



Financial Statements

Lymphoma Foundation Canada

December 31, 2015

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Revenue and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10
Schedule 1 - Schedule of Detailed Expenses	11

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

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, 2015, 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, 2015 and 2014, current assets as at December 31, 2015 and 2014, and net assets as at January 1, 2015 and 2014 and December 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended December 31, 2014 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, 2015, 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
April 20, 2016

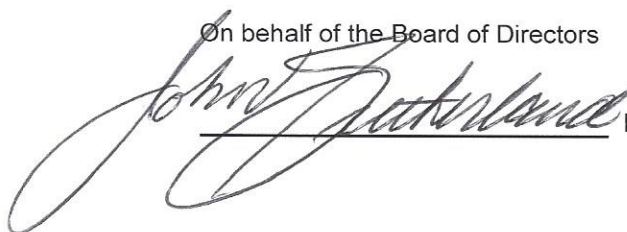
Chartered Professional Accountants
Licensed Public Accountants

Lymphoma Foundation Canada

Statement of Financial Position

December 31	2015	2014
Assets		
Current		
Cash	\$ 176,621	\$ 233,709
Short-term investments (Note 4)	470,049	685,354
Amounts receivable	1,993	72,310
Sales tax recoverable	57,839	67,387
Prepaid expenses	26,252	4,899
	<u>732,754</u>	<u>1,063,659</u>
Equipment (Note 5)	<u>22,514</u>	<u>1,679</u>
	<u>\$ 755,268</u>	<u>\$ 1,065,338</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 120,657	\$ 122,374
Deferred revenue (Note 6)	-	225,000
	<u>120,657</u>	<u>347,374</u>
Net assets - unrestricted (Note 2)	<u>634,611</u>	<u>717,964</u>
	<u>\$ 755,268</u>	<u>\$ 1,065,338</u>

On behalf of the Board of Directors

 Director

 Director

Lymphoma Foundation Canada

Statement of Revenue and Expenses

Year ended December 31	2015	2014
Revenue		
Contributions and fundraising	\$ 770,990	\$ 933,868
Educational grants from corporations	491,000	270,000
Interest and miscellaneous	3,898	7,312
Fundraising sales	-	1,340
	<u>1,265,888</u>	<u>1,212,520</u>
Expenses		
Operations (Schedule 1)	560,894	573,948
Fundraising (Schedule 1)	337,423	258,417
HCP & patient education (Schedule 1)	276,431	409,548
Patient support (Schedule 1)	109,775	50,339
Research	64,718	42,083
	<u>1,349,241</u>	<u>1,334,335</u>
Deficiency of revenue over expenses	\$ (83,353)	\$ (121,815)

Lymphoma Foundation Canada

Statement of Changes in Net Assets

Year ended December 31

	2015		
	Total	Unrestricted	Memorial Research Fellowship
Balance, beginning of year	\$ 717,964	\$ 717,964	\$ -
Deficiency of revenue over expenses	(83,353)	(83,353)	-
Balance, end of year	<u>\$ 634,611</u>	<u>\$ 634,611</u>	<u>\$ -</u>

	2014		
	Total	Unrestricted	Memorial Research Fellowship
Balance, beginning of year	\$ 839,779	\$ 814,779	\$ 25,000
Deficiency of revenue over expenses	(121,815)	(121,815)	-
Prior period fund transfer (Note 2)	-	25,000	(25,000)
Balance, end of year	<u>\$ 717,964</u>	<u>\$ 717,964</u>	<u>\$ -</u>

Lymphoma Foundation Canada

Statement of Cash Flows

Year ended December 31	2015	2014
Increase (decrease) in cash		
Operating		
Deficiency of revenue over expenses	\$ (83,353)	\$ (121,815)
Item not affecting cash		
Amortization	<u>3,155</u>	<u>1,374</u>
	(80,198)	(120,441)
Change in non-cash working capital items		
Amounts receivable	70,317	(69,750)
Sales tax recoverable	9,548	68,452
Prepaid expenses	(21,353)	(116)
Inventory	-	6,841
Accounts payable and accrued liabilities	(1,717)	39,782
Deferred revenue	<u>(225,000)</u>	<u>150,000</u>
	<u>(248,403)</u>	<u>74,768</u>
Investing		
Purchase of equipment	(23,990)	(1,145)
Purchase of short-term investments	-	(610,354)
Redemption of short term investments	<u>215,305</u>	<u>-</u>
	<u>191,315</u>	<u>(611,499)</u>
Decrease in cash	(57,088)	(536,731)
Cash		
Beginning of year	<u>233,709</u>	<u>770,440</u>
End of year	<u>\$ 176,621</u>	<u>\$ 233,709</u>

See accompanying notes to the financial statements.

