

Financial Statements of

**THE NORTHERN CANCER
RESEARCH FOUNDATION**

Year ended March 31, 2009



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AUDITORS' REPORT

To the Board Members of The Northern Cancer Research Foundation

We have audited the statement of financial position of **The Northern Cancer Research Foundation** as at March 31, 2009 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives revenue from fundraising and donations, the completeness of which are 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 be necessary to revenues, excess of revenue over expenses and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of fundraising and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the Schedules are presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chartered Accountants, Licensed Public Accountants

Sudbury, Canada

April 30, 2009

THE NORTHERN CANCER RESEARCH FOUNDATION

Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	Unrestricted	Restricted	Total 2009	Total 2008
Assets				
Current assets:				
Cash and deposit receipts	\$ 1,955,096	293,475	2,248,571	2,390,694
Investments (note 2)	-	1,211,337	1,211,337	1,457,667
Accounts receivable	7,755	-	7,755	8,269
Receivable from Heart and Soul Campaign	-	46,777	46,777	167,677
Prepaid expenses	10,245	-	10,245	18,614
	1,973,096	1,551,589	3,524,685	4,042,921
Capital assets (note 3)	825	-	825	3,872
	\$ 1,973,921	1,551,589	3,525,510	4,046,793

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ 24,861	-	24,861	12,632
Payable to Hôpital Régional de Sudbury Regional Hospital	227,109	-	227,109	365,404
	251,970	-	251,970	378,036
Fund balances:				
Unrestricted	1,720,951	-	1,720,951	2,016,733
Restricted	-	852,197	852,197	961,673
Endowments	-	699,392	699,392	690,351
	1,720,951	1,551,589	3,272,540	3,668,757
	\$ 1,972,921	1,551,589	3,524,510	4,046,793

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

THE NORTHERN CANCER RESEARCH FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2009, with comparative figures for 2008

	Unrestricted		Restricted		Endowments		Total	Total
	2009	2008	2009	2008	2009	2008	2009	2008
	(Schedule)							
Revenue:								
Community donations	\$ 470,676	475,621	118,715	234,556	-	-	589,391	710,177
City of Greater Sudbury contributions (note 4)	-	-	300,866	300,866	-	-	300,866	300,866
Bereavement	242,986	269,066	-	-	-	-	242,986	269,066
Endowments	-	-	-	-	9,041	16,632	9,041	16,632
Special events	483,498	377,860	89,571	65,356	-	-	573,069	443,216
Investment income	57,485	89,508	-	-	-	-	57,485	89,508
	1,254,645	1,212,055	509,152	600,778	9,041	16,632	1,772,838	1,829,465
Expenses:								
Research, capital and specific grants	777,645	693,971	575,329	403,616	-	-	1,352,974	1,097,587
Wages and benefits	212,600	167,222	-	-	-	-	212,600	167,222
Special events	124,849	104,477	43,299	25,527	-	-	168,148	130,004
Amortization of capital assets	3,047	3,047	-	-	-	-	3,047	3,047
Investment loss	246,330	-	-	-	-	-	246,330	-
Administrative (schedule)	135,197	94,314	-	-	-	-	135,197	94,314
Loss from misappropriation	50,759	-	-	-	-	-	50,759	-
	1,550,427	1,063,031	618,628	429,143	-	-	2,169,055	1,492,174
Excess (deficiency) of revenue over expenses	(295,782)	149,024	(109,476)	171,635	9,041	16,632	(396,217)	337,291
Fund balances, beginning of year	2,016,733	1,867,709	961,673	790,038	690,351	673,719	3,668,757	3,331,466
Fund balances, end of year	\$ 1,720,951	2,016,733	852,197	961,673	699,392	690,351	3,272,540	3,668,757

See accompanying notes to financial statements.

THE NORTHERN CANCER RESEARCH FOUNDATION

Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (396,217)	337,291
Adjustments for:		
Amortization of capital assets	3,047	3,047
	(393,170)	340,338
Change in non-cash working capital:		
Accounts receivable	514	2,898
Receivable from Heart and Soul Campaign	120,900	(102,755)
Prepaid expenses	8,369	(6,894)
Accounts payable and accrued liabilities	12,229	(166)
Payable to Hôpital Régional de Sudbury Regional Hospital	(138,295)	329,008
	(389,453)	562,429
Cash flows from financing and investing activities:		
Decrease in value of investments	246,330	1,115
Net increase (decrease) in cash and deposit receipts	(143,123)	563,544
Cash and deposit receipts, beginning of year	2,390,694	1,827,150
Cash and deposit receipts, end of year	\$ 2,247,571	2,390,694

See accompanying notes to financial statements.

THE NORTHERN CANCER RESEARCH FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

The Northern Cancer Research Foundation (the "Foundation") was incorporated without share capital under the laws of Ontario in March, 1992 to support cancer research programs.

1. Significant accounting policies:

(a) Basis of presentation:

As the Foundation receives funding for various purposes, the accounts are maintained in a manner which segregates transactions according to the following funds:

- Restricted funds, the expenditure of which is restricted by the donor according to the fund descriptions as shown on the Statement of Operations and Changes in Fund Balances.
- Endowment funds reflect contributions where only the related investment income can be expended. This investment income is reflected in the unrestricted fund. These funds are, in some cases, an accumulation of balances for various specified research and care purposes.
- Unrestricted fund, which represents unrestricted funds received from donations, fundraising activities and other sources. Expenditures made from this fund are at the discretion of the Foundation and include those relating to day-to-day operations.

