

**MICHAEL CUCCIONE FOUNDATION**

*A Private Foundation*

**FINANCIAL STATEMENTS**

December 31, 2010

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*Draft - For Discussion Only*

## REVIEW ENGAGEMENT REPORT

To the members of **Michael Cuccione Foundation**

We have reviewed the statement of financial position of Michael Cuccione Foundation as at December 31, 2010 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with many non-profit organizations, the Foundation derives most of its revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory review verification. Accordingly, our verification of this revenue 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 this revenue, excess of revenue over expenses, assets or net assets.

Based on our review, except for the effect of adjustments, if any, we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

*Galloway Battelle & Company*

Certified General Accountants

Vancouver, BC  
February 22, 2011

# MICHAEL CUCCIONE FOUNDATION

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2010

*Unaudited - See Review Engagement Report*

	2010	%	2009	%
<b>Revenues</b>				
Annual Gala	\$ 214,926	28.6	207,912	35.1
Fundraising Events	161,011	21.4	304,066	51.4
Donations	367,147	48.8	50,043	8.5
Interest	6,838	0.9	28,425	4.8
Foreign currency exchange gain (loss)	<u>2,182</u>	<u>0.3</u>	<u>1,226</u>	<u>0.2</u>
	<u>752,104</u>	<u>100.0</u>	<u>591,672</u>	<u>100.0</u>
<b>Expenses</b>				
Advertising and promotion	4,112	0.5	6,906	1.2
Amortization	651	0.1	877	0.1
Bank charges and interest	5,295	0.7	4,822	0.8
Annual Gala	57,266	7.6	41,664	7.0
Fundraising events	45,023	6.0	74,314	12.6
Office	20,468	2.7	5,812	1.0
Professional services	3,796	0.5	2,544	0.4
Telephone	2,231	0.3	2,589	0.4
Travel	-	-	170	-
Wages and benefits	<u>28,900</u>	<u>3.8</u>	<u>28,900</u>	<u>4.9</u>
	<u>167,742</u>	<u>22.3</u>	<u>168,598</u>	<u>28.5</u>
<b>Excess of Revenues over Expenses</b>	<b>584,362</b>	<b>77.7</b>	<b>423,074</b>	<b>71.5</b>
<b>Net Assets, Beginning of Year</b>	<u>768,550</u>		<u>2,652,157</u>	
	<b>1,352,912</b>		<b>3,075,231</b>	
<b>Donations</b>	<b>324,000</b>		<b>2,306,681</b>	
<b>Net Assets, End of Year</b>	<b>\$ 1,028,912</b>		<b>768,550</b>	

*See Accompanying Notes*

# MICHAEL CUCCIONE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2010

*Unaudited - See Review Engagement Report*

	2010	2009
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	\$ 997,914	728,488
Accounts receivable (Note 3)	19,854	27,239
Prepaid expenses	3,996	5,751
	<u>1,021,764</u>	<u>761,478</u>
<b>Investments</b> (Note 4)	15,050	7,321
<b>Equipment</b> (Note 5)	2,007	2,657
	<u>\$ 1,038,821</u>	<u>771,456</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6 )	\$ 9,909	2,906
<b>NET ASSETS</b>	<u>1,028,912</u>	<u>768,550</u>
	<u>\$ 1,038,821</u>	<u>771,456</u>

*See Accompanying Notes*

**Approved on Behalf of the Board:**

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*Michael Cuccione, Sr., President*

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*John Audia, Vice President*

# MICHAEL CUCCIONE FOUNDATION

## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

*Unaudited - See Review Engagement Report*

	2010	2009
<b>CASH FLOWS FROM:</b>		
<b>Operating Activities</b>		
Excess of revenues over expenses	\$ 584,362	423,074
Amortization	651	877
Accounts receivable	7,385	41,859
Prepaid expenses	1,755	7,259
Accounts payable and accrued liabilities	7,002	716
	<b>601,155</b>	<b>473,785</b>
<b>Financing Activities</b>		
Donations	(324,000)	(2,306,681)
	<b>(324,000)</b>	<b>(2,306,681)</b>
<b>Investing Activities</b>		
Investments	(7,729)	(7,321)
	<b>(7,729)</b>	<b>(7,321)</b>
<b>Net Increase/Decrease in Cash</b>	<b>269,426</b>	<b>(1,840,217)</b>
<b>Cash, Beginning of Year</b>	<b>728,488</b>	<b>2,568,705</b>
<b>Cash, End of Year</b>	<b>\$ 997,914</b>	<b>728,488</b>

*See Accompanying Notes*

# MICHAEL CUCCIONE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2010

*Unaudited - See Review Engagement Report*

### Note 1 Purpose of the Organization

Michael Cuccione Foundation is incorporated under the Societies Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

The Foundation was formed to raise funds through bequests, gifts, donations and various fundraising activities and to expend or administer these funds for cancer research and for the use of children's hospitals located in Canada. In addition, it is also the purpose of the Foundation to raise cancer awareness in the community, to provide emotional support to cancer patients and their families, and to promote the foregoing purposes throughout Canada.

### Note 2 Accounting Policies

#### Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Investment income is recorded based on the accrual method.

### Note 3 Accounts Receivable

	<u>2010</u>	<u>2009</u>
Accrued interest	\$ 3,149	2,536
Fundraising	16,480	24,000
Government agencies	<u>225</u>	<u>703</u>
	<u>\$ 19,854</u>	<u>27,239</u>

### Note 4 Investments

	<u>2010</u>	<u>2009</u>
Life insurance policy	<u>15,050</u>	<u>7,321</u>
	<u>\$ 15,050</u>	<u>7,321</u>

# MICHAEL CUCCIONE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2010

*Unaudited - See Review Engagement Report*

### Note 5 Equipment

	<u>2010</u>	<u>2009</u>
Equipment	\$ 10,035	10,035
Accumulated amortization	<u>8,028</u>	<u>7,378</u>
Net book value	<u>\$ 2,007</u>	<u>2,657</u>

#### Amortization

Equipment is recorded at cost. Amortization is provided for using the following annual rates and methods:

Equipment	20%	Declining balance
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### Note 6 Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u>2009</u>
Accounts payable	\$ 7,909	1,906
Accrued liabilities	<u>2,000</u>	<u>1,000</u>
	<u>\$ 9,909</u>	<u>2,906</u>

### Note 7 Capital Disclosures

The Foundation considers its net assets as its "capital" for the purposes of this disclosure. The Foundation's objective when managing its capital is to safeguard the entity's ability to continue as a going concern so that it can continue to raise and disburse funds for charitable purposes. The Foundation meets its objectives by monitoring available resources and matching its expenditures accordingly. To maintain its status as a registered charity under the Income Tax Act, the Foundation is required to expend its previous year's "disbursement quota", on its charitable programs in the current year. It has complied with this requirement.