

Audited Financial Statements

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

AUDITED FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

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# NICHOLAS RALPH CA

Professional Corporation

Chartered Accountant

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## INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Trillium Childhood Cancer Support Centre which comprise the statements of financial position as at December 31, 2012 and December 31, 2011, and the statements of changes in net assets and the statements of operations and the statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

### 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 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.

Except as explained in the following paragraph, I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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, excess of revenues over expenditures, assets, and net assets.

### Opinion

In my opinion, except for the effect of adjustments, if any, which might have been required had I been able to satisfy myself concerning the completeness of donations, registrations, and merchandise sales revenues, the financial statements present fairly, in all material respects, the financial position of Trillium Childhood Cancer Support Centre as at December 31, 2012 and December 31, 2011 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations and with Canadian generally accepted accounting principles.


continued on next page . . .

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

**Emphasis of Matter**

Without qualifying my opinion I draw attention to Note 7 to the financial statements. The Organization continues to benefit from very substantial donations from another charity registered in Canada, the curtailment of which donations would have a material adverse effect upon the Organization's future operations.

Ottawa  
February 23, 2013 except as to Note 14, which  
is effective as of April 10, 2013.



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

STATEMENT OF FINANCIAL POSITION  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2012

	Capital Asset Fund	OuR Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2012 Total	2011 Total	January 1 2011 Total
<b>see Note 1</b>								
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash	\$ -	\$ 11,171	\$ -	\$ -	\$ 430,389	\$ 441,560	\$ 446,316	\$ 249,082
Investments (Note 2)	-	-	-	-	360,363	360,363	358,960	356,718
Amounts receivable from government	-	-	-	-	55,284	55,284	64,646	37,219
Accounts receivable	-	-	-	-	6,748	6,748	4,455	10,339
Prepaid expenses	-	-	-	-	5,165	5,165	3,199	4,831
Inter-Fund Balances	-	31,200	-	240,000	(271,200)	-	-	-
	-	42,371	-	240,000	586,749	869,120	877,576	658,189
<b>TANGIBLE CAPITAL ASSETS (Note 4)</b>	3,180,742	-	-	-	-	3,180,742	3,166,237	3,472,975
<b>INTANGIBLE CAPITAL ASSETS (Note 5)</b>	32,725	-	-	-	-	32,725	47,600	-
	\$ 3,213,467	\$ 42,371	\$ -	\$ 240,000	\$ 586,749	\$ 4,082,587	\$ 4,091,413	\$ 4,131,164
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 67,771	\$ 67,771	\$ 46,760	\$ 27,687
Current portion of long-term debt (Note 6)	70,673	-	-	-	-	70,673	594,492	636,492
	70,673	-	-	-	67,771	138,444	641,252	664,179
<b>LONG-TERM DEBT (Note 6)</b>	415,654	-	-	-	-	415,654	6,326	15,817
<b>DEFERRED REVENUES</b>	-	-	-	-	-	-	-	800
<b>NET ASSETS</b>	2,727,140	42,371	-	240,000	518,978	3,528,489	3,443,835	3,450,368
	\$ 3,213,467	\$ 42,371	\$ -	\$ 240,000	\$ 586,749	\$ 4,082,587	\$ 4,091,413	\$ 4,131,164

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, 2012

**see Note 1**

	Capital Asset Fund	OuR Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2012 Total	2011 Total
Net assets, beginning of year	\$ 2,613,017	\$ 28,627	\$ -	\$ 210,073	\$ 592,118	\$ 3,443,835	\$ 3,450,368
Donations for specified capital purposes	-	135,071	-	-	265,000	400,071	78,845
Less: expended on specified capital purposes	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	(414,760)	(545,045)	(664,489)	-	1,308,877	(315,417)	(85,378)
Inter-fund transfers	-	-	-	29,927	(29,927)	-	-

Use of unrestricted funds to acquire:

Tangible capital assets	414,390	-	-	-	(414,390)	-	-
Intangible capital assets	-	-	-	-	-	-	-
Net repayment of secured long-term debt	(9,491)	(105,000)	-	-	114,491	-	-
Other	123,984	528,718	664,489	-	(1,317,191)	-	-

	528,883	423,718	664,489	-	(1,617,090)	-	-
Net assets, end of year	\$ 2,727,140	\$ 42,371	\$ -	\$ 240,000	\$ 518,978	\$ 3,528,489	\$ 3,443,835

STATEMENT OF OPERATIONS  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2012

see Note 1

**REVENUES**

Donations (Note 7)  
 Less: donations for specified capital purposes

	Capital Asset Fund	OuR Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2012 Total	2011 Total
\$ -	\$ -	\$ 206,536	\$ 134,612	\$ -	\$ 2,388,182	\$ 2,729,330	\$ 2,691,569
-	(135,071)	-	-	-	(265,000)	(400,071)	(78,845)
-	71,465	134,612	-	-	2,123,182	2,329,259	2,612,724
-	-	111,281	-	-	-	111,281	115,623
-	-	(64,948)	-	-	-	(64,948)	(64,344)
-	-	46,333	-	-	-	46,333	51,279
-	-	-	-	-	18,557	18,557	26,767
\$ -	\$ 71,465	\$ 180,945	\$ -	\$ -	\$ 2,141,739	\$ 2,394,149	\$ 2,690,770

Other

**EXPENDITURES**

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

\$ 399,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,885	\$ 398,779
14,875	-	-	-	-	-	14,875	11,900
-	-	-	-	-	4,505	4,505	5,952
-	-	-	-	-	73,581	73,581	206,020
-	19,752	-	-	-	-	19,752	20,636
-	72,666	98,495	-	-	52,669	223,830	248,008
-	22,563	32,039	-	-	38,546	93,148	108,506
-	77,523	294,569	-	-	56,454	428,546	374,768
-	891	316	-	-	22,816	24,023	8,761
-	391,733	459,990	-	-	555,625	1,407,348	1,357,308
-	31,382	24,973	-	-	28,666	85,021	99,854
414,760	616,510	910,382	-	-	832,862	2,774,514	2,840,492
-	-	(64,948)	-	-	-	(64,948)	(64,344)
\$ 414,760	\$ 616,510	\$ 845,434	\$ -	\$ -	\$ 832,862	\$ 2,709,566	\$ 2,776,148

Less: attributed to site rentals

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

\$ (414,760)	\$ (545,045)	\$ (664,489)	\$ -	\$ -	\$ 1,308,877	\$ (315,417)	\$ (85,378)
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See notes to financial statements

STATEMENT OF CASH FLOWS  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2012

see Note 1

**Cash provided by (used for)**

**Operating activities**

Excess (deficiency) of revenues over expenditures  
 Donations for specified capital purposes  
 Item not affecting cash - amortization of:  
 - tangible assets  
 - intangible assets

Changes in non-cash working capital

Investments  
 Amounts receivable from government  
 Accounts receivable  
 Prepaid expenses  
 Inventory  
 Accounts payable and accrued liabilities  
 Current portion of long-term debt  
 Deferred revenues

**Financing activities**

Advances of long-term debt  
 Repayments of long-term debt  
 Change in non-current portion of long-term debt  
 Inter-fund transfers of cash

**Investing activities**

Acquisition of tangible capital assets (net)  
 Acquisition of intangible capital assets

