these assets are exposed to foreign exchange fluctuations. As at March 31, 2021, investments of \$279,066 (\$222,023 in 2020), grants receivable of \$31,511 (\$233,735 in 2020) and accounts payable and accrued liabilities of \$35,715 (\$105,800 in 2020) are the Canadian dollars equivalent of amounts transacted in US dollars. The Organization does not use derivative financial instruments to reduce its exposure to this risk. Foreign exchange gains/(losses) in the year totaled \$(27,338) (\$10,227 in 2020).

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from fluctuations in interest rates or currency), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in quoted equities and bonds.

#### Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. The Organization ensures through its active cash management that there are sufficient funds to meet its financial obligations as they become due.