



Grant Thornton

Financial Statements

Lymphoma Foundation Canada

December 31, 2014

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## Independent Auditor's Report

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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, 2014, 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 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.

## 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, deficiency of revenue over expenses, and cash flows for the years ended December 31, 2014 and 2013, current assets as at December 31, 2014 and 2013, and net assets as at January 1, 2014 and 2013 and December 31, 2014 and 2013. Our audit opinion on the financial statements for the year ended December 31, 2013 was modified accordingly because of the possible effects of this limitation in scope.

### **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, 2014, 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.

*Grant Thornton LLP*

Markham, Canada  
May 20, 2015

Chartered Accountants  
Licensed Public Accountants

# Lymphoma Foundation Canada

## Statement of Financial Position

December 31

2014

2013

### Assets

#### Current

Cash	\$ 208,709	\$ 745,440
Cash - externally restricted for memorial research fellowship	25,000	25,000
Short-term investments (Note 3)	685,354	75,000
Amounts receivable	72,310	2,560
Sales tax recoverable	67,387	135,839
Prepaid expenses	4,899	4,783
Inventory	-	6,841
	<u>1,063,659</u>	<u>995,463</u>

Equipment (Note 4)

<u>1,679</u>	<u>1,909</u>
<u>\$ 1,065,338</u>	<u>\$ 997,372</u>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 122,374	\$ 82,593
Deferred revenue (Note 5)	<u>225,000</u>	<u>75,000</u>
	<u>347,374</u>	<u>157,593</u>

### Net assets

Unrestricted	692,964	814,779
Memorial research fellowship - externally restricted	<u>25,000</u>	<u>25,000</u>
	<u>717,964</u>	<u>839,779</u>
	<u>\$ 1,065,338</u>	<u>\$ 997,372</u>

On behalf of the Board of Directors


 Director
 
 Director

Nick A. Iozz
 Norma SUTHERLAND

# **Lymphoma Foundation Canada**

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

Year ended December 31	2014	2013
Revenue		
Contributions	\$ 933,868	\$ 619,297
Educational grants	270,000	202,183
Interest and miscellaneous	7,312	5,796
Fundraising sales	1,340	3,774
Grants for web site software and support	-	74,550
	<u>1,212,520</u>	<u>905,600</u>
Expenses		
Education	454,724	104,981
Salary and contractor support costs	394,019	431,866
Fundraising sales and events	190,397	139,749
Professional and consulting fees	118,515	224,080
Research fellowships (Note 6)	42,083	71,250
Rent	41,974	41,682
Web site support and development	37,511	43,595
Travel	21,025	40,840
Bank charges and interest	13,723	6,913
Office supplies	12,300	29,838
Insurance	4,083	1,672
Advertising and promotion	2,607	59,824
Amortization of equipment	1,374	8,203
	<u>1,334,335</u>	<u>1,204,493</u>
Deficiency of revenue over expenses	\$ <u>(121,815)</u>	\$ <u>(298,893)</u>
Net assets, beginning of year	\$ 839,779	\$ 1,138,672
Deficiency of revenue over expenses	<u>(121,815)</u>	<u>(298,893)</u>
Net assets, end of year	<u>\$ 717,964</u>	<u>\$ 839,779</u>



# Lymphoma Foundation Canada

## Statement of Cash Flows

Year ended December 31	2014	2013
Increase (decrease) in cash		
<b>Operating</b>		
Deficiency of revenue over expenses	\$ (121,815)	\$ (298,893)
Item not affecting cash		
Amortization of equipment	<u>1,374</u>	<u>8,203</u>
	(120,441)	(290,690)
Change in non-cash working capital items		
Amounts receivable	(69,750)	19,354
Sales tax recoverable	68,452	9,075
Prepaid expenses	(116)	42,918
Inventory	6,841	(6,841)
Accounts payable and accrued liabilities	39,782	71,500
Deferred revenue	<u>150,000</u>	<u>(808)</u>
	<u>74,768</u>	<u>(155,492)</u>
<b>Investing</b>		
Purchase of equipment	(1,145)	(2,640)
Purchase of short-term investments	<u>(610,354)</u>	<u>-</u>
	<u>(611,499)</u>	<u>(2,640)</u>
Decrease in cash	(536,731)	(158,132)
Cash		
Beginning of year	<u>770,440</u>	<u>928,572</u>
End of year	<u>\$ 233,709</u>	<u>\$ 770,440</u>

### Cash consists of:

Cash in bank account	\$ 208,709	\$ 745,440
Cash - externally restricted for memorial research fellowship	<u>25,000</u>	<u>25,000</u>
	<u>\$ 233,709</u>	<u>\$ 770,440</u>

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# **Lymphoma Foundation Canada**

## **Notes to the Financial Statements**

December 31, 2014

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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 and received a certificate of continuance issued under the Canada Not-for-profit Corporations Act on October 17, 2013. 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.

#### **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, 2014

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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, short-term investments, 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. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates bearing interest at prime less 1.05%, maturing February and April 2015.

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### 4. Equipment

			<u>2014</u>	<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 10,052	\$ 8,373	\$ 1,679	\$ 1,909
Web site software	<u>39,850</u>	<u>39,850</u>	<u>-</u>	<u>-</u>
	<u>\$ 49,902</u>	<u>\$ 48,223</u>	<u>\$ 1,679</u>	<u>\$ 1,909</u>

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### 5. Deferred revenue

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

	<u>2014</u>	<u>2013</u>
Deferred revenue for 2015 (2014) activities	\$ 25,000	\$ 75,000
Deferred revenue for education	<u>200,000</u>	<u>-</u>
	<u>\$ 225,000</u>	<u>\$ 75,000</u>

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# Lymphoma Foundation Canada

## Notes to the Financial Statements

December 31, 2014

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### 6. Research fellowships

The following research fellowships were paid during the year:

	<u>2014</u>	<u>2013</u>
McGill University Research Fellowship	\$ 26,250	\$ 26,250
CIHR Research Fellowship	15,833	22,500
LFC Research Fellowship	<u>-</u>	<u>22,500</u>
	<u>\$ 42,083</u>	<u>\$ 71,250</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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### 7. Operating lease commitment

The Foundation has a rental agreement for its office premises with a term that expires on April 30, 2015. Minimum lease payments for 2015 total \$10,948.

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### 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. Included in accounts payable and accrued liabilities are government remittances owing in the amount of \$Nil (2013 – \$Nil).

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# **Lymphoma Foundation Canada**

## **Notes to the Financial Statements**

December 31, 2014

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### **8. Financial instruments (continued)**

#### **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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### **9. Comparative figures**

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2014 financial statements.

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