

Financial Statements of

**YOUNG ADULT CANCER  
CANADA INC.**

July 31, 2015

# **YOUNG ADULT CANCER CANADA INC.**

July 31, 2015

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## Independent Auditor's Report

To the Directors 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 statement of financial position as at July 31, 2015 and the statements of revenue and expenditures and changes in net assets and cash flows for the year then ended, 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 audit. We conducted our audit 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 expenditures and cash flows from operations for the years ended July 31, 2015 and July 31, 2014 and net assets as at August 1 and July 31 for both the 2015 and 2014 years. Our audit opinion on the financial statements for the year ended July 31, 2014 was modified accordingly, because of the possible effects of this scope limitation.

*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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Deloitte LLP*

Chartered Professional Accountants

January 15, 2016

# YOUNG ADULT CANCER CANADA INC.

## Statement of revenue and expenditures and changes in net assets

Year ended July 31, 2015

	2015	2014
	\$	\$
<b>Revenue</b>		(Note 7)
Fund development		
Shave for the Brave	661,049	788,946
Third party events	96,913	124,279
Corporate donations	238,076	214,630
Personal donations	101,984	78,494
In memoriam donations	56,472	4,781
Miscellaneous	7,683	205
Merchandise	3,462	-
Interest	1,988	1,988
	<b>1,167,627</b>	<b>1,213,323</b>
<b>Expenditures</b>		
Support (Schedule 1)	607,247	513,007
Fund Development (Schedule 2)	294,128	274,266
Operations (Schedule 3)	217,692	191,073
Awareness and Advocacy (Schedule 4)	187,104	197,939
	<b>1,306,171</b>	<b>1,176,285</b>
<b>Excess of (expenditures over revenue)</b>		
<b>revenue over expenditures</b>	<b>(138,544)</b>	<b>37,038</b>
Net assets, beginning of year	280,541	243,503
<b>Net assets, end of year</b>	<b>141,997</b>	<b>280,541</b>

# YOUNG ADULT CANCER CANADA INC.

## Statement of financial position

As at July 31, 2015

	2015	2014
	\$	\$
<b>Assets</b>		
Current assets		
Cash	80,647	261,408
Accounts receivable	34,526	27,091
Inventory	10,074	-
Prepaid expenses	14,357	13,296
	<b>139,604</b>	301,795
Investment	75,000	75,000
Tangible capital assets (Note 3)	18,340	15,210
	<b>232,944</b>	392,005
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	48,756	77,936
Deferred revenue	42,191	33,528
	<b>90,947</b>	111,464
<b>Net assets</b>		
Net assets	141,997	280,541
	<b>232,944</b>	392,005

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# YOUNG ADULT CANCER CANADA INC.

## Statement of cash flows

Year ended July 31, 2015

	2015	2014
	\$	\$
<b>Operating activities</b>		
Excess of (expenditures over revenue) revenue over expenditures	(138,544)	37,038
Adjustment for:		
Amortization	5,453	5,959
Changes in non-cash operating working capital (Note 5)	(39,087)	(24,654)
	(172,178)	18,343
<b>Investing activity</b>		
Purchase of tangible capital assets	(8,582)	(1,640)
Net (decrease) increase in cash	(180,760)	16,703
Cash, beginning of year	261,408	244,705
<b>Cash, end of year</b>	<b>80,647</b>	<b>261,408</b>

# YOUNG ADULT CANCER CANADA INC.

## Notes to the financial statements

July 31, 2015

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### 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. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants ("CPA") handbook and reflect the following significant accounting policies:

#### *Cash*

Cash consists of balances on deposit with Canadian financial institutions.

#### *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.

#### *Inventory*

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in-first-out method.

#### *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.

#### *Tangible capital assets*

Tangible 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%



# YOUNG ADULT CANCER CANADA INC.

## Notes to the financial statements

July 31, 2015

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### 2. Significant accounting policies (Continued)

#### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in net earnings an impairment loss, if any, where there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

#### *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 tangible capital assets, in-kind donations and accrued liabilities. Actual results could differ materially from those estimates.

### 3. Tangible capital assets

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment and software	32,507	31,305	1,202	737
Furniture and equipment	30,518	13,380	17,138	14,473
	<b>63,025</b>	<b>44,685</b>	<b>18,340</b>	15,210

# YOUNG ADULT CANCER CANADA INC.

## Notes to the financial statements

July 31, 2015

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### 4. Operating line of credit

During the year, the Organization had access to an operating line of credit with a maximum facility of \$75,000 (2014 - \$50,000), bearing interest at the bank's prime rate plus 1% (2014 – prime rate plus 1%). As at July 31, 2015, no amounts were drawn under this facility.

