

Audited Financial Statements

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

**AUDITED FINANCIAL STATEMENTS**

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Trillium Childhood Cancer Support Centre**:

I have audited the accompanying financial statements of Trillium Childhood Cancer Support Centre which comprise the statement of financial position as at December 31, 2016 and the statement of changes in net assets and the statements of operations and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, registrations and sales of merchandise which are not susceptible of complete audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the books of the Organization and I am not able to determine whether any adjustments might be necessary to donation revenues, other revenues, excess of revenues over expenses, assets, and net assets.

continued on next page . . .

**INDEPENDENT AUDITOR'S REPORT** (continued)


**Qualified Opinion**

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Trillium Childhood Cancer Support Centre as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Other Matter**

Without further qualifying my opinion I draw attention to Note 8 to the financial statements. The Organization continues to benefit from very substantial donations from other charities registered in Canada, the curtailment of which donations would have a material adverse effect upon the Organization's future operations.

Toronto, Ontario  
April 1, 2017





Nicholas Ralph Professional Corporation  
Chartered Professional Accountant  
*Authorised to practice public accounting  
by the Chartered Professional Accountants of Ontario*

STATEMENT OF FINANCIAL POSITION  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2016

see Note 2

	Capital Asset Fund	OuR Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2016 Total	2015 Total
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	\$ -	\$ 9,561	\$ -	\$ 89,236	\$ 538,809	\$ 637,606	\$ 611,756
Investments (Note 3)	-	-	-	384,764	-	384,764	381,742
HST receivable from government	-	-	-	-	88,721	88,721	48,620
Accounts receivable	-	-	-	-	30,185	30,185	52,322
Prepaid expenses	-	-	-	-	32,135	32,135	796
	-	9,561	-	474,000	689,850	1,173,411	1,095,236
<b>TANGIBLE CAPITAL ASSETS (Note 6)</b>	2,285,064	-	-	-	-	2,285,064	2,307,167
	\$ 2,285,064	\$ 9,561	\$ -	\$ 474,000	\$ 689,850	\$ 3,458,475	\$ 3,402,403
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 24,327	\$ 24,327	\$ 31,850
Long-term debt - current portion (Note 7)	118,424	-	-	-	-	118,424	225,424
	118,424	-	-	-	24,327	142,751	257,274
<b>TOTAL LIABILITIES</b>	118,424	-	-	-	24,327	142,751	257,274
<b>LONG-TERM DEBT (Note 7)</b>	18,306	-	-	-	-	18,306	23,730
	136,730	-	-	-	24,327	161,057	281,004
<b>DEFERRED REVENUES</b>	-	-	-	-	1,000	1,000	-
<b>NET ASSETS</b>	2,148,334	9,561	-	474,000	664,523	3,296,418	3,121,399
	\$ 2,285,064	\$ 9,561	\$ -	\$ 474,000	\$ 689,850	\$ 3,458,475	\$ 3,402,403

APPROVED ON BEHALF OF THE BOARD:

 Director  
 Director

See notes to financial statements

**STATEMENT OF CHANGES IN NET ASSETS**  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2016

	Capital Asset Fund	OuR Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2016 Total	2015 Total
see Note 2							
Net assets, beginning of year	\$ 2,058,013	\$ 16,651	\$ -	\$ 419,000	\$ 627,733	\$ 3,121,397	\$ 3,175,999
Excess (deficiency) of revenues over expenses	(115,665)	(474,828)	(718,656)	-	1,484,170	175,021	(54,500)
Inter-fund transfers	-	580,162	718,656	55,000	(1,353,818)	-	-
Acquisition of tangible capital assets	93,562	-	-	-	(93,562)	-	-
Net repayment of long-term debt	112,424	(112,424)	-	-	-	-	-
Net assets, end of year	\$ 2,148,334	\$ 9,561	\$ -	\$ 474,000	\$ 664,523	\$ 3,296,418	\$ 3,121,399

