

PEDIATRIC ONCOLOGY GROUP OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2023

PEDIATRIC ONCOLOGY GROUP OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2023

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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, 2023, 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, 2023 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.

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 of revenue over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and fund balances as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 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 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.

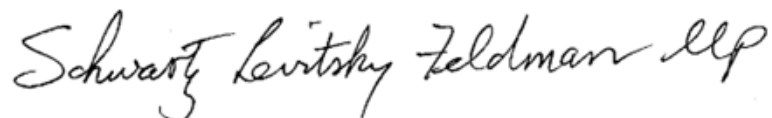
INDEPENDENT AUDITOR'S REPORT (cont'd)

- ◆ 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 28, 2023

Chartered Professional Accountants
Licensed Public Accountants

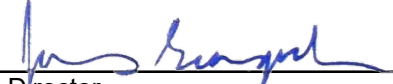
PEDIATRIC ONCOLOGY GROUP OF ONTARIO
Statement of Financial Position
As at March 31, 2023




	<u>2023</u>	<u>2022</u>
ASSETS	\$	\$
CURRENT ASSETS		
Cash	1,979,285	1,676,986
Investments (note 4)	2,212,391	2,336,443
Grants and other receivables	243,434	102,795
Government remittances recoverable	53,133	51,442
Prepaid expenses	<u>71,719</u>	<u>20,788</u>
	4,559,962	4,188,454
NON-CURRENT		
Capital assets (note 5)	<u>57,638</u>	<u>47,966</u>
	<u>4,617,600</u>	<u>4,236,420</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	884,967	545,191
NON-CURRENT		
Lease inducement (note 6)	<u>-</u>	<u>21,157</u>
	<u>884,967</u>	<u>566,348</u>
FUND BALANCES		
General fund	589,554	1,021,283
Internally restricted funds	1,235,069	1,235,069
Externally restricted funds	<u>1,908,010</u>	<u>1,413,720</u>
	<u>3,732,633</u>	<u>3,670,072</u>
	<u>4,617,600</u>	<u>4,236,420</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 ending March 31, 2023



	<u>General Fund</u>	<u>Internally Restricted Funds</u>	<u>Externally Restricted Funds</u>	<u>Total 2023</u>	<u>Total 2022</u>
	\$	\$	\$ (see Schedule 1)	\$	\$
REVENUE					
Ontario Ministry of Health	-	-	9,512,600	9,512,600	8,476,600
Ministry of Health - one time grants	-	-	489,000	489,000	-
POGO Symposium and conferences	-	-	60,850	60,850	78,148
COVID-19 wage subsidy (note 7)	-	-	-	-	100,272
Donations & fundraising events	1,117,916	-	503,907	1,621,823	1,947,926
	<u>1,117,916</u>	<u>-</u>	<u>10,566,357</u>	<u>11,684,273</u>	<u>10,602,946</u>
EXPENSES					
Salaries and benefits (hospitals)	-	-	5,551,017	5,551,017	4,985,805
Salaries and benefits	452,529	-	3,171,302	3,623,831	3,448,241
Educational programming	3,886	-	201,302	205,188	93,898
Travel expenses	1,504	-	39,711	41,215	10,295
Office administration and supplies	23,950	-	59,040	82,990	58,528
Promotional materials	9,250	-	42,705	51,955	18,295
Purchased services	48,088	-	409,039	457,127	335,626
Office occupancy/rent	-	-	396,910	396,910	424,840
Amortization	-	-	17,831	17,831	19,158
Financial assistance	-	-	699,338	699,338	562,025
Fundraising events	209,634	-	-	209,634	59,970
Grants and donations	-	-	206,575	206,575	-
	<u>748,841</u>	<u>-</u>	<u>10,794,770</u>	<u>11,543,611</u>	<u>10,016,681</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INVESTMENT INCOME	369,075	-	(228,413)	140,662	586,265
Investment income (note 4)	(78,101)	-	-	(78,101)	370,690
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>290,974</u>	<u>-</u>	<u>(228,413)</u>	<u>62,561</u>	<u>956,955</u>
Fund balances, beginning of year	1,021,283	1,235,069	1,413,720	3,670,072	2,713,117
Interfund Transfers (note 8)	(722,703)	-	722,703	-	-
FUND BALANCES, END OF YEAR	<u>589,554</u>	<u>1,235,069</u>	<u>1,908,010</u>	<u>3,732,633</u>	<u>3,670,072</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