**Increase (decrease) in cash**

**Cash at beginning of year**

**Cash at end of year**

See notes to financial statements

	Capital Asset Fund	Our Island Fund	Rainbow Lake Fund	Board of Directors' Fund	Unrestricted Fund	2012 Total	2011 Total
\$ (414,760)	\$ (545,045)	\$ (664,489)	\$ -	\$ 1,308,877	\$ (315,417)	\$ (85,378)	
-	135,071	-	-	265,000	400,071	78,845	
399,885	-	-	-	-	399,885	398,779	
14,875	-	-	-	-	14,875	11,900	
-	(409,974)	(664,489)	-	1,573,877	499,414	404,146	
-	-	-	-	(1,404)	(1,404)	(2,241)	
-	-	-	-	9,362	9,362	(27,427)	
-	-	-	-	(2,293)	(2,293)	5,884	
-	-	-	-	(1,966)	(1,966)	1,632	
-	-	-	-	-	-	-	
-	-	-	-	21,013	21,013	19,071	
(523,819)	-	-	-	-	(523,819)	(41,999)	
-	-	-	-	-	-	(800)	
(523,819)	(409,974)	(664,489)	-	1,598,589	307	358,266	
-	-	-	-	-	-	-	
-	(523,819)	-	-	409,328	(114,491)	(51,491)	
523,819	-	-	-	-	523,819	41,999	
414,390	931,940	664,489	-	(2,010,819)	-	-	
938,209	408,121	664,489	-	(1,601,491)	409,328	(9,492)	
(414,390)	-	-	-	-	(414,390)	(92,041)	
-	-	-	-	-	-	(59,500)	
(414,390)	-	-	-	-	(414,390)	(151,541)	
-	(1,853)	-	-	(2,902)	(4,755)	197,233	
-	13,024	-	-	433,291	446,315	249,082	
\$ -	\$ 11,171	\$ -	\$ -	\$ 430,389	\$ 441,560	\$ 446,315	



## NOTES TO FINANCIAL STATEMENTS

### TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE

December 31, 2012

#### DESCRIPTION OF THE ORGANIZATION

The Trillium Childhood Cancer Support Centre is a not-for-profit organization, whose primary purpose is to provide 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 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

Revenues and expenditures 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.

##### Revenue Recognition

The deferral method is used for accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures 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. The Capital Asset Fund is internally restricted by the Board of Directors.

###### 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 expenditures incurred in operating programs at OuR Island and Rainbow Lake are charged to those Funds. By virtue of the sources of revenue attributable to each, the OuR Island Fund and Rainbow Lake Fund are both externally restricted.

###### 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 expenditures. 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 expenditures, and assets and liabilities, are reported in the Unrestricted Fund.

NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Investments**

Investments consist of cashable instruments, including money market funds, and are reported at fair value. See also Note 2 and Note 3.

At year-end, the Organization assesses each investment for impairment. Objective data 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; bankruptcy or other financial reorganization proceedings; or the lack of an active trading market for that investment, which is expected to be permanent.

When a decline in the fair value of an available for sale investment has been recognized directly as an unrealized loss on available for sale financial assets, and there is objective evidence that the asset is impaired and that the decline in fair value is other than temporary, the cumulative loss that had been recognized directly as an unrealized loss on available for sale financial assets is removed from cumulative net unrealized losses on available for sale financial assets and recognized in net income.

The amount of the cumulative loss that is removed from cumulative net unrealized losses on available for sale financial assets and recognized in net income is the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that investment previously recognized in net income.

Impairment losses recognized in net income for a financial instrument classified as available for sale are not reversed.

Transaction costs associated with the acquisition and disposal of investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal. Investment management fees, if any, are expensed as incurred.

**Capital Assets**

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

	<u>Method</u>	<u>Rate</u>
<b>Tangible Capital Assets</b>		
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%
<b>Intangible Capital Assets</b>		
Septembling Web-Site	Straight-Line	25%

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.

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NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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.

**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 expenditures during the period. Estimates are used when accounting for amortization, inventory, and legal contingencies. Actual results could differ from these estimates.

**Allocation of Expenditures**

The Organization runs several camping and related programs, and routinely makes expenditures on fund-raising and administration. The costs of each program include the expenditures on staff (in some cases allocated across programs, fund-raising and administration based on management's estimate of how each employee's time is deployed), property and insurance, materials and services, transportation, and other expenses, including those accounted for as special programs, which are directly related to completing the programs. The Organization also incurs expenditures which are directly related to fund-raising and to corporate governance: these are allocated directly to fund-raising and administration respectively. Office expenses are allocated across programs, fund-raising, and administration in a manner consistent with management's estimate of consumption. Amortization is allocated across programs, fund-raising, and administration in a manner which, in management's estimate, reflects the use of the underlying assets. Management ensures that the basis for allocation of expenditures 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 expenditures are absorbed across the Organization.

