

Financial Statements of

**THE LEUKEMIA & LYMPHOMA  
SOCIETY OF CANADA/  
SOCIÉTÉ DE LEUCÉMIE &  
LYMPHOME DU CANADA**

Years ended June 30, 2013 and 2012



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Leukemia & Lymphoma Society of Canada/  
Société de Leucémie & Lymphome du Canada

We have audited the accompanying financial statements of The Leukemia & Lymphoma Society of Canada/Société de Leucémie & Lymphome du Canada, which comprise the statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011, the statements of revenue and expenses, changes in fund balances and cash flows for the years ended June 30, 2013 and June 30, 2012, 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 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 policies 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Leukemia & Lymphoma Society of Canada/ Société de Leucémie & Lymphome du Canada as at June 30, 2013, June 30, 2012 and July 1, 2011, and its results of operations and its cash flows for the years ended June 30, 2013 and June 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants, Licensed Public Accountants

October 1, 2013  
Toronto, Canada

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

## Statements of Financial Position

June 30, 2013, June 30, 2012 and July 1, 2011


	June 30, 2013	June 30, 2012	July 1, 2011
<b>Assets</b>			
Current assets:			
Cash	\$ 2,127,623	\$ 1,751,651	\$ 1,544,650
Investments (note 2)	2,342,862	2,142,786	2,080,957
Sundry receivables	1,056,215	483,221	734,945
Prepaid expenses	302,643	206,723	178,658
Other current assets	108,851	135,122	159,451
	<u>5,938,194</u>	<u>4,719,503</u>	<u>4,698,661</u>
Capital assets (note 3)	272,717	216,260	222,214
	<u>\$ 6,210,911</u>	<u>\$ 4,935,763</u>	<u>\$ 4,920,875</u>


## Liabilities and Fund Balances

Current liabilities:			
Accounts payable and accrued liabilities (note 5)	\$ 798,157	\$ 544,095	\$ 669,591
Grants and fellowships payable	1,661,336	1,169,951	718,650
Deferred revenue (note 6)	916,382	829,539	714,329
	<u>3,375,875</u>	<u>2,543,585</u>	<u>2,102,570</u>
Fund balances:			
Operating fund:			
Invested in capital assets	272,717	216,260	222,214
Unrestricted	662,616	434,526	821,359
	<u>935,333</u>	<u>650,786</u>	<u>1,043,573</u>
Restricted fund (note 7)	1,338,445	1,224,580	536,138
Endowment fund (note 8)	561,258	516,812	1,238,594
	<u>2,835,036</u>	<u>2,392,178</u>	<u>2,818,305</u>
Commitments (note 11)			
Guarantees (note 13)			
	<u>\$ 6,210,911</u>	<u>\$ 4,935,763</u>	<u>\$ 4,920,875</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

## Statements of Revenue and Expenses

Years ended June 30, 2013 and 2012

2013	Operating fund	Restricted fund	Endowment fund	Total
<b>Revenue:</b>				
Contributions	\$ 14,534,794	\$ 391,032	\$ –	\$ 14,925,826
Less direct donor benefit costs	1,667,109	–	–	1,667,109
	<u>12,867,685</u>	<u>391,032</u>	<u>–</u>	<u>13,258,717</u>
Bequests	109,517	–	–	109,517
Investment and other income (note 9)	166,196	–	–	166,196
Net unrealized gain on investments	142,089	–	–	142,089
	<u>13,285,487</u>	<u>391,032</u>	<u>–</u>	<u>13,676,519</u>
<b>Expenses (note 12):</b>				
<b>Program services:</b>				
Research	–	1,869,097	–	1,869,097
Public education	4,126,540	–	–	4,126,540
Patient support	2,424,185	57,583	–	2,481,768
	<u>6,550,725</u>	<u>1,926,680</u>	<u>–</u>	<u>8,477,405</u>
<b>Support services:</b>				
Fundraising (note 14)	3,594,995	–	–	3,594,995
Management and general (note 9)	1,161,261	–	–	1,161,261
	<u>4,756,256</u>	<u>–</u>	<u>–</u>	<u>4,756,256</u>
	<u>11,306,981</u>	<u>1,926,680</u>	<u>–</u>	<u>13,233,661</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 1,978,506</b>	<b>\$ (1,535,648)</b>	<b>\$ –</b>	<b>\$ 442,858</b>

