

MICHAEL CUCCIONE FOUNDATION

A Private Foundation

FINANCIAL STATEMENTS

December 31, 2011

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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, 2011 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 Bottwell & Company

Certified General Accountants

Vancouver, BC
March 26, 2012

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2011

Unaudited - see review engagement report

| | 2011 | % | 2010 | % |
|---------------------------------------|---------------------|--------------|------------------|--------------|
| Revenues | | | | |
| Annual gala | \$ 238,293 | 13.9 | 214,926 | 28.6 |
| Fundraising events | 326,019 | 19.0 | 161,011 | 21.4 |
| Donations | 1,140,270 | 66.5 | 367,147 | 48.8 |
| Interest | 12,564 | 0.7 | 6,838 | 0.9 |
| Foreign currency exchange gain (loss) | (1,422) | (0.1) | 2,182 | 0.3 |
| | <u>1,715,724</u> | <u>100.0</u> | <u>752,104</u> | <u>100.0</u> |
| Expenses | | | | |
| Advertising and promotion | 4,307 | 0.3 | 4,112 | 0.5 |
| Amortization | 897 | 0.1 | 651 | 0.1 |
| Bank charges and interest | 7,722 | 0.5 | 5,295 | 0.7 |
| Annual Gala | 48,123 | 2.8 | 57,266 | 7.6 |
| Fundraising events | 170,478 | 9.9 | 45,023 | 6.0 |
| Office | 8,742 | 0.5 | 8,027 | 1.1 |
| Insurance | 8,550 | 0.5 | 11,442 | 1.5 |
| Professional services | 3,270 | 0.2 | 3,796 | 0.5 |
| Telephone | 1,763 | 0.1 | 2,231 | 0.3 |
| Wages and benefits | 29,465 | 1.7 | 28,900 | 3.8 |
| | <u>283,317</u> | <u>16.5</u> | <u>166,743</u> | <u>22.2</u> |
| Excess of revenues over expenses | 1,432,407 | 83.5 | 585,361 | 77.8 |
| Net assets, beginning of year | 1,028,911 | | 768,550 | |
| Donations | 1,017,250 | | 325,000 | |
| Net assets, end of year | <u>\$ 1,444,068</u> | | <u>1,028,911</u> | |

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31, 2011

Unaudited - see review engagement report

| | 2011 | 2010 |
|---|---------------------|------------------|
| ASSETS | | |
| Current | | |
| Cash and short-term investments | \$ 1,360,878 | 997,914 |
| Accounts receivable (Note 3) | 59,061 | 19,854 |
| Prepaid expenses | 1,496 | 3,996 |
| | <u>1,421,435</u> | <u>1,021,764</u> |
| Investments (Note 4) | 26,702 | 15,050 |
| Equipment (Note 5) | 2,609 | 2,007 |
| | <u>\$ 1,450,746</u> | <u>1,038,821</u> |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities (Note 6) | \$ 6,678 | 9,910 |
| NET ASSETS | <u>1,444,068</u> | <u>1,028,911</u> |
| | <u>\$ 1,450,746</u> | <u>1,038,821</u> |

See accompanying notes

Approved on behalf of the board:

Michael Cuccione, Sr., President

John Audia, Vice President

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2011

Unaudited - see review engagement report

| | 2011 | 2010 |
|--|---------------------|------------------|
| CASH FLOWS FROM: | | |
| Operating activities | | |
| Excess of revenues over expenses | \$ 1,432,407 | 585,361 |
| Amortization | 897 | 651 |
| Accounts receivable | (39,206) | 7,385 |
| Prepaid expenses | 2,500 | 1,755 |
| Accounts payable and accrued liabilities | (3,232) | 7,003 |
| | 1,393,366 | 602,155 |
| Financing activities | | |
| Donations | (1,017,250) | (325,000) |
| | (1,017,250) | (325,000) |
| Investing activities | | |
| Acquisition of equipment | (1,500) | - |
| Investments | (11,652) | (7,729) |
| | (13,152) | (7,729) |
| Net increase/decrease in cash | 362,964 | 269,426 |
| Cash, beginning of year | 997,914 | 728,488 |
| Cash, end of year | \$ 1,360,878 | 997,914 |

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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>2011</u> | <u>2010</u> |
|---------------------|------------------|---------------|
| Accrued interest | \$ 5,881 | 3,149 |
| Fundraising | 50,780 | 16,480 |
| Government agencies | 742 | 225 |
| Advances receivable | <u>1,658</u> | <u>-</u> |
| | <u>\$ 59,061</u> | <u>19,854</u> |

Note 4 Investments

| | <u>2011</u> | <u>2010</u> |
|-----------------------|------------------|---------------|
| Life insurance policy | \$ <u>26,702</u> | <u>15,050</u> |

Note 5 Equipment

| | <u>2011</u> | <u>2010</u> |
|--------------------------|-----------------|--------------|
| Equipment | \$ 11,534 | 10,035 |
| Accumulated amortization | <u>8,925</u> | <u>8,028</u> |
| Net book value | <u>\$ 2,609</u> | <u>2,007</u> |

Amortization

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

| | | |
|-----------|-----|-------------------|
| Equipment | 20% | Declining balance |
|-----------|-----|-------------------|

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

Unaudited - see review engagement report

Note 6 Accounts payable and accrued liabilities

| | <u>2011</u> | <u>2010</u> |
|---------------------|-----------------|--------------|
| Accounts payable | \$ 4,678 | 7,910 |
| Accrued liabilities | <u>2,000</u> | <u>2,000</u> |
| | <u>\$ 6,678</u> | <u>9,910</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.