**Net Assets Invested in Capital Assets**

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

**NOTE 2--INVESTMENTS**

	<u>2012</u>	<u>2011</u>
At fair value:		
Guaranteed investment certificates	\$ 360,363	\$ 358,960

The guaranteed investment certificates mature on a staggered basis in 2013, and carry effective interest rates from 0.80% to 2.60% per annum.

Fair values of these 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, 2012

**NOTE 3--FINANCIAL INSTRUMENTS**

The Organization measures its financial instruments as follows:

<u>Asset or Liability</u>	<u>Measurement</u>
Cash	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations in the period in which the gain or loss occurs.

The Organization has elected to measure its investments in marketable securities at fair value when such investments are first recognized and thereafter at fair value with gains and losses recognized in the statement of operations in the period in which the gains or losses occur.

**Fair value of financial instruments**

The fair value of a financial instrument is the estimated amount that the Organization would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of accounts receivable, accounts payable and accrued liabilities, and long-term debt approximate their carrying values due to their nature or capacity for prompt liquidation.

The fair values of investments are determined by reference to published bid price quotations in an active market at year-end.

**Risk management**

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.

**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 such that they could be similarly affected by changes in economic conditions. The Organization does not hold directly any collateral as security for financial obligations.

The maximum exposures of the Organization to credit risk at December 31, 2012 were: cash \$441,558, (2011 - \$446,316), accounts receivable \$62,032, (2011 - \$69,101), and guaranteed investment certificates \$360,363, (2011 - \$358,960).

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NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

**NOTE 3--FINANCIAL INSTRUMENTS** (continued)

**Credit Risk** (continued)

Cash and investments: credit risk associated with cash and investments (guaranteed investment certificates and money market funds) is mitigated substantially by ensuring that these assets are invested in financial obligations of Canadian chartered banks or major Canadian investment funds.

Accounts receivable: credit risk associated with accounts receivable is minimal as substantially all of the accounts receivable are due from investees in the form of accrued interest receivable on investments, or from the federal government in the form of refundable Harmonized Sales Tax.

Management believes that concentrations of credit risk with respect to cash and investments is limited due to the credit quality of the counter-parties.

**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. Liquidity risk also includes the risk that the Organization might not be able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of receipts and expenditures from operations, and by investing surplus cash in instruments which may readily be converted to cash. The Organization has a credit facility (see Note 6) in place should it be required, to meet temporary fluctuations in cash requirements.

**Market Risk**

Market risk includes currency risk, interest rate risk, and other price risk. The Organization is not exposed directly to currency risk or other price risk as its financial assets are denominated in Canadian dollars and are not by their nature subject to other price risk.

The Organization is exposed to interest rate risk, which 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 amounts exposed to interest rate risk as at December 31, 2012 were: guaranteed investment certificates \$360,363, (2011 - \$358,960). The guaranteed investment certificates are at pre-determined rates of interest ranging from 0.70% a year to 2.60% a year: these instruments will mature in 2013.

NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

**NOTE 4--TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net Book Value
<b>2012</b>			
Boats	\$ 447,142	\$ 312,547	134,595
Camp equipment	420,090	339,682	80,408
Catering equipment	116,020	90,339	25,681
Computer equipment	94,413	82,113	12,300
Donor database software	57,508	33,794	23,714
Freehold land - OuR Island	708,000	-	708,000
Freehold buildings - OuR Island	1,033,684	168,354	865,330
Freehold land - Hamilton	175,000	-	175,000
Freehold building - Hamilton	172,423	49,510	122,913
Freehold land - Martin's Woods	287,268	-	287,268
Furniture and equipment	34,521	31,065	3,456
Leasehold improvements			
Rainbow Lake	3,965,831	3,301,907	663,924
Vehicles	232,619	154,466	78,153
	<u>\$ 7,744,519</u>	<u>\$ 4,563,777</u>	<u>\$ 3,180,742</u>

