

Financial statements of

**Canadian Cancer Society
British Columbia and
Yukon Division**

January 31, 2009

Canadian Cancer Society
British Columbia and Yukon Division

January 31, 2009

Table of contents

Auditors' report 1

Statement of operations 2

Statement of changes in resources 3

Statement of financial position..... 4

Statement of cash flows..... 5

Notes to the financial statements6-16

Auditors' report

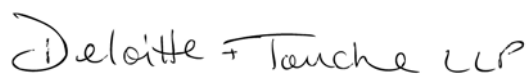
To the Members,
Canadian Cancer Society
British Columbia and Yukon Division

We have audited the statement of financial position of the Canadian Cancer Society British Columbia and Yukon Division (the "Division") as at January 31, 2009 and the statements of operations, changes in resources and cash flows for the year then ended. These financial statements are the responsibility of the Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Division derives revenue from special events including Relay for Life, campaign, corporate giving and major gifts, direct response, and in-memoriam donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Division and we were not able to determine whether any adjustments might be necessary to these revenues, changes in net assets, total assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Division as at January 31, 2009 and the results of its operations, changes in its resources and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
March 6, 2009

Canadian Cancer Society British Columbia and Yukon Division

Statement of operations
year ended January 31, 2009

	Operating fund		Capital fund		Externally restricted funds		Endowment fund	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
		(Restated Note 2 (a))		(Restated Note 2 (a))		(Restated Note 2 (a))		(Restated Note 2 (a))
Revenues								
Relay for life	7,147,332	6,682,698	-	-	-	-	-	-
Special events	6,452,611	6,696,894	-	-	25,060	-	-	-
Bequests and legacies	6,438,095	5,480,000	-	-	-	-	200,000	-
Campaign, corporate giving and major gifts	4,172,373	4,552,235	-	-	191,000	213,846	-	-
Direct response	3,574,352	4,104,245	-	-	-	-	-	-
In memoriam	1,036,448	1,228,558	-	-	-	100	-	-
	28,821,211	28,744,630	-	-	216,060	213,946	200,000	-
Less direct fundraising costs	(8,880,171)	(9,177,676)	-	-	-	-	-	-
	19,941,040	19,566,954	-	-	216,060	213,946	200,000	-
Lodges including government grants								
(Note 9)	2,833,666	2,735,786	-	-	-	-	-	-
Other grants	1,993,536	96,788	-	-	-	-	-	-
Contributions for UBC Chair	1,020,000	1,000,000	-	-	-	-	-	-
Other income	4,315	20,683	1,295	-	-	-	-	-
Investment (loss) income	(101,927)	511,674	-	-	-	-	(5,543)	-
	25,690,630	23,931,885	1,295	-	216,060	213,946	194,457	-
Expenses								
Research	5,847,213	5,555,502	-	-	-	-	-	-
Support	5,079,422	5,115,700	70,504	163,476	-	-	-	-
Prevention	4,504,891	2,918,729	24,778	79,715	-	-	-	-
Lodge operations	3,285,774	3,442,315	112,115	458,190	-	-	-	-
Information	1,736,887	1,956,593	19,060	61,319	-	-	-	-
Advocacy	818,557	473,473	5,718	18,396	-	-	-	-
	21,272,744	19,462,312	232,175	781,096	-	-	-	-
Supporting (indirect cost)								
Revenue development	2,505,395	2,897,914	51,463	165,562	-	-	-	-
Administration	1,613,941	1,717,282	30,497	98,111	-	-	-	-
	25,392,080	24,077,508	314,135	1,044,769	-	-	-	-
Increase (decrease) in resources	298,550	(145,623)	(312,840)	(1,044,769)	216,060	213,946	194,457	-

