

National Pancreatic Cancer Canada Foundation
Financial Statements
For the year ended December 31, 2014

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Basis for Qualified Opinion

In common with many charitable organizations, National Pancreatic Cancer Canada Foundation derives revenue from donations and cash receipts, 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 National Pancreatic Cancer Canada Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operating activities for the years ended December 31, 2014 and 2013, current assets as at December 31, 2014 and 2013, and net assets as at January 1 and December 31 for both the 2014 and 2013 years. Our audit opinion on the financial statements for the year ended December 31, 2013 was modified accordingly because of the possible effects of this limitation of scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Pancreatic Cancer Canada Foundation as at December 31, 2014, 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.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Rockland, Ontario
June 23, 2015


National Pancreatic Cancer Canada Foundation
Financial Statements
For the year ended December 31, 2014

**National Pancreatic Cancer Canada Foundation
Statement of Financial Position**

December 31	2014	2013
Assets		
Current		
Cash	\$ 971,932	\$ 376,633
Term deposit	-	400,000
Harmonized sales tax receivable	26,673	20,100
Inventory	49,957	41,482
Prepaid expenses	1,966	7,977
	1,050,528	846,192
Investments	8,904	-
Tangible capital assets (Note 2)	3,590	5,116
	\$1,063,022	\$ 851,308
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 9,817	\$ 19,287
Contractual obligations (Note 3)		
Net Assets		
Internally restricted (Note 4)	550,000	450,000
Unrestricted	503,205	382,021
	1,053,205	832,021
	\$1,063,022	\$ 851,308

On behalf of the Board:

 Director


 Director

**National Pancreatic Cancer Canada Foundation
Statement of Changes in Net Assets**

For the year ended December 31	Internally restricted	Unrestricted	2014	2013
Balance, beginning of the year	\$ 450,000	\$ 382,021	\$ 832,021	\$ 484,360
Excess of revenues over expenses	-	221,184	221,184	347,661
Donations made through internally restricted net assets (Note 4)	(450,000)	450,000	-	-
Interfund transfer (Note 4)	550,000	(550,000)	-	-
Balance, end of the year	\$ 550,000	\$ 503,205	\$ 1,053,205	\$ 832,021

National Pancreatic Cancer Canada Foundation Statement of Operations

For the year ended December 31	2014	2013
Revenues		
Charity golf tournament, promotional items sales, fundraisers and other events	\$ 191,164	\$ 124,690
Donations	1,046,686	975,120
Investment income	6,758	7
	1,244,608	1,099,817
Fundraising expenses		
Charity golf tournament, promotional items sales, fundraisers and other events	159,128	70,013
General and administrative expenses		
Accounting services	15,391	19,041
Administrative fees, salaries and benefits	64,742	55,338
Advertising and promotion	24,207	30,458
Amortization of tangible capital assets	1,526	2,419
Insurance	2,968	2,299
Meetings and hospitality	31,032	18,312
Memberships and licenses	3,730	1,645
Occupancy costs	23,860	24,779
Office	14,754	25,297
Online processing fees and bank charges	55,113	65,128
Professional fees	10,579	8,988
Sub-contracts	23,250	3,750
Telephone	11,557	9,851
Travel	29,987	26,393
	312,696	293,698
Excess of revenues over expenses before donations and grants to research	772,784	736,106
Donations and grants to research	551,600	388,445
Excess of revenues over expenses	\$ 221,184	\$ 347,661

National Pancreatic Cancer Canada Foundation Statement of Cash Flows

For the year ended December 31	2014	2013
Cash flows from operating activities		
Cash receipts from donors and supporters	\$ 1,238,035	\$ 1,094,862
Cash paid to suppliers, recipients and employees	(1,026,288)	(744,953)
Bank charges paid	(7,544)	(16,608)
	204,203	333,301
Cash flows from investing activities		
Acquisition of investments and term deposit	(8,904)	(400,000)
Proceeds on disposal of term deposit	400,000	8,379
Acquisition of tangible capital assets	-	(5,978)
	391,096	(397,599)
Net increase (decrease) in cash	595,299	(64,298)
Cash, beginning of the year	376,633	440,931
Cash, end of the year	\$ 971,932	\$ 376,633

