

Financial statements

**The Cedars Cancer Foundation at the  
McGill University Health Center /  
La Fondation du Cancer des Cèdres au  
Centre Universitaire de Santé McGill**

March 31, 2017



Building a better  
working world

## Independent auditors' report

To the Board Members of  
**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

We have audited the accompanying financial statements of **The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill** [the "Organization"], which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in Funds' balances, and cash flows for the year ended March 31, 2017, 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.

### **Auditors' responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for qualified opinion**

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses for the year ended March 31, 2017, current assets as at March 31, 2017, and net assets as at March 31, 2017. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.



**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2017, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Report on other legal and regulatory requirements**

As required by the Canada Corporations Act, we report that, in our opinion, these principles in Canadian accounting standards for not-for-profit have been applied on a consistent basis.

*Ernst & Young LLP<sup>1</sup>*

Montreal, Canada  
September 26, 2017

<sup>1</sup> CPA auditor, CA, public accountancy permit no. A121006



The Cedars Cancer Foundation at the McGill University Health Center /  
La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill

Statement of financial position

	March 31, 2017						March 31, 2016
	General fund	Sarah's Pediatric endowed fund	Other endowed funds	BCFL Fund restricted fund	Other restricted funds	Total	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	553,461	—	—	—	—	553,461	45,762
Investments in a Master Trust <i>[note 3]</i>	1,945,562	—	4,867,430	8,299,040	—	15,112,032	13,599,525
Interfunds receivable <i>[notes 2 c) and 3)]</i>	130,359	2,054,150	—	—	2,531,642	4,716,151	231,500
Accounts receivable and other <i>[note 4]</i>	222,150	—	—	—	—	222,150	114,677
Prepaid and deposits to suppliers	20,558	—	—	—	—	20,558	2,412
	<b>2,872,090</b>	<b>2,054,150</b>	<b>4,867,430</b>	<b>8,299,040</b>	<b>2,531,642</b>	<b>20,624,352</b>	13,993,876
<b>Non-current assets</b>							
Capital assets	46,919	—	—	—	—	46,919	18,670
	<b>2,919,009</b>	<b>2,054,150</b>	<b>4,867,430</b>	<b>8,299,040</b>	<b>2,531,642</b>	<b>20,671,271</b>	14,012,546
<b>Liabilities</b>							
<b>Current liabilities</b>							
Accounts payable and accrued liabilities	679,473	—	—	—	—	679,473	425,898
Interfunds payable <i>[notes 2 c) and 3)]</i>	—	—	3,797,650	918,501	—	4,716,151	231,500
Deferred revenue restricted in connection with Sarah's Fund	—	—	—	—	—	—	72,102
	<b>679,473</b>	<b>—</b>	<b>3,797,650</b>	<b>918,501</b>	<b>—</b>	<b>5,395,624</b>	729,500
<b>Funds' balances</b>							
Restricted funds	—	2,054,150	1,069,780	7,380,539	2,531,642	13,036,111	12,065,110
Internally restricted funds <i>[note 5]</i>	2,344,033	—	—	—	—	2,344,033	1,498,248
Unrestricted funds	(104,497)	—	—	—	—	(104,497)	(280,312)
	<b>2,239,536</b>	<b>2,054,150</b>	<b>1,069,780</b>	<b>7,380,539</b>	<b>2,531,642</b>	<b>15,275,647</b>	13,283,046
<b>Total liabilities and funds' balances</b>	<b>2,919,009</b>	<b>2,054,150</b>	<b>4,867,430</b>	<b>8,299,040</b>	<b>2,531,642</b>	<b>20,671,271</b>	14,012,546

Commitments *[notes 5 and 6]*

See accompanying notes

The Cedars Cancer Foundation at the McGill University Health Center /  
 La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill

Statement of changes in funds' balances

	General fund \$	Sarah's Pediatric endowed fund \$	Other endowed funds \$	BCFL Fund restricted fund \$	Other restricted funds \$	Total \$
<b>March 31, 2017</b>						
Fund balances, beginning of the year	1,217,936	—	4,345,904	7,719,206	—	13,283,046
Transfer between funds <i>[note 2 c)]</i>	1,331,322	—	(3,862,964)	—	2,531,642	—
(Deficiency) excess of revenues over expenses during 2017	(309,722)	2,054,150	586,840	(338,667)	—	1,992,601
<b>Fund balances, end of year</b>	<b>2,239,536</b>	<b>2,054,150</b>	<b>1,069,780</b>	<b>7,380,539</b>	<b>2,531,642</b>	<b>15,275,647</b>
<b>March 31, 2016</b>						
Fund balances, beginning of the year	1,812,599	—	4,351,947	7,380,593	—	13,545,139
(Deficiency) excess of revenues over expenses during 2016	(594,663)	—	(6,043)	338,613	—	(262,093)
<b>Fund balances, end of year</b>	<b>1,217,936</b>	<b>—</b>	<b>4,345,904</b>	<b>7,719,206</b>	<b>—</b>	<b>13,283,046</b>

See accompanying notes

**The Cedars Cancer Foundation at the McGill University Health Center /  
La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill**

**Statement of operations**

	March 31, 2017					March 31, 2016	
	General fund	Sarah's Pediatric endowed fund	Other endowed funds	BCFL Fund restricted fund	Other restricted funds	Total	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Charity events organized by the Cedars and third parties	3,222,480	—	75,870	—	—	3,298,350	1,734,009
Revenue generated from charity events and donations benefiting Sarah's Fund	—	—	—	—	246,955	246,955	511,011
Special restricted donation related to Sarah's Fund	—	2,000,000	—	—	—	2,000,000	—
Special restricted donation related to BCFL campaign	—	—	—	540,000	—	540,000	1,921,500
Donations	456,632	—	—	—	—	456,632	588,050
Other contributions – net	576,220	—	—	—	—	576,220	667,159
Changes in unrealized gains (losses) on investments in a Master Trust	17,183	—	31,817	(85,940)	—	(36,940)	(832,719)
Net investment income realized from investments in a Master Trust	118,870	54,150	479,153	897,273	—	1,549,446	834,744
	<b>4,391,385</b>	<b>2,054,150</b>	<b>586,840</b>	<b>1,351,333</b>	<b>246,955</b>	<b>8,630,663</b>	<b>5,423,754</b>
<b>Expenses</b>							
Administrative	547,002	—	—	—	—	547,002	479,122
Capital campaign direct salaries and contractors fees	407,460	—	—	—	—	407,460	186,000
Charity events organized by the Cedars and third parties	1,765,405	—	—	—	—	1,765,405	1,183,722
Charity events in connection with Sarah's Fund	—	—	—	—	101,403	101,403	192,413
	<b>2,719,867</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>101,403</b>	<b>2,821,270</b>	<b>2,041,257</b>
<b>Excess of revenues over expenses available for distributions, grants, program costs and other undernoted items</b>	<b>1,671,518</b>	<b>2,054,150</b>	<b>586,840</b>	<b>1,351,333</b>	<b>145,552</b>	<b>5,809,393</b>	<b>3,382,497</b>
Distribution commitments [note 5]	1,094,243	—	—	1,690,000	30,133	2,814,376	2,301,622
Distributions	207,092	—	—	—	—	207,092	163,334
Distributions in connection with Sarah's Fund	—	—	—	—	115,419	115,419	418,599
Disbursements (paid / payable) under the Cedars CanSupport Program	679,905	—	—	—	—	679,905	761,035
	<b>1,981,240</b>	<b>—</b>	<b>—</b>	<b>1,690,000</b>	<b>145,552</b>	<b>3,816,792</b>	<b>3,644,590</b>
<b>(Deficiency) excess of revenues over expenses for the year</b>	<b>(309,722)</b>	<b>2,054,150</b>	<b>586,840</b>	<b>(338,667)</b>	<b>—</b>	<b>1,992,601</b>	<b>(262,093)</b>