For the year ending March 31, 2023

	Access and	AfterCare	Adolescence	Best Practices	Financial	Interlink	Operations	Planning and	Research	Satellite	Transitions	Total	
	Education		and Young	Improvement				Assistance			Monitoring	Fund	Fund
	Fund	Fund	Adults (AYA)	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE													
Ontario Ministry of Health	579,445	2,108,788	61,045	776,705	-	1,147,347	1,550,921	1,335,614	-	1,900,735	52,000	9,512,600	8,476,600
Ontario Ministry of Health - one time grants	-	33,000	127,940	-	-	21,824	306,236	-	-	-	-	489,000	-
POGO Symposium and conferences	60,450	-	-	-	-	-	-	-	-	400	-	60,850	64,783
COVID-19 Wage Subsidy (note 7)	-	-	-	-	-	-	-	-	-	-	-	-	38,254
Donations & fundraising events	-	1,550	14,499	-	39,658	1,080	-	-	397,120	-	50,000	503,907	970,476
	<u>639,895</u>	<u>2,143,338</u>	<u>203,484</u>	<u>776,705</u>	<u>39,658</u>	<u>1,170,251</u>	<u>1,857,157</u>	<u>1,335,614</u>	<u>397,120</u>	<u>1,901,135</u>	<u>102,000</u>	<u>10,566,357</u>	<u>9,550,113</u>
EXPENSES													
Salaries and benefits (hospitals)	82,600	1,903,802	162,500	-	-	1,099,599	-	331,124	-	1,779,248	192,144	5,551,017	4,985,805
Salaries and benefits	352,894	219,608	29,544	754,870	62,090	-	557,393	932,221	7,295	106,955	148,432	3,171,302	3,032,315
Educational programming	177,840	419	-	-	-	3,430	1,455	3,259	282	12,589	2,028	201,302	91,916
Travel expenses	-	-	-	5,040	-	28,533	-	-	-	2,203	3,935	39,711	10,181
Office administration and supplies	1,375	88	-	91	1,577	6,706	36,352	9,336	-	-	3,515	59,040	42,060
Promotional materials	23,262	4,871	-	3,273	-	3,096	6,514	451	-	140	1,098	42,705	7,792
Purchased services	2,091	-	11,440	13,431	-	27,808	231,276	59,223	36,766	-	27,004	409,039	288,473
Office occupancy/rent	-	-	-	-	-	-	396,910	-	-	-	-	396,910	424,840
Amortization	-	-	-	-	-	-	17,831	-	-	-	-	17,831	19,158
Financial assistance	-	-	-	-	698,694	644	-	-	-	-	-	699,338	562,025
Fundraising events	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and donations	-	13,000	-	-	-	-	-	-	193,575	-	-	206,575	-
	<u>640,062</u>	<u>2,141,788</u>	<u>203,484</u>	<u>776,705</u>	<u>762,361</u>	<u>1,169,816</u>	<u>1,247,731</u>	<u>1,335,614</u>	<u>237,918</u>	<u>1,901,135</u>	<u>378,156</u>	<u>10,794,770</u>	<u>9,464,565</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INVESTMENT INCOME	<u>(167)</u>	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>(722,703)</u>	<u>435</u>	<u>609,426</u>	<u>-</u>	<u>159,202</u>	<u>-</u>	<u>(276,156)</u>	<u>(228,413)</u>	<u>85,548</u>
Investment income (note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(167)</u>	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>(722,703)</u>	<u>435</u>	<u>609,426</u>	<u>-</u>	<u>159,202</u>	<u>-</u>	<u>(276,156)</u>	<u>(228,413)</u>	<u>85,548</u>
Fund balances, beginning of year	117,423	273,853	-	-	-	2,044	335,090	184,862	43,591	-	456,857	1,413,720	804,173
Interfund Transfers (note 8)	-	-	-	-	722,703	-	-	-	-	-	-	722,703	523,999
FUND BALANCES, END OF YEAR	<u>117,256</u>	<u>275,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,479</u>	<u>944,516</u>	<u>184,862</u>	<u>202,793</u>	<u>-</u>	<u>180,701</u>	<u>1,908,010</u>	<u>1,413,720</u>