Canadian Cancer Society British Columbia and Yukon Division

Statement of changes in resources
year ended January 31, 2009

						2009	2008
	Externally restricted	Endowment	Invested in capital assets	Internally restricted	Unrestricted	Total	Total
	\$	\$	\$	\$	\$	\$	\$
				(Note 11)			
Resource balances, beginning of year (restated Note 2 (a))	213,946	-	8,935,451	160,235	6,108,090	15,417,722	12,610,859
Adjustment to opening balance for change in accounting policy (Note 2 (a))	-	-	-	-	-	-	3,667,420
Adjustment to opening balance for financial instrument	-	-	-	-	-	-	32,512
Increase (decrease) in resources	216,060	194,457	(312,840)	(6,503)	305,053	396,227	(893,069)
Additions to capital assets - externally restricted	(366,221)	-	366,221	-	-	-	-
Additions to capital assets - internally restricted	-	-	118,408	-	(118,408)	-	-
Resource balances, end of year	63,785	194,457	9,107,240	153,732	6,294,735	15,813,949	15,417,722

Canadian Cancer Society British Columbia and Yukon Division

Statement of financial position
as at January 31, 2009

	2009			2008	
	Operating fund	Capital fund	Externally restricted funds	Total	Total
	\$	\$	\$	\$	\$
					(Restated Note 2 (a))
Assets					
Current assets					
Cash	7,467,360	-	63,785	7,531,145	6,604,744
Accounts receivable	234,974	-	-	234,974	262,171
Prepaid expenses and supplies	1,269,113	-	-	1,269,113	1,070,154
	8,971,447	-	63,785	9,035,232	7,937,069
Investments (Note 3)	7,183,806	-	194,457	7,378,263	7,635,544
Deposits	41,838	-	-	41,838	41,838
Capital assets					
Property and equipment (Note 4 (a))	-	7,631,116	-	7,631,116	7,430,755
Camp Goodtimes (Note 4 (b))	-	1,476,124	-	1,476,124	1,504,696
	16,197,091	9,107,240	258,242	25,562,573	24,549,902
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	1,469,619	-	-	1,469,619	1,555,434
Provision for post-retirement benefits (Note 5)	2,329,270	-	-	2,329,270	2,003,284
Deferred contributions (Note 6)	5,949,735	-	-	5,949,735	5,573,462
	9,748,624	-	-	9,748,624	9,132,180
Net assets					
Externally restricted	-	-	63,785	63,785	213,946
Endowment	-	-	194,457	194,457	-
Invested in capital assets	-	9,107,240	-	9,107,240	8,935,451
Internally restricted	153,732	-	-	153,732	160,235
Unrestricted	6,294,735	-	-	6,294,735	6,108,090
	6,448,467	9,107,240	258,242	15,813,949	15,417,722
	16,197,091	9,107,240	258,242	25,562,573	24,549,902

Commitments (Note 7)

Approved on behalf of the Directors

Director

Director

Canadian Cancer Society

British Columbia and Yukon Division

Statement of cash flows
year ended January 31, 2009

	2009	2008
	\$	\$
		Restated Note 2 (a)
Operating activities		
Increase (decrease) in resources	396,227	(976,447)
Items not affecting cash		
Amortization of capital assets	314,135	1,044,769
Provision for post-retirement benefits	325,986	313,925
Gain on disposition	(1,295)	-
Life insurance/charitable remainder trusts	26,214	(216,984)
Unrealized losses on investments	718,316	441,701
	1,779,583	606,964
Changes in non-cash working operating capital		
Accounts receivable	27,197	27,230
Prepaid expenses and inventory	(198,959)	264,514
Accounts payable and accrued liabilities	(85,815)	(691,966)
Deferred contributions	350,059	(753,835)
	1,872,065	(547,093)
Investing activities		
Investments	(261,035)	(333,298)
Investments - endowment addition	(200,000)	-
Capital asset additions	(484,629)	(278,073)
	(945,664)	(611,371)
Increase (decrease) in cash	926,401	(1,158,464)
Cash, beginning of year	6,604,744	7,763,208
Cash, end of year	7,531,145	6,604,744

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

1. General

The Canadian Cancer Society - Société canadienne du Cancer ("CCS" or the "Society") is a registered charity under the Income Tax Act and is incorporated under the Canada Corporations Act as a non-profit organization without share capital. The Society is a national, community-based organization of volunteers, whose mission is the eradication of cancer and the enhancement of the quality of life of people living with cancer. The Society achieves its mission through programs of research, support for people living with cancer, prevention and influence on public policy.