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Statements of Revenue and Expenses (continued)

Years ended June 30, 2013 and 2012

2012	Operating fund	Restricted fund	Endowment fund	Total
<b>Revenue:</b>				
Contributions	\$ 14,305,541	\$ 411,881	\$ –	\$ 14,717,422
Less direct donor benefit costs	1,875,366	–	–	1,875,366
	12,430,175	411,881	–	12,842,056
Bequests	154,289	–	–	154,289
Investment and other income (note 9)	117,411	–	–	117,411
Net unrealized loss on investments	(22,651)	–	–	(22,651)
	12,679,224	411,881	–	13,091,105
<b>Expenses (note 12):</b>				
Program services:				
Research	–	1,867,102	–	1,867,102
Public education	4,829,616	–	–	4,829,616
Patient support	1,958,681	17,808	–	1,976,489
	6,788,297	1,884,910	–	8,673,207
Support services:				
Fundraising (note 14)	3,727,439	–	–	3,727,439
Management and general (note 9)	1,116,586	–	–	1,116,586
	4,844,025	–	–	4,844,025
	11,632,322	1,884,910	–	13,517,232
<b>Excess (deficiency) of revenue over expenses</b>				
	\$ 1,046,902	\$ (1,473,029)	\$ –	\$ (426,127)

See accompanying notes to financial statements.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

## Statements of Changes in Fund Balances

Years ended June 30, 2013 and 2012

2013	Operating fund				Total
	Invested in capital assets	Unrestricted fund	Restricted fund (note 7)	Endowment fund (note 8)	
Fund balances, beginning of year	\$ 216,260	\$ 434,526	\$ 1,224,580	\$ 516,812	\$ 2,392,178
Excess (deficiency) of revenue over expenses	(63,212)	2,041,718	(1,535,648)	-	442,858
Interfund transfers - Restricted	-	(1,649,513)	1,649,513	-	-
Interfund transfers - Endowment interest	-	(44,446)	-	44,446	-
Investment in capital assets	119,669	(119,669)	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 272,717</b>	<b>\$ 662,616</b>	<b>\$ 1,338,445</b>	<b>\$ 561,258</b>	<b>\$ 2,835,036</b>

2012	Operating fund				Total
	Invested in capital assets	Unrestricted fund	Restricted fund (note 7)	Endowment fund (note 8)	
Fund balances, beginning of year	\$ 222,214	\$ 821,359	\$ 536,138	\$ 1,238,594	\$ 2,818,305
Excess (deficiency) of revenue over expenses	(48,621)	1,095,523	(1,473,029)	-	(426,127)
Interfund transfers - Restricted	-	(1,432,102)	2,161,471	(729,369)	-
Interfund transfers - Endowment interest	-	(7,587)	-	7,587	-
Investment in capital assets	42,667	(42,667)	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 216,260</b>	<b>\$ 434,526</b>	<b>\$ 1,224,580</b>	<b>\$ 516,812</b>	<b>\$ 2,392,178</b>

See accompanying notes to financial statements.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