The accompanying notes are an integral part of these financial statements

PEDIATRIC ONCOLOGY GROUP OF ONTARIO
Statement of Cash Flows
For the year ending March 31, 2023



	<u>2023</u>	<u>2022</u>
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	62,561	956,955
Adjustments for items not involving cash:		
Amortization of capital assets	17,831	19,158
Amortization of lease inducement	(21,157)	(31,736)
Loss (gain) on marketable securities	146,682	(316,650)
Increase (decrease) in non-cash operating items:		
Grants and other receivables	(140,639)	510,994
Government remittances recoverable	(1,691)	(36,118)
Prepaid expenses	(50,931)	(14,250)
Accounts payable and accrued liabilities	<u>339,776</u>	<u>(408,319)</u>
	<u>352,432</u>	<u>680,034</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(598,551)	(834,646)
Proceeds from sale of investments	575,921	807,285
Purchase of capital assets	<u>(27,503)</u>	<u>(1,837)</u>
	<u>(50,133)</u>	<u>(29,198)</u>
Net increase in cash during the year	302,299	650,836
Cash - beginning of year	<u>1,676,986</u>	<u>1,026,150</u>
Cash - end of year	<u>1,979,285</u>	<u>1,676,986</u>

The accompanying notes are an integral part of these financial statements

PEDIATRIC ONCOLOGY GROUP OF ONTARIO

Notes to Financial Statements

March 31, 2023



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.

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, updating and making available guidelines and educational content designed to improve care for children with cancer.

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

POGO established a provincial system of POGO AfterCare Clinics for survivors of childhood cancer to ensure the appropriate and specific monitoring of health care for 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.

(c) Adolescent and Young Adult Fund

Adolescent and Young Adults (AYA) experiencing cancer have unique needs when compared to children and older adults. The AYA initiative aims to enable program and service delivery in a coordinated care model across Ontario's pediatric and adult specialized cancer programs to meet the care needs of AYAs with cancer.

PEDIATRIC ONCOLOGY GROUP OF ONTARIO

Notes to Financial Statements

March 31, 2023



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

(d) 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.

(e) 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.

(f) POGO Pediatric Interlink Nursing Program (POGO Interlink Fund)

The POGO Interlink Nursing 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 return after treatment, and support for siblings.

(g) Operations Fund

POGO's Operations Fund incorporates functions including financing support for all the externally restricted funds, risk management, human resources management, business planning and reporting, senior leadership and Board relations.

(h) 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.

(i) 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, 2023



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

(j) POGO Provincial Pediatric Oncology Satellite Program (POGO Satellite Fund)

The POGO Provincial Pediatric Oncology Satellite Program was 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.

(k) 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 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.

In-kind donations are recognized as revenue when received. In-kind donations 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.

PEDIATRIC ONCOLOGY GROUP OF ONTARIO

Notes to Financial Statements

March 31, 2023



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

(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.

The value of donated goods and services is recorded as revenue and corresponding expenses or assets in the financial statements when the fair value can be reasonably determined and when the goods and services are normally purchased and would be paid for if not donated.

(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, 2023



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 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 asset 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 originated or exchanged in arm's length transactions at fair value.

Subsequently, the Organization measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of equity instruments are recognized in income in the period the change occurred.

Financial assets measured at amortized cost include cash, grants and other receivables and loans receivable from the General Fund to the Externally Restricted Operations Fund. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loans payable by the General Fund to the Externally Restricted Operations Fund.

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, 2023



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

(g) Impairment of Financial Assets

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there are, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be 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 the reversal is recognized in income.

(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 judgment relates to the collectability of grants and other receivables, 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) Leases

A lease which does not transfer substantially all the benefits and risks incidental to ownership of property is accounted for as an operating lease. Rental payments are included in the statement of operations on the straight-line basis over the non-cancellable lease term. Any difference between contractual and straight-line rent, at inception of the lease term, is recorded as deferred rent and subsequently adjusted to rent expense over the term of the lease.