These financial statements reflect the activities of the Canadian Cancer Society, British Columbia and Yukon Division (the "Division"), being one of ten divisions of the Canadian Cancer Society. As a result of its registered charity status under the Income Tax Act, the Division is not subject to income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

(a) *Changes in accounting policies*

The Division has changed from the deferral method of accounting for contributions to the restricted fund method effective February 1, 2008. The restricted fund method is the policy required by the Society's national accounting policies. This change in accounting policy was made retrospectively with restatement of prior years and resulted in a decrease to deferred revenue of \$213,946 and an increase in externally restricted assets of \$213,946 and a decrease to deferred capital contributions of \$3,453,474 and an increase in invested in capital assets of \$3,453,474 at February 1, 2008. This change in accounting policy also resulted in a decrease to deferred capital contributions of \$3,750,798 and an increase in invested in capital assets of \$3,750,798 at February 1, 2007.

The Division has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following Sections of the CICA Handbook: 3862 and 3863, which would otherwise have applied to the financial statements of the Division for the year ended January 31, 2009. The Division applies the requirements of Section 3861 of the CICA Handbook.

(b) *Fund accounting*

The Division follows the restricted fund method of accounting for contributions and grants. The externally restricted fund reports resources contributed with specific restrictions as to their uses which are outside of the Division's regular operations. Externally restricted contributions that relate to the Division's regular operations are reported as deferred revenue in the operating fund and recognized as revenues when spent. The endowment fund reports resources contributed with restrictions requiring the preservation of the contributed capital, while the Division utilizes income generated by the fund. The net invested in capital assets fund reports resources that have been invested in capital assets. The internally restricted fund reports resources that have been allocated for specific purposes by the Division's Board of Directors. The unrestricted fund accounts for the Division's research, support of people living with cancer, advocacy, information, prevention, fundraising, and management and general activities.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

2. Significant accounting policies (continued)

(c) Revenue and direct fundraising costs

Donations from fundraising activities, contributions, and grants are recorded on a cash basis, with no accrual being made for amounts pledged but not received.

The Division is the beneficiary under various wills and trust agreements, the total realizable amounts from which are not at present readily determinable. The Division records such bequests when the proceeds are received.

Revenues from lodge operations are recorded as the services are provided.

Investment income on cash balances is recorded on an accrual basis. Long-term investments are recorded at fair value at each financial statement date with unrealized gains or losses recorded in investment income (loss).

Donor payments on life insurance policies and charitable remainder trusts which vest irrevocably with the Division and which are received by the Division are recorded as an investment and deferred contributions at the received amount.

Endowment contributions to the Division are recorded as investments and revenue in the externally restricted fund.

(d) Expenditures

(i) Expenditures are recorded on an accrual basis and are charged to research, support, prevention, lodge operations, information, advocacy, revenue development (indirect costs) or administration, according to the activity that they benefit. Certain expenditures for administrative support, facilities, and management benefit more than one functional activity, and, accordingly, are allocated to each activity on a pre-determined basis. This basis of allocation is reviewed periodically and may be revised according to circumstances prevailing from time to time.

(ii) Research

Research includes the funding of research through grants to researchers and institutions and the direct costs of supporting, delivering, and participating in research conferences and workshops. Research includes contributions made to the Canadian Cancer Society Chair in Primary Prevention of Cancer at the University of British Columbia ("UBC").

(iii) Support

Support involves providing support services or programs to people living with cancer – whether patient, family, or friend. A program or service consists of an organized group or set of activities designed to achieve improved quality of life. These costs include the following programs: Camp Goodtimes (children, family, and teen camps), Volunteer Drivers, Emergency Financial Aid, Cancer Connection, and Peer Support Groups.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

2. Significant accounting policies (continued)

(d) *Expenditures (continued)*

(iv) Lodge operations

Lodge operations include all of the operating, fixed, and indirect costs associated with the Division's three lodges: Jean C. Barber Lodge ("JCB") (Vancouver), Vancouver Island Lodge (Victoria), and the Southern Interior Rotary Lodge (Kelowna).