## Statements of Cash Flows

Years ended June 30, 2013 and 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 442,858	\$ (426,127)
Items not involving cash:		
Amortization	63,212	48,621
Net unrealized loss (gain) on investments	(142,089)	22,651
Net realized gain on sale of investments	(2,387)	(21,568)
Change in non-cash operating working capital:		
Sundry receivables	(572,994)	251,724
Prepaid expenses	(95,920)	(28,065)
Other current assets	26,271	24,329
Accounts payable and accrued liabilities	254,062	(125,496)
Grants and fellowships payable	491,385	451,301
Deferred revenue	86,843	115,210
	551,241	312,580
Investing activities:		
Purchases of investments	(120,023)	(355,000)
Proceeds on sale of investments	64,423	292,088
Additions to capital assets	(119,669)	(42,667)
	(175,269)	(105,579)
Increase in cash	375,972	207,001
Cash, beginning of year	1,751,651	1,544,650
Cash, end of year	\$ 2,127,623	\$ 1,751,651

See accompanying notes to financial statements.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements

Years ended June 30, 2013 and 2012

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The Leukemia & Lymphoma Society of Canada/Société de Leucémie & Lymphome du Canada (the "Organization") is a volunteer-driven organization whose mission is to cure leukemia, lymphoma, Hodgkin's disease and myeloma, and to improve the quality of life of patients and their families.

The Organization is incorporated without share capital under the Canada Corporations Act. The Organization is registered as a charitable organization under the Income Tax Act (Canada) and is, therefore, not subject to income taxes if certain disbursement requirements are met.

On July 1, 2012, the Organization adopted Canadian Accounting Standards for Not-For-Profit Organizations in Part III of The Canadian Institute of Chartered Accountants' Handbook ("Not-For-Profit Standards"). These are the first financial statements prepared in accordance with Not-For-Profit Standards.

In accordance with the transitional provisions in Not-For-Profit Standards, the Organization has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is July 1, 2011 and all comparative information provided has been presented by applying Not-For-Profit Standards.

There were no adjustments to fund balances as at July 1, 2011 or excess (deficiency) of revenue over expenses for the year ended June 30, 2012, as a result of the transition to Not-For-Profit Standards.

## **1. Significant accounting policies:**

These financial statements have been prepared by management in accordance with Not-For-Profit Standards.

### **(a) Fund accounting:**

The Organization follows the restricted fund method of accounting for contributions.

The Operating fund accounts for the Organization's program delivery and administrative activities.

The Restricted fund reports only restricted resources that are to be used for special purposes. The purposes are determined by the restrictions imposed by the contributors.



# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

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## 1. Significant accounting policies (continued):

The Endowment fund reports resources contributed for endowment purposes. Investment income earned on resources of the Endowment fund is reported in the Restricted or Operating fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

### (b) Revenue recognition:

Unrestricted contributions are recorded as revenue of the Operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions received from fundraising events that have not been completed are deferred until completion of the event.

Restricted contributions for research are recognized as revenue of the Restricted fund.

Externally restricted endowment contributions are recognized as revenue of the Endowment fund.

Bequests are recorded as revenue when received or receivable if the underlying wills have been declared valid by the probate court and no other conditions are required to be met.

Restricted and unrestricted investment income is recognized as revenue when earned. Investment income, which is recorded on the accrual basis, includes income from pooled funds, interest and net realized gain on sale of investments.

### (c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry all financial investments at fair value.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

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## 1. Significant accounting policies (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (d) Capital assets:

Office furniture and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives, ranging from three to ten years. Leasehold improvements are recorded at cost and amortized on a straight-line basis over the term of the lease.

### (e) Gifts in kind:

The value of donated materials and services contributed to the Organization are not reflected in these financial statements.

Included in contributions on the statement of revenue and expenses is \$21,956 (2012 - \$31,223) in donated shares.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

## 1. Significant accounting policies (continued):

### (f) Allocation of expenses:

The Organization classifies expenses on the statement of revenue and expenses by function. Certain officers and employees perform a combination of program and support service functions; as a result, salaries are allocated based on functional activity. Other costs, including printing, postage and professional fees, have been allocated on an appropriate and consistent basis between the program and support services benefited.

