



Financial Statements of

**YOUNG ADULT CANCER
CANADA INC.**

July 31, 2013

YOUNG ADULT CANCER CANADA INC.

July 31, 2013

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Independent Auditor's Report

To the Members of the Board of
Young Adult Cancer Canada Inc.

We have audited the accompanying financial statements of Young Adult Cancer Canada Inc. (the "Organization") which comprise the statements of financial position as at July 31, 2013, July 31, 2012 and August 1, 2011 and the statements of operations and changes in net assets and cash flows for the years ended July 31, 2013 and July 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Organization derives revenue from fundraising campaigns and other donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Young Adult Cancer Canada Inc. as at July 31, 2013, July 31, 2012 and August 1, 2011 and its operations, change in net assets and cash flows for the years ended July 31, 2013 and July 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP
Chartered Accountants
December 3, 2013

YOUNG ADULT CANCER CANADA INC.
Statements of Operations and Changes in Net Assets
For the year ended

	July 31, 2013	July 31, 2012
	\$	\$ (Note 2)
Revenue		
Fund development		
Shave for the Brave	729,949	710,197
Third party events	31,746	58,810
Climb	-	5,776
Corporate donations	167,271	183,805
Personal donations	25,003	20,784
Miscellaneous	9,841	6,701
In memoriam donations	2,726	12,196
Interest income	1,006	1,971
	967,542	1,000,240
Expenditures		
Support (Schedule 1)	446,575	337,111
Awareness and advocacy (Schedule 2)	302,372	203,758
Fund development (Schedule 3)	249,712	183,181
Operations (Schedule 4)	152,756	176,242
	1,151,415	900,292
Excess of (expenditures over revenue) revenue over expenditures	(183,873)	99,948
Unrestricted net assets, beginning of year	427,376	327,428
Unrestricted net assets, end of year	243,503	427,376

YOUNG ADULT CANCER CANADA INC.

Statements of Financial Position

As at

	July 31, 2013	July 31, 2012	August 1, 2011
	\$	\$	\$
		(Note 2)	(Note 2)
Assets			
Current assets			
Cash	244,705	457,814	252,390
Accounts receivable	58,271	39,941	23,778
Prepaid expenses	40,422	53,021	409
	343,398	550,776	276,577
Investment	75,000	75,000	75,000
Capital assets (Note 4)	19,529	14,149	2,253
	437,927	639,925	353,830
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	85,135	102,720	17,010
Government remittances payable (Note 2)	13,633	13,229	9,392
Deferred revenue	95,656	96,600	-
	194,424	212,549	26,402
Net assets			
Unrestricted net assets	243,503	427,376	327,428
	437,927	639,925	353,830

On behalf of the Board:

_____ Director

_____ Director

YOUNG ADULT CANCER CANADA INC.

Statements of Cash Flows

For the year ended

	July 31, 2013	July 31, 2012
	\$	\$ (Note 2)
Operating activities		
Excess of (expenditures over revenue) revenue over expenditures	(183,873)	99,948
Adjustment for:		
Amortization	7,113	5,233
Changes in non-cash operating working capital (Note 6)	(23,856)	117,372
	(200,616)	222,553
Investing activity		
Purchase of capital assets	(12,493)	(17,129)
Net (decrease) increase in cash	(213,109)	205,424
Cash, beginning of year	457,814	252,390
Cash, end of year	244,705	457,814

YOUNG ADULT CANCER CANADA INC.

Notes to the Financial Statements

July 31, 2013

1. DESCRIPTION OF BUSINESS

Young Adult Cancer Canada Inc. (the “Organization”) is a charitable organization established to eliminate the isolation for young adults with cancer. The Organization’s mandate is to help every young adult dealing with cancer in Canada by providing inspiration, information and support. To fulfill its mandate, the Organization undertakes certain fund development activities and receives donations and grants from various sources at different points in time throughout the fiscal year. The Organization funds its operating requirements throughout the fiscal period through the use of cash on hand.

2. IMPACT OF CHANGE IN ACCOUNTING FRAMEWORK

These financial statements are the first financial statements for which the Organization has applied the Canadian accounting standards for not-for-profit organizations. The first-time adoption of this new basis of accounting had no impact on the Organization’s excess of revenues over expenses for the years ended July 31, 2013 and July 31, 2012 or on unrestricted net assets as at July 31, 2012 and August 1, 2011, the date of transition.

The new standards require separate disclosure of the amount of government remittances payable. Accordingly, an amount of \$13,633 as at July 31, 2013 (July 31, 2012 - \$13,229; August 1, 2011 - \$9,392) has been reclassified from accounts payable and accrued liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Canadian Institute of Chartered Accountants (“CICA”) handbook and reflect the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions and deferred revenue are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteers contribute a significant number of hours per year to assist the Organization in carrying out its objectives. In addition, the Organization receives donated materials and services throughout the year. These contributions are only recognized in the financial statements when the fair value can be reasonably determined.

YOUNG ADULT CANCER CANADA INC.

Notes to the Financial Statements

July 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment

Investment is a guaranteed investment certificate with a maturity of more than one year.

Capital assets

Capital assets are recorded at cost. Amortization is computed on a declining balance basis, utilizing the half year rule in the year of acquisition, at the following rates which will reduce original cost to estimated residual value over the estimated useful life of the assets.

Computer equipment and software	100%
Furniture and equipment	20%

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost with the exception of cash, which it continues to measure at fair value.