See accompanying notes

**The Cedars Cancer Foundation at the McGill University Health Center /  
La Fondation du Cancer des Cèdres au Centre Universitaire de Santé McGill**

**Statement of cash flows**

Year ended March 31

	2017	2016
	\$	\$
<b>Operating activities</b>		
(Deficiency) Excess of revenue over expenses for the year	1,992,601	(262,093)
Amortization	8,921	—
Net change in non-cash working capital balances related to operations	55,854	(32,466)
<b>Cash provided by (used by) operating activities</b>	<b>2,057,376</b>	<b>(294,559)</b>
<b>Investing activities</b>		
Addition to capital assets	(37,170)	(17,709)
Net decrease (increase) in investments in a Master Trust	(1,512,507)	347,977
<b>Cash provided by (used in) investing activities</b>	<b>(1,549,677)</b>	<b>330,268</b>
<b>Net increase in cash and cash equivalents during the year</b>	<b>507,699</b>	<b>35,709</b>
Cash and cash equivalents, beginning of year	45,762	10,053
<b>Cash and cash equivalents, end of year</b>	<b>553,461</b>	<b>45,762</b>

*See accompanying notes*

**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

**1. Nature of operations**

The Cedars Cancer Foundation at the McGill University Health Center [the “Organization” or “Cedars”], previously known as the Cedars Cancer Institute, is a registered charity formed on December 12, 2008 and designated as a public foundation under the Income Tax Act (Canada), whose mission is to raise monies, to promote, encourage, support and to further research in the fight against cancer from pediatric to adolescent and young adult to adult through palliative care with special emphasis on cause and prevention. Its mission is to as well investigate and evaluate new methods and techniques in the treatment of cancer, fund equipment, sponsor guest lecturers in oncology and related issues and to establish fellowships for the medical communities of the McGill University Health Centre [“MUHC”] to further research and advance education. It is also in the mission to offer programs that provide psychosocial, practical and humanitarian assistance to cancer patients and their families. The Organization’s objective is also to raise funds to help the CanSupport Program and the oncology department of the MUHC. It is not taxable as long as it complies with all relevant taxation regulations.

The Organization’s revenues include income from general public donations, revenues from events organized by the Organization and/or third parties for its benefit and investment income.

**2. Summary of significant accounting policies**

**Significant accounting policies**

These financial statements are prepared in accordance with Part III of the CPA Canada Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

**Fund accounting**

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Cedars are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and presentation purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors of the Organization.

For financial reporting purposes, the funds have been classified as follow:

*[a] General fund*

The General fund includes all the unrestricted resources. It includes unrestricted donations, restricted donations for which a separate fund is not created, unrestricted investment income and operating expenditures.



**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

*[b] Endowment and restricted funds*

The Endowment and restricted funds consist of donations received from donors requesting that their donations be permanently retained and the income generated be spent in accordance with the donor's specifications.

- The Best Care for Life ["BCFL"] fund is a restricted fund for which donations to Cedars on behalf of the BCFL are restricted specifically to the BCFL campaign benefiting the MUHC;
- During fiscal 2017, the Sarah's Fund at Cedars for Pediatric Hematology-Oncology ["Sarah's pediatric endowment fund"] was created as an endowment fund for the needs of the Montreal Children Hospital oncology department. Going forward, pediatric charity events and donations will be allocated to this fund. Net revenues from the Sarah's Fund activities, after distributions (if any), are transferred at the end of each fiscal year to the Sarah's pediatric endowment fund;

Other endowment funds include the following:

