



Financial Statements

Lymphoma Canada

December 31, 2022

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Independent Auditor's Report

To the Directors of
Lymphoma Canada

Qualified opinion

We have audited the financial statements of Lymphoma Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2022, 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, 2022, and the results of its 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 not-for-profit organizations, the Organization derives revenue from contributions and fundraising from the public the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues 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 revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 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

Independent Auditor's Report (continued)

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
May 10, 2023

Chartered Professional Accountants
Licensed Public Accountants

Lymphoma Canada

Statement of Financial Position

December 31

2022

2021

Assets

Current

Cash	\$ 1,351,918	\$ 1,082,913
Short-term investments (Note 3)	162,790	127,017
Amounts receivable	22,251	45,822
Sales tax recoverable	10,130	12,384
Inventory	8,965	10,795
Prepaid expenses	15,306	14,551
	<u>1,571,360</u>	<u>1,293,482</u>
Long-term investments (Note 3)	65,713	-
Capital assets and intangible assets (Note 4)	4,012	11,852
	<u>69,725</u>	<u>11,852</u>
	<u>\$ 1,641,085</u>	<u>\$ 1,305,334</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 95,782	\$ 90,817
Deferred revenue (Note 5)	125,078	168,052
Deferred lease inducement	6,937	7,729
	<u>227,797</u>	<u>266,598</u>
Net assets - unrestricted	<u>1,413,288</u>	<u>1,038,736</u>
	<u>\$ 1,641,085</u>	<u>\$ 1,305,334</u>

Lease commitment (Note 9)

Contingent liability (Note 10)

On behalf of the Board of Directors



Director



Director

Lymphoma Canada

Statements of Revenue and Expenses and Changes in Net Assets

Year ended December 31	2022	2021
Revenue		
Educational grants from corporations	\$ 742,500	\$ 733,625
Contributions and fundraising	417,083	312,085
Bequest	35,000	984
Interest and miscellaneous	13,943	1,931
Government grant	4,641	3,990
Other income	140	-
Wage and rent subsidies	-	67,844
	<u>1,213,307</u>	<u>1,120,459</u>
Expenses (Schedule 1)		
Program		
HCP & patient education	212,173	204,937
Patient support	134,974	122,455
Research	66,669	68,100
Advocacy	29,330	72,403
	<u>443,146</u>	<u>467,895</u>
Fundraising	210,466	174,127
Operations	185,143	140,393
	<u>395,609</u>	<u>314,520</u>
	<u>838,755</u>	<u>782,415</u>
Excess of revenue over expenses	<u>\$ 374,552</u>	<u>\$ 338,044</u>
<hr/>		
Net assets, beginning of year	\$ 1,038,736	\$ 700,692
Excess of revenue over expenses	<u>374,552</u>	<u>338,044</u>
Net assets, end of year	<u>\$ 1,413,288</u>	<u>\$ 1,038,736</u>

Lymphoma Canada

Statement of Cash Flows

Year ended December 31

2022

2021

Increase (decrease) in cash

Operating

Excess of revenue over expenses	\$ 374,552	\$ 338,044
Item not affecting cash		
Amortization of capital and intangible assets	<u>7,840</u>	<u>7,944</u>
	382,392	345,988
Change in non-cash working capital items		
Amounts receivable	23,571	3,896
Sales tax recoverable	2,254	(5,601)
Inventory	1,830	1,185
Prepaid expenses	(755)	(123)
Accounts payable and accrued liabilities	4,965	33,349
Deferred revenue	(42,974)	70,127
Deferred lease inducement	<u>(792)</u>	<u>7,729</u>
	370,491	456,550

Investing

Purchase of investments (net)	<u>(101,486)</u>	<u>(64,975)</u>
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Increase in cash **269,005** 391,575

Cash

Beginning of year	<u>1,082,913</u>	<u>691,338</u>
End of year	<u>\$ 1,351,918</u>	<u>\$ 1,082,913</u>

Lymphoma Canada

Notes to the Financial Statements

December 31, 2022

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.

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, wage and rent subsidies 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. All other revenue is recognized as earned.

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

Capital and intangible assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of revenue and expenses. Any impairment recognized is not reversed.

Lymphoma Canada

Notes to the Financial Statements

December 31, 2022

2. Significant accounting policies (continued)

Lease benefit

During 2021, the Organization entered into a new lease agreement. The lease benefit includes a rent free period near the beginning of the lease. The lease benefit has been deferred and will be amortized and recognized as a reduction of rent expense over the term of the lease. The Organization recognizes the related rental expense on a straight-line basis over the life of the lease and records the difference between amounts charged to operations and amounts paid as deferred lease benefit.

