



Financial Statements

Lymphoma Foundation Canada

December 31, 2017

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## Independent Auditor's Report

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To the Directors 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, 2017, 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, 2017 and 2016, current assets as at December 31, 2017 and 2016, and net assets as at January 1, 2017 and 2016 and December 31, 2017 and 2016. Our audit opinion on the financial statements for the year ended December 31, 2016 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, 2017, 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.

Mississauga, Canada  
April 25, 2018



Chartered Professional Accountants  
Licensed Public Accountants

# **Lymphoma Foundation Canada**

## **Statement of Financial Position**

December 31	2017	2016
<b>Assets</b>		
Current		
Cash	\$ 36,923	\$ 288,314
Short-term investments (Note 3)	397,931	372,931
Amounts receivable	853	3,359
Inventory	18,000	-
Prepaid expenses	163,602	14,919
Sales tax recoverable	<u>62,009</u>	<u>32,496</u>
	679,318	712,019
Capital assets (Note 4)	<u>100,091</u>	<u>23,509</u>
	<u>\$ 779,409</u>	<u>\$ 735,528</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 152,864	\$ 51,735
Deferred revenue (Note 5)	<u>180,000</u>	<u>60,500</u>
	332,864	112,235
Net assets - unrestricted	<u>446,545</u>	<u>623,293</u>
	<u>\$ 779,409</u>	<u>\$ 735,528</u>

On behalf of the board




\_\_\_\_\_ Director
 \_\_\_\_\_ Director

# **Lymphoma Foundation Canada**

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

<b>Year ended December 31</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Contributions and fundraising	\$ 1,084,831	\$ 834,551
Educational grants from corporations	400,495	407,050
Interest and miscellaneous	2,300	2,315
	<u>1,487,626</u>	<u>1,243,916</u>
<b>Expenses</b>		
Operations (Schedule 1)	476,951	432,475
Fundraising (Schedule 1)	529,307	329,091
HCP & patient education (Schedule 1)	448,431	281,380
Patient support (Schedule 1)	134,685	129,788
Research (Note 7)	75,000	82,500
	<u>1,664,374</u>	<u>1,255,234</u>
Deficiency of revenue over expenses	(176,748)	(11,318)
Net assets, beginning of year	<u>623,293</u>	<u>634,611</u>
Net assets, end of year	<u>\$ 446,545</u>	<u>\$ 623,293</u>

See accompanying notes to the financial statements.

# Lymphoma Foundation Canada

## Statement of Cash Flows

Year ended December 31	2017	2016
Increase (decrease) in cash		
<b>Operating</b>		
Deficiency of revenue over expenses	\$ (176,748)	\$ (11,318)
Item not affecting cash		
Amortization	<u>7,398</u>	<u>6,372</u>
	(169,350)	(4,946)
Change in non-cash working capital items		
Amounts receivable	2,506	(1,366)
Sales tax recoverable	(29,513)	25,343
Prepaid expenses	(148,683)	11,333
Inventory	(18,000)	-
Accounts payable and accrued liabilities	101,129	(68,922)
Deferred revenue	<u>119,500</u>	<u>60,500</u>
	<u>(142,411)</u>	<u>21,942</u>
<b>Investing</b>		
Purchase of capital assets	(83,980)	(7,367)
Purchase of short-term investments	(200,000)	(397,931)
Proceeds from short-term investments	<u>175,000</u>	<u>495,049</u>
	<u>(108,980)</u>	<u>89,751</u>
(Decrease) increase in cash	(251,391)	111,693
<b>Cash</b>		
Beginning of year	<u>288,314</u>	<u>176,621</u>
End of year	<u>\$ 36,923</u>	<u>\$ 288,314</u>

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# Lymphoma Foundation Canada

## Notes to the Financial Statements

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December 31, 2017

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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 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.