See notes to financial statements

STATEMENT OF OPERATIONS  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2016

see Note 2

**REVENUES**

Donations (Note 8)  
 Note: donations for specified capital purposes  
 amounted to \$106,907 (2015 - \$95,860)

Site rental  
 Less: related costs

Interest income and net capital gains  
 Other

**EXPENSES**

Amortization  
 Corporate governance  
 Fund-raising  
 Interest on long-term debt  
 Materials and services  
 Office  
 Property and insurance  
 Special programs  
 Staff  
 Transportation

Less: attributed to site rentals

**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES**

See notes to financial statements

	Capital Asset Fund	OuR Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2016 Total	2015 Total
\$	-	\$ 166,801	\$ 142,835	\$ -	\$ 2,458,912	\$ 2,768,548	\$ 2,637,252
	-	-	208,689	-	-	208,689	144,111
	-	-	(82,896)	-	-	(82,896)	(72,000)
	-	-	125,793	-	-	125,793	72,101
	-	-	-	-	4,301	4,301	3,771
	-	-	-	-	8,847	8,847	10,855
\$	-	\$ 166,801	\$ 268,628	\$ -	\$ 2,472,060	\$ 2,907,489	\$ 2,724,000
\$	115,665	\$ -	\$ -	\$ -	\$ -	\$ 115,665	\$ 234,666
	-	-	-	-	5,835	5,835	5,935
	-	-	-	-	68,605	68,605	55,115
	-	5,126	-	-	-	5,126	8,446
	-	117,494	152,630	-	55,234	325,358	268,058
	-	15,809	30,120	-	37,278	83,207	74,110
	-	98,972	281,723	-	50,328	431,023	493,050
	-	778	175	-	544	1,497	2,887
	-	370,923	583,715	-	742,789	1,697,427	1,619,666
	-	32,527	21,817	-	27,277	81,621	88,441
	115,665	641,629	1,070,180	-	987,890	2,815,364	2,850,554
	-	-	(82,896)	-	-	(82,896)	(72,000)
\$	115,665	\$ 641,629	\$ 987,284	\$ -	\$ 987,890	\$ 2,732,468	\$ 2,778,554
\$	(115,665)	\$ (474,828)	\$ (718,656)	\$ -	\$ 1,484,170	\$ 175,021	\$ (54,511)

STATEMENT OF CASH FLOWS  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2016

see Note 2

**Cash provided by (used for)**

**Operating activities**

Excess (deficiency) of revenues over expenses  
 Item not affecting cash - amortization

Changes in non-cash working capital  
 HST receivable from government  
 Accounts receivable  
 Prepaid expenses  
 Accounts payable and accrued liabilities  
 Long-term debt (current portion)  
 Inter-fund transfers of cash

	Capital Asset Fund	OuR Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2016 Total	2015 Total
\$	(115,665)	\$ (474,828)	\$ (718,656)	\$ -	\$ 1,484,170	\$ 175,021	\$ (54,513)
	115,665	-	-	-	-	115,665	234,646
	-	(474,828)	(718,656)	-	1,484,170	290,686	180,133
	-	-	-	-	(40,100)	(40,100)	4,525
	-	-	-	-	22,137	22,137	(40,267)
	-	-	-	-	(31,339)	(31,339)	(52,111)
	-	-	-	-	(7,527)	(7,527)	1,000
	(107,000)	-	-	-	-	(107,000)	(104,000)
	205,986	467,738	718,656	55,000	(1,447,380)	-	-
	98,986	(7,090)	-	55,000	(20,039)	126,857	39,885
	-	-	-	-	-	-	-
	(5,424)	-	-	-	-	(5,424)	(4,974)
	-	-	-	-	1,000	1,000	(3,100)
	(5,424)	-	-	-	1,000	(4,424)	(8,074)
	-	-	-	(3,022)	-	(3,022)	(6,272)
	(93,562)	-	-	-	-	(93,562)	(24,332)
	(93,562)	-	-	(3,022)	-	(96,584)	(30,612)
	-	(7,090)	-	51,978	(19,039)	25,849	1,171
	-	16,651	-	37,258	557,847	611,756	610,585
	-	\$ 9,561	\$ -	\$ 89,236	\$ 538,808	\$ 637,605	\$ 611,771

