


YOUNG ADULT CANCER CANADA INC.
Financial Statements
Year Ended July 31, 2023



HARRIS RYAN



YOUNG ADULT CANCER CANADA INC.
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Year Ended July 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Young Adult Cancer Canada Inc.

Qualified Opinion

We have audited the financial statements of Young Adult Cancer Canada Inc. (the organization), which comprise the statement of financial position as at July 31, 2023, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at July 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising campaigns and other donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of expenses over revenues, and cash flows from operations for the year ended July 31, 2023, current assets and net assets as at July 31, 2023. Our audit opinion on the financial statements for the year ended July 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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Independent Auditor's Report to the Directors of Young Adult Cancer Canada Inc. *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mavis Ryan Professional Corporation

St. John's, Newfoundland and Labrador
February 2, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

YOUNG ADULT CANCER CANADA INC.
Statement of Financial Position
July 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and term deposits	\$ 764,684	\$ 1,008,631
Accounts receivable (Note 3)	106,302	211,827
Prepaid expenses	26,319	14,163
	897,305	1,234,621
TANGIBLE CAPITAL ASSETS (Note 4)	19,333	28,465
INVESTMENT	-	25,017
	\$ 916,638	\$ 1,288,103
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 131,589	\$ 98,850
Deferred income (Note 5)	152,386	481,386
	283,975	580,236
LONG TERM DEBT (Note 6)	40,000	40,000
	323,975	620,236
NET ASSETS	592,663	667,867
	\$ 916,638	\$ 1,288,103

LEASE COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

YOUNG ADULT CANCER CANADA INC.
Statement of Changes in Net Assets
Year Ended July 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 667,867	\$ 604,165
DEFICIENCY OF REVENUES OVER EXPENSES	(75,204)	63,702
NET ASSETS - END OF YEAR	\$ 592,663	\$ 667,867

YOUNG ADULT CANCER CANADA INC.
Statement of Revenues and Expenses
Year Ended July 31, 2023

	2023	2022
REVENUES		
Shave for the Brave	\$ 475,311	\$ 379,023
Shave for the Brave - deferred revenue (Note 5)	319,000	-
Personal donations	166,030	186,358
Corporate donations	129,638	304,687
Government grants	61,200	129,900
Interest	21,862	1,773
Third party events	20,827	17,575
In Memoriam donations	18,665	22,686
Miscellaneous	4,773	20
Climb	1,080	3,095
	1,218,386	1,045,117
EXPENSES		
Support (Schedule 1)	536,069	497,070
Fund Development (Schedule 2)	315,070	202,931
Operations (Schedule 3)	268,605	192,290
Awareness and Advocacy (Schedule 4)	176,541	106,932
	1,296,285	999,223
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(77,899)	45,894
OTHER INCOME		
Wage subsidy	2,695	17,808
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (75,204)	\$ 63,702

YOUNG ADULT CANCER CANADA INC.**Statement of Cash Flows****Year Ended July 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (75,204)	\$ 63,702
Item not affecting cash:		
Amortization of tangible capital assets	9,472	8,560
	(65,732)	72,262
Changes in non-cash working capital:		
Accounts receivable	105,525	(175,273)
Accounts payable	32,739	30,435
Deferred income	(329,000)	443,202
Prepaid expenses	(12,156)	9,816
Employee deductions payable	-	(16,537)
	(202,892)	291,643
Cash flow from (used by) operating activities	(268,624)	363,905
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(340)	(35,185)
Purchase of investment	-	(17)
Decrease in investment	25,017	-
Cash flow from (used by) investing activities	24,677	(35,202)
INCREASE (DECREASE) IN CASH FLOW	(243,947)	328,703
Cash - beginning of year	1,008,631	679,928
CASH - END OF YEAR	\$ 764,684	\$ 1,008,631

See notes to financial statements

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2023

1. ABOUT THE ORGANIZATION

Young Adult Cancer Canada Inc. (the "organization") is a charitable organization established to support young adults diagnosed with cancer in Canada as they live with, through and beyond cancer, to be the connection to peers, bridge out of isolation, and source of inspiration. To fulfill its mission, 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 unpredictable nature of fundraising activities can create variability in revenues and expenses year over year, and the resulting financial position at each year end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and reflect the following significant accounting policies.

Cash

Cash consists of balances on deposit with Canadian financial institutions and guaranteed investment certificates readily convertible into cash.

Revenue recognition

Young Adult Cancer Canada Inc. follows the deferral method of accounting for contributions.

Restricted contributions 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 to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as it is earned.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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.

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YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment and software	100%	straight-line method
Furniture and equipment	20%	straight-line method
Leasehold improvements	20%	straight-line method

The organization regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial assets measured at amortized cost include cash, accounts receivable and investment.

Financial liabilities measured at amortized cost include accounts payable and long term debt.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Allocation of expenses

The organization records its expenses by function: support, awareness and advocacy, fund development and operations. The organization is a support based entity with expenses related to a collection of web-based initiatives, local social gatherings, retreats and conferences, as well as one on one support. Awareness and advocacy expenses relate to marketing and communication to reach more young adults with cancer. Fund development expenses relate to fund-raising efforts to fund the support programs. Operations relate to the general operation of a charity including governance, financial and administrative activities. Certain administrative expenses are allocated to each category using the same percentage of human resources allocated to that category.