(b) Revenue recognition:

The Foundation follows the restricted fund method of accounting. Under this method, the following principles have been applied:

- Contributions are recorded as revenue in the respective funds based on their nature, source and the restrictions stipulated by the donor.
- With the exception of pledges, contributions are recognized as revenue when received or receivable if the amounts can be estimated and collection is assured. Pledges are recognized as revenue on receipt.

(c) Capital assets:

Capital assets are stated at cost. Amortization on office and computer equipment is charged to the unrestricted fund and is provided on the straight-line basis at the annual rate of 20%.

THE NORTHERN CANCER RESEARCH FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

1. Significant accounting policies (continued):

(d) Financial Instruments:

The Foundation accounts for its financial assets and liabilities in accordance with Canadian generally accepted accounting principles.

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in the statement of operations and changes in fund balances.

The Foundation discloses and presents financial instruments under Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*, for the year ended March 31, 2009.

(e) Investments:

Investments consist of pooled funds and are recorded at market value.

(f) Capital disclosures:

Effective April 1, 2008, the Foundation adopted the CICA Handbook Section 1535, *Capital Disclosures* which establishes standards for disclosing information about an entity's capital and how it is managed. Adoption of these recommendations had no effect on the financial statements for the year ending March 31, 2009.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenues and expenses during the reporting periods. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

THE NORTHERN CANCER RESEARCH FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

2. Investments:

	Cost	2009 Market	Cost	2008 Market
Investments	\$ 1,231,844	1,211,337	1,231,844	1,457,667

3. Capital assets:

	2009	2008
Office and computer equipment	\$ 15,233	15,233
Less accumulated amortization	14,408	11,361
	\$ 825	3,872

4. City of Greater Sudbury contributions:

The grants from the City of Greater Sudbury ("the City") for \$300,866 (2008 - \$300,866) are contributions to the Northern Cancer Research Foundation towards the City's pledge for the purpose of capital expansion at the Regional Cancer Centre of \$7,050,000 over 21.7 years. The amount of \$4,718,448 remains to be received.

5. Heart and Soul Campaign:

Effective January 1, 2000, the Foundation, in conjunction with the Sudbury Regional Hospital Foundation and St. Joseph's Foundation of Sudbury, became part of a joint fundraising campaign to provide for operating expenses and raise funds for capital expansion. As collections of pledges are received through the Sudbury Regional Hospital Foundation they are forwarded to the Hôpital Régional de Sudbury Regional Hospital Cancer Program to complete their funding of the capital expansion.

6. Chair in cancer research:

A partnership between the Foundation, Hôpital Régional de Sudbury Regional Hospital, Laurentian University and the Northern Ontario School of Medicine exists to fund a chair in cancer research at Laurentian University. This restricted fund represents monies available at the Foundation for this endeavour.

THE NORTHERN CANCER RESEARCH FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

7. Financial instruments:

The carrying values of cash and deposit receipts, accounts receivable, receivable from Heart and Soul Campaign, accounts payable and accrued liabilities and payable to Hôpital Régional de Sudbury Regional Hospital approximate their fair value due to the relatively short periods to maturity of the instruments. Investments are carried at market value (note 2). There are no significant exposures to credit risk.

Investments are carried at market value (note 2).

There are no significant exposures to credit risk.

8. Endowments:

During the year, monies were donated to the Foundation with no related expenditures. These amounts represent endowments where investment income only may be expended. Investment income is reflected in the operating fund.

9. Restricted funds:

The restricted funds listed are, in some cases, an accumulation of balances. Included in the restricted research balance are funds for research in the areas of leukemia, prostate cancer, lung cancer, breast cancer and stem cell. Patient care incorporates funds for breast screening, chemotherapy and radiation. Other restricted funds include funds specified for children and for breast cancer support.

10. Comparative figures:

Certain 2008 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

THE NORTHERN CANCER RESEARCH FOUNDATION

Schedule of Administrative Expenses

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Advertising and direct mail	\$ 50,339	42,564
Office supplies	6,111	10,616
Professional services	28,630	8,722
Computer	6,574	6,180
Miscellaneous	5,530	5,658
Insurance	6,049	5,001
Travel and hospitality	3,710	4,889
Telephone	5,414	4,329
Professional development	14,094	3,746
Postage	6,470	1,823
Donor recognition	2,276	786
	<u>\$ 135,197</u>	<u>94,314</u>

THE NORTHERN CANCER RESEARCH FOUNDATION

Schedule of Restricted Fund Balances

Year ended March 31, 2009, with comparative figures for 2008

	Heart and Soul Campaign (note 5)	Chair in Cancer Research (note 6)	Research	Daffodil Terrace	Other	Total 2009	Total 2008
Revenue:							
Community donations	\$ 46,777	-	-	25,107	46,831	118,715	234,556
Special events	-	-	89,571	-	-	89,571	65,356
City of Greater Sudbury (note 4)	300,866	-	-	-	-	300,866	300,866
	347,643	-	89,571	25,107	46,831	509,152	600,778
Expenses:							
Research, capital and specific grants	468,543	27,500	-	17,035	62,251	575,329	403,616
Special events	-	-	43,299	-	-	43,299	25,527
	468,543	27,500	43,299	17,035	62,251	618,628	429,143
Excess (deficiency) of revenue over expenses	(120,900)	(27,500)	46,272	8,072	(15,420)	(109,476)	171,635
Fund balances, beginning of year	167,677	78,490	207,968	240,764	266,774	961,673	790,038
Fund balances, end of year	\$ 46,777	50,990	254,240	248,836	251,354	852,197	961,673