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 \$19,417 (2021 - \$7,458) 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. For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of revenue and expenses.

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.

Lymphoma Canada

Notes to the Financial Statements

December 31, 2022

3. Investments

Short-term investments consist of Guaranteed Investment Certificates (GICs) bearing interest at 1.00% to 4.75%, maturing February 2023 to December 2023 (2021 - bearing interest at 0.25% to 1.00%, maturing February to December 2022).

Long-term investments consist of a GIC bearing interest at 3.50% in Year 1 and 4.60% in Year 2, maturing December 2024.

4. Capital assets and intangible assets

			<u>2022</u>	<u>2021</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 18,093	\$ 18,093	\$ -	\$ -
Leasehold improvements	9,887	9,887	-	-
Computer equipment	<u>15,188</u>	<u>15,033</u>	<u>155</u>	<u>282</u>
	43,168	43,013	155	282
Website software and applications	<u>145,210</u>	<u>141,353</u>	<u>3,857</u>	<u>11,570</u>
	<u>\$ 188,378</u>	<u>\$ 184,366</u>	<u>\$ 4,012</u>	<u>\$ 11,852</u>

5. Deferred revenue

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

	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ 168,052	\$ 97,925
Amounts received during the year	155,026	242,127
Amounts recognized as revenue during the year	<u>(198,000)</u>	<u>(172,000)</u>
	<u>\$ 125,078</u>	<u>\$ 168,052</u>

Lymphoma Canada

Notes to the Financial Statements

December 31, 2022

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>2022 Total</u>	<u>2021 Total</u>
HCP & patient education	\$ 67,834	\$ 144,339	\$ 212,173	\$ 204,937
Patient support	3,469	131,505	134,974	122,455
Research	50,148	16,521	66,669	68,100
Advocacy	1,300	28,030	29,330	72,403
Fundraising	77,765	132,701	210,466	174,127
Operations	57,851	127,292	185,143	140,393
	<u>\$ 258,367</u>	<u>\$ 580,388</u>	<u>\$ 838,755</u>	<u>\$ 782,415</u>

7. Research awards

The following research awards were paid during the year:

	<u>2022</u>	<u>2021</u>
University Health Network	\$ 25,000	\$ -
BC Cancer Research Centre	25,000	-
Simon Fraser University	-	25,000
The University of Manitoba	-	25,000
	<u>\$ 50,000</u>	<u>\$ 50,000</u>

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.

Lymphoma Canada

Notes to the Financial Statements

December 31, 2022

8. Financial instruments (continued)

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 (2021 – \$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.

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:

2023	\$	59,000
2024		59,400
2025		60,000
2026		<u>25,000</u>
	\$	<u>203,400</u>

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.

Lymphoma Canada

Schedule of Detailed Expenses

Schedule 1

Year ended December 31	2022	2021
HCP & patient education		
Education patient	\$ 202,627	\$ 194,852
Education – HCP	6,461	7,000
Amortization	<u>3,085</u>	<u>3,085</u>
	<u>\$ 212,173</u>	<u>\$ 204,937</u>
Patient support		
Program support	\$ 131,889	\$ 119,370
Amortization	<u>3,085</u>	<u>3,085</u>
	<u>\$ 134,974</u>	<u>\$ 122,455</u>
Research		
Grant awards (Note 7)	\$ 50,000	\$ 50,000
Program support	16,515	17,946
Amortization	<u>154</u>	<u>154</u>
	<u>\$ 66,669</u>	<u>\$ 68,100</u>
Advocacy		
Program support	\$ 28,712	\$ 71,785
Amortization	<u>618</u>	<u>618</u>
	<u>\$ 29,330</u>	<u>\$ 72,403</u>
Fundraising		
Salaries and benefits	\$ 106,612	\$ 87,719
Sales and events	97,193	79,285
Bank charges	3,195	2,791
Corporate donations	2,695	2,701
Amortization	771	771
Foundations, bequests and planned giving	<u>-</u>	<u>860</u>
	<u>\$ 210,466</u>	<u>\$ 174,127</u>
Operations		
Salaries and benefits	\$ 101,324	\$ 47,994
Rent, insurance and office supplies	45,088	36,231
Web site support and development - operations	16,574	8,992
Professional and consulting fees	14,935	41,545
Storage	4,032	3,708
Advertising	3,063	1,692
Amortization	<u>127</u>	<u>231</u>
	<u>\$ 185,143</u>	<u>\$ 140,393</u>