



Financial Statements

Lymphoma Foundation Canada

December 31, 2012

**LYMPHOMA FOUNDATION CANADA**  
**2012 and 2011 Financial Statements**

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## **Independent Auditor's Report**

**To the Members of  
Lymphoma Foundation Canada**

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We have audited the accompanying financial statements of Lymphoma Foundation Canada, which comprise the statement of financial position as at December 31, 2012, December 31, 2011, and January 1, 2011, and the statements of revenue and expenses, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, 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**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 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.

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 Foundation derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might otherwise be necessary to revenue, excess of revenue over expenses, assets or net assets.

**Qualified opinion**

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Lymphoma Foundation Canada as at December 31, 2012, December 31, 2011, and January 1, 2011, and the results of its operations and cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants, Licensed Public Accountants  
Toronto, Canada  
May 23, 2013

# LYMPHOMA FOUNDATION CANADA

## Statement of Financial Position

As at December 31, 2012, December 31, 2011 and January 1, 2011

	December 31, 2012	December 31, 2011	January 1, 2011
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,003,572	\$ 486,627	\$ 411,127
Amounts receivable	21,914	554	-
Sales taxes recoverable	144,914	56,891	24,700
Prepaid expenses	47,701	92,954	94,750
	1,218,101	637,026	530,577
Equipment (note 4)	7,472	20,266	33,424
	\$ 1,225,573	\$ 657,292	\$ 564,001
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 11,093	\$ 52,520	\$ 53,788
Deferred revenue (note 5)	75,808	244,150	172,750
	86,901	296,670	226,538
Net assets			
Unrestricted	1,113,672	335,622	312,463
Memorial research fellowship	25,000	25,000	25,000
	1,138,672	360,622	337,463
	\$ 1,225,573	\$ 657,292	\$ 564,001

See accompanying notes

On behalf of the Board

Director

Director

**LYMPHOMA FOUNDATION CANADA**  
**Statement of Revenue and Expenses and Changes in Net Assets**  
**Years ended December 31, 2012 and December 31, 2011**

	2012	2011
Revenue		
Contributions	\$ 2,644,319	\$ 549,931
Educational events and grants	135,539	50,000
Grants for web site software and support	99,100	139,100
Interest and miscellaneous	5,420	2,420
Fundraising sales	2,580	3,053
	<hr/> 2,886,958	<hr/> 744,504
Expenses		
Fundraising sales and events	732,079	164,238
Research fellowships (note 6)	523,333	30,000
Contractor support costs (note 7)	295,891	248,649
Education	218,133	72,669
Professional fees	75,077	13,848
Web site support and development	57,652	101,726
Advertising and promotion	52,505	-
Travel	30,623	13,771
Rent	28,944	-
Donor development	22,351	30,832
Office supplies	21,339	24,292
Bank charges and interest	17,507	5,788
Donations	17,000	-
Amortization of equipment	13,624	14,339
Insurance	2,850	1,193
	<hr/> 2,108,908	<hr/> 721,345
Excess of revenue over expenses	778,050	23,159
Net assets, beginning of year	<hr/> 360,622	<hr/> 337,463
Net assets, end of year	<hr/> <hr/> \$ 1,138,672	<hr/> <hr/> \$ 360,622

**See accompanying notes**

**LYMPHOMA FOUNDATION CANADA**  
**Statement of Cash Flows**  
**Years ended December 31, 2012 and December 31, 2011**

	2012	2011
Operating activities		
Excess of revenue over expenses	\$ 778,050	\$ 23,159
Item not involving cash		
Amortization of equipment	13,624	14,339
	<hr/> 791,674	<hr/> 37,498
Net change in non-cash working capital items		
Amounts receivable	(21,360)	(554)
Sales taxes recoverable	(88,023)	(32,191)
Prepaid expenses	45,253	1,796
Accounts payable and accrued liabilities	(41,427)	(1,269)
Deferred revenue	(168,342)	71,400
	<hr/> (273,899)	<hr/> 39,182
Cash flows from operating activities	<hr/> 517,775	<hr/> 76,680
Investing activity		
Purchase of equipment and cash flows from investing activity	(830)	(1,180)
Net change in cash and cash equivalents during the year	516,945	75,500
Cash and cash equivalents, beginning of year	486,627	411,127
Cash and cash equivalents, end of year	<hr/> \$ 1,003,572	<hr/> \$ 486,627
Cash and cash equivalents consists of:		
Cash in bank account	\$ 903,572	\$ 386,627
Guaranteed Investment Certificate bearing interest at prime less 2.05%	75,000	75,000
Cash held for memorial research fellowship	25,000	25,000
	<hr/> \$ 1,003,572	<hr/> \$ 486,627

**See accompanying notes**

**LYMPHOMA FOUNDATION CANADA**  
**Notes to Financial Statements**  
**Years ended December 31, 2012 and December 31, 2011**

**1. Nature of operations**

Lymphoma Foundation Canada (the "Foundation" or "LFC") was incorporated without share capital on February 6, 1998, by Letters Patent under the Canadian Corporations Act. The Foundation is a registered charity under the Income Tax Act. The Foundation's mission is to advance knowledge, raise awareness, and support research in relation to the subject of lymphoma.

**2. Summary of significant accounting policies**

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are as follows:

Cash and cash equivalents

Cash and cash equivalents consist of cash in bank accounts and Guaranteed Investment Certificates (GICs), with original maturities less than three months.

Memorial research fellowship

A memorial research fellowship in the amount of \$25,000 was established in 2008. This includes contributions designated by donors to this fellowship. The amount will be distributed when there is a balance sufficient to fund a full fellowship.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions and proceeds from fundraising and educational sales and events are recognized as earned and collectability is reasonably assured. Designated grants are recognized as revenue in the year in which the related expenses are incurred. Contributions designated for equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired equipment.

Donated services

Donated services are not recognized in these financial statements due to the difficulty in determining their fair value.

Equipment

Equipment is recorded at cost and is being amortized over its estimated useful life. The annual amortization rates and methods are as follow

Computer equipment	45% declining balance basis
Web site software	Straight-line over 3 years

# LYMPHOMA FOUNDATION CANADA

## Notes to Financial Statements

Years ended December 31, 2012 and December 31, 2011

### 2. Summary of significant accounting policies — continued

#### Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in limited circumstances. The Foundation's financial instruments consists of cash and cash equivalents, amounts receivable, sales taxes recoverable and accounts payable.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and financial assets or liabilities obtained in related party transactions are measured at their exchange amount.

The Foundation subsequently measures all of its financial assets and financial liabilities at amortized cost.

### 3. First-time adoption of accounting standards for not-for-profit organizations

These financial statements are the first financial statements for which the Foundation has applied Canadian accounting standards for not-for-profit organizations (ASNPO). Comparative period information was prepared in accordance with ASNPO and the provisions set out in Section 1501 of the Canadian Institute of Chartered Accountants Handbook - First-time adoption by not-for-profit organizations.

The date of transition to ASNPO is January 1, 2011. The Association's transition to ASNPO has had no impact on the opening net assets as at January 1, 2011 or the statements of revenue and expenses or cash flows for the year ended December 31, 2011. As a result, the reconciliations and disclosures required by Section 1501, First-time adoption for not-for-profit organizations, are not necessary and have not been presented in these financial statements.

### 4. Equipment

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>December 31, 2012 Net</u>	<u>December 31, 2011 Net</u>	<u>January 1, 2011 Net</u>
Computer equipment	\$ 6,268	\$ 5,437	\$ 831	\$ 341	\$ 216
Web site software	39,850	33,209	6,641	19,925	33,208
	<u>\$ 46,118</u>	<u>\$ 38,646</u>	<u>\$ 7,472</u>	<u>\$ 20,266</u>	<u>\$ 33,424</u>

**LYMPHOMA FOUNDATION CANADA**  
**Notes to Financial Statements**  
**Years ended December 31, 2012 and December 31, 2011**

**5. Deferred revenue**

Deferred revenue includes designated contributions to be recognized as revenue in the accounts when disbursed.

	December 31, 2012	December 31, 2011	January 1, 2011
Deferred revenue for Communication Manager position	\$ 50,000	\$ 100,000	\$ -
Deferred revenue for web site support costs	18,950	56,850	94,750
Deferred revenue for web site software	5,600	16,800	28,000
Deferred revenue for 2013 events	1,258	-	-
Deferred revenue for 2012 events	-	70,500	-
Deferred revenue for research	-	-	50,000
	<u>\$ 75,808</u>	<u>\$ 244,150</u>	<u>\$ 172,750</u>

**6. Research fellowships**

The following research fellowships were paid during the year:

	2012	2011
LFC Research Fellowship	\$ 52,500	\$ 30,000
CIHR Research Donation	20,833	-
Sunnybrook Hospital Research Fellowship	300,000	-
Princess Margaret Hospital Research Fellowship	150,000	-
	<u>\$ 523,333</u>	<u>\$ 30,000</u>

The LFC Research Fellowship is administered by the Provincial Health Authority. The CIHR Research Fellowship is administered by the Canadian Institutes of Health Research (CIHR).

**7. Contractor support costs**

The services of various contractors support the Foundation's various initiatives and administrative efforts as follows:

	2012	2011
Patient education	\$ 60,066	\$ 82,249
Support and awareness	59,474	52,078
Advocacy	21,600	26,512
Administration	68,351	21,679
Donor development	33,436	24,864
Research	13,907	17,212
Chapter development	13,019	18,007
Web site	26,038	6,048
	<u>\$ 295,891</u>	<u>\$ 248,649</u>

**LYMPHOMA FOUNDATION CANADA**  
**Notes to Financial Statements**  
**Years ended December 31, 2012 and December 31, 2011**

**8. Financial instruments**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. The risks that arise from financial instruments include credit, liquidity, and interest rate risk.

Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. This risk is mitigated by the Foundation ensuring revenue is derived from qualified sources. There is no allowance for doubtful accounts in relation to the Foundation's amounts receivable balances reflected in these financial statements.

Liquidity risk

Liquidity risk is the risk that the Foundation cannot repay its obligations when they become due to its creditors. The Foundation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and it maintains an adequate line of credit to repay trade creditors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk is mitigated by the Foundation through investing in instruments which have low susceptibility to significant fluctuations in market interest rates.

It is management's opinion that the Foundation is not exposed to significant credit, currency, interest rate cash flow, concentration, liquidity, or market risks arising from its financial instruments.

**9. Comparative amounts**

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2012 financial statements.