

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<br>2009 | Total<br>2008 |
|---|--------------|------------|---------------|---------------|
| <b>Assets</b>                           |              |            |               |               |
| 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<br>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)   |           |            |         |            |         |           |           |
| <b>Revenue:</b>                                     |              |           |            |         |            |         |           |           |
| 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 |
| <b>Expenses:</b>                                    |              |           |            |         |            |         |           |           |
| 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 |
| <b>Excess (deficiency) of revenue over expenses</b> | (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 |
| <b>Fund balances, end of year</b>                   | \$ 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<br>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            |
| <b>Net increase (decrease) in cash and deposit receipts</b> | (143,123)           | 563,544          |
| Cash and deposit receipts, beginning of year                | 2,390,694           | 1,827,150        |
| <b>Cash and deposit receipts, end of year</b>               | <b>\$ 2,247,571</b> | <b>2,390,694</b> |

See accompanying notes to financial statements.

# THE NORTHERN CANCER RESEARCH FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

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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

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## 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

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## 2. Investments:

|             | Cost         | 2009<br>Market | Cost      | 2008<br>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

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## **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<br>and<br>Soul<br>Campaign<br>(note 5) | Chair in<br>Cancer<br>Research<br>(note 6) | Research | Daffodil<br>Terrace | Other    | Total<br>2009 | Total<br>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       |
| <b>Excess (deficiency) of revenue<br/>over expenses</b> | (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       |
| <b>Fund balances, end of year</b>                       | \$ 46,777                                    | 50,990                                     | 254,240  | 248,836             | 251,354  | 852,197       | 961,673       |