(j) Government Assistance

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

PEDIATRIC ONCOLOGY GROUP OF ONTARIO

Notes to Financial Statements

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4. INVESTMENTS

	2023		2022	
Cash and banker's acceptance	\$	14,485	\$	7,406
Government and corporate bonds		814,965		797,665
		829,450		805,071
Equities:				
Canadian (Cost of \$236,272)		880,469		1,097,020
US and other foreign (Cost of \$192,590)		502,472		434,352
Total current investments	\$	2,212,391	\$	2,336,443

Presentation in the Statement of Financial Position:

	2023		2022	
Current - General	\$	977,322	\$	1,101,374
Current - Internally restricted		1,235,069		1,235,069
Total current investments	\$	2,212,391	\$	2,336,443

Investment income was allocated to the General fund and is comprised of:

	2023		2022	
Interest and dividend income	\$	68,581	\$	54,040
Gain (loss) on sale of equities and bonds		(146,682)		316,650
	\$	(78,101)	\$	370,690

5. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Net book value	Net book value
Office furniture and equipment	\$ 263,975	\$ 258,502	\$ 5,473	\$ 6,842
Computer hardware	463,258	411,093	52,165	41,124
Leasehold improvements	740,997	740,997	-	-
	\$ 1,468,230	\$ 1,410,592	\$ 57,638	\$ 47,966

Amortization for the year amounted to \$17,831 (\$19,158 in 2022).

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6. LEASE INDUCEMENT

Lease inducement comprise financial assistance 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 \$21,157 (\$31,736 in 2022). Lease inducement was fully amortized at year-end.

7. GOVERNMENT ASSISTANCE

During the year, the Organization was granted wage subsidies in the amount of \$nil (\$100,272 in 2022) under the Government of Canada's emergency COVID-19 pandemic relief measures for business. Approved wage subsidy claims are subject to audits by the government authorities at a later date.

8. INTERFUND TRANSFERS

During the years ended March 31, 2023 and 2022, the Board of Directors approved the following transfers from the General Fund and Internally Restricted Funds to the following restricted funds to support program operating costs:

			2023	2022
	Transfer out	Transfer in	Total	Total
Access and Education Fund	\$ -	\$ -	\$ -	\$ 25,096
AfterCare Fund	-	-	-	86,450
Financial Assistance Program Fund (a)	-	722,703	722,703	412,453
Internally Restricted Funds	-	-	-	(111,546)
General Fund (a)	(722,703)	-	(722,703)	(412,453)
	\$ (722,703)	\$ 722,703	\$ -	\$ -

a) \$722,703 was transferred from General Fund to cover deficiency of revenue over expenses in the Financial Assistance Program Fund.

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9. INTERFUND LOANS

Interfund loans receivable and payable between the General and the Externally Restricted Operations Fund are unsecured, non-interest bearing and due on demand.

The interfund loans payable by the General Fund have been offset with the corresponding loans receivable balances in the Externally Restricted Operations Fund in these financial statements.

	2023	2022
Loans payable by the General Fund to the Externally Restricted Operations Fund	\$ (447,222)	\$ (156,386)
Loans receivable from the General Fund to the Externally Restricted Operations Fund	447,222	156,386
	\$ -	\$ -

10. COMMITMENTS

Operating lease:

The operating lease for the Organization's office premises expires on November 30, 2028. Future minimum lease payments to expiry date, excluding operating costs and realty taxes, are as follows:

2024	\$ 86,070
2025	167,469
2026	167,469
2027	167,469
2028	167,469
Thereafter	111,646
	\$ 867,592

11. 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, 2023 which did not change significantly from the previous period unless otherwise noted.

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11. 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 20% of the Organization's investments are in US dollar denominated securities. Consequently, these assets are exposed to foreign exchange fluctuations. As at March 31, 2023, investments of \$444,631 (\$548,830 in 2022) and accounts payable and accrued liabilities of \$nil (\$32,402 in 2022) 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 \$18,293 (\$(7,827) in 2022).

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.