



*Financial Statements of*

**YOUNG ADULT CANCER  
CANADA INC.**

*July 31, 2012*

# YOUNG ADULT CANCER CANADA INC.

July 31, 2012

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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 statement of financial position as at July 31, 2012, and the statements of operations 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 generally accepted accounting principles, 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.

### *Auditor's 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, 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, 2012, and its results of operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte LLP*

Chartered Accountants  
January 4, 2013

**YOUNG ADULT CANCER CANADA INC.**  
**Statement of Operations and Changes in Net Assets**  
For the year ended July 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Fund development		
Shave for the Brave	710,197	511,852
Third party events	58,810	81,138
Climb	5,776	11,504
Corporate donations	183,805	158,620
Personal donations	20,784	14,893
In memoriam donations	12,196	12,196
Miscellaneous	6,701	19,407
Interest income	1,971	1,996
	<b>1,000,240</b>	<b>811,606</b>
<b>Expenditures</b>		
Support (Schedule 1)	337,111	301,634
Awareness and advocacy (Schedule 2)	203,758	175,262
Fund development (Schedule 3)	183,181	132,836
Operations (Schedule 4)	176,242	98,949
	<b>900,292</b>	<b>708,681</b>
<b>Excess of revenue over expenditures</b>	<b>99,948</b>	<b>102,925</b>
Unrestricted net assets, beginning of year	327,428	224,503
<b>Unrestricted net assets, end of year</b>	<b>427,376</b>	<b>327,428</b>

# YOUNG ADULT CANCER CANADA INC.

## Statement of Financial Position

As at July 31, 2012

	2012	2011
	\$	\$
<b>Assets</b>		
Current assets		
Cash	457,814	252,390
Accounts receivable	39,941	23,778
Prepaid expenses	53,021	409
	550,776	276,577
Investment	75,000	75,000
Capital assets (Note 4)	14,149	2,253
	639,925	353,830
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	115,949	26,402
Deferred revenue	96,600	-
	212,549	26,402
<b>Net assets</b>		
Unrestricted net assets	427,376	327,428
	639,925	353,830

# YOUNG ADULT CANCER CANADA INC.

## Statement of Cash Flows

Year end July 31, 2012

	2012	2011
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenditures	99,948	102,925
Adjustment for:		
Amortization	5,233	4,332
Changes in non-cash operating working capital (Note 6)	117,372	(18,629)
	<u>222,553</u>	<u>88,628</u>
<b>Investing activity</b>		
Purchase of capital assets	(17,129)	(3,335)
Net increase in cash	205,424	85,293
Cash, beginning of year	252,390	167,097
<b>Cash, end of year</b>	<u>457,814</u>	<u>252,390</u>



# YOUNG ADULT CANCER CANADA INC.

## Notes to the Financial Statements

July 31, 2012

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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

The Organization has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply sections 3862 and 3863 of the CICA Handbook which would have otherwise applied to the financial statements of the organization for the year ended July 31, 2012. The Organization applies the requirements of section 3861 of the CICA Handbook.

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

#### *Revenue recognition*

The Organization 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 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.

#### *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%



# YOUNG ADULT CANCER CANADA INC.

## Notes to the Financial Statements

July 31, 2012

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Financial instruments*

Financial assets and liabilities are generally classified and measured as follows:

- Cash and investments are classified as financial assets “held for trading” and any adjustments to fair value are reflected in excess of revenue over expenditures each year.
- Accounts receivable are classified as “loans and receivables” and subsequent to their initial fair value measurement, they are measured at amortized cost using the effective interest rate method which generally corresponds to cost, due to the short-term nature of the financial asset.
- Accounts payable and accrued liabilities are classified as “other liabilities” and subsequent to their initial fair value measurement, they are measured at amortized cost using the effective interest rate method which generally corresponds to cost, due to the short-term nature of the financial liabilities.

Other balance sheet accounts do not meet the criteria to be considered financial instruments.

The Organization has determined that it does not have derivatives or embedded derivatives.

#### *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 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. These estimates include the useful lives of capital assets. Actual results could differ materially from those estimates.

### 3. FUTURE ACCOUNTING PRONOUNCEMENTS

#### *New accounting framework*

The CICA has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards (“IFRSs”) and the accounting standards for not-for-profit organizations with accounting standards for private enterprises as the underlying framework, whichever suits them best. Early adoption of these standards is permitted. The Organization currently plans to adopt the new accounting standards for not-for-profit organizations for its fiscal year beginning on August 1, 2012. The impact of this transition has not yet been determined.

