

YOUNG ADULT CANCER CANADA INC.
Financial Statements
Year Ended July 31, 2019

YOUNG ADULT CANCER CANADA INC.
Index to Financial Statements
Year Ended July 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Support (<i>Schedule 1</i>)	11
Fund Development (<i>Schedule 2</i>)	12
Operations (<i>Schedule 3</i>)	13
Awareness and Advocacy (<i>Schedule 4</i>)	14

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, 2019, and the statements of changes in net assets, revenues and expenditures 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, 2019, 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 charitable organizations, the Organization derives revenue from fundraising campaigns and other 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 Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, and cash flows from operations for the year ended July 31, 2019, current assets and net assets as at July 31, 2019.

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

(continues)

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

process.

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.

Maris Ryan Professional Corporation



St. John's, Newfoundland and Labrador
October 23, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

YOUNG ADULT CANCER CANADA INC.
Statement of Financial Position
July 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 442,778	\$ 442,558
Accounts receivable (Note 3)	65,559	107,929
Prepaid expenses	26,866	9,476
	535,203	559,963
TANGIBLE CAPITAL ASSETS (Note 4)	6,461	10,635
INVESTMENT	25,000	75,000
	\$ 566,664	\$ 645,598
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 44,101	\$ 69,125
Deferred income	17,272	97,718
	61,373	166,843
NET ASSETS	505,291	478,755
	\$ 566,664	\$ 645,598

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, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 478,755	\$ 407,206
EXCESS OF REVENUES OVER EXPENDITURES	26,536	71,549
NET ASSETS - END OF YEAR	\$ 505,291	\$ 478,755

YOUNG ADULT CANCER CANADA INC.
Statement of Revenues and Expenditures
Year Ended July 31, 2019

	2019	2018
REVENUES		
Shave for the Brave	\$ 378,442	\$ 452,474
Corporate donations	282,940	280,530
Personal donations	169,687	146,537
Third party events	83,350	100,898
Climb	19,297	26,920
In Memoriam donations	12,343	20,492
Miscellaneous	3,183	4,388
Interest	3,391	1,115
	952,633	1,033,354
EXPENDITURES		
Support (<i>Schedule 1</i>)	508,277	453,989
Fund Development (<i>Schedule 2</i>)	161,641	258,927
Operations (<i>Schedule 3</i>)	129,615	149,161
Awareness and Advocacy (<i>Schedule 4</i>)	126,564	99,728
	926,097	961,805
EXCESS OF REVENUES OVER EXPENDITURES	\$ 26,536	\$ 71,549

YOUNG ADULT CANCER CANADA INC.**Statement of Cash Flows****Year Ended July 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 26,536	\$ 71,549
Item not affecting cash:		
Amortization of tangible capital assets	4,255	5,547
	30,791	77,096
Changes in non-cash working capital (<i>Note 6</i>)	(80,489)	23,242
Cash flow from (used by) operating activities	(49,698)	100,338
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(82)	(5,219)
Proceeds on disposal of tangible capital assets	-	750
Proceeds of guaranteed investment certificates	50,000	-
Cash flow from (used by) investing activities	49,918	(4,469)
(DECREASE) INCREASE IN CASH FLOW	220	95,869
Cash - beginning of year	442,558	346,691
CASH - END OF YEAR	\$ 442,778	\$ 442,560

See notes to financial statements

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2019

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. The organization funds its operating requirements throughout the fiscal period through the use of cash on hand.

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 (ASNFPO) and reflect the following significant accounting policies.

Cash

Cash consists of balances on deposit with Canadian financial institutions and guaranteed investment certificates with maturities of 100 days or less.

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.

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.

Tangible capital assets

Tangible capital assets are stated at cost. Tangible capital assets are amortized over their estimated useful lives on a declining balance using the half year rule in the year of acquisition, at the following rates and methods:

Computer equipment and software	100% declining balance method
Furniture and equipment	20% declining balance method

(continues)

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2019

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

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 accrued liabilities.

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, four-day 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, in-kind donations and accrued liabilities. Actual results could differ materially from those estimates.

3. ACCOUNTS RECEIVABLE

	2019	2018
Accounts Receivable	\$ 44,365	\$ 89,135
HST Receivable	21,194	18,794
	\$ 65,559	\$ 107,929

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2019

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Furniture and equipment	\$ 29,768	\$ 23,348	\$ 6,420	\$ 8,025
Computer equipment	41,012	41,012	-	2,327
Computer software	1,268	1,227	41	283
	\$ 72,048	\$ 65,587	\$ 6,461	\$ 10,635

5. OPERATING LINE OF CREDIT

During the year, the organization had access to an operating line of credit with a maximum facility of \$75,000 (2018 - \$75,000), bearing interest at the bank's prime rate plus 1% (2018 - prime rate plus 1%). As at July 31, 2019, no amounts were outstanding under this facility.

6. CHANGES IN NON-CASH WORKING CAPITAL

	2019	2018
Accounts receivable	\$ 42,370	\$ (15,459)
Accounts payable and accrued liabilities	(25,023)	9,725
Deferred income	(80,446)	24,619
Prepaid expenses	(17,390)	4,357
	\$ (80,489)	\$ 23,242

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, 2019.

(a) 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.

(continues)

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2019

7. FINANCIAL INSTRUMENTS *(continued)*

(b) Liquidity risk

Liquidity risk is the risk that an entity 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, 2019 the organization had cash and investments of \$467,889 (2017 - \$517,558), which is sufficient to cover its short term obligations.

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.

(c) 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.

(d) 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.

8. 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 \$20,273 (2017 - \$82,761) in these financial statements in respect of current year services in corporate donations and support expenditures.

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

YOUNG ADULT CANCER CANADA INC.**Support****(Schedule 1)****Year Ended July 31, 2019**

	2019	2018
Support expenditures		
Human resources	\$ 209,724	\$ 172,787
Survivor Conference	133,638	106,963
Retreat Yourself	52,004	56,666
Support program development	34,626	564
Support administration	23,649	19,455
Localife	22,142	18,446
Retreat Adventure	18,869	14,088
Web	7,746	59,430
Professional fees	3,866	3,452
Amortization	2,013	2,138
	\$ 508,277	\$ 453,989

YOUNG ADULT CANCER CANADA INC.**Fund Development****(Schedule 2)****Year Ended July 31, 2019**

	2019	2018
Fund Development expenditures		
Shave for the Brave	\$ 64,353	\$ 94,592
Human resources	59,679	120,540
Third party events	15,969	9,906
Relationship management	11,054	12,963
Fund development administrative	6,730	13,557
Climb	2,183	3,473
Professional fees	1,100	2,406
Amortization	573	1,490
	\$ 161,641	\$ 258,927

YOUNG ADULT CANCER CANADA INC.**Operations****(Schedule 3)****Year Ended July 31, 2019**

	2019	2018
Operations expenditures		
Human resources	\$ 110,040	\$ 127,830
Operations administrative	14,059	17,115
Governance	2,432	83
Professional fees	2,028	2,552
Amortization	1,056	1,581
	\$ 129,615	\$ 149,161

YOUNG ADULT CANCER CANADA INC.**Awareness and Advocacy****(Schedule 4)****Year Ended July 31, 2019**

	2019	2018
Awareness and Advocacy expenditures		
Human resources	\$ 63,811	\$ 27,350
Communications	40,349	33,776
Shave for the Brave	7,384	10,569
Awareness and advocacy administrative	7,195	3,078
YAC Prime Research	6,036	24,071
Professional fees	1,176	546
Amortization	613	338
	\$ 126,564	\$ 99,728