### (g) 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 dates of the financial statements and the reported amounts of revenue and expenses during the years. Actual results could differ from those estimates.

## 2. Investments:

	June 30, 2013	June 30, 2012	July 1, 2011
Cash	\$ 31,371	\$ 34,403	\$ 71,220
Pooled funds:			
Canadian equity	343,584	321,455	350,440
U.S. equity	575,270	520,038	532,188
EAFE equity	346,426	245,575	274,958
Bond	1,001,211	976,315	842,151
Canadian money market	45,000	45,000	10,000
	<u>\$ 2,342,862</u>	<u>\$ 2,142,786</u>	<u>\$ 2,080,957</u>

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

### 3. Capital assets:

June 30, 2013	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 334,091	\$ 173,165	\$ 160,926
Leasehold improvements	192,657	80,866	111,791
	<b>\$ 526,748</b>	<b>\$ 254,031</b>	<b>\$ 272,717</b>

June 30, 2012	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 263,922	\$ 132,286	\$ 131,636
Leasehold improvements	143,157	58,533	84,624
	<b>\$ 407,079</b>	<b>\$ 190,819</b>	<b>\$ 216,260</b>

July 1, 2011	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 241,218	\$ 100,611	\$ 140,607
Leasehold improvements	120,438	38,831	81,607
	<b>\$ 361,656</b>	<b>\$ 139,442</b>	<b>\$ 222,214</b>

### 4. Bank facilities:

On June 14, 2011, the Organization obtained a \$500,000 temporary overdraft facility which expired on August 26, 2011. The Organization did not renew this facility.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

## 5. Accounts payable and accrued liabilities:

On July 1, 2004, the Organization entered into a business affiliation with The Leukemia & Lymphoma Society, a U.S. Charity (the "Society"). The purpose of the affiliation is to create a single North American presence in support of research into the causes of, and cures for, leukemia, lymphoma and myeloma.

As part of the affiliation agreement, the Society has undertaken to pay certain trade payable amounts of the Organization for which the Society will be reimbursed. At June 30, 2013, the amount owed to the Society totalled \$92,789 (June 30, 2012 - \$117,325; July 1, 2011 - \$131,060) and is included in accounts payable and accrued liabilities. The amount owing is non-interest bearing, is unsecured and has no specific repayment terms.

## 6. Deferred revenue:

	2013	2012
Balance, beginning of year	\$ 829,539	\$ 714,329
Amounts amortized into revenue	(829,539)	(714,329)
Amounts received	916,382	829,539
<b>Balance, end of year</b>	<b>\$ 916,382</b>	<b>\$ 829,539</b>

## 7. Restricted fund:

The Restricted fund includes the following:

	June 30, 2013	June 30, 2012	July 1, 2011
Internally restricted amounts (a)	\$ -	\$ -	\$ 125,000
Unspent externally restricted donations (b)	1,338,445	1,224,580	411,138
	<b>\$ 1,338,445</b>	<b>\$ 1,224,580</b>	<b>\$ 536,138</b>

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

## 7. Restricted fund (continued):

- (a) In previous years, the Board of Directors had internally restricted amounts for research, which were not available without approval of the Board of Directors. In 2012, the Board of Directors approved the release of the internally restricted balance.
- (b) During 2013, the Organization received donations of \$391,032 (2012 - \$411,811) externally restricted for research and patient support. These donations are recorded as revenue in the statements of revenue and expenses.

During 2012, based on changes in the underlying funding agreement, the Bill Beattie Memorial Endowment Fund balance of \$678,914 and the related unspent investment income of \$50,455 was transferred from the endowment fund to the restricted fund. The Bill Beattie Memorial Endowment Fund continues to be externally restricted to provide financial assistance to leukemia patients and families within the Province of Alberta.

Research expenses flow through the Restricted fund. Funds are transferred from the Operating fund by interfund transfer to cover these expenses.

