


YOUNG ADULT CANCER CANADA INC.
Financial Statements
Year Ended July 31, 2021



HARRIS RYAN



YOUNG ADULT CANCER CANADA INC.
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Year Ended July 31, 2021

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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, 2021, 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, 2021, 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, 2021, current assets and net assets as at July 31, 2021.

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

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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.



St. John's, Newfoundland and Labrador
October 22, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

YOUNG ADULT CANCER CANADA INC.
Statement of Financial Position
July 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 679,928	\$ 474,742
Accounts receivable (Note 3)	36,554	58,082
Prepaid expenses	23,979	21,158
	740,461	553,982
TANGIBLE CAPITAL ASSETS (Note 4)	1,840	1,601
INVESTMENT	25,000	25,000
	\$ 767,301	\$ 580,583
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 68,415	\$ 39,368
Employee deductions payable	16,537	11,490
Deferred income	38,184	48,498
	123,136	99,356
Canada Emergency Business Account loan (CEBA) (Note 5)	40,000	40,000
	163,136	139,356
NET ASSETS	604,165	441,227
	\$ 767,301	\$ 580,583

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, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 441,227	\$ 505,291
EXCESS OF REVENUES OVER EXPENDITURES	162,938	(64,064)
NET ASSETS - END OF YEAR	\$ 604,165	\$ 441,227

YOUNG ADULT CANCER CANADA INC.
Statement of Revenues and Expenditures
Year Ended July 31, 2021

	2021	2020
REVENUES		
Shave for the Brave	\$ 305,531	\$ 185,636
Corporate donations	219,907	191,125
Personal donations	167,265	162,105
Rollerbrave	29,892	-
Third party events	27,965	63,869
In Memoriam donations	26,558	8,878
Climb	3,610	10,157
Interest	2,164	5,243
Miscellaneous	1,964	590
	784,856	627,603
EXPENDITURES		
Support (<i>Schedule 1</i>)	373,220	360,508
Fund Development (<i>Schedule 2</i>)	166,748	175,612
Operations (<i>Schedule 3</i>)	125,257	130,382
Awareness and Advocacy (<i>Schedule 4</i>)	121,310	128,357
	786,535	794,859
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(1,679)	(167,256)
UNUSUAL ITEMS		
Wage subsidy	144,617	103,192
Forgivable portion of CEBA loan (<i>Note 5</i>)	20,000	-
	164,617	103,192
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 162,938	\$ (64,064)

YOUNG ADULT CANCER CANADA INC.**Statement of Cash Flows****Year Ended July 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 162,938	\$ (64,064)
Items not affecting cash:		
Amortization of tangible capital assets	3,311	7,987
Forgivable portion of CEBA loan (Note 5)	(20,000)	-
	146,249	(56,077)
Changes in non-cash working capital (Note 6)	42,493	51,169
Cash flow from (used by) operating activities	188,742	(4,908)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(3,550)	(3,128)
Purchase of investment	(25,006)	-
Proceeds from sale of investment	25,000	-
Cash flow used by investing activities	(3,556)	(3,128)
FINANCING ACTIVITY		
Proceeds from long term financing	20,000	40,000
(DECREASE) INCREASE IN CASH FLOW	205,186	31,964
Cash - beginning of year	474,742	442,778
CASH - END OF YEAR	\$ 679,928	\$ 474,742

See notes to financial statements

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2021

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.

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, 2021

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

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%	straight-line method
Furniture and equipment	20%	straight-line method

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 and CEBA loan.

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, accrued liabilities, 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, 2021****3. ACCOUNTS RECEIVABLE**

	2021	2020
Accounts Receivable	\$ 2,760	\$ 31,868
HST Receivable	14,355	5,579
Wage subsidy	19,439	20,635
	\$ 36,554	\$ 58,082

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Furniture and equipment	\$ 25,598	\$ 25,533	\$ 65	\$ 84
Computer equipment	47,472	45,697	1,775	1,455
Computer software	1,392	1,392	-	62
	\$ 74,462	\$ 72,622	\$ 1,840	\$ 1,601

5. 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 December 31, 2022 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 December 31, 2022. The \$20,000 forgivable portion of the loan has been recognized as revenue in the current year. The loan is interest free to December 31, 2022 and bears interest at 5% annually from January 1, 2023 to December 31, 2025. If not repaid by December 31, 2022, payments are interest only to December 31, 2025 with full principal payment due on December 31, 2025.

6. CHANGES IN NON-CASH WORKING CAPITAL

	2021	2020
Accounts receivable	\$ 21,528	\$ 7,477
Accounts payable and accrued liabilities	29,053	(4,732)
Deferred income	(10,314)	31,226
Prepaid expenses	(2,821)	5,708
Employee deductions payable	5,047	11,490
	\$ 42,493	\$ 51,169

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2021

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, 2021.

(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.

(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, 2021 the organization had cash and investments of \$ 704,928 (2020 - \$499,742), 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 \$9,408 (2020 - \$33,679) in these financial statements in respect of current year services in corporate donations and support expenditures.

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2021

9. OTHER MATTER

In March 2020, The World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact of the organization's operations as at the date of these financial statements.

YOUNG ADULT CANCER CANADA INC.**Support****(Schedule 1)****Year Ended July 31, 2021**

	2021	2020
Support expenditures		
Human resources	\$ 226,067	\$ 212,240
Primetown	70,499	-
Web	36,891	3,785
Localife	15,646	16,121
Support administration	9,769	19,808
Survivor conference	5,924	5,017
Professional fees	3,753	3,744
Support program development	2,700	1,674
Amortization	1,445	3,521
Web chats	526	-
Survivor in Action	-	22,209
Retreat Adventure	-	20,991
Retreat Yourself	-	51,398
	\$ 373,220	\$ 360,508

YOUNG ADULT CANCER CANADA INC.**Fund Development****(Schedule 2)****Year Ended July 31, 2021**

	2021	2020
Fund Development expenditures		
Human resources	\$ 98,174	\$ 83,075
Shave for the Brave	39,723	59,199
Fund development	10,230	10,955
Third party events	8,049	10,227
Fund development administrative	4,243	7,753
Rollerbrave	2,695	-
Professional fees	1,630	1,466
Climb	1,377	1,559
Amortization	627	1,378
	\$ 166,748	\$ 175,612

YOUNG ADULT CANCER CANADA INC.**Operations****(Schedule 3)****Year Ended July 31, 2021**

	2021	2020
Operations expenditures		
Human resources	\$ 114,598	\$ 114,450
Operations administrative	7,868	12,004
Professional fees	1,902	2,019
Amortization	732	1,899
Governance	157	10
	\$ 125,257	\$ 130,382

YOUNG ADULT CANCER CANADA INC.**Awareness and Advocacy****(Schedule 4)****Year Ended July 31, 2021**

	2021	2020
Awareness and Advocacy expenditures		
Human resources	\$ 79,250	\$ 71,651
Communications	34,834	25,084
Awareness and advocacy administrative	3,425	6,687
Shave for the Brave	1,936	10,293
Professional fees	1,316	1,264
Amortization	506	1,189
YAC Prime Research	43	12,189
	\$ 121,310	\$ 128,357