# YOUNG ADULT CANCER CANADA INC.

## Notes to the Financial Statements

July 31, 2012

### 4. CAPITAL ASSETS

	2012			2011	
	Cost	Accumulated Amortization	Net Book Value	Cost	Net Book Value
	\$	\$	\$	\$	\$
Computer equipment	24,892	22,722	2,170	21,041	1,668
Furniture and equipment	14,928	2,949	11,979	2,138	585
Computer software	489	489	-	489	-
	40,309	26,160	14,149	23,668	2,253

### 5. OPERATING LINE OF CREDIT

During the year, the Organization secured an operating line of credit with a maximum facility of \$50,000, bearing interest at the bank's prime rate plus 1%. As at July 31, 2012, no amounts were outstanding under this facility.

### 6. SUPPLEMENTAL CASH FLOW INFORMATION

	2012	2011
	\$	\$
Change in non-cash operating working capital:		
Accounts receivable	(16,163)	20,251
Prepaid expenses	(52,612)	(409)
Accounts payable and accrued liabilities	89,547	(7,601)
Deferred revenue	96,600	(30,870)
	117,372	(18,629)

### 7. CAPITAL MANAGEMENT

The capital structure of the Organization consists of net assets. Capital requirements are funded through government grants, fundraising activities and donations. The Organization's objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

The Organization is not subject to externally imposed capital requirements.

# YOUNG ADULT CANCER CANADA INC.

## Notes to the Financial Statements

July 31, 2012

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### 8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### *Financial risk factors*

The Organization has exposure to credit, interest and liquidity 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 sources of risk exposure and how each is managed are 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 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.

#### *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, 2012 the Organization had cash and investments of \$532,814, which is sufficient to cover its short-term financial obligations of \$212,549.

#### *Fair value*

The fair value of the Organization's short-term financial instruments approximate the carrying value due to the short-term maturity and normal credit terms of those instruments.

# YOUNG ADULT CANCER CANADA INC.

## Schedule 1 - Support Expenses

For the year ended July 31, 2012

	2012	2011
	\$	\$
<b>Support expenses</b>		
Wages and benefits	146,325	118,712
Survivor conference	75,453	55,620
Retreat Yourself	67,521	45,481
Communications	13,377	81
Office rental	7,727	7,901
Localife	6,886	332
Office supplies and postage	3,953	3,337
Professional fees	3,825	3,472
Survive and Thrive	3,003	15,761
Support program development	2,156	3,029
Telephone and internet	2,125	1,480
Amortization	1,518	1,473
Professional development	1,477	1,325
Website	871	274
Insurance	573	960
Goaltender	333	41,679
Miscellaneous	(12)	717
	<b>337,111</b>	<b>301,634</b>

# YOUNG ADULT CANCER CANADA INC.

## Schedule 2 - Awareness and Advocacy

For the year ended July 31, 2012

	2012	2011
	\$	\$
<b>Awareness and advocacy expenses</b>		
Wages and benefits	100,913	80,305
Communications	45,760	34,700
Shave for the Brave	31,074	30,037
Office supplies and postage	12,662	4,114
Office rental	5,329	5,345
Professional fees	2,638	2,349
Telephone and internet	1,465	1,001
Climb	1,088	1,161
Amortization	1,045	996
Professional development expense	1,019	896
Insurance	395	649
Touch Yourself, Trust Yourself	309	685
We Get It	62	2,852
Vehicle operating	6	-
Wrong Way to Hope	-	9,742
Miscellaneous	(7)	430
	<b>203,758</b>	<b>175,262</b>

# YOUNG ADULT CANCER CANADA INC.

## Schedule 3 - Fund Development

For the year ended July 31, 2012

	2012	2011
	\$	\$
<b>Fund development expenses</b>		
Wages and benefits	111,005	69,831
Shave for the Brave	31,074	30,037
Third Party events	14,038	15,709
Fund development	9,887	3,992
Office rental	5,862	4,648
Office supplies and postage	2,999	1,963
Professional fees	2,902	2,042
Telephone and internet	1,612	871
Amortization	1,152	866
Professional development	1,121	779
Climb	1,088	1,160
Insurance	435	564
Vehicle operating	6	-
Miscellaneous	-	374
	183,181	132,836



# YOUNG ADULT CANCER CANADA INC.

## Schedule 4 - Operations

For the year ended July 31, 2012

	2012	2011
	\$	\$
<b>Operations expense</b>		
Wages and benefits	146,325	80,305
Office rental	7,727	5,344
Vehicle operating	6,092	2,558
Office supplies and postage	3,953	2,260
Professional fees	3,825	2,349
Telephone and internet	2,125	1,002
Interest and bank charges	1,981	1,804
Amortization	1,518	997
Professional development	1,476	896
Miscellaneous	647	785
Insurance	573	649
	176,242	98,949