(v) Advocacy

Advocacy involves the application of resources to effect systemic changes that shape the way people live. Advocacy intentionally influences decision makers and promotes positive change related to cancer control.

(vi) Information

Information involves providing cancer information through various means to increase knowledge and raise the awareness of Canadians. It includes support for activities such as the Cancer Information Service, national and divisional web sites, and the distribution of materials on cancer control and other programs and activities.

(vii) Prevention

Prevention programs and activities are related to stopping cancer before it starts, developing strategies to reduce the risk of developing cancer, and detecting cancer at early stages.

(viii) Administration

Administration expenditures are incurred to operate the Division and maintain the organization in a cost-effective manner, while maximizing all opportunities to further the Society's mission.

(ix) Revenue development (indirect costs)

Revenue development indirect costs are the portion of common expenses, facilities, and management costs, which are allocated to revenue development within the Division's pre-determined cost allocation basis.

(e) *Prepaid expenses and supplies*

Prepaid expenses include significant administrative costs paid in advance of the fiscal year to which the costs relate, such as prepaid property and liability insurance.

The Division incurs costs to plan and supply fundraising events in the fiscal year before the events are held and records these costs as prepaid expenses. These costs include salaries, benefits, consulting fees, postage, supplies, and fundraising collateral.

Supplies have been recorded at the lower of cost and replacement cost.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

2. Significant accounting policies (continued)

(f) *Investments*

Investments are classified as held for trading and stated at fair value.

The unrealized gain or loss on investments, being the difference between carrying value and fair value, is included in investment income in the statement of operations. Transaction costs are expensed as incurred.

Fair values of investments in fixed income securities, short-term notes and equities are valued at year-end quoted market prices.

(g) *Capital assets*

Capital assets are recorded at cost. Amortization is calculated on a straight-line basis beginning in the year following the year of acquisition as follows:

Buildings	over 40 years (2008 – over 15 years)
Computer software and hardware	over 3 years (2008 – over 2 years)
Vehicles	over 4 years
Furniture and equipment	over 4 years
Leasehold improvements	over term of lease
Camp Goodtimes	over life of agreement

The Division has changed its estimates of the useful lives of building assets to 40 years (previously 15 years) and of computer software and hardware assets to 3 years (previously 2 years). These changes are consistent with the useful lives of these assets. These changes in estimates have been made prospectively and have decreased amortization expense by \$491,257 for the year ending January 31, 2009.

(h) *Impairment of long-lived assets*

The Division reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or has been impaired. If impairment is determined, the assets are written down to their fair values.

(i) *Employee future benefit plans*

The Society maintains employee future benefit plans providing pension and post-retirement benefits for most of its employees.

The Society accrues its unfunded obligations and related costs under an employee defined benefit pension plan.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

2. Significant accounting policies (continued)

(i) *Employee future benefit plans (continued)*

The Society also accrues the cost of providing benefits other than pension to retired employees and their spouses. These post-retirement benefits include medical services, life insurance and extended health care benefits, and are not funded.

The cost of pensions and post-retirement benefits earned by employees is actuarially determined using the projected benefit method pro rated on service and management's best estimate of expected pension plan investment performance, salary escalation, retirement ages of employees, expected health care and other retirement benefits costs, and discount rates.

For the purpose of calculating the expected return on pension plan assets, those assets are valued at fair value.

(j) *Use of estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results may differ from those estimates. Key estimates include the amortization period of capital assets, the allocation percentages of indirect costs, and the pension and post-retirement benefits costs estimated by actuaries.

(k) *Volunteer services*

The Division's programs benefit from substantial services in the form of volunteer time. These invaluable services are not recorded in these financial statements.

