

Financial Statements of

NORTHERN CANCER FOUNDATION

Year ended March 31, 2012



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INDEPENDENT AUDITORS' REPORT

To the Board Members of Northern Cancer Foundation

We have audited the accompanying financial statements of Northern Cancer Foundation, which comprise the statement of financial position as at March 31, 2012 and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising 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 generally accepted accounting principles, 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.

Auditors' 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 our 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, we consider 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 principles 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 opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Northern Cancer Foundation derives revenue from fundraising and donations, 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 entity and we were not able to determine whether any adjustments might be necessary to community donations, excess of revenues over expenses, current assets and net assets.



Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualification Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Northern Cancer Foundation as at March 31, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

June 8, 2012

Sudbury, Canada

NORTHERN CANCER FOUNDATION

Statement of Financial Position

March 31, 2012, with comparative figures for 2011

	Unrestricted	Restricted and Endowments	Total 2012	Total 2011
Assets				
Current assets:				
Cash and deposit receipts	\$ 2,422,643	-	2,422,643	2,306,904
Investments (note 2)	104,947	1,850,681	1,955,628	1,899,531
Accounts receivable	93,225	-	93,225	19,649
Prepaid expenses	27,091	-	27,091	18,023
	<u>\$ 2,647,906</u>	<u>1,850,681</u>	<u>4,498,587</u>	<u>4,244,107</u>
Liabilities and Fund Balances				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 328,186	-	328,186	18,881
Payable to Health Sciences North	34,204	-	34,204	40,375
	<u>362,390</u>	<u>-</u>	<u>362,390</u>	<u>59,256</u>
Fund balances:				
Unrestricted	2,285,516	-	2,285,516	2,324,405
Restricted	-	1,129,492	1,129,492	1,139,332
Endowments	-	721,189	721,189	721,114
	<u>2,285,516</u>	<u>1,850,681</u>	<u>4,136,197</u>	<u>4,184,851</u>
	<u>\$ 2,647,906</u>	<u>1,850,681</u>	<u>4,498,587</u>	<u>4,244,107</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

NORTHERN CANCER FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2012, with comparative figures for 2011

	Unrestricted		Restricted		Endowments		Total	Total
	2012	2011	2012	2011	2012	2011	2012	2011
	(Schedule)							
Revenue:								
Community donations	\$ 464,677	802,800	254,379	197,623	-	-	719,056	1,000,423
City of Greater Sudbury contributions (note 3)	-	-	300,866	300,866	-	-	300,866	300,866
Bereavement	197,138	182,868	-	-	-	-	197,138	182,868
Endowments	-	-	-	-	75	1,685	75	1,685
Special events	87,721	70,316	85,022	86,658	-	-	172,743	156,974
Recoveries	-	3,500	-	-	-	-	-	3,500
Investment income	88,726	200,093	-	-	-	-	88,726	200,093
	838,262	1,259,577	640,267	585,147	75	1,685	1,478,604	1,846,409
Expenses:								
Research, capital and specific grants	498,693	646,665	623,597	429,149	-	-	1,122,290	1,075,814
Wages and benefits	204,148	191,327	-	-	-	-	204,148	191,327
Special events and fundraising costs	51,073	36,192	26,510	38,077	-	-	77,583	74,269
Administrative (schedule)	123,237	90,754	-	-	-	-	123,237	90,754
	877,151	964,938	650,107	467,226	-	-	1,527,258	1,432,164
Excess (deficiency) of revenue over expenses	(38,889)	294,639	(9,840)	117,921	75	1,685	(48,654)	414,245
Fund balances, beginning of year	2,324,405	2,029,766	1,139,332	1,021,411	721,114	719,429	4,184,851	3,770,606
Fund balances, end of year	\$ 2,285,516	2,324,405	1,129,492	1,139,332	721,189	721,114	4,136,197	4,184,851

See accompanying notes to financial statements.