**Increase (decrease) in cash**  
**Cash at beginning of year**

**Cash at end of year**

See notes to financial statements



## NOTES TO FINANCIAL STATEMENTS

### TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE

December 31, 2016

#### NOTE 1--GENERAL

The Trillium Childhood Cancer Support Centre is a not-for-profit organization, whose primary purpose is to provide, in Ontario, psycho-social support to children afflicted with cancer and to their families. The Organization was incorporated by Letters Patent under the Canada Corporations Act on July 7, 1987 and is a Registered Charity under Section 149 of the Income Tax Act.

#### NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

##### **Revenue Recognition**

Revenues and expenses are recognized on the accrual basis of accounting whereby they are reflected in the financial statements in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

The deferral method is used for accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or accrued. Unrestricted contributions are recognized as revenue when received.

Site rental revenues are recognized upon the completion of each rental. Investment revenues are recognized when earned. All other revenues are recognized upon receipt.

##### **Fund Accounting**

###### **Capital Asset Fund**

The Organization's net investment (cost less amortization) in capital assets is reported in the Capital Asset Fund.

###### **OuR Island Fund and Rainbow Lake Fund**

OuR Island and Rainbow Lake are two sites in Ontario on which the Organization maintains permanent camping facilities. Revenues received in the form of donations and designated by the donor for use in programs operated at OuR Island or Rainbow Lake are credited to the OuR Island Fund or the Rainbow Lake Fund respectively. Where such donations for the programs at OuR Island or Rainbow Lake are for a specified capital purpose, the revenues are retained and restricted until that specified capital purpose has been discharged. The expenses incurred in operating programs at OuR Island and Rainbow Lake are charged to those Funds. The OuR Island Fund and Rainbow Lake Fund are both externally restricted.

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NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

**NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

**Board of Directors' Fund**

The Board of Directors from time to time transfers funds from unrestricted assets into the Board of Directors' Fund with the objective of building a reserve against unforeseen reductions in revenues or increases in expenses. The Board of Directors' Fund may not be drawn upon without prior consent of the Board of Directors, and is internally restricted.

**Unrestricted Fund**

All other revenues and expenses, and assets and liabilities, are reported in the Unrestricted Fund.

**Investments**

Investments consist of non-fixed income and fixed income instruments and are reported at fair value. See also Note 3 and Note 4.

**Capital Assets**

Capital assets are recorded at cost. Amortization is computed using the following methods and rates:

Boats, camp equipment, catering equipment, database software, furniture and equipment	Declining balance	20%
Buildings and structures, freehold buildings	Straight-line	4%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	see below
Vehicles	Declining balance	30%

In the year of acquisition tangible capital assets are amortized at half the normal annual rate, while intangible capital assets are amortized at the full rate.

Leasehold improvements are amortized on a straight-line basis over the life of the lease less six months (to facilitate the application of amortization of half the normal rate in the year of acquisition) plus any extension to the lease already executed at the time of any addition, or twenty-five years, whichever is less.

**Donated Materials and Services**

Donated materials are recognized at fair value where this can be reasonably determined and where, had the materials not been donated, it would have been necessary to purchase them.

The work of the Organization is dependent to some extent on the voluntary service of many individuals. The value of donated services is not recognized in these financial statements.

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## NOTES TO FINANCIAL STATEMENTS

### TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE

December 31, 2016

#### NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 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 amount of revenue and expenses during the period. Estimates are used when accounting for amortization, inventory, and legal contingencies. Actual results could differ from these estimates.

##### Allocation of Expenses

The Organization runs several camping and related programs, and routinely incurs expenses on fund-raising and administration. All expenses are allocated, based on management's estimate of consumption, to programs, fund-raising, or administration (which includes the cost of corporate governance). Expenses allocated to fund-raising or to administration are not re-allocated to programs. Management ensures that the basis for allocation of expenses is applied consistently from year to year, and regularly reviews its estimates of consumption, asset usage, and staff time allocation to ensure that the resulting allocations represent fairly the manner in which expenses are absorbed across the Organization.