(l) *Comparative amounts*

Certain of the 2008 amounts presented for comparative purposes have been reclassified to conform to the presentation adopted in the current year.

(m) *Capital disclosures*

The Division adopted the recommendations of the CICA Handbook Section 1535, *Capital Disclosures*. This section requires the disclosure of information about externally imposed capital requirements. As the Division has no externally imposed capital requirements, the adoption of this section has no impact on the financial statements. The Division manages its capital primarily through its investments and adheres to the guidelines of the Society's national investment policies. There have been no changes to these guidelines during the year.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

2. Significant accounting policies (continued)

(n) *Future accounting changes*

The CICA has amended Section 4400, *Financial Statement Presentation by Not-For-Profit Organizations*, that will revise and enhance the current disclosure requirements for various elements of financial reporting. For the Society, the amendments will be effective for the fiscal year commencing February 1, 2009. The amendments require the reporting of certain gross revenues in the statement of operations and additional disclosures when a not-for-profit organization classifies its expenses by function and allocates a portion of their fundraising and general support costs to another function.

3. Investments

	2009		2008	
	Cost	Market value	Cost	Market value
	\$	\$	\$	\$
Medium-term nationally pooled funds	3,683,648	3,428,839	3,658,096	3,517,212
Long-term nationally pooled funds	3,539,727	3,085,677	3,724,871	3,424,054
Life insurance and charitable trusts (Note 6)	653,065	653,065	679,278	679,278
Endowment investments	203,914	194,457	-	-
Other	16,225	16,225	15,000	15,000
	8,096,579	7,378,263	8,077,245	7,635,544

	Rate of return 2009	Rate of return 2008
	%	%
Medium-term nationally pooled funds	(2.20)	3.25
Long-term nationally pooled funds	(9.60)	0.34

The Society pools all medium-term and long-term funds available for investment from its divisions into medium-term and long-term investment funds, managed by an independent, professional investment manager. The funds invest in a diversified portfolio of investments including money market mutual funds, fixed income mutual funds, and equity mutual funds. The Society defines medium-term as 18 months to 5 years and long-term as greater than five years.

The rates of return include interest and dividends received and capital gains and losses realized within the funds, deductions for management fees, and unrealized gains or losses on the fair market values of the funds. The rates of return were calculated by the investment manager specifically for the Division's fiscal year ended January 31, 2009.

The endowment of \$194,457 was contributed in the year ended January 31, 2009 and has been invested in the nationally pooled investment funds.

The total investment loss of \$107,470 for the year included \$610,846 in total income received within the funds and \$718,316 in unrealized losses on the revaluation to fair market value as at January 31, 2009.

The Society did not enter into any derivative financial arrangements for hedging or speculative purposes.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

4. Capital assets

(a) Property and equipment

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	1,766,420	-	1,766,420	1,766,420
Buildings	13,666,111	8,558,520	5,107,591	5,261,150
Computer software and hardware	2,015,114	1,883,520	131,594	176,618
Vehicles	65,914	65,914	-	-
Furniture and equipment	1,734,911	1,705,556	29,355	60,832
Leasehold improvements	104,639	78,888	25,751	54,443
	19,353,109	12,292,398	7,060,711	7,319,463
Work in progress	570,405	-	570,405	111,292
	19,923,514	12,292,398	7,631,116	7,430,755

During the year, the Division acquired capital assets in the amount of \$484,629 (2008 - \$278,073) including work in progress of \$459,114 (2008 - \$111,292). Work in progress includes capital projects started but not completed.

(b) Camp Goodtimes

The Division has an agreement with UBC to provide the Division with access to the UBC Loon Lake Camp. This agreement began in January 2004 and ends on December 31, 2055. The Division has made one-time payments of \$1,000,000, \$360,939, and \$287,194 and has made annual operating payments of \$67,000, indexed for inflation. The one-time payments were capitalized and are being amortized over the term of the agreement, subject to early termination rights by both parties. The camp facilities house the Camp programs for children (or their siblings), teens, and families who are undergoing or who have undergone cancer treatment.