**2011**

Boats	\$ 382,066	\$ 287,033	\$ 95,033
Camp equipment	409,972	320,845	89,127
Catering equipment	113,220	84,269	28,951
Computer equipment	94,413	76,841	17,572
Donor database software	42,229	29,775	12,454
Freehold land - OuR Island	708,000	-	708,000
Freehold buildings - OuR Island	1,033,684	127,007	906,677
Freehold land - Hamilton	175,000	-	175,000
Freehold building - Hamilton	172,423	42,613	129,810
Freehold land - Martin's Woods	-	-	-
Furniture and equipment	34,521	30,201	4,320
Leasehold improvements			
Rainbow Lake	3,965,831	3,037,395	928,436
Vehicles	214,160	143,303	70,857
	<u>\$ 7,345,519</u>	<u>\$ 4,179,282</u>	<u>\$ 3,166,237</u>

**NOTE 5--INTANGIBLE CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net Book Value
<b>2012</b>			
Septempering Web-Site	<u>\$ 59,500</u>	<u>\$ 26,775</u>	<u>\$ 32,725</u>
<b>2011</b>			
Septempering Web-Site	<u>\$ 59,500</u>	<u>\$ 11,900</u>	<u>\$ 47,600</u>

NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

**NOTE 6--LONG-TERM DEBT**

	<u>2012</u>	<u>2011</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, 2012	\$ 211,000	\$ 252,000
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, 2012	269,000	333,000
Loan from Kubota Canada Ltd., bearing interest at 0% a year, repayable in monthly installments of \$791, due August 5, 2013	<u>6,327</u>	<u>15,818</u>
	486,327	600,818
Less: due within one year	<u>(70,673)</u>	<u>(594,492)</u>
	<u>\$ 415,654</u>	<u>\$ 6,326</u>
Principal repayments are due as follows:		
2012		\$ 594,492
2013	\$ 70,673	6,326
2014	<u>415,654</u>	<u>-</u>
	<u>\$ 486,327</u>	<u>\$ 600,818</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.

**NOTE 7--DONATIONS RECEIVED**

The Organization received donations from these sources during the year:

	<u>2012</u>	<u>2011</u>
Canadian charitable organizations - overall total	\$ 1,137,805	\$ 1,244,442
including:		
Coast to Coast Against Cancer Foundation	950,000	1,041,175
Odd Fellows and Rebekah Capital Fund	103,871	78,845
Others	83,934	124,422
Fund-raising events organized by third parties	473,732	313,512
Other donations	<u>1,117,793</u>	<u>1,133,615</u>
	<u>\$ 2,729,330</u>	<u>\$ 2,691,569</u>

NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

**NOTE 8--INTEREST PAID ON LONG-TERM DEBT, AND RELATED CASH-FLOWS**

During the year, the Organization paid, and had outward cash flows of, \$18,241 (2011 - \$20,636) for interest on long-term debt.

**NOTE 9--COMMITMENTS**

The Organization is committed to spend at least \$31,200 (2011 - \$Nil) from funds in that amount received from and designated by the donor for the purchase of hydro generation capacity at Our Island. These funds remained unspent at December 31, 2012, and are held in the main bank account.

The Organization is committed to spend approximately \$10,000 in the future to upgrade facilities and equipment on certain boats in order to comply with new provincial legislation.

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, 2012.

**NOTE 10--DONATED MATERIALS**

During the year the following were received as donations:

	2012	2011
Boats	\$ 7,000	\$ 3,199
Building materials and equipment	-	1,000
Camp equipment	2,800	-
Catering equipment	-	1,600
Computers and software	-	12,448
Miscellaneous items consumed in programs	31,204	38,570
	<u>\$ 41,004</u>	<u>\$ 56,817</u>

**NOTE 11--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 6 and 7). 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.