##### Net Assets Invested in Capital Assets

Net assets invested in capital assets comprises the net book value of tangible capital assets less the outstanding amount of any loans secured against those assets.

#### NOTE 3--INVESTMENTS

	2016	2015
Non-fixed income: Canadian equities, at fair value	\$ 5,650	\$ 4,868
Fixed income: Guaranteed investment certificates, at fair value	379,114	376,874
	<u>\$ 384,764</u>	<u>\$ 381,742</u>

The investment in Canadian equities was the result of a stock donation from an individual. The guaranteed investment certificates mature on a staggered basis in 2017, and carry effective interest rates from 0.50% to 0.85% a year. Fair values of all the non-fixed income investments are determined directly, in full, by reference to published data from the active market.

NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

**NOTE 4--FINANCIAL INSTRUMENTS**

**Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in index pooled funds that are quoted in an active market, which are measured at fair value.

Changes in fair value are recognized in income in the period the changes occur.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Transaction costs are recognized in income in the period incurred, except those relating to financial instruments which will subsequently be measured at amortized cost. Transaction costs associated with the acquisition and disposal of fixed income investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal.

Financial assets measured at amortized cost include cash and cash equivalents, short-term investments, amounts receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The fair values of non-fixed income investments are determined by reference to the closing prices in the market as at December 31.

**Impairment**

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

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NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

**NOTE 4--FINANCIAL INSTRUMENTS (continued)**

**Impairment (continued)**

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the greater of the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset, and the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is charged to income in the period in which the impairment is determined.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the period the reversal occurs.

**NOTE 5--FINANCIAL RISK MANAGEMENT**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposure and risk concentrations.

The financial instruments of the Organization and the nature of the risks to which they may be subject are:

Financial instruments	Risks			
	Credit	Market risk		
		Liquidity	Currency	Interest rate
Cash	X			
Non-fixed income investments	X			X
Fixed income investments	X		X	
HST receivable from government	X			
Accounts receivable	X			
Accounts payable and accrued liabilities		X		
Long-term debt		X		

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NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

**NOTE 5--FINANCIAL RISK MANAGEMENT (continued)**

The Organization manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its Risk Management Policy. The objective of the policy is to reduce volatility in cash flow and earnings. The Board of Directors monitors compliance with risk management policies and reviews risk management policies and procedures on an annual basis.

The Organization also has a specific Investment Policy that details the asset quality and proportion of fixed income and non-fixed income securities in which investments are made.

The Organization does not use derivative financial instruments to manage its risks.

**Credit risk**

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposures of The Organization to credit risk at December 31 were as follows:

	2016	2015
Cash	\$ 637,606	\$ 611,756
Non-fixed income investments	5,650	4,868
Fixed income investments	379,114	376,874
HST receivable from government	88,721	48,620
Accounts receivable	30,185	52,322
	\$ 1,141,276	\$ 1,094,440

Cash, non fixed-income investments and fixed income investments: credit risk associated with cash non fixed-income investments and fixed income investments is minimized substantially by ensuring that these assets are invested in financial obligations of: governments; major financial institutions that have been accorded investment grade ratings by a primary rating agency; and/or other credit-worthy parties. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the investment policy of the Organization.

HST receivable from government : credit risk associated with HST receivable from government is minimal due to the credit quality of the parties.

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NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

**NOTE 5--FINANCIAL RISK MANAGEMENT** (continued)

**Credit risk** (continued)

Accounts receivable: credit risk associated with accounts receivable is minimized by the Organization's policies and procedures respecting the extension of credit and the process of collection of outstanding amounts (accounts receivable include accrued interest on fixed income investments, donations received during the year but not yet deposited, and other amounts due from various parties and not material in total.

Management believes concentrations of credit risk with respect to amounts receivable is limited due to the credit quality of the parties extended credit, as well as the large number and geographic dispersion of smaller customers.