(c) Amortization

Amortization expense for the year ended January 31, 2009 totalled \$314,135 (2008 - \$1,044,769). See Note 2 (g) regarding the change in estimates for asset useful lives.

5. Employee future benefit plans

Effective January 1, 2007, the Society amended its pension plan as it applies to employees joining the Society on or after that date. The amendment reflects a plan design change, to incorporate a defined contribution provision and a new defined benefit provision. The pension plan covers substantially all employees of the Society, its provincial Divisions and affiliates. The defined benefit provisions provide pensions based on length of service and final average earnings. Pension benefits and assets are for all members of the plan and are not segregated by Division.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

5. Employee future benefit plans (continued)

Employer contributions to the defined benefit plans and to the defined contribution plan for the year were \$585,217 and \$84,855 respectively (2008 - \$614,608 and \$58,224, respectively).

The last actuarial valuation performed was as at December 31, 2006 and the next required valuation will be as at December 31, 2009, at the latest. The plan had an unfunded actuarial liability of \$2,400,000 and a solvency deficiency of \$2,000,000 as at December 31, 2006. The Society is making the required amortization payments to fund the unfunded accrued liability and solvency deficiency.

The pension expense for the year ended January 31, 2009 is \$604,552 (2008 - \$570,298).

The pension plan includes a supplemental non-registered component which is not funded. This provides for pension benefits that are earned above the maximum established by the Canada Revenue Agency. The Society also provides post-retirement benefits to its employees for prescription drugs, hospital and dental care, and other covered expenses. These post-retirement benefits are also not funded. For employees whose sum of their age and years of service as at December 31, 2006 is less than 50, the employee must cost share 50% of the post-retirement benefit coverage. Employees joining the Society on or after January 1, 2007 are not eligible for post-retirement benefits. The costs associated with these benefits are actuarially determined.

The provision for post-retirement benefits of \$2,329,270 (2008 - \$2,003,284) comprises \$2,145,874 (2008 - \$1,846,488) of accrued liability for post-retirement benefits and \$183,396 (2008 - \$158,180) for supplemental pensions not covered by the employee defined benefit pension plan.

The expense recognized for the year ended January 31, 2009 for post-retirement benefits and supplemental pension benefits was \$363,119 (2008 - \$313,925).

The accrued benefit obligation for post-retirement benefits is \$2,052,127 (2008 - \$2,538,885).

The last actuarial valuation of post-retirement benefits other than pensions was performed as at January 31, 2009. The next actuarial valuation will have to be performed no later than January 31, 2012.

The significant actuarial assumptions adopted in measuring the Society's accrued benefit obligations for both pension and other post-retirement benefits are as follows:

	2009	2008
	%	%
Discount rate	7.50	5.00
Rate of compensation increase	3.50	3.50

Health care trend costs were assumed to be:

Prescription drugs	10% in 2009, declining to 6% in 2029
Hospital, dental care, and other covered expenses	5% in 2009, declining to 3% in 2029

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

6. Deferred contributions

	2008	Funds received	Revenue recognized	2009
	\$	\$	\$	\$
UBC Chair in Primary Prevention (Note 7(a))	1,961,857	170,000	1,170,000	961,857
Life insurance/charitable remainder trusts	679,278	78,919	105,132	653,065
Camps	1,498,456	890,909	806,498	1,582,867
Lodges	267,970	1,643,172	1,538,037	373,105
Child and family programs	115,320	-	94	115,226
BCHLA (Note 7 (b))	617,253	2,960,501	1,693,536	1,884,218
Tobacco control programs	78,314	-	-	78,314
Special events	355,014	301,083	355,014	301,083
	5,573,462	6,044,584	5,668,311	5,949,735

7. Commitments

- (a) In fiscal 2006, the Division committed \$4,000,000 over three years to UBC to endow a Chair in Primary Cancer Prevention. This commitment was satisfied by payments \$1,500,000 in both the 2006 and 2007 fiscal years and \$1,000,000 in 2008. The payments to UBC were included in research expenditures in the year in which the contributions were made.