The financial assets subsequently measured at amortized cost include accounts receivable and investments. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

Allocation of expenses

The Organization records its expenses by function: support, awareness and advocacy, fund development and operations.

Operating expenses are allocated using a predetermined percentage allocation based on wages.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the useful life and amortization of capital assets and accrued liabilities. Actual results could differ materially from those estimates.

YOUNG ADULT CANCER CANADA INC.

Notes to the Financial Statements

July 31, 2013

4. CAPITAL ASSETS

	July 31, 2013			July 31, 2012	August 1, 2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
	\$	\$	\$	\$	\$
Computer equipment and software	28,138	26,515	1,623	2,170	1,668
Furniture and equipment	24,176	6,270	17,906	11,979	585
	52,314	32,785	19,529	14,149	2,253

5. OPERATING LINE OF CREDIT

During the year, the Organization had access to an operating line of credit with a maximum facility of \$50,000 (July 31, 2012 - \$50,000; August 1, 2011 - \$50,000), bearing interest at the bank's prime rate plus 1%. As at July 31, 2013, no amounts were drawn under this facility.

6. SUPPLEMENTAL CASH FLOW INFORMATION

	July 31, 2013	July 31, 2012
	\$	\$
Change in non-cash operating working capital:		
Accounts receivable	(18,330)	(16,163)
Prepaid expenses	12,599	(52,612)
Accounts payable and accrued liabilities	(17,585)	85,710
Deferred revenue	(944)	96,600
Government remittances payable	404	3,837
	(23,856)	117,372

YOUNG ADULT CANCER CANADA INC.

Notes to the Financial Statements

July 31, 2013

7. FINANCIAL INSTRUMENTS

Financial risk factors

The Organization is exposed to various risks through its financial instruments. The following analysis presents the Organization's exposure to significant risks at July 31, 2013:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligation. The Organization's credit risk is primarily attributable to receivables, cash and investments. Management believes that the credit risk with respect to accounts receivable is not material.

The Organization's cash and investments are distributed among bank and investment accounts held in Canadian Chartered Banks. The Organization does not expect any liquidity issues or credit losses on those investments.

Interest rate risk

Cash and investments bear interest at variable rates. Consequently, the Organization is exposed to interest rate risk. The Organization does not actively manage this risk due to the fact that it does not believe it is significant.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. As at July 31, 2013 the Organization had cash and investments of \$319,705 (July 31, 2012 - \$532,814; August 1, 2011 - \$327,390), which is sufficient to cover its short-term financial obligations of \$194,424 (July 31, 2012 - \$212,549; August 1, 2011 - \$26,402).

To the extent that the Organization does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third party funding, assuming these could be obtained.

YOUNG ADULT CANCER CANADA INC.

Schedule 1 - Support Expenses

For the year ended

	July 31, 2013	July 31, 2012
	\$	\$
Support expenses		
Wages and benefits	178,007	146,325
Survivor conference	111,891	75,453
Retreat Yourself	77,249	67,521
Survive and Thrive	21,960	3,003
Website	16,340	871
Office rental	15,364	7,727
Office supplies and postage	6,544	3,953
Localife	5,765	6,886
Professional fees	4,951	3,825
Amortization	2,347	1,518
Telephone and internet	1,709	2,125
Insurance	1,535	573
Support program development	1,306	2,156
Professional development	1,182	1,477
Goaltender	255	333
Miscellaneous	149	(12)
Communications	21	13,377
	446,575	337,111

YOUNG ADULT CANCER CANADA INC.

Schedule 2 - Awareness and Advocacy

For the year ended

	July 31, 2013	July 31, 2012
	\$	\$
Awareness and advocacy expenses		
Communications	119,445	45,760
Wages and benefits	107,883	100,913
Shave for the Brave	54,361	31,074
Office rental	9,311	5,329
Office supplies and postage	3,966	12,662
Professional fees	3,000	2,638
Amortization	1,423	1,045
Telephone and internet	1,036	1,465
Insurance	930	395
Professional development	716	1,019
Touch Yourself, Trust Yourself	205	309
Miscellaneous	90	(7)
We Get It	6	62
Climb	-	1,088
Vehicle operating	-	6
	302,372	203,758

YOUNG ADULT CANCER CANADA INC.

Schedule 3 - Fund Development

For the year ended

	July 31, 2013	July 31, 2012
	\$	\$
Fund development expenses		
Wages and benefits	134,854	111,005
Shave for the Brave	54,361	31,074
Fund development	34,905	9,887
Office rental	11,639	5,862
Office supplies and postage	4,957	2,999
Professional fees	3,750	2,902
Amortization	1,778	1,152
Telephone and internet	1,295	1,612
Insurance	1,163	435
Professional development	895	1,121
Miscellaneous	115	-
Third party events	-	14,038
Climb	-	1,088
Vehicle operating	-	6
	249,712	183,181

YOUNG ADULT CANCER CANADA INC.

Schedule 4 - Operations

For the year ended

	July 31, 2013	July 31, 2012
	\$	\$
Operations expense		
Wages and benefits	118,671	146,325
Office rental	10,242	7,727
Governance	6,058	647
Office supplies and postage	4,363	3,953
Professional fees	3,300	3,825
Vehicle operating	2,438	6,092
Interest and bank charges	2,175	1,981
Amortization	1,565	1,518
Telephone and internet	1,140	2,125
Insurance	1,023	573
Communications	893	-
Professional development	788	1,476
Miscellaneous	100	-
	152,756	176,242