**Liquidity risk**

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

**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 is comprised of currency risk, interest rate risk and other price risk.

**Currency risk**

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the Organization is the Canadian dollar. The Organization infrequently transacts in U.S. dollars due to certain revenues and operating costs being denominated in U.S. dollars, as well as sourcing certain purchases and capital asset acquisitions internationally.

The Organization does not use foreign exchange forward contracts to manage foreign exchange transaction exposures.

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## NOTES TO FINANCIAL STATEMENTS

### TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE

December 31, 2016

#### NOTE 5--FINANCIAL RISK MANAGEMENT (continued)

##### **Interest rate risk**

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The exposure of the Organization to interest rate risk arises from its interest bearing assets.

The Organization's interest bearing assets include amounts on deposit, cash equivalents and short-term investments with financial institutions that earn interest at market rates.

The Organization manages its exposure to the interest rate risk of its cash and cash equivalents and short-term investments by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash and cash equivalents and short-term investments do not have a significant impact on the Organization's results of operations.

The objective of the Organization with respect to its fixed income investments is to ensure the security of principal amounts invested, provide for a high degree of liquidity, and achieve a satisfactory investment return.

The Organization manages the interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms to maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

##### **Other price risk**

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Organization is exposed to other price risk because of its investment in non-fixed income securities.

The investment policy of the Organization restricts investments in non-fixed income securities to minimal amounts.

##### **Changes in risk**

There are no significant changes in the risk profile of the financial instruments of the Organization from the prior year. The Organization manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance with the objective of minimizing volatility in cash flow and operating results. The Organization does not use derivative financial instruments to manage its risks.



NOTES TO FINANCIAL STATEMENTS

TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE

December 31, 2016

NOTE 6--TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization	Net Book Value
	Start of year	Net additions	End of year		
<b>2016</b>					
Boats	\$ 474,467	\$ 550	\$ 475,017	\$ 404,850	70,167
Camp equipment	467,028	9,250	476,278	413,388	62,890
Catering equipment	119,477	14,246	133,723	108,790	24,933
Computer equipment	94,413	-	94,413	91,460	2,953
Donor database software	57,508	-	57,508	47,794	9,714
Freehold land - OuR Island	708,000	-	708,000	-	708,000
Freehold buildings - OuR Island	1,033,684	-	1,033,684	333,742	699,942
Freehold land - Hamilton	175,000	-	175,000	-	175,000
Freehold building - Hamilton	172,423	-	172,423	77,098	95,325
Freehold land - Martin's Woods	290,834	1,926	292,760	-	292,760
Furniture and equipment	57,053	-	57,053	39,415	17,638
Leasehold improvements at Rainbow Lake	3,965,831	67,590	4,033,421	3,948,158	85,263
Vehicles	277,009	-	277,009	236,530	40,479
	<u>\$ 7,892,727</u>	<u>\$ 93,562</u>	<u>\$ 7,986,289</u>	<u>\$ 5,701,225</u>	<u>\$ 2,285,064</u>
<b>2015</b>					
Boats	\$ 474,467	\$ -	\$ 474,467	\$ 387,377	\$ 87,090
Camp equipment	467,028	-	467,028	398,822	68,206
Catering equipment	119,477	-	119,477	104,337	15,140
Computer equipment	94,413	-	94,413	90,194	4,219
Donor database software	57,508	-	57,508	45,366	12,142
Freehold land - OuR Island	708,000	-	708,000	-	708,000
Freehold buildings - OuR Island	1,033,684	-	1,033,684	292,395	741,289
Freehold land - Hamilton	175,000	-	175,000	-	175,000
Freehold building - Hamilton	172,423	-	172,423	70,201	102,222
Freehold land - Martin's Woods	289,011	1,823	290,834	-	290,834
Furniture and equipment	34,521	22,532	57,053	35,005	22,048
Leasehold improvements at Rainbow Lake	3,965,831	-	3,965,831	3,942,683	23,148
Vehicles	277,009	-	277,009	219,180	57,829
	<u>\$ 7,868,372</u>	<u>\$ 24,355</u>	<u>\$ 7,892,727</u>	<u>\$ 5,585,560</u>	<u>\$ 2,307,167</u>