The Division contributed a further \$1,000,000 in 2009 and intends to make a further \$1,000,000 contribution in 2010 in order to raise the total endowment for the UBC Chair to \$6,000,000. The Division has raised additional funds and has a total of \$961,857 in deferred revenue for the Chair (Note 6) as at January 31, 2009.

- (b) During fiscal 2008, the Division signed four agreements with the British Columbia Healthy Living Alliance ("BCHLA") to deliver provincial prevention initiatives in community capacity building and workplace tobacco cessation from September 2007 to March 2010. Total grant funding of \$6,127,800 will be disbursed to the Division over the term of the agreements to carry out the initiatives with \$523,336 of this total dedicated to compensate the Division for administrative expenses to support this work. During 2009, \$2,960,501 (2008 - \$714,041) of the total grant was received and \$1,884,218 remains in deferred revenue at January 31, 2009 (Note 6). The Division must report semi-annually on its progress toward the planned activities and goals which includes hiring temporary employees and contractors to implement the contract deliverables for these health promotion initiatives.

- (c) The Division has annual operating lease commitments over the next five years as follows:

	\$
2010	1,237,598
2011	1,019,618
2012	457,614
2013	177,487
2014	95,326

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

8. Related party transactions

During 2009, the amounts expensed by the Division and paid or payable to CCS National and other CCS Divisions totalled \$1,623,849 (2008 - \$1,475,028). Research grants to the National Cancer Institute of Canada ("NCIC") totalled \$4,050,000 (2008 - \$4,500,000).

Included in accounts payable is \$13,501 (2008 - \$8,131) due to CCS National payables.

The amounts received or receivable by the Division from CCS National and other CCS Divisions totalled \$313,378 (2008 - \$308,276)

Included in accounts receivable is \$90,171 (2008 - \$37,494) of receivables from CCS National and other CCS Divisions.

Transactions with related parties occur in the normal course of operations and are recorded at the exchange amount agreed to by the parties.

9. Lodge grants

Revenue from lodge operations includes \$1,333,488 (2008 - \$1,258,833) of funding from the British Columbia Provincial Health Services Agency.

10. Financial instruments

Fair values

The Division's financial instruments consist of cash, accounts receivable, investments, deposits, and accounts payable. The carrying values of accounts receivable and accounts payable approximate their fair values due to their short-term nature. The Division places its cash in interest-bearing accounts and instruments insured by a Canadian chartered bank.

11. Internally restricted fund

On January 26, 2007, the Division's Board of Directors passed a motion that any surplus for that fiscal year would be transferred to an internally restricted fund to be used in a targeted manner under criteria to be specified by the Board. During the 2009 fiscal year, \$6,503 (2008 - \$147,436) of the internally restricted fund was spent on market research to gather data for strategic planning in 2009, leaving \$153,732 remaining in the fund.

Canadian Cancer Society

British Columbia and Yukon Division

Notes to the financial statements

January 31, 2009

12. Ethical fundraising and financial accountability code

The Society has adopted Imagine Canada's "Ethical Fundraising and Financial Accountability Code." The following is a presentation of selected financial results in accordance with this code:

	\$
Total gross fundraising revenues (receipted and non-receipted)	29,237,271
Total fundraising expenses (including salaries and overhead)	11,437,029
Donations receipted for income tax purposes	22,277,513
Total expenditures on charitable activities (including gifts to other charities)	21,504,919

Total gross fundraising revenues includes fundraising revenue recognized in all funds, but excludes non-fundraising other income such as investment income. Total fundraising expenses are the sum of all direct and indirect fundraising expenses, which includes allocations of overhead for facilities and shared costs. Donations receipted for income tax purposes are only those fundraising revenues that qualified to receive charitable receipts under Canada Revenue Agency guidelines. Total expenditures on charitable activities is the Division's total spending for mission purposes in all funds, which includes allocations of overhead for facilities and shared costs.