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, and valuation of accounts receivable. Actual results could differ materially from those estimates.

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2023

3. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	\$ 79,372	\$ 189,495
HST receivable	26,930	22,332
	\$ 106,302	\$ 211,827

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and equipment	\$ 5,630	\$ 1,621	\$ 4,009	\$ 4,761
Computer equipment	55,476	55,476	-	4,002
Computer software	1,392	1,392	-	-
Leasehold improvements	21,891	6,567	15,324	19,702
	\$ 84,389	\$ 65,056	\$ 19,333	\$ 28,465

5. DEFERRED REVENUE

	2023	2022
Shave for the Brave	\$ 152,386	\$ 471,386
Sponsorship	-	10,000
	\$ 152,386	\$ 481,386

Deferred revenue consists of donations received from a Shave for the Brave event held in fiscal 2022, for use in three specific areas, as follows:

- Growth of programming to reach francophone young adult survivors
- Growth of community and web-based program offering
- Research initiative to deepen understanding of the issues facing young adults with cancer and enhance programs

During the year, \$319,000 of Shave for the Brave was recognized as revenue as it related to expenditures incurred associated with the projects noted above, and the \$10,000 sponsorship was recognized as revenue as it related to a September 2022 Shave for the Brave event.

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2023

6. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

On April 9, 2020 the Government of Canada launched the Canada Emergency Business Account loan. This loan was intended to support businesses by providing financing for their expenses that could not be avoided or deferred as they take steps to safely navigate a period of shutdown. Repaying the balance of the loan on or before January 18, 2024 will result in loan forgiveness of 25%. The CEBA loan was subsequently expanded by an additional \$20,000 of which 50% is forgivable if repaid by January 18, 2024. The \$20,000 forgivable portion of the loan has been recognized as revenue in prior years. The loan is interest free to January 18, 2024 and bears interest at 5% annually from January 19, 2024 to December 31, 2026. If not repaid by January 18, 2024, payments are interest only to December 31, 2026 with full principal payment due on December 31, 2026.

7. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of July 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from 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 an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at July 31, 2023 the organization had cash and investments of \$764,684 (2022 - 1,033,648), which is sufficient to cover its short term obligations.

Should the organization not believe it has sufficient liquidity to meet current obligations, consideration would be given to obtaining additional funds through third party funding, assuming these could be obtained.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its fixed or variable rate term deposits.

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2023

8. RELATED PARTY TRANSACTIONS

The organization received donations of \$7,702 (2022 - \$16,290) during the year from members of the board of directors, which were subject to normal trade terms and measured at exchange amount.

9. LEASE COMMITMENTS

The organization has a long term lease with respect to its premises. Future lease payments as at July 31, 2023, are as follows:

2024	\$	61,275
2025		61,275
2026		<u>61,275</u>
	\$	<u>183,825</u>

YOUNG ADULT CANCER CANADA INC.**Support****(Schedule 1)****Year Ended July 31, 2023**

	2023	2022
Support expenditures		
Human resources	\$ 344,273	\$ 295,962
House party	63,685	-
Support administration	60,175	39,485
Web	22,891	13,625
Professional fees	13,410	10,930
Localife	12,895	13,203
Survivor conference	9,189	8,119
Support program development	5,373	2,923
Amortization	4,123	4,365
Survivor in Action	55	500
Web chats	-	565
Primetown	-	107,393
	\$ 536,069	\$ 497,070

YOUNG ADULT CANCER CANADA INC.**Fund Development****(Schedule 2)****Year Ended July 31, 2023**

	2023	2022
Fund Development expenditures		
Human resources	\$ 156,491	\$ 92,850
Fund development	90,072	25,289
Shave for the Brave	30,806	66,128
Fund development administrative	27,353	12,387
Professional fees	6,095	3,429
Third party events	2,379	1,422
Amortization	1,874	1,370
Climb	-	56
	\$ 315,070	\$ 202,931

YOUNG ADULT CANCER CANADA INC.**Operations****(Schedule 3)****Year Ended July 31, 2023**

	2023	2022
Operations expenditures		
Human resources	\$ 211,133	\$ 145,080
Operations administrative	39,908	38,981
Professional fees	8,224	5,358
Governance	6,209	731
Amortization	3,131	2,140
	\$ 268,605	\$ 192,290

YOUNG ADULT CANCER CANADA INC.**Awareness and Advocacy****(Schedule 4)****Year Ended July 31, 2023**

	2023	2022
Awareness and Advocacy expenditures		
YACC Research	\$ 74,925	\$ -
Communications	59,820	35,380
Human resources	28,756	46,426
Shave for the Brave	6,550	16,532
Awareness and advocacy administrative	5,026	6,194
Professional fees	1,120	1,715
Amortization	344	685
	\$ 176,541	\$ 106,932