NOTES TO FINANCIAL STATEMENTS

TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE

December 31, 2016

NOTE 7--LONG-TERM DEBT

	<u>2016</u>	<u>2015</u>
Loan from Royal Bank of Canada, bearing interest at prime rate plus 0.39% a year, repayable by annual installments of \$27,000 plus accrued interest, due May 25, 2017	\$ 63,000	\$ 120,000
Loan from Royal Bank of Canada, bearing interest at prime rate plus 0.39% a year, repayable by annual installments of \$50,000 plus accrued interest, due November 30, 2017	50,000	100,000
Loan from Doughty Williamson Ltd., bearing interest at 0% a year, repayable in monthly installments of \$452, due March 31, 2021	<u>23,730</u>	<u>29,154</u>
	136,730	249,154
Less: due within one year	<u>(118,424)</u>	<u>(225,424)</u>
	<u>\$ 18,306</u>	<u>\$ 23,730</u>

Principal repayments are due as follows:

2016	\$ 225,424
2017	\$ 118,424
2018	5,424
2019	5,424
2020	5,424
2021	<u>2,034</u>
	<u>\$ 136,730</u>
	<u>\$ 249,154</u>

Both loans from the Royal Bank of Canada may be repaid ahead of schedule without penalty, and are secured by a General Security Agreement over all the Organization's personal property, a guarantee and postponement of claim in the amount of \$400,000 signed by the Grand Lodge of Ontario - Independent Order of Odd Fellows (GLO-IOOF), supported by a cash collateral agreement assigning term deposits and/or guaranteed investments certificates provided by GLO-IOOF, and a mortgage charged in the amount of \$500,000 over the Organization's freehold interest in property at OuR Island.

In addition the Organization has access to a revolving line of credit provided by Canadian Imperial Bank of Commerce. This is limited to a maximum of \$250,000 in borrowings at any time, with interest chargeable at prime rate plus 1.5% a year.

NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2016

**NOTE 8--DONATIONS RECEIVED**

The Organization received donations from these sources during the year:

	2016	2015
Canadian charitable and similar organizations - overall total	\$ 1,256,999	\$ 1,429,134
including:		
Coast to Coast Against Cancer Foundation	738,080	900,000
MLSE Foundation	358,516	295,428
Odd Fellows and Rebekah Capital Fund	105,036	95,860
Others	55,367	137,846
Other donations [including \$112,190 (2015 - \$96,920) from the Set Sail for Hope Event]	1,511,549	1,208,116
	<u>\$ 2,768,548</u>	<u>\$ 2,637,250</u>

**NOTE 9--INTEREST PAID ON LONG-TERM DEBT, AND RELATED CASH-FLOWS**

During the year, the Organization paid, and had outward cash flows of, \$5,126 (2015 - \$8,466) for interest on long-term debt.

**NOTE 10--COMMITMENTS AND CONTINGENCIES**

The Organization may be contingently liable for site clearance and restoration costs in the event that it no longer occupies the site at Rainbow Lake. The lease on this site will expire on May 31, 2035, but does not clearly specify whether or not the Organization is liable for site clearance or restoration. Accordingly, the Board of Directors of the Organization believe that it is not appropriate to make any provision for such costs at this time.

The Organization was not committed to any other material capital projects or contracts, other than those in the normal course of business, as at December 31, 2016.

**NOTE 11--DONATED MATERIALS**

During the year the following were received as donations:

	2016	2015
Boats	\$ 7,500	\$ -
Camp equipment	12,850	-
Leasehold Improvements at Rainbow Lake	23,393	-
Securities quoted on a Canadian public stock exchange	12,551	18,596
Miscellaneous items consumed in programs	10,399	21,435
	<u>\$ 66,693</u>	<u>\$ 40,031</u>

## NOTES TO FINANCIAL STATEMENTS

### TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE

December 31, 2016

#### NOTE 12--INTER-FUND TRANSFERS

##### **Capital Asset Fund**

The Board of Directors approves transfers of income and cash from the Unrestricted Fund to cover the cost of acquiring capital assets to the extent that such acquisitions are not funded by donations designated specifically for that purpose.

