



Financial Statements

Lymphoma Canada

December 31, 2020

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# Independent Auditor's Report

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To the Directors of  
Lymphoma Canada

## Qualified opinion

We have audited the financial statements of Lymphoma Canada, which comprise the statement of financial position as at December 31, 2020, and the statements of revenue and expenses and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for qualified opinion

In common with many charitable organizations, the Organization derives revenue from contributions from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to contributions and fundraising, excess of revenue over expenses, and cash flows for the years ended December 31, 2020 and 2019, current assets at December 31, 2020 and 2019, and net assets as at January 1, 2020 and 2019 and December 31, 2020 and 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Mississauga, Canada  
April 28, 2021

Chartered Professional Accountants  
Licensed Public Accountants

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# Lymphoma Canada

## Statement of Financial Position

December 31

2020

2019

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### Assets

#### Current

Cash	\$ 691,338	\$ 265,550
Short-term investments (Note 3)	62,042	45,498
Amounts receivable	49,718	114,863
Sales tax recoverable	6,783	17,183
Inventory	11,980	12,140
Prepaid expenses	14,428	25,414

**836,289** 480,648

Capital assets and intangible assets (Note 4) **19,796** 36,535

**\$ 856,085** **\$ 517,183**

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### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 57,468	\$ 20,818
Deferred revenue (Note 5)	97,925	142,805

**155,393** 163,623

**Net assets - unrestricted** **700,692** 353,560

**\$ 856,085** **\$ 517,183**

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Lease commitment (Note 9)

Contingent liability (Note 10)

On behalf of the Board of Directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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## Lymphoma Canada

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

Year ended December 31	2020	2019
Revenue		
Educational grants from corporations	\$ 781,100	\$ 551,962
Contributions and fundraising	236,625	379,771
Wage subsidy	98,793	-
Government grant	5,000	30,417
Interest and miscellaneous	2,133	460
Bequest	-	79,405
Other income	-	7,062
	<b>1,123,651</b>	<b>1,049,077</b>
Expenses (Schedule 1)		
Program		
HCP & patient education	230,855	283,427
Patient support	157,158	186,299
Research	28,563	548
Advocacy	23,166	2,192
	<b>439,742</b>	<b>472,466</b>
Fundraising	174,145	298,554
Operations	162,632	232,335
	<b>347,132</b>	<b>45,722</b>
Excess of revenue over expenses	<b>\$ 347,132</b>	<b>\$ 45,722</b>
Net assets, beginning of year	\$ 353,560	\$ 307,838
Excess of revenue over expenses	<b>347,132</b>	<b>45,722</b>
Net assets, end of year	<b>\$ 700,692</b>	<b>\$ 353,560</b>

# Lymphoma Canada

## Statement of Cash Flows

Year ended December 31

2020

2019

Increase (decrease) in cash (bank indebtedness)

### Operating

Excess of revenue over expenses	\$ 347,132	\$ 45,722
Item not affecting cash		
Amortization	<u>35,280</u>	<u>33,764</u>
	<b>382,412</b>	79,486
Change in non-cash working capital items		
Amounts receivable	65,145	(67,910)
Sales tax recoverable	10,400	12,156
Inventory	160	(7,940)
Prepaid expenses	10,986	16,355
Accounts payable and accrued liabilities	36,650	(67,808)
Deferred revenue	<u>(44,880)</u>	<u>142,805</u>
	<b>460,873</b>	<b>107,144</b>

### Investing

Purchase of capital assets and intangible assets	(18,541)	(4,599)
Purchase of short-term investments	(16,544)	-
Proceeds from short-term investments	<u>-</u>	<u>180,831</u>
	<b>(35,085)</b>	<b>176,232</b>

Increase in cash (bank indebtedness)

**425,788**      283,376

Cash (bank indebtedness)

Beginning of year	<u>265,550</u>	<u>(17,826)</u>
End of year	<b>\$ 691,338</b>	<b>\$ 265,550</b>

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# Lymphoma Canada

## Notes to the Financial Statements

December 31, 2020

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### 1. Nature of operations

Lymphoma Canada (the "Organization") 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 Organization is a registered charity under the Income Tax Act. The Organization's mission is to empower patients and the lymphoma community through education, support, advocacy, and research.

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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 Organization follows the deferral method of accounting for contributions and grants. Unrestricted contributions and grants are recognized when received or receivable and collectability is reasonably assured. Revenue from fundraising and wage subsidy are recognized when received or receivable and collectability is reasonably assured. Interest income is 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.

#### Capital assets and intangible 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

Intangible assets are recorded at cost and are being amortized over the estimated useful life. The annual amortization rate and method is as follows:

Website software and applications	3 years Straight-line
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#### Impairment of long-lived assets

The Organization tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.



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# Lymphoma Canada

## Notes to the Financial Statements

December 31, 2020

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### 2. Significant accounting policies (continued)

#### Donated gifts and services

Donated services are not recognized in these financial statements due to the difficulty in determining their fair value. Donated gifts were received during the year but are not recognized in the financial statements.

Included in contributions on the statement of revenue and expenses and changes in net assets is \$1,761 (2019 - \$9,840) in donated shares.

#### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in limited circumstances. The Organization'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 Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

#### Allocation of expenses

Certain employees perform a combination of program, fundraising and administrative roles and as a result, salaries are allocated according to time spent on the activity. Other costs including rent, IT support, amortization and telephone are allocated based on the level of activity between program, fundraising and administrative costs.

#### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to estimates and assumptions include the allowance for doubtful accounts receivable, amortization of capital assets and the allocation of expenses. Actual results could differ from those estimates.

