

Brockville General Volunteer Association
Financial Statements
March 31, 2023

Brockville General Volunteer Association

Contents

For the year ended March 31, 2023

	<i>Page</i>
Independent Practitioner's Review Engagement Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements	5

Independent Practitioner's Review Engagement Report



To the Board of Directors of Brockville General Volunteer Association:

We have reviewed the accompanying financial statements of Brockville General Volunteer Association (the "Association") which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Association, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Brockville General Volunteer Association as at March 31, 2023, 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.

Comparative Information

Without modifying our conclusion, we draw attention to Note 2 to the financial statements which describes that Brockville General Volunteer Association adopted Canadian accounting standards for not-for-profit organizations on April 1, 2022 with a transition date of April 1, 2021. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2022 and at April 1, 2021, and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2022 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Brockville, Ontario

September 8, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP LLP

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Brockville General Volunteer Association

Statement of Financial Position

As at March 31, 2023

	March 31 2023	March 31 2022 (Restated Note 2)	April 1 2021 (Restated Note 2)
Assets			
Current			
Cash	101,029	107,302	77,751
Accounts receivable	2,695	10,407	-
Sales taxes recoverable	1,676	5,122	3,045
Inventory	16,622	15,088	13,987
Guaranteed investment certificate	-	-	20,000
	122,022	137,919	114,783
Restricted guaranteed investment certificate (Note 4)	2,046	-	-
	124,068	137,919	114,783
Liabilities			
Current			
Accounts payable and accrued liabilities	24,357	2,641	-
Deferred contributions (Note 5)	3,914	5,116	9,547
	28,271	7,757	9,547
Net Assets			
Internally restricted (Note 6)	28,143	3,143	3,656
Unrestricted	67,654	127,019	101,580
	95,797	130,162	105,236
	124,068	137,919	114,783

Approved on behalf of the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements

Brockville General Volunteer Association
Statement of Operations
For the year ended March 31, 2023

	2023	2022 <i>(Restated Note 2)</i>
Revenue		
Donations	257,848	103,215
Cafe sales	101,393	48,600
Gift shop sales	54,104	18,608
Fundraising and lottery	3,330	6,267
Interest and other	8,967	4,366
	425,642	181,056
Expenses		
Donations to Brockville and District Hospital Foundation	225,000	4,415
Office and administrative supplies and expenses	107,118	101,922
Cost of goods sold	88,670	39,145
Professional fees	26,553	650
Volunteers	5,751	5,947
Bank and credit card fees	5,675	2,611
Fundraising and lottery	1,240	1,440
	460,007	156,130
Excess (deficiency) of revenue over expenses	(34,365)	24,926

The accompanying notes are an integral part of these financial statements

Brockville General Volunteer Association

Statement of Changes in Net Assets

For the year ended March 31, 2023

	<i>Internally Restricted</i>	<i>Unrestricted</i>	2023
Net assets, as at March 31, 2022	3,143	127,019	130,162
Deficiency of revenue over expenses	-	(34,365)	(34,365)
Transfers (Note 6)	25,000	(25,000)	-
Net assets, as at March 31, 2023	28,143	67,654	95,797

	<i>Internally Restricted</i>	<i>Unrestricted</i>	<i>2022 Restated (Note 2)</i>
Net assets, as at April 1, 2021, as previously reported	13,203	99,242	112,445
Impact of adoption of Canadian accounting standards for not-for-profit organizations (Note 2)	(9,547)	2,338	(7,209)
Net assets, as at April 1, 2021, as restated	3,656	101,580	105,236
Excess of revenue over expenses	-	24,926	24,926
Transfers	(513)	513	-
Net assets, as at March 31, 2022	3,143	127,019	130,162

The accompanying notes are an integral part of these financial statements

Brockville General Volunteer Association
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(34,365)	24,926
Changes in working capital accounts		
Accounts receivable	7,712	(10,407)
Sales taxes recoverable	3,446	(2,077)
Inventory	(1,534)	(1,102)
Accounts payable and accrued liabilities	21,716	2,642
Deferred contributions	(1,202)	(4,431)
	(4,227)	9,551
Investing		
(Purchase of) proceeds from guaranteed investment certificates	(2,046)	20,000
Increase (decrease) in cash	(6,273)	29,551
Cash, beginning of year	107,302	77,751
Cash, end of year	101,029	107,302

The accompanying notes are an integral part of these financial statements

Brockville General Volunteer Association

Notes to the Financial Statements

For the year ended March 31, 2023

1. Incorporation and nature of the organization

Brockville General Volunteer Association (the "Association") was incorporated without share capital under the laws of the Corporations Act (Ontario) and is a non-profit corporation established for the purpose of coordinating and providing volunteer support, including operating a gift shop and cafe, for the benefit of Brockville General Hospital, either directly or indirectly through the Brockville and District Hospital Foundation.

