

**MICHAEL CUCCIONE FOUNDATION**

*A Private Foundation*

**FINANCIAL STATEMENTS**

December 31, 2012

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## REVIEW ENGAGEMENT REPORT

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To the members of **Michael Cuccione Foundation**

We have reviewed the statement of financial position of Michael Cuccione Foundation as at December 31, 2012 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  
March 27, 2013

# MICHAEL CUCCIONE FOUNDATION

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2012

*Unaudited - see review engagement report*

	2012	%	2011	%
Revenues				
Annual gala	\$ 242,030	9.2	238,293	13.9
Fundraising events	289,351	11.1	326,019	19.0
Donations	2,057,649	78.6	1,140,270	66.5
Interest	29,588	1.1	12,564	0.7
Foreign currency exchange gain (loss)	(734)	-	(1,422)	(0.1)
	<u>2,617,884</u>	<u>100.0</u>	<u>1,715,724</u>	<u>100.0</u>
Expenses				
Advertising and promotion	2,369	0.1	4,307	0.3
Amortization	1,061	-	897	0.1
Bad debts	14,000	0.5	-	-
Bank charges and interest	6,831	0.3	7,722	0.5
Annual gala	52,522	2.0	48,123	2.8
Fundraising events	140,297	5.4	170,478	9.9
Office	10,276	0.4	8,742	0.5
Insurance	2,410	0.1	8,550	0.5
Professional services	3,234	0.1	3,270	0.2
Telephone	1,967	0.1	1,763	0.1
Wages and benefits	28,335	1.1	29,465	1.7
	<u>263,302</u>	<u>10.1</u>	<u>283,317</u>	<u>16.5</u>
Excess of revenues over expenses	2,354,582	89.9	1,432,407	83.5
Net assets, beginning of year	1,444,069		1,028,912	
Donations	2,016,059		1,017,250	
Net assets, end of year	<u>\$ 1,782,592</u>		<u>1,444,069</u>	

*See accompanying notes*

# MICHAEL CUCCIONE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

*Unaudited - see review engagement report*

	2012	2011
<b>ASSETS</b>		
Current		
Cash and short-term investments	\$ 1,673,227	1,360,878
Accounts receivable (Note 4)	66,535	59,061
Prepaid expenses	1,496	1,496
	<u>1,741,258</u>	<u>1,421,435</u>
Investments (Note 5)	44,244	26,702
Equipment (Note 8)	1,548	2,609
	<u>\$ 1,787,050</u>	<u>1,450,746</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 4,458	6,677
<b>NET ASSETS</b>	<u>1,782,592</u>	<u>1,444,069</u>
	<u>\$ 1,787,050</u>	<u>1,450,746</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, 2012

*Unaudited - see review engagement report*

	2012	2011
<b>CASH FLOWS FROM:</b>		
Operating activities		
Excess of revenues over expenses	\$ 2,354,582	1,432,407
Amortization	1,061	897
Accounts receivable	(7,474)	(39,206)
Prepaid expenses	-	2,500
Accounts payable and accrued liabilities	(2,219)	(3,232)
	<b>2,345,950</b>	<b>1,393,366</b>
Financing activities		
Donations	(2,016,059)	(1,017,250)
	<b>(2,016,059)</b>	<b>(1,017,250)</b>
Investing activities		
Acquisition of equipment	-	(1,500)
Investments	(17,542)	(11,652)
	<b>(17,542)</b>	<b>(13,152)</b>
Net increase/decrease in cash	<b>312,349</b>	<b>362,964</b>
Cash, beginning of year	<b>1,360,878</b>	<b>997,914</b>
Cash, end of year	<b>\$ 1,673,227</b>	<b>1,360,878</b>

*See accompanying notes*

# MICHAEL CUCCIONE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2012

*Unaudited - see review engagement report*

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**Note 1** Purpose of the organization

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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.

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**Note 2** Accounting policies

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**Revenue recognition**

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

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**Note 3** First time adoption of accounting standards for not-for-profit organizations

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The financial statements for the year ended December 31, 2012 are the first financial statements that are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The financial statements for the year ended December 31, 2011 were previously prepared in accordance with the former Canadian generally accepted accounting principles in the Handbook — Accounting Part V Pre-changeover standards (Previous GAAP). Under ASNPO provisions as set out in Section 1500 First-Time Adoption, the date of transition is the beginning of the fiscal period for comparative information. Therefore, the transition date for the Company is January 1, 2012, the beginning of the fiscal period ended December 31, 2012.

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**Note 4** Accounts receivable

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	<u>2012</u>	<u>2011</u>
Accrued interest	\$ 10,562	5,881
Fundraising	55,690	50,780
Government agencies	283	742
Advances receivable	-	1,658
	<u>\$ 66,535</u>	<u>59,061</u>

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**Note 5** Investments

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	<u>2012</u>	<u>2011</u>
Life insurance policy	\$ <u>44,244</u>	<u>26,702</u>

# MICHAEL CUCCIONE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2012

*Unaudited - see review engagement report*

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Note 6      Equipment

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	<u>2012</u>	<u>2011</u>
Equipment	\$ 11,534	11,534
Accumulated amortization	<u>9,986</u>	<u>8,925</u>
Net book value	<u>\$ 1,548</u>	<u>2,609</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 7      Accounts payable and accrued liabilities

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	<u>2012</u>	<u>2011</u>
Accounts payable	\$ 2,458	4,677
Accrued liabilities	<u>2,000</u>	<u>2,000</u>
	<u>\$ 4,458</u>	<u>6,677</u>

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Note 8      Capital disclosures

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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.