##### **OuR Island Fund**

The Organization receives donations from the Independent Order of Odd Fellows which are restricted to the payment of principal and interest on the long-term debt related to the acquisition of the freehold property at OuR Island (see Notes 7 and 8). To the extent that these funds are not yet paid over to the lender, they are retained in a separate bank account. The donations are, however, considered as part of the pool of donations which are designated for application to the OuR Island Fund generally. Donations designated by the donor to this Fund, other than those restricted to the repayment of long-term debt as described, are insufficient to cover the entire cost of the OuR Island Program. Accordingly, the Board of Directors transfers surplus income, and cash as required, from the Unrestricted Fund to cover operating deficits in the OuR Island Fund.

##### **Rainbow Lake Fund**

Donations designated by the donor to this Fund, other than those restricted to the repayment of long-term debt as described, are insufficient to cover the entire cost of the Rainbow Lake Program. Accordingly, the Board of Directors transfers surplus income, and cash as required, from the Unrestricted Fund to cover operating deficits in the Rainbow Lake Fund.

##### **Board of Directors' Fund**

The Board of Directors' from time to time transfers funds from unrestricted assets into the Board of Directors' Fund with the objective of building a reserve against unforeseen reductions in revenues or increases in expenses.

#### NOTE 13--INTER-FUND BALANCES

Balances due from one Fund to another are repayable at the discretion of the Board of Directors and are thus treated as being current in nature. These balances are not subject to interest and have no fixed terms of repayment.

SCHEDULE OF EXPENSES  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
December 31, 2016

	OuR Island Camps	Rainbow Lake Camps	Day Camps	Year- Round Programs*	Trillium in the Community	Fund-Raising and Program Promotion	Administration and Overhead	Total
Amortization (tangible and intangible assets)	\$ 59,725	\$ 28,769	\$ -	\$ 3,863	\$ 3,161	\$ 2,195	\$ 17,952	\$ 115,665
	64,691	141,197	-	5,014	4,102	3,135	16,509	234,648
Corporate Governance	-	-	-	-	-	-	5,835	5,835
	-	-	-	-	-	-	5,910	5,910
Fund-raising direct cost	-	-	-	-	-	68,605	-	68,605
	-	-	-	-	-	55,193	-	55,193
Interest on long-term debt	5,126	-	-	-	-	-	-	5,126
	8,466	-	-	-	-	-	-	8,466
Material and services	117,494	152,630	3,554	35,236	1,491	-	14,953	325,358
	69,027	132,282	3,157	45,747	-	-	17,839	268,052
Office	15,809	30,120	73	4,827	3,970	10,086	18,322	83,207
	14,035	23,575	-	6,409	3,532	5,860	20,752	74,163
Property and insurance	98,972	281,723	-	11,657	8,363	8,027	22,281	431,023
	93,859	343,002	-	11,030	8,258	7,978	28,968	493,095
Special Programs	778	175	461	-	83	-	-	1,497
	453	1,458	313	-	675	-	-	2,899
Staff	370,923	583,715	1,529	257,636	148,822	197,559	137,243	1,697,427
	383,799	532,416	2,781	257,427	112,361	203,085	127,779	1,619,648
Transportation	32,527	21,817	1,758	16,215	3,340	2,900	3,064	81,621
	36,241	23,485	2,475	16,056	4,046	3,115	3,051	88,469
Total	\$ 701,354	\$ 1,098,949	\$ 7,375	\$ 329,434	\$ 169,230	\$ 289,372	\$ 219,650	\$ 2,815,364
	\$ 670,571	\$ 1,197,415	\$ 8,726	\$ 341,683	\$ 132,974	\$ 278,366	\$ 220,808	\$ 2,850,543

\* Year-round programs include Winter Camp, Family Weekends, and AYA

See notes to financial statements