



Grant Thornton

Financial Statements

Lymphoma Foundation Canada

December 31, 2013

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## Independent Auditor's Report

Grant Thornton LLP  
Suite 200  
15 Allstate Parkway  
Markham, ON  
L3R 5B4

T +1 416 366 0100  
F +1 905 475 8906  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of  
Lymphoma Foundation Canada

We have audited the accompanying financial statements of Lymphoma Foundation Canada, which comprise the statement of financial position as at December 31, 2013, 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 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 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 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.

## Independent Auditor's Report (continued)

### **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, 2013, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The signature of Grant Thornton LLP is written in a stylized, cursive script.

Markham, Canada  
May 15, 2014

Chartered Accountants  
Licensed Public Accountants

# Lymphoma Foundation Canada

## Statement of Financial Position

December 31	2013	2012
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 845,440	\$ 1,003,572
Amounts receivable	2,560	21,914
Inventory	6,841	-
Sales tax recoverable	135,839	144,914
Prepaid expenses	4,783	47,701
	<u>995,463</u>	<u>1,218,101</u>
Equipment (Note 3)	<u>1,909</u>	<u>7,472</u>
	<u>\$ 997,372</u>	<u>\$ 1,225,573</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 82,593	\$ 11,093
Deferred revenue (Note 4)	<u>75,000</u>	<u>75,808</u>
	<u>157,593</u>	<u>86,901</u>
<b>Net assets</b>		
Unrestricted	814,779	1,113,672
Memorial research fellowship - externally restricted	<u>25,000</u>	<u>25,000</u>
	<u>839,779</u>	<u>1,138,672</u>
	<u>\$ 997,372</u>	<u>\$ 1,225,573</u>

On behalf of the board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# **Lymphoma Foundation Canada**

## **Statements of Revenue and Expenses and Changes in Net Assets**

Year ended December 31	2013	2012
Revenue		
Contributions	\$ 619,297	\$ 2,644,319
Educational events and grants	202,183	135,539
Grants for web site software and support	74,550	99,100
Interest and miscellaneous	5,796	5,420
Fundraising sales	3,774	2,580
	<u>905,600</u>	<u>2,886,958</u>
Expenses		
Salary and contractor support costs	431,866	295,891
Professional fees	224,080	75,077
Fundraising sales and events	139,749	732,079
Education	104,981	218,133
Research fellowships (Note 5)	71,250	523,333
Advertising and promotion	59,824	52,505
Web site support and development	43,595	57,652
Rent	41,682	28,944
Travel	40,840	30,623
Office supplies	29,838	21,339
Amortization of equipment	8,203	13,624
Bank charges and interest	6,913	17,507
Insurance	1,672	2,850
Donor development	-	22,351
Donations	-	17,000
	<u>1,204,493</u>	<u>2,108,908</u>
(Deficiency) excess of revenue over expenses	<u>\$ (298,893)</u>	<u>\$ 778,050</u>
Net assets, beginning of year	\$ 1,138,672	\$ 360,622
(Deficiency) excess of revenue over expenses	<u>(298,893)</u>	<u>778,050</u>
Net assets, end of year	<u>\$ 839,779</u>	<u>\$ 1,138,672</u>

See accompanying notes to the financial statements.



# **Lymphoma Foundation Canada**

## **Statement of Cash Flows**

Year ended December 31	2013	2012
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
(Deficiency) excess of revenue over expenses	\$ (298,893)	\$ 778,050
Item not affecting cash		
Amortization of equipment	<u>8,203</u>	<u>13,624</u>
	(290,690)	791,674
Change in non-cash working capital items		
Amounts receivable	19,354	(21,360)
Inventory	(6,841)	-
Sales tax recoverable	9,075	(88,023)
Prepaid expenses	42,918	45,253
Accounts payable and accrued liabilities	71,500	(41,427)
Deferred revenue	<u>(808)</u>	<u>(168,342)</u>
	(155,492)	517,775
<b>Investing</b>		
Purchase of equipment	<u>(2,640)</u>	<u>(830)</u>
(Decrease) increase in cash and cash equivalents	(158,132)	516,945
Cash and cash equivalents		
Beginning of year	<u>1,003,572</u>	<u>486,627</u>
End of year	<u>\$ 845,440</u>	<u>\$ 1,003,572</u>

<b>Cash and cash equivalents consists of:</b>		
Cash in bank account	\$ 745,440	\$ 903,572
Guaranteed Investment Certificate bearing interest at prime less 1.8%, maturing February 2014	75,000	75,000
Cash held for memorial research fellowship	<u>25,000</u>	<u>25,000</u>
	<u>\$ 845,440</u>	<u>\$ 1,003,572</u>

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# Lymphoma Foundation Canada

## Notes to the Financial Statements

December 31, 2013

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### 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.

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### 2. 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:

#### 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 are recognized when received or receivable and collectability is reasonably assured. Revenue from fundraising and educational sales and events and interest income are recognized as earned. Designated contributions and grants are recognized as revenue in the year in which the related expenses are incurred.

#### Cash and cash equivalents

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

#### Inventory

Inventory is measured at the lower of cost and net realizable value.

#### Equipment

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

Computer equipment	45% Declining balance
Web site software	3 years Straight-line

#### Donated services

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



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## Lymphoma Foundation Canada

### Notes to the Financial Statements

December 31, 2013

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#### 2. 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.

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

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#### 3. Equipment

			<u>2013</u>	<u>2012</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 8,907	\$ 6,998	\$ 1,909	\$ 831
Web site software	<u>39,850</u>	<u>39,850</u>	<u>-</u>	<u>6,641</u>
	<u>\$ 48,757</u>	<u>\$ 46,848</u>	<u>\$ 1,909</u>	<u>\$ 7,472</u>

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#### 4. Deferred revenue

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

	<u>2013</u>	<u>2012</u>
Deferred revenue for 2014 activities	\$ 75,000	\$ -
Deferred revenue for Communication Manager position	-	50,000
Deferred revenue for web site support costs	-	18,950
Deferred revenue for web site software	-	5,600
Deferred revenue for 2013 events	<u>-</u>	<u>1,258</u>
	<u>\$ 75,000</u>	<u>\$ 75,808</u>

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## **Lymphoma Foundation Canada**

### **Notes to the Financial Statements**

December 31, 2013

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#### **5. Research fellowships**

The following research fellowships were paid during the year:

	<u>2013</u>	<u>2012</u>
McGill University Research Fellowship	\$ 26,250	\$ -
LFC Research Fellowship	22,500	52,500
CIHR Research Fellowship	22,500	20,833
Sunnybrook Hospital Research Fellowship	-	300,000
Princess Margaret Hospital Research Fellowship	-	150,000
	<u>\$ 71,250</u>	<u>\$ 523,333</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).

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#### **6. Operating lease commitments**

The Foundation has a rental agreement for its office premises with a term that expires on April 30, 2014. Minimum lease payments for 2014 total \$10,428

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# **Lymphoma Foundation Canada**

## **Notes to the Financial Statements**

December 31, 2013

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### **7. 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. Included in accounts payable and accrued liabilities are government remittances owing in the amount of \$Nil (2012 – \$Nil).

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future value of a financial instrument will fluctuate because of changes in market interest rates.

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