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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:

#### 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.

#### Capital assets

Capital assets are recorded at cost and are being amortized over the 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
Website software and applications	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 tax 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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## Lymphoma Foundation Canada

### Notes to the Financial Statements

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December 31, 2017

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#### 2. Significant accounting policies (continued)

##### Allocation of expenses

Certain employees perform a combination of program activities and operations. As a result, the Foundation allocates salary expenses based on time dedicated to each activity. Expense allocations are applied on a consistent basis from year to year.

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#### 3. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates bearing interest at prime less 2.4%, maturing January 2018.

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#### 4. Capital assets

			<u>2017</u>	<u>2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 18,093	\$ 8,248	\$ 9,845	\$ 13,463
Leasehold improvements	9,887	4,944	4,943	6,921
Computer equipment	15,188	12,105	3,083	3,125
Website software and applications	<u>122,070</u>	<u>39,850</u>	<u>82,220</u>	<u>-</u>
	<u>\$ 165,238</u>	<u>\$ 65,147</u>	<u>\$ 100,091</u>	<u>\$ 23,509</u>

During the year, \$82,220 in website software and applications were completed. As the asset was not in use during 2017, amortization will begin in 2018.

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## Lymphoma Foundation Canada

### Notes to the Financial Statements

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December 31, 2017

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#### 5. Deferred revenue

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

	<u>2017</u>	<u>2016</u>
Deferred revenue, beginning of year	\$ 60,500	\$ -
Amounts received during the year	180,000	195,850
Amounts recognized as revenue during the year	<u>(60,500)</u>	<u>(135,350)</u>
Deferred revenue, end of year	<u>\$ 180,000</u>	<u>\$ 60,500</u>

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#### 6. Allocation of expenses

During 2017, \$589,311 (2016 - \$451,302) in salary expenses were allocated as follows:

	<u>2017</u>	<u>2016</u>
Operations	\$ 258,234	\$ 210,895
HCP & patient education	251,656	179,099
Patient support	<u>79,421</u>	<u>61,308</u>
	<u>\$ 589,311</u>	<u>\$ 451,302</u>

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#### 7. Research fellowships and commitment

The following research fellowships were paid during the year:

	<u>2017</u>	<u>2016</u>
LFC Research Fellowship	<u>\$ 75,000</u>	<u>\$ 82,500</u>

The LFC Research Fellowship is administered by the Provincial Health Authority.

LFC entered into an research agreement with Dr. Katsuyoshi Takata for a committed amount of \$22,500 in 2018.

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# Lymphoma Foundation Canada

## Notes to the Financial Statements

December 31, 2017

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### 8. Operating lease commitment

The Foundation has rental agreements for its office premises with terms that expire on February 28, 2019 and May 31, 2021.

Future minimum lease payments are payable as follows:

2018	\$	73,439
2019		58,033
2020		59,001
2021		<u>24,584</u>
	\$	<u>215,057</u>

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### 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. Included in accounts payable and accrued liabilities are government remittances owing in the amount of \$Nil (2016 – \$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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# **Lymphoma Foundation Canada**

## **Schedule of Detailed Expenses**

Schedule 1

Year ended December 31	2017	2016
<b>Operations</b>		
Salaries and benefits	\$ 259,198	\$ 212,676
Rent, insurance and office supplies	116,254	89,519
Web site support and development	37,411	46,943
Professional and consulting fees	29,337	54,669
Travel and meetings	27,353	22,296
Amortization	7,398	6,372
	<u>\$ 476,951</u>	<u>\$ 432,475</u>
<b>Fundraising</b>		
Sales and events	\$ 511,667	\$ 311,518
Bank charges and interest	9,200	8,331
Corporate donations	8,435	8,467
Foundations, bequest and planned giving	5	775
	<u>\$ 529,307</u>	<u>\$ 329,091</u>
<b>HCP &amp; patient education</b>		
Education patient	\$ 340,347	\$ 191,438
Education – HCP	103,464	82,515
External program and partnership	4,620	7,427
	<u>\$ 448,431</u>	<u>\$ 281,380</u>
<b>Patient support</b>		
Patient support	\$ 123,939	\$ 123,905
Advertising and promotion	10,746	5,883
	<u>\$ 134,685</u>	<u>\$ 129,788</u>