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### 3. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates bearing interest at 0.65% to 1.35%, maturing May to December 2021 (2019 - bearing interest at 1.35% and maturing January and May 2020).

# Lymphoma Canada

## Notes to the Financial Statements

December 31, 2020

### 4. Capital assets and intangible assets

			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
<b>Capital assets</b>				
Furniture and fixtures	\$ 18,093	\$ 18,093	\$ -	\$ 2,606
Leasehold improvements	9,887	9,887	-	990
Computer equipment	<u>15,188</u>	<u>14,675</u>	<u>513</u>	<u>935</u>
	43,168	42,655	513	4,531
<b>Intangible assets</b>				
Website software and applications	<u>145,210</u>	<u>125,927</u>	<u>19,283</u>	<u>32,004</u>
	<u>\$ 188,378</u>	<u>\$ 168,582</u>	<u>\$ 19,796</u>	<u>\$ 36,535</u>

### 5. Deferred revenue

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

	<u>2020</u>	<u>2019</u>
Deferred revenue, beginning of year	\$ 142,805	\$ -
Amounts received during the year	99,720	347,705
Amounts recognized as revenue during the year	<u>(144,600)</u>	<u>(204,900)</u>
	<u>\$ 97,925</u>	<u>\$ 142,805</u>

### 6. Allocation of expenses

The following are direct and allocated expenses which are included in the statement of revenue and expenses:

	<u>Direct expenses</u>	<u>Allocated expenses</u>	<u>2020 Total</u>	<u>2019 Total</u>
HCP & patient education	\$ 47,407	\$ 183,448	\$ 230,855	\$ 283,427
Patient support	19,583	137,575	157,158	186,299
Research	19,761	8,802	28,563	548
Advocacy	2,599	20,567	23,166	2,192
Fundraising	48,219	125,926	174,145	298,554
Operations	<u>54,693</u>	<u>107,939</u>	<u>162,632</u>	<u>232,335</u>
	<u>\$ 192,262</u>	<u>\$ 584,257</u>	<u>\$ 776,519</u>	<u>\$ 1,003,355</u>

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# Lymphoma Canada

## Notes to the Financial Statements

December 31, 2020

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### 7. Research fellowships and commitment

The following research fellowships were paid during the year:

	<u>2020</u>	<u>2019</u>
University Health Network	<u>\$ 19,600</u>	<u>\$ -</u>

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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. There have been no changes in the financial risks from the prior year.

#### 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 Organization ensuring revenue is derived from qualified sources. There is no allowance for doubtful accounts in relation to the Organization's amounts receivable balances reflected in these financial statements.

#### Liquidity risk

Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization 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 (2019 – \$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. The Organization is subject to interest rate risk on their fixed income investments.

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# Lymphoma Canada

## Notes to the Financial Statements

December 31, 2020

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### 9. Lease commitment

The Organization has a rental agreement for its office premises with a term that expires on May 31, 2026.

Future minimum lease payments are approximately as follows:

2021	\$	50,400
2022		58,300
2023		59,000
2024		59,400
2025		60,000
Subsequent years		<u>25,000</u>
	\$	<u>312,100</u>

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### 10. Contingent liability

From time to time, in the ordinary course of business, the Organization is a defendant in a legal action or proceeding. It is not possible to determine the ultimate outcome of such matters; however, based on all currently available information, management believes that liabilities, if any, will not have a material adverse effect on the financial position or results.

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### 11. Comparative figures

Certain comparative expenses have been reclassified from those previously presented to conform to the presentation of the 2020 financial statements in accordance with the expense allocation policy in Note 2.

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### 12. Impact of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. The Organization will continue to closely monitor and assess the impacts, if any, of the COVID-19 pandemic on operations for the foreseeable future.

# Lymphoma Canada

## Schedule of Detailed Expenses

Schedule 1

Year ended December 31	2020	2019
<b>HCP &amp; patient education</b>		
Education patient	\$ 217,336	\$ 244,830
Education – HCP	12,911	37,343
External program and partnership	<u>608</u>	<u>1,254</u>
	<b>\$ 230,855</b>	<b>\$ 283,427</b>
<b>Patient support</b>		
Patient support	\$ 146,371	\$ 170,852
Rent	10,416	15,117
Advertising and promotion	<u>371</u>	<u>330</u>
	<b>\$ 157,158</b>	<b>\$ 186,299</b>
<b>Research</b>		
Consulting	\$ 19,600	\$ -
Program support	<u>8,963</u>	<u>548</u>
	<b>\$ 28,563</b>	<b>\$ 548</b>
<b>Advocacy</b>		
Program support	<u>\$ 23,166</u>	<u>\$ 2,192</u>
<b>Fundraising</b>		
Salaries and benefits	\$ 104,975	\$ 153,187
Sales and events	57,255	139,478
Corporate donations	9,308	337
Bank charges and interest	1,573	4,725
Foundations, bequests and planned giving	<u>1,034</u>	<u>827</u>
	<b>\$ 174,145</b>	<b>\$ 298,554</b>
<b>Operations</b>		
Salaries and benefits	\$ 94,996	\$ 139,237
Rent, insurance and office supplies	32,290	31,269
Professional and consulting fees	16,626	37,935
Web site support and development	10,655	12,418
Amortization	4,017	6,359
Donation	3,555	3,706
Advertising	283	-
Travel and meetings	<u>210</u>	<u>1,411</u>
	<b>\$ 162,632</b>	<b>\$ 232,335</b>