Lymphoma Foundation Canada

Notes to the Financial Statements

December 31, 2015

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 continued 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.

2. Prior period fund transfer

During 2015, management determined that the financial statements should correctly reflect the fact that the Memorial Research Fellowship is not externally restricted. Therefore, the funds have been appropriately designated as unrestricted and reflected in the unrestricted net assets. This change has been applied retroactively.

The table below summarizes the changes to the 2014 financial statement line items that are presented in these statements:

	As previously stated	Restatement	December 31, 2014 Restated
Cash - unrestricted	\$ 208,709	\$ 25,000	\$ 233,709
Cash - externally restricted for memorial research fellowship	25,000	(25,000)	-
Net assets - unrestricted	(692,964)	(25,000)	(717,964)
Net assets - memorial research fellowship - externally restricted	(25,000)	25,000	-

3. 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:

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.

Lymphoma Foundation Canada

Notes to the Financial Statements

December 31, 2015

3. Significant accounting policies (continued)

Equipment

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

Furniture and fixtures	5 years Straight-line
Leasehold improvements	5 years Straight-line
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.

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.

4. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates bearing interest at prime less 2% (2014 - prime less 1.05%), maturing February and April 2016 (2014 - February and April 2015).

Lymphoma Foundation Canada

Notes to the Financial Statements

December 31, 2015

5. Equipment

			<u>2015</u>	<u>2014</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 14,102	\$ 1,410	\$ 12,692	\$ -
Leasehold improvements	9,887	989	8,898	-
Computer equipment	10,052	9,128	924	1,679
Web site software	39,850	39,850	-	-
	<u>\$ 73,891</u>	<u>\$ 51,377</u>	<u>\$ 22,514</u>	<u>\$ 1,679</u>

6. Deferred revenue

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

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

7. Research fellowships and commitment

The following research fellowships were paid during the year:

	<u>2015</u>	<u>2014</u>
McGill University Research Fellowship	\$ 26,250	\$ 26,250
LFC Research Fellowship	30,000	-
CIHR Research Fellowship	-	15,833
	<u>\$ 56,250</u>	<u>\$ 42,083</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).

LFC entered into an research agreement with Dr. Kerry Savage for a committed amount of \$52,500 in 2016 and \$22,500 in 2017.

Lymphoma Foundation Canada

Notes to the Financial Statements

December 31, 2015

8. Operating lease commitment

The Foundation has a rental agreement for its office premises with a term that expires on May 31, 2021.

Future minimum lease payments payable:

2016	\$	56,888
2017		56,976
2018		57,945
2019		58,033
2020		59,002
2021		<u>24,584</u>
	\$	<u>313,428</u>

9. 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.

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 (2014 – \$Nil).

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.

10. Comparative figures

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2015 financial statements.

Lymphoma Foundation Canada

Schedule of Detailed Expenses

Schedule 1

Year ended December 31

2015

2014

Operations

Salaries and benefits	\$ 386,171	\$ 394,019
Professional and consulting fees	49,694	60,305
Web site support and development	35,160	37,511
Office supplies	28,110	12,300
Rent	22,837	41,974
Board meetings	16,245	7,895
Travel	9,299	13,130
Insurance	4,991	4,083
Chapters development	5,232	1,357
Amortization	3,155	1,374
	<u>\$ 560,894</u>	<u>\$ 573,948</u>

Fundraising

Significant events	\$ 140,178	\$ 106,207
Direct mail	98,187	65,753
Golf tournament	51,145	51,929
Fundraising sales and events	21,943	17,999
Bank charges and interest	18,537	13,723
Third party managed expenses	2,793	1,383
Corporate donations	2,207	-
Foundations	1,480	-
Individual donations	779	-
Third party unmanaged expenses	170	-
Bequest and planned giving	4	1,423
	<u>\$ 337,423</u>	<u>\$ 258,417</u>

HCP & patient education

Education - HCP	\$ 136,647	\$ 120,769
Education patient	134,252	286,223
Conference	4,165	-
External program and partnership	1,367	2,556
	<u>\$ 276,431</u>	<u>\$ 409,548</u>

Patient support

Patient support	\$ 107,518	\$ 47,732
World lymphoma awareness day	1,477	-
Advertising and promotion	780	2,607
	<u>\$ 109,775</u>	<u>\$ 50,339</u>