

MICHAEL CUCCIONE FOUNDATION

A Private Foundation

FINANCIAL STATEMENTS

December 31, 2015

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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, 2015 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

Chartered Professional Accountants
Vancouver, BC
April 3, 2016

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2015

Unaudited - see review engagement report

	2015	%	2014	%
Revenues				
Annual gala	\$ 331,727	38.3	311,520	36.4
Fundraising events	437,092	50.4	409,365	47.7
Donations	78,826	9.1	116,112	13.6
Interest	8,573	1.0	11,926	1.4
Foreign currency exchange gain	10,107	1.2	7,542	0.9
	<u>866,325</u>	<u>100.0</u>	<u>856,465</u>	<u>100.0</u>
Expenses				
Advertising and promotion	11,656	1.3	15,383	1.8
Amortization	372	-	528	0.1
Bad debts	7,000	0.8	3,175	0.4
Bank charges and interest	8,625	1.0	9,747	1.1
Community support	16,580	1.9	7,755	0.9
Insurance	3,810	0.4	3,026	0.4
Annual gala	64,315	7.4	60,161	7.0
Fundraising events	184,853	21.3	136,172	15.9
Office	5,349	0.6	3,616	0.4
Professional services	4,386	0.5	5,569	0.7
Telephone	2,204	0.3	2,560	0.3
Travel	1,074	0.1	8,227	1.0
Wages and benefits	27,099	3.0	30,012	3.6
Website and social media	21,138	2.4	13,442	1.6
	<u>358,461</u>	<u>41.4</u>	<u>299,373</u>	<u>35.0</u>
Excess of revenues over expenses	507,864	58.6	557,092	65.0
Net assets, beginning of year	1,053,026		1,196,934	
Donations	467,500		701,000	
Research costs	93,000		-	
Net assets, end of year	\$ 1,000,390		1,053,026	

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

Unaudited - see review engagement report

	2015	2014
ASSETS		
Current		
Cash and short-term investments	\$ 842,716	900,849
Accounts receivable (Note 3)	64,472	78,747
Prepaid expenses	1,689	1,602
	<u>908,877</u>	<u>981,198</u>
Investments (Note 4)	97,214	78,886
Equipment (Note 5)	1,213	1,584
	<u>\$ 1,007,304</u>	<u>1,061,668</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 6,914	8,642
NET ASSETS	<u>1,000,390</u>	<u>1,053,026</u>
	<u>\$ 1,007,304</u>	<u>1,061,668</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, 2015

Unaudited - see review engagement report

	2015	2014
CASH FLOWS FROM:		
Operating activities		
Excess of revenues over expenses	\$ 507,864	557,092
Amortization	372	528
Accounts receivable	14,275	(34,201)
Prepaid expenses	(86)	(51)
Accounts payable and accrued liabilities	(1,729)	(4,535)
	520,696	518,833
Financing activities		
Donations	(467,500)	(701,000)
Research costs	(93,000)	-
	(560,500)	(701,000)
Investing activities		
Investments	(18,329)	(17,116)
	(18,329)	(17,116)
Net increase/decrease in cash	(58,133)	(199,283)
Cash, beginning of year	900,849	1,100,132
Cash, end of year	\$ 842,716	900,849

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Assumptions are based on a number of factors, including historical experience, current events and actions that the Foundation may undertake in future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined.

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>2015</u>	<u>2014</u>
Accrued interest	\$ 2,999	5,248
Fundraising	60,871	72,950
Government agencies	<u>602</u>	<u>549</u>
	<u>\$ 64,472</u>	<u>78,747</u>

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Unaudited - see review engagement report

Note 4 Investments

	<u>2015</u>	<u>2014</u>
Life insurance policy - cash surrender value	\$ <u>97,214</u>	<u>78,886</u>

Note 5 Equipment

	<u>2015</u>	<u>2014</u>
Computer	\$ 5,742	5,742
Equipment	<u>6,910</u>	<u>6,910</u>
	12,652	12,652
Accumulated amortization	<u>11,439</u>	<u>11,068</u>
Net book value	\$ <u>1,213</u>	<u>1,584</u>

Amortization

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

Computer	30%	Declining balance
Equipment	20%	Declining balance

Note 6 Accounts payable and accrued liabilities

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 2,914	4,642
Accrued liabilities	<u>4,000</u>	<u>4,000</u>
	\$ <u>6,914</u>	<u>8,642</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.

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Unaudited - see review engagement report

Note 8 Financial instruments

The Foundation's financial instruments consist of cash, receivables and payables. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant credit, interest rate, liquidity, or market risks arising from these financial instruments. Market risks result from changes in interest rates, exchange rates of foreign currencies and market prices of financial instruments.