During the year, donations of \$31,200 (2011 - \$Nil) were received and designated by the donor for the purchase of hydro generation capacity at Our Island. These funds remained unspent at December 31, 2012, and are held in the main bank account

. . . continued



NOTES TO FINANCIAL STATEMENTS

**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**

December 31, 2012

**NOTE 12--INTER-FUND TRANSFERS** (continued)

**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 expenditures.

**NOTE 13--ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

The Organization has elected to adopt the accounting framework outlined in Part III of the CICA Accounting Handbook - Accounting Standards for Not-For-Profit Organizations (ASNPO). These are the Organization's first financial statements prepared in accordance with ASNPO and the transitional provisions of Section 1501, First-Time Adoption, have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented for the year ended December 31, 2011 and in the preparation of the opening balance sheet as at January 1, 2012 (the Organization's date of transition).

The Organization issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by the CICA Handbook. The adoption of ASNPO had no impact on the previously reported assets, liabilities and net assets of the Organization and, accordingly, no adjustments have been recorded in the comparative statements of financial position, statements of changes in net assets, statements of operations, or statements of cash flows. Certain of the Organization's disclosures in these financial statements reflect the new disclosure requirements under ASNPO.

**NOTE 14--CORRECTION OF FINANCIAL STATEMENTS DATED FEBRUARY 13, 2013**

Subsequent to the issue of audited financial statements dated February 13, 2013 it was discovered that there were logical errors in the structure of the Statement of Changes in Net Assets. These errors caused the balance of the Unrestricted Net Assets Fund to be over-stated by \$29,927, and to differ from the net assets held in that fund by the same amount. This error has been corrected in these financial statements. The error had no effect on the statement of operations, the statement of cash flows, the schedule of expenditures, or on the actual assets or liabilities of the Organization.

SCHEDULE OF EXPENDITURES  
**TRILLIUM CHILDHOOD CANCER SUPPORT CENTRE**  
 December 31, 2012

	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)	\$ 68,000	\$ 298,098	\$ -	\$ 5,448	\$ 4,457	\$ 19,901	\$ 18,856	\$ 414,760
	66,519	297,463	-	5,961	4,878	16,764	19,094	410,679
Corporate Governance	-	-	-	-	-	-	4,505	4,505
	-	-	-	-	-	-	5,952	5,952
Fund-raising direct cost	-	-	-	-	-	73,581	-	73,581
	-	-	-	-	-	206,020	-	206,020
Interest on long-term debt	19,752	-	-	-	-	-	-	19,752
	20,636	-	-	-	-	-	-	20,636
Material and services	72,666	98,495	5,408	28,754	295	-	18,212	223,830
	79,659	95,821	3,168	37,128	208	16,538	15,486	248,008
Office	22,563	32,039	-	6,271	5,601	7,366	19,308	93,148
	23,969	34,784	-	18,215	5,882	7,994	17,662	108,506
Property and insurance	77,523	294,569	-	10,616	8,388	8,258	29,192	428,546
	67,386	258,229	-	10,458	8,193	8,036	22,466	374,768
Special Programs	891	316	374	-	22,442	-	-	24,023
	1,002	1,485	164	-	6,110	-	-	8,761
Staff	391,733	459,990	3,541	181,836	81,676	167,562	121,010	1,407,348
	376,078	426,164	4,828	184,240	97,923	150,498	117,577	1,357,308
Transportation	31,382	24,973	1,763	13,010	4,113	5,848	3,932	85,021
	38,891	29,501	1,476	19,980	3,569	2,390	4,047	99,854
<b>Total</b>	<b>\$ 684,510</b>	<b>\$ 1,208,480</b>	<b>\$ 11,086</b>	<b>\$ 245,935</b>	<b>\$ 126,972</b>	<b>\$ 282,516</b>	<b>\$ 215,015</b>	<b>\$ 2,774,514</b>
2011	\$ 674,140	\$ 1,143,447	\$ 9,636	\$ 275,982	\$ 126,763	\$ 408,240	\$ 202,284	\$ 2,840,492

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