### 5. Supplemental cash flow information

	2015	2014
	\$	\$
Changes in non-cash operating working capital:		
Accounts receivable	(7,435)	31,180
Prepaid expenses	(1,061)	27,126
Inventory	(10,074)	-
Accounts payable and accrued liabilities	(29,180)	(7,199)
Deferred revenue	8,663	(62,128)
Government remittances payable	-	(13,633)
	<b>(39,087)</b>	<b>(24,654)</b>

### 6. Financial instruments

#### *Financial risk factors*

The Organization has exposure to credit risk, liquidity risk and market risk. The Organization's Board of Directors has overall responsibility for the oversight of these risks and reviews the Organization's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below:

#### *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 accounts receivable. Management believes that the credit risk with respect to accounts receivable is not material.

The Organization's investment is held within Canadian Chartered Banks. The Organization does not expect any liquidity issues or credit losses on those investments.

#### *Liquidity risk*

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at July 31, 2015 the Organization had cash and investments of \$155,647 (2014 - \$336,408), which is sufficient to cover its short-term financial obligations of \$90,947 (2014 - \$111,464).

# YOUNG ADULT CANCER CANADA INC.

## Notes to the financial statements

July 31, 2015

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### 6. Financial instruments (continued)

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, as well as use of its operating line of credit.

#### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Organization's revenues and expenditures or the value of its financial instruments. The Organization is not subject to foreign exchange and price risk.

#### *(i) 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.

### 7. In-kind contribution

As a result of management's determination of the value of in-kind contributions for advertising and travel services received from suppliers, management has decided to reflect the amount of \$100,942 in these financial statements in respect of current year services in corporate donations and support expenditures.

Comparative figures for the same accounts have been adjusted by \$56,847 to conform to the current year's presentation.

# YOUNG ADULT CANCER CANADA INC.

## Schedule 1 - Support

Year ended July 31, 2015

	2015	2014
	\$	\$
<b>Support expenses</b>		
Wages and benefits	234,848	203,774
Survivor conference	137,755	140,299
Web	89,257	52,079
Retreat Yourself	65,497	20,364
Retreat Adventure	28,707	21,243
Localife	19,146	29,423
Office rental	15,851	15,697
Office supplies and postage	4,574	3,263
Telephone and internet	2,690	2,266
Professional fees	2,563	3,158
Amortization	1,854	2,026
Support program development	1,630	3,165
Professional development	1,213	701
Insurance	1,187	773
Goaltender	322	285
Communications\Survivor in Action	90	14,491
Miscellaneous	63	-
	<b>607,247</b>	<b>513,007</b>

# YOUNG ADULT CANCER CANADA INC.

## Schedule 2 - Fund Development

Year ended July 31, 2015

	2015	2014
	\$	\$
<b>Fund development expenses</b>		
Wages and benefits	179,590	149,834
Shave for the Brave	42,258	45,333
Fund development	39,967	35,626
Office rental	12,121	11,542
Third party events	9,376	22,970
Office supplies and postage	3,497	2,400
Telephone and internet	2,057	1,666
Professional fees	1,960	2,322
Amortization	1,418	1,490
Professional development	928	515
Insurance	908	568
Miscellaneous	48	-
	<b>294,128</b>	<b>274,266</b>

# YOUNG ADULT CANCER CANADA INC.

## Schedule 3 - Operations

Year ended July 31, 2015

	2015	2014
	\$	\$
<b>Operations expenses</b>		
Wages and benefits	<b>186,496</b>	161,821
Office rental	<b>12,588</b>	12,465
Office supplies and postage	<b>3,632</b>	2,592
Interest and bank charges	<b>2,978</b>	3,065
Governance	<b>2,458</b>	2,497
Telephone and internet	<b>2,136</b>	1,799
Professional fees	<b>2,035</b>	2,508
Amortization	<b>1,472</b>	1,609
Vehicle operating	<b>1,449</b>	1,546
Professional development	<b>963</b>	557
Insurance	<b>943</b>	614
Communications	<b>492</b>	-
Miscellaneous	<b>50</b>	-
	<b>217,692</b>	191,073

# YOUNG ADULT CANCER CANADA INC.

## Schedule 4 - Awareness and Advocacy

Year ended July 31, 2015

	2015	2014
	\$	\$
<b>Awareness and advocacy expenses</b>		
Wages and benefits	89,795	83,907
Communications	49,849	66,006
Shave for the Brave	31,644	36,495
Office rental	6,060	6,463
YACC Store	4,348	-
Office supplies and postage	1,749	1,344
Telephone and internet	1,028	933
Professional fees	980	1,300
Amortization	709	834
Professional development	464	289
Insurance	454	318
Miscellaneous	24	50
	<b>187,104</b>	<b>197,939</b>