National Pancreatic Cancer Canada Foundation

Notes to Financial Statements

December 31, 2014

1. Accounting Policies

Purpose of Foundation National Pancreatic Cancer Canada Foundation is a not-for-profit organization incorporated without share capital under the laws of Ontario. The Foundation is engaged in the operation of promoting awareness and to fund research into early detection and treatment of pancreatic cancer. The Foundation is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

Basis of Accounting The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Events revenues are recognized when received.

Product sales are recognized upon shipment of goods when all benefits and risks relating to ownership have been transferred, when the sale has been accepted by the customer and when collection is reasonably assured.

Financial Instruments Initial and subsequent measurement
The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the year incurred.

The financial instruments measured at amortized cost are cash, term deposit, harmonized sales tax receivable and accounts payable and accrued liabilities. The financial instruments measured at fair value are investments.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Transaction costs

Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs in the initial measurement of the asset or liability.

National Pancreatic Cancer Canada Foundation Notes to Financial Statements

December 31, 2014

1. Accounting Policies (continued)

Inventory	Inventory includes various brochures, advertisement supplies and promotional articles for the general public. Inventory is measured at the lower of cost and replacement value. Cost is determined using the first-in, first-out basis.				
Tangible Capital Assets	Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the following method and annual rates: <table style="margin-left: 40px;"> <tr> <td>Computers</td> <td>45% diminishing balance basis</td> </tr> <tr> <td>Furniture and equipment</td> <td>20% diminishing balance basis</td> </tr> </table>	Computers	45% diminishing balance basis	Furniture and equipment	20% diminishing balance basis
Computers	45% diminishing balance basis				
Furniture and equipment	20% diminishing balance basis				
Contributed Services	Volunteers contribute numerous hours per year to assist the Foundation in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.				
Contributed Materials and Services	Contributed materials and services which are used in the normal course of the Foundation's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.				

2. Tangible Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers	\$ 5,013	\$ 3,909	\$ 5,013	\$ 3,005
Furniture and equipment	4,504	2,018	4,504	1,396
	<u>\$ 9,517</u>	<u>\$ 5,927</u>	<u>\$ 9,517</u>	<u>\$ 4,401</u>
Net value		<u>\$ 3,590</u>		<u>\$ 5,116</u>

National Pancreatic Cancer Canada Foundation Notes to Financial Statements

December 31, 2014

3. Contractual Obligations

The Foundation has entered in donation commitments, which are subject to certain conditions, with various research institutions and professionals for amounts ranging between \$10,000 and \$100,000 per year, which expire between 2015 and 2018. Future minimum payments total \$560,000 and include the following payments over the next four years:

2015	\$	470,000
2016	\$	30,000
2017	\$	30,000
2018	\$	30,000

The Foundation leases its premises under a lease expiring in April 2015. Subsequent to year-end, the Foundation renewed its lease for a period of 1 year expiring in April 2016. Future minimum lease payments total \$26,649 and include the following payments over the next two years:

2015	\$	19,933
2016	\$	6,716

4. Internally Restricted Net Assets

These funds have been internally restricted as research funds. These internally restricted amounts are not available for any other purposes without approval of the Board of Directors.

In a given year, donations and grants are first made from restricted funds and then from unrestricted funds. In 2014, of the \$551,600 (2013 - \$388,445) in donations and grants to research, \$450,000 (2013 - \$250,000) were made from the internally restricted funds and \$60,000 (2013 - \$60,000) were made from the externally restricted funds.

In 2014, the Board of Directors of the Foundation approved an internally restricted amount of \$550,000 (2013 - \$450,000) for research purposes.

5. Financial Instruments

Interest rate risk

The Foundation is exposed to the interest rate risk on its fixed interest rate term deposit. This financial instrument subjects the Foundation to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

6. Comparative Figures

Certain figures for the previous year have been reclassified to conform to the presentation adopted in the current year.