## 8. Endowment fund:

The Endowment fund includes the following:

	June 30, 2013	June 30, 2012	July 1, 2011
Rae Endowment Fund	\$ 260,114	\$ 260,114	\$ 260,114
The United Food & Commercial Workers ("UFCW") Endowment Fund	90,000	90,000	90,000
Bill Beattie Memorial Endowment Fund	—	—	678,914
Unspent investment income	211,144	166,698	209,566
	<b>\$ 561,258</b>	<b>\$ 516,812</b>	<b>\$ 1,238,594</b>

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

## 8. Endowment fund (continued):

Amounts restricted for endowment purposes are subject to externally imposed restrictions, stipulating that the principal be maintained permanently. The amounts held in the Rae Endowment Fund are externally restricted to support research activities or to assist charitable organizations whose activities are within or similar to the Organization's objectives. The UFCW Endowment Fund is externally restricted to fund scholarships for Canadian universities to distribute to students enrolled in courses related to leukemia research.

Investment income may be spent for purposes as specified in the restrictive endowment agreements.

## 9. Investment and other income:

	2013	2012
Income from pooled funds	\$ 64,670	\$ 59,180
Interest	14,983	14,643
Net realized gain on sale of investments	2,387	21,568
Other	84,156	22,020
	<u>\$ 166,196</u>	<u>\$ 117,411</u>

Included in management and general expenses are investment management fees in the amount of \$28,183 (2012 - \$26,720).

## 10. Financial risks:

### (a) Currency risk:

The Organization is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates on the Organization's foreign investments. The Organization does not currently enter into forward contracts to mitigate this risk. There has been no change to the risk exposure from 2012.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

## 10. Financial risks (continued):

### (b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2012.

## 11. Commitments:

The Organization is committed to rental payments and operating expenses under various operating leases and service agreements. Minimum annual payments under the terms of these leases and agreements are as follows:

2014	\$ 749,000
2015	553,000
2016	321,000
2017	269,000
2018	210,000
	\$ 2,102,000

## 12. Expenses:

The following tables summarize direct expenses and allocated expenses which are included in the statements of revenue and expenses:

2013	Direct expenses	Allocated expenses	Total
Research	\$ 1,735,926	\$ 133,171	\$ 1,869,097
Public education	1,079,916	3,046,624	4,126,540
Patient support	748,806	1,732,962	2,481,768
Fundraising	1,513,093	2,081,902	3,594,995
Management and general	366,012	795,249	1,161,261
	\$ 5,443,753	\$ 7,789,908	\$ 13,233,661



# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

## 12. Expenses (continued):

2012	Direct expenses	Allocated expenses	Total
Research	\$ 1,700,000	\$ 167,102	\$ 1,867,102
Public education	1,053,768	3,775,848	4,829,616
Patient support	270,740	1,705,749	1,976,489
Fundraising	1,146,571	2,580,868	3,727,439
Management and general	260,939	855,647	1,116,586
	\$ 4,432,018	\$ 9,085,214	\$ 13,517,232

## 13. Guarantees:

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee. The Organization's primary guarantees are as follows:

- (a) The Organization has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements, the Organization agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, losses, suits and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) The Organization indemnifies all directors and volunteers for various items including, but not limited to, all costs to settle suits or actions due to services provided to the Organization, subject to certain restrictions. The Organization has purchased liability insurance to mitigate the cost of any potential future suits or actions. The amount of any potential future payment cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any significant payments under such or similar indemnification agreements and, therefore, no amount has been accrued with respect to these agreements.

# THE LEUKEMIA & LYMPHOMA SOCIETY OF CANADA/ SOCIÉTÉ DE LEUCÉMIE & LYMPHOME DU CANADA

Notes to Financial Statements (continued)

Years ended June 30, 2013 and 2012

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## **14. Fundraising:**

Fundraising expenses include remuneration paid to employees whose principal duties involve fundraising totalling \$457,488 (2012 - \$453,992).