NORTHERN CANCER FOUNDATION

Statement of Cash Flows

Year ended March 31, 2012, with comparative figures for 2011

	2012	2011
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (48,654)	414,245
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(73,576)	15,819
Increase in prepaid expenses	(9,068)	(6,211)
Increase (decrease) in accounts payable and accrued liabilities	309,305	(21,704)
Increase (decrease) in payable to Health Sciences North	(6,171)	17,564
	171,836	419,713
Cash flows from investing activities:		
Increase in value of investments	(56,097)	(172,283)
Net increase in cash and deposit receipts	115,739	247,430
Cash and deposit receipts, beginning of year	2,306,904	2,059,474
Cash and deposit receipts, end of year	\$ 2,422,643	2,306,904

See accompanying notes to financial statements.

NORTHERN CANCER FOUNDATION

Notes to Financial Statements

Year ended March 31, 2012

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

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.

NORTHERN CANCER FOUNDATION

Notes to Financial Statements

Year ended March 31, 2012

1. Significant accounting policies (continued):

(c) Financial Instruments:

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

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 statement of financial position at fair value except for loans and receivables 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, 2012.

(d) Investments:

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

2. Investments:

	2012		2011	
	Cost	Market	Cost	Market
Pooled funds	\$ 1,481,844	1,955,628	1,481,844	1,899,531

3. City of Greater Sudbury contributions:

The grants from the City of Greater Sudbury (“the City”) for \$300,866 (2011 - \$300,866) are contributions to the Northern Cancer 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 \$3,520,127 remains to be received. These amounts flow through the restricted fund.

4. Chair in cancer research:

A partnership between the Foundation, Health Sciences North, Laurentian University and the Northern Ontario School of Medicine exists to fund a chair in cancer research at Laurentian University. There is \$50,990 in the restricted fund available at the Foundation for this endeavour.

NORTHERN CANCER FOUNDATION

Notes to Financial Statements

Year ended March 31, 2012

5. Financial instruments:

The carrying values of cash and deposit receipts, accounts receivable, accounts payable and accrued liabilities and payable to Health Sciences North 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.

6. Endowments:

Monies have been 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.

7. 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.

8. Comparative figures:

Certain 2011 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

NORTHERN CANCER FOUNDATION

Schedule of Administrative Expenses

Year ended March 31, 2012, with comparative figures for 2011

	2012	2011
Computer and website	\$ 28,839	5,627
Office supplies	26,990	12,150
Professional and investment services	19,617	20,350
Cost of merchandise	14,622	14,576
Advertising	10,589	6,652
Insurance	6,984	6,933
Telephone	6,199	11,304
Donor recognition	2,975	836
Interest and bank charges	2,702	3,086
Professional development	1,523	3,403
Postage	1,104	734
Travel and hospitality	1,093	5,103
	\$ 123,237	90,754

NORTHERN CANCER FOUNDATION

Schedule of Restricted Fund Balances

Year ended March 31, 2012, with comparative figures for 2011

	Sam Bruno PET Scan	Angels in Pink Breast Equipment	Daffodil Terrace	Research and Other (notes 4 and 7)	Total 2012	Total 2011
Revenue:						
City of Greater Sudbury (note 3)	\$ -	-	-	300,866	300,866	300,866
Community donations	65,754	21,369	48,453	118,803	254,379	197,623
Special events	-	-	-	85,022	85,022	86,658
	65,754	21,369	48,453	504,691	640,267	585,147
Expenses:						
Research, capital and specific grants	-	-	5,783	617,814	623,597	429,149
Special events and fundraising costs	-	145	-	26,365	26,510	38,077
	-	145	5,783	644,179	650,107	467,226
Excess (deficiency) of revenue over expenses	65,754	21,224	42,670	(139,488)	(9,840)	117,921
Fund balances, beginning of year	-	-	273,533	865,799	1,139,332	1,021,411
Fund balances, end of year	\$ 65,754	21,224	316,203	726,311	1,129,492	1,139,332