- The Wilfrid Howick Humanitarian Endowment ["Howick"] fund exists to assist needy cancer patients and/or families who have limited financial means;
- The Vivian Saykaly Visiting Professor in Medical Oncology Endowment ["Saykaly"] fund exists to defray the cost of inviting a visiting professor in medical oncology, annually and in perpetuity;
- During fiscal 2017, the Bob and Mariko Humanitarian fund was created to help the CanSupport Humanitarian activities;

*[c] The Larry and Cookie Rossy Chair in Oncology at McGill endowment fund and other restricted funds*

The Larry and Cookie Rossy Chair in Oncology at McGill fund was disendowed on March 21, 2017 by the Rossy Family Foundation, at which time its fair value amounted to \$3.8 million. As a result, an amount of \$2.5 million has been allocated to the Rossy Family Foundation and \$1.3 million to the Organization representing respectively their initial investment plus accumulated investment income since the creation of the Chair fund. Of the \$2.5 million allocated to the Rossy Family foundation, an amount of \$1 million from the original endowment was restricted for the MUHC Oncology Supportive Care Centre commitment and the balance of \$1.5M was restricted to be transferred to McGill University to be credited against the Rossy Family Foundation's commitment to the Rossy Cancer Network. The total of \$2.5 million restricted funds are presented on the statement of financial position under the caption "other restricted funds".

*[d] Expenditures*

Expenditures related to a specific fund are expensed in the appropriate fund. Operating expenses are expensed in the General fund unless management determines to allocate them to a specific fund, based on the nature of expense. Operating expenses include administrative expenses, a portion of which is allocated to charity events or CanSupport Program based on a rational basis related to the individuals' involvement with these events and programs.

**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

**Accounting estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and from time to time short-term bank deposits with a maturity of three months or less from the date of purchase and are recorded at cost, which approximates their fair value due to their short-term nature.

**Financial instruments**

The Organization recognizes and measures its significant financial instruments as follows:

Cash and cash equivalents	held for trading
Investments	designated as held for trading
Accounts receivable	loans and receivables
Accounts payable and accrued liabilities	other financial liability

All financial instruments are initially measured at fair value including loans and receivables and other financial liabilities which are subsequently measured at amortized cost. The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short term nature.

Investments, designated as held-for-trading financial assets, are measured at fair value at each reporting period and changes in fair value are recognized in the excess (deficiency) of revenues over expenses.

Transaction costs over financial instruments classified as held-for-trading are expensed as incurred.

**Revenue recognition**

The Organization uses the restricted fund method of accounting for contributions. The Organization also recognizes its revenues when cash is received in the appropriate fund and by using the deferral method until the related expenses are incurred and services are rendered to the contributors for restricted contributions for which a separate fund is not created. Expenses are recognized as incurred. Pledges for donations and contributions are recognized only when received.

Revenues and expenses related to charitable events organized and controlled by the Cedars are presented at their respective gross amounts in the statement of operations. Events organized by third parties where the Cedars is only the beneficiary from amounts and profits collected are shown on a net basis which corresponds to the amounts received by the Organization, as the beneficiary of the event.

**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation  
du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

Investment income, which consists of interest, dividends, and realized and unrealized gains and losses, is recorded as revenue in the statement of operations. Dividend income is recognized as of the ex-dividend date. Interest income is recognized according to the accrual basis of accounting. Realized gains and losses on disposals of investments are accounted for at the date of disposal, based on the average cost of the investments. Investment management fees and custodian fees are presented net of the investment income in the statement of operations.

Unrestricted donations and restricted donations for which a separate fund is not created are recognized as revenue in the General fund when received or by using the deferral method, respectively. Endowment contributions are recognized as revenue in the respective Endowment fund, when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured. Restricted donations or contributions to the BCFL campaign or fund are recognized as revenue in the BCFL fund, when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

**Foreign currency translation**

Foreign currency transactions entered into by the Organization are translated as follows: monetary assets and liabilities are translated at the exchange rates in effect at the statement of financial position date. Revenues and expenses are translated at exchange rates prevailing at the transaction dates. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of operations.

**Volunteer services**

The Cedars benefits from substantial services in the form of volunteer time. Due to the difficulty of determining their fair value, volunteer services are not recorded in these financial statements.

**Income taxes**

The Organization is a charity as defined in the Income Tax Act (Canada) and is not subject to income taxes.

**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

**3. Endowed / restricted funds**

Certain of the Cedars' investments are managed by the CIBC Mellon Trust and consist of units held in separate accounts of a Master Trust in which the Royal Victoria Hospital Foundation [the "RVHF"] manages its own investments. The underlying investments of the Master Trust at the RVHF consist of marketable securities and are carried at their fair value. The interfunds accounts receivable / payable consist of transfers occurred subsequent to March 31, 2017 between the various funds to rebalance the funds at their respective fair value after reflecting the allocation objectives described in note 2. The fair values and allocation of restricted / endowed funds, taking into effect the reallocation of the interfunds amounts receivable / payable, were as follows as at March 31:

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Endowed funds</b>		
Sarah's fund at Cedars for pediatric hematology-oncology	<b>2,054,150</b>	—
The Larry and Cookie Rossy Chair in Oncology at McGill fund	—	3,391,099
Wilfrid Howick Humanitarian	<b>861,440</b>	803,014
Vivian Saykaly visiting professor in Medical Oncology	<b>152,470</b>	162,349
Bob and Mariko Humanitarian Fund	<b>55,870</b>	—
	<b>1,069,780</b>	965,363
<b>Restricted Funds</b>		
BCFL fund	<b>7,380,539</b>	7,487,706
Rossy Family Foundation – future needs	<b>1,531,642</b>	—
Rossy Family Foundation - MUHC Oncology Supportive Care Centre	<b>1,000,000</b>	—
	<b>2,531,642</b>	—
<b>General fund</b>	<b>2,075,921</b>	1,755,357
<b>Total</b>	<b>15,112,032</b>	13,599,525

**Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices and general market volatility, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Organization, through its finance committee and board of directors, manages the financial risk related to its investments by monitoring the asset allocation among its investments to offer a range of investment options and effectively manage the risk/return spectrum appropriate for its investment funds. Exposure to the market risk is closely monitored and maintained within the limits set out in the Organization's various policies.

**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

**Interest rate risk**

The interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Furthermore, interest rate fluctuations could have an effect on the Organization's interest income derived from its cash and cash equivalents and investments. Even though it is impossible to completely eliminate such risk, it can be mitigated by the various investment options available to the Organization and managed by its finance committee and board of directors.

**Credit risk and counterparty risk**

Given the nature of its accounts receivable the Organization does not believe it is exposed to a significant credit risk. For financial institutions including the various counterparties, the maximum credit risk as at March 31, 2017 relates to cash and cash equivalents and investments. These assets are held or traded with a limited number of financial institutions and other counterparties.

The Organization is exposed to the risk that the financial institutions and other counterparties with which it holds securities or enters into agreements could be unable to honour their obligations. The Organization minimizes this risk by entering into agreements with large financial institutions and other large counterparties with appropriate credit ratings and reputation.

**Foreign currency risk**

Foreign currency risk is the risk that the value of investments will fluctuate as a result of changes in foreign exchange rates. Foreign currency risk derives from investments and deposits denominated in non-Canadian currencies. As at March 31, 2017, the investments' mix accounted for approximately 21% of foreign investments exposed to foreign currency risks. The finance committee and board of directors manage the foreign currency risk as part of their mandate.

**Liquidity risk**

The Organization is exposed to the risk of being unable to honour its financial commitments on a timely basis as set out under the terms of such commitments. The Organization, through its finance committee and board of directors, monitors its cash and investments resources to ensure their sound management, financing and timely payment of commitments on an Organization-wide basis.

**Capital management**

In managing capital, the Organization focuses on liquid resources available for operations. The Organization defines its capital as the restricted and unrestricted funds. The Organization's objective is to have sufficient liquid resources to continue operating despite events with adverse financial consequences and to provide itself with the flexibility to take advantage of opportunities that will advance its objectives. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2017, the Organization has met its objective of having sufficient liquid resources to meet its current obligations. The Organization has certain commitments disclosed in note 7 to the financial statements and it expects to meet these commitments by raising funds in the future years.

**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

**4. Accounts receivable and other**

The accounts receivable and other consist of:

	<b>2017</b>	<b>2016</b>
	\$	\$
Commodity taxes receivable	<b>214,510</b>	89,988
Other	<b>7,640</b>	24,689
	<b>222,150</b>	114,677

**5. Internally restricted funds**

Internally restricted funds consist mainly of funds committed by the Cedars for the benefit of third parties. Major categories of internally restricted fund balances are as follows:

	<b>2017</b>
	\$
<b>Commitments for</b>	
Payment in relation to the Rossy Cancer Network – 2018	409,000
Frank Rana Capital Campaign for supportive care center	762,562
Supportive palliative care fund	841,319
Academic Support for physicians	165,000
The Bell fund	166,152
<b>As at March 31, 2017</b>	<b>2,344,033</b>
Less: amounts paid after year end:	
Payment in relation to the Rossy Cancer Network	(137,000)
Academic Support for physicians	(165,000)
<b>Balance of commitments</b>	<b>2,042,033</b>

**Pledge to support raising funds in support of MUHC**

In February 2013, the Rossy Foundation, McGill, the MUHC and other affiliated hospitals [hereafter the “MAHN hospitals”] signed a Gift Agreement [the “Gift”] under which the Rossy Foundation wishes to donate a Gift to the MAHN and the McGill University in the amount of \$28 million over a period of 10 years or \$2.8 million every year, being effective as of the year ended March 31, 2012. As a result, the Rossy Cancer Network [“RCN”] was created with the objective to improve the quality of cancer care amongst the patients of the MAHN hospitals by allocating from the Gift an amount of \$18 million to the benefit of the MAHN hospitals and another \$10 million for academic expenditures of the Faculty of Medicine at the McGill University.

**The Cedars Cancer Foundation at the McGill University Health Center / La Fondation du Cancer des Cèdres au Centre universitaire de Santé McGill**

**Notes to financial statements**

March 31, 2017

The MAHN and McGill, being the recipients, will be required to match the donation gifts annually. The Cedars Cancer Foundation, through its board of directors, has agreed to support the RCN by raising funds in support of the MUHC annual contribution. The Cedars has therefore agreed to raise, without being obligated to and subject to its General funds' availability, an amount of \$800,000 annually originally payable in four installments of 25% each for the next 9 years or \$7.2 million in total, being effective as of fiscal 2014. However, as agreed among all parties to the Gift agreement, payment schedule has been variable and more flexible. Up until March 31, 2017, payments already made by the Organization amounted to \$1.9 million.

**Pledge to support the BCFL capital campaign**

The Cedars Cancer Foundation, through its board of directors, has agreed to support the MUHC's BCFL fundraising campaign. The Cedars has therefore agreed to raise, subject to its General fund and BCFL fund's availability a total amount of \$22.9 million. The Cedars Cancer Foundation has already contributed \$9.6 million of its promised \$22.9 million commitment to the BCFL campaign, including a disbursement of \$1.69 million during each of the fiscal years 2016 and 2017, and the outstanding amount of \$13.3 million is expected to be paid out over the next seven years until 2024.

**6. Lease commitments**

The Organization rents certain offices under an operating lease which matures in fiscal 2027 and for which the future minimum annual lease payments are as follows:

	\$
Within one year	62,685
After one year but not more than five years	272,858
More than five years	328,920
	<u>664,463</u>

**7. Comparative figures**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year to better reflect the expenses associated to the events.