The Association is a registered charity under the Income Tax Act and is exempt from income taxes, providing certain requirements of the Income Tax Act are met. In the opinion of management these requirements have been met.

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Association's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2023, the comparative information for the year ended March 31, 2022, and the opening ASNPO statement of financial position as at April 1, 2021 (the Association's date of transition to ASNPO). No transitional provisions permitted by Section 1501 *First-time adoption by not-for-profit organizations* at the date of transition to ASNPO were applied by the Association.

Reconciliations and explanatory notes on how the transition to ASNPO has affected the statement of financial position and statement of operations previously reported are provided below.

Explanation of charges to net assets at April 1, 2021

	<i>Adjustments to Opening Net Assets</i>
Increase in HST recoverable	(3,127)
Decrease in capital assets	789
Increase in deferred capital contributions	9,547
	7,209

Reconciliation of excess of revenues over expenses for the year ended March 31, 2022

	<i>Previously reported</i>	<i>Adjustments</i>	<i>ASNPO</i>
Revenues	220,525	(39,469)	181,056
Expenses	49,441	106,689	156,130
Excess of revenues over expenses	171,084	(146,158)	24,926

Notes to the reconciliation of revenues for the year ended March 31, 2022

	<i>Previously reported</i>	<i>Adjustments</i>	<i>ASNPO</i>
Decrease in donations	146,289	(43,074)	103,215
Increase in interest and other	761	3,605	4,366
	147,050	(39,469)	107,581

Brockville General Volunteer Association

Notes to the Financial Statements

For the year ended March 31, 2023

2. Impact of adopting accounting standards for not-for-profit organizations *(Continued from previous page)*

Notes to the reconciliation of expenses for the year ended March 31, 2022

	<i>Previously reported</i>	<i>Adjustments</i>	<i>ASPE</i>
Increase in office and administrative supplies and expenses	3,882	98,040	101,922
Increase in volunteers	1,516	4,431	5,947
Increase in donations to Brockville and District Hospital Foundation	-	4,415	4,415
Decrease in amortization	197	(197)	-
	5,595	106,689	112,284

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including donations and fundraising and lottery sales, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from sales in the cafe and gift shop are recognized as revenue when the customer takes possession of the goods and collection is reasonably assured.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

Volunteers contribute a substantial amount of hours to assist the Association in carrying out its activities. Due to the difficulty in determining the fair value of these services, volunteer services are not recognized in the financial statements.

Brockville General Hospital provides specified management services under a memorandum of understanding. In-kind contributions of \$100,038 (2022 - \$97,124) have been recorded at fair value and included in office and administrative supplies and expenses. Brockville General Hospital also provides the physical premises where the gift shop and cafe operate, as well as certain other administrative services and operating costs, at no charge to the Association. Due to the difficulty in determining the fair value of these services, the expenses are not recognized in the financial statements.

Inventory

Inventory is comprised of finished goods and is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Capital assets

Capital assets are expensed on acquisition. Capital assets held include furniture and equipment. There were no acquisitions of capital assets in either the 2023 or 2022 fiscal years.

Brockville General Volunteer Association
Notes to the Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary and provisions are made for slow moving and obsolete inventory

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenues over expenses in the years in which they become known.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year. The Association subsequently measures all financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses in the year the reversal occurs.

4. Restricted guaranteed investment certificate

The guaranteed investment certificate bears interest at 5.0%, matures December 2024 and is restricted as security for the Association's corporate credit card which has a balance outstanding at March 31, 2023 of \$113 (2022 - \$Nil) included in accounts payable and accrued liabilities.

Brockville General Volunteer Association
Notes to the Financial Statements
For the year ended March 31, 2023

5. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for future expenses for volunteer recruitment and uniforms. Recognition of these amounts as donations revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	5,116	9,547
Less: Amount recognized as revenue during the year	(1,202)	(4,431)
Balance, end of year	3,914	5,116

6. Internally restricted net assets

The Board of Directors has approved the internal restriction of net assets to be used to support specific future expenses of Brockville General Hospital and the Brockville and District Hospital Foundation. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

	2023	2022
Magnetic resonance imaging equipment	25,000	-
Other hospital equipment	2,470	2,470
Ambulatory care unit	673	673
	28,143	3,143

During the year, the Association's Board of Directors internally restricted \$250,000 of unrestricted net assets to be used to contribute towards the fundraising campaign of the Brockville and District Hospital Foundation for a magnetic resonance imaging machine, of which \$225,000 was utilized for this purpose during the year.

7. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments.