



Financial Statements

Lymphoma Foundation Canada

December 31, 2011

LYMPHOMA FOUNDATION CANADA
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, 2011, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 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 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 non-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 revenues, excess of revenue over expenses, assets and 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, 2011, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants
Toronto, Canada
May 23, 2012

LYMPHOMA FOUNDATION CANADA
Statement of Financial Position
As at December 31, 2011

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 486,627	\$ 411,127
Amounts receivable	554	-
Sales taxes recoverable	56,891	24,700
Prepaid expenses	92,954	94,750
	637,026	530,577
Equipment (note 3)	20,266	33,424
	\$ 657,292	\$ 564,001
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 52,520	\$ 53,788
Deferred revenue (note 4)	244,150	172,750
	296,670	226,538
Net assets		
Unrestricted	335,622	312,463
Internally restricted	25,000	25,000
	360,622	337,463
	\$ 657,292	\$ 564,001

See accompanying notes

On behalf of the Board

Director

Director

LYMPHOMA FOUNDATION CANADA

Statement of Revenue and Expenses

Year ended December 31, 2011

	2011	2010
Revenue		
Contributions	\$ 549,931	\$ 553,317
Grants for website software and support	139,100	24,550
Educational events and grants	50,000	13,450
Fundraising	3,035	6,044
Others	2,438	19
	<hr/>	<hr/>
	744,504	597,380
	<hr/>	<hr/>
Expenses		
Fundraising sales and events	174,511	17,172
Patient education	154,917	96,464
Website support and development	93,443	75,901
Support and awareness	66,409	58,734
Donor development	30,832	36,384
Administration	36,271	22,625
Research fellowships	30,000	45,000
Advocacy	26,512	26,562
Office supplies	24,292	35,544
Chapter development	18,007	15,565
Research	17,212	17,033
Travel	13,771	-
Amortization of equipment	14,339	6,819
Professional fees	13,848	7,420
Bank charges and interest	5,788	3,770
Insurance	1,193	4,185
	<hr/>	<hr/>
	721,345	469,178
	<hr/>	<hr/>
Excess of revenue over expenses	\$ 23,159	\$ 128,202

See accompanying notes

LYMPHOMA FOUNDATION CANADA

Statement of Changes in Net Assets

Year ended December 31, 2011

	Unrestricted	Internally restricted	Total 2011	Total 2010
Balance, beginning of year	\$ 312,463	\$ 25,000	\$ 337,463	\$ 209,261
Excess of revenue over expenses	23,159	-	23,159	128,202
Balance, end of year	<u>\$ 335,622</u>	<u>\$ 25,000</u>	<u>\$ 360,622</u>	<u>\$ 337,463</u>

See accompanying notes

LYMPHOMA FOUNDATION CANADA

Statement of Cash Flows

Year ended December 31, 2011

	2011	2010
Operating activities		
Excess of revenue over expenses	\$ 23,159	\$ 128,202
Items not involving cash		
Amortization of equipment	14,339	6,819
Recognition of deferred revenue	(99,100)	-
	(61,602)	135,021
Net change in non-cash working capital items		
Amounts receivable	(554)	-
Sales taxes recoverable	(32,191)	(17,457)
Prepaid expenses	1,796	(94,750)
Accounts payable and accrued liabilities	(1,269)	39,133
Deferred revenue	170,500	172,750
	138,282	99,676
Cash flows from operating activities	76,680	234,697
Investing activity		
Purchase of equipment and cash flows from investing activity	(1,180)	(39,850)
Net change in cash during the year	75,500	194,847
Cash and cash equivalents, beginning of year	411,127	216,280
Cash and cash equivalents, end of year	\$ 486,627	\$ 411,127
Cash and cash equivalents consists of:		
Cash in bank account	\$ 386,627	\$ 386,127
Guaranteed Investment Certificate bearing interest at prime less 2.05%, maturing February 2012	75,000	-
Cash held for memorial research fellowship	25,000	25,000
	\$ 486,627	\$ 411,127

See accompanying notes

LYMPHOMA FOUNDATION CANADA

Notes to Financial Statements
Year ended December 31, 2011

1. Nature of operations

Lymphoma Foundation Canada (the "Foundation") 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 Foundation follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Internally restricted net assets

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 on the following basis. The annual amortization rates and methods are as follows:

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

LYMPHOMA FOUNDATION CANADA

Notes to Financial Statements
Year ended December 31, 2011

2. Summary of significant accounting policies — continued

Financial instruments

As permitted for not for profit organizations, the Foundation has decided to apply Section 3861, Financial Instruments Disclosure and Presentation, in place of Section 3862, Financial Instruments Disclosure, and Section 3863, Financial Instruments Presentation.

The Foundation's financial instruments consists of cash and cash equivalents, amounts receivable, sales taxes recoverable and accounts payable. The carrying value of the Foundation's financial instruments approximate fair value due to their short-term maturities.

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

Management of capital

The Foundation's capital is comprised of the net unrestricted and internally restricted net assets, and amounts invested in equipment.

The Board of Directors' (the Board) objective is to maintain an unrestricted fund balance sufficient to meet both the annual working capital requirements and the annual maintenance of equipment.

Internally restricted funds are maintained in accordance with resolutions approved by the Board.

The Foundation is not subject to any external capital requirements.

Allocation of support costs

Contractor support costs are allocated to program, fundraising and administrative activities based on the time and efforts dedicated by staff to support those activities (refer to note 6).

Future change in accounting standards

The Canadian Accounting Standards Board has issued new accounting standards effective for not-for-profit organizations for fiscal years beginning on or after January 1, 2012. The Foundation will be adopting these standards retrospectively in fiscal 2013. The Foundation has not yet determined the impact of the new standards on its financial statements.

3. Equipment

	Cost	2011 Accumulated amortization	Net	2010 Net
Computer equipment	\$ 5,437	\$ 5,096	\$ 341	\$ 216
Website software	39,850	19,925	19,925	33,208
	<u>\$ 45,287</u>	<u>\$ 25,021</u>	<u>\$ 20,266</u>	<u>\$ 33,424</u>

LYMPHOMA FOUNDATION CANADA

Notes to Financial Statements
Year ended December 31, 2011

4. Deferred revenue

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

	2011	2010
Deferred revenue for Communication Manager position	\$ 100,000	\$ -
Deferred revenue for 2012 events	70,500	-
Deferred revenue for website support costs	56,850	94,750
Deferred revenue for website software	16,800	28,000
Deferred revenue for research	-	50,000
	<u>\$ 244,150</u>	<u>\$ 172,750</u>

5. Research fellowships

The following research fellowships were paid during the year:

	2011	2010
2011 LFC Research Fellowship	\$ 30,000	\$ -
2008 LFC Research Fellowship	-	22,500
2008 LFC/Toronto General Research Institute Fellowship	-	22,500
	<u>\$ 30,000</u>	<u>\$ 45,000</u>

The 2011 LFC Research Fellowship is administered by the Provincial Health Authority. A payment of \$30,000 was made in 2011.

The 2008 LFC/Toronto General Research Institute Fellowship was administered by the University Health Network. The total commitment for this research grant was \$105,000 and the final payment of \$22,500 was made in 2010.

The 2008 LFC Research Fellowship was administered by the University of British Columbia. The total commitment for this research grant was \$105,000 and the final payment of \$22,500 was made in 2010.

LYMPHOMA FOUNDATION CANADA

Notes to Financial Statements
Year ended December 31, 2011

6. Allocation of support costs

During the year, contractor support costs were allocated to various activities as follows:

	2011	2010
Patient education	\$ 82,248	\$ 78,281
Support and awareness	52,078	45,110
Advocacy	26,512	24,750
Administration	21,679	21,081
Donor development	24,864	19,727
Research	17,212	15,872
Chapter development	18,007	14,407
Website	6,048	5,818
	<u>\$ 248,648</u>	<u>\$ 225,046</u>