



Financial Statements of

**YOUNG ADULT CANCER
CANADA INC.**

July 31, 2014

YOUNG ADULT CANCER CANADA INC.

July 31, 2014

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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, 2014 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 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, 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, 2014, and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Accountants
November 10, 2014

YOUNG ADULT CANCER CANADA INC.

Statement of Operations and Changes in Net Assets

Year ended July 31, 2014

	2014	2013
	\$	\$
Revenue		
Fund development		
Shave for the Brave	788,946	729,949
Third party events	124,261	31,746
Corporate donations	157,801	167,271
Personal donations	78,494	25,003
In memoriam donations	4,781	2,726
Interest income	1,988	1,006
Miscellaneous	205	9,841
	1,156,476	967,542
Expenditures		
Support (Schedule 1)	456,178	446,575
Awareness and Advocacy (Schedule 2)	197,939	302,372
Fund Development (Schedule 3)	274,248	249,712
Operations (Schedule 4)	191,073	152,756
	1,119,438	1,151,415
Excess of revenue over expenditures		
(expenditures over revenue)	37,038	(183,873)
Unrestricted net assets, beginning of year	243,503	427,376
Unrestricted net assets, end of year	280,541	243,503

YOUNG ADULT CANCER CANADA INC.

Statement of Financial Position

As at July 31, 2014

	2014	2013
	\$	\$
Assets		
Current assets		
Cash	261,408	244,705
Accounts receivable	27,091	58,271
Prepaid expenses	13,296	40,422
	301,795	343,398
Investment	75,000	75,000
Tangible capital assets (Note 3)	15,210	19,529
	392,005	437,927
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	77,936	85,135
Government remittances payable	-	13,633
Deferred revenue	33,528	95,656
	111,464	194,424
Net assets		
Unrestricted net assets	280,541	243,503
	392,005	437,927

On behalf of the Board:

_____ Director

_____ Director

YOUNG ADULT CANCER CANADA INC.

Statement of Cash Flows

Year ended July 31, 2014

	2014	2013
	\$	\$
Operating activities		
Excess of revenue over expenditures (expenditures over revenue)	37,038	(183,873)
Adjustment for:		
Amortization	5,959	7,113
Changes in non-cash operating working capital (Note 5)	(24,654)	(23,856)
	18,343	(200,616)
Investing activity		
Purchase of tangible capital assets	(1,640)	(12,493)
Net increase (decrease) in cash	16,703	(213,109)
Cash, beginning of year	244,705	457,814
Cash, end of year	261,408	244,705

YOUNG ADULT CANCER CANADA INC.

Notes to the Financial Statements

July 31, 2014

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 financial statements of the Organization 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:

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.

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.

Investment

The investment is a guaranteed investment certificate with a term to maturity of more than one year.

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost with the exception of cash, which it continues to measure at fair value.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life using the straight-line method and recognized in excess of revenue over expenditures as interest income or expense.

Financial assets subsequently measured at amortized cost include accounts receivable and investment. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

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 capital assets and accrued liabilities. Actual results could differ materially from those estimates.

3. TANGIBLE CAPITAL ASSETS

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment and software	30,102	29,365	737	1,623
Furniture and equipment	24,341	9,868	14,473	17,906
	54,443	39,233	15,210	19,529

YOUNG ADULT CANCER CANADA INC.

Notes to the Financial Statements

July 31, 2014

4. OPERATING LINE OF CREDIT

During the year, the Organization had access to an operating line of credit with a maximum facility of \$50,000 (2013 - \$50,000), bearing interest at the bank's prime rate plus 1%. As at July 31, 2014, no amounts were drawn under this facility.

5. SUPPLEMENTAL CASH FLOW INFORMATION

	2014	2013
	\$	\$
Changes in non-cash operating working capital:		
Accounts receivable	31,180	(18,330)
Prepaid expenses	27,126	12,599
Accounts payable and accrued liabilities	(7,199)	(17,585)
Deferred revenue	(62,128)	(944)
Government remittances payable	(13,633)	404
	(24,654)	(23,856)

6. FINANCIAL INSTRUMENTS

Financial assets

The carrying amounts of the financial assets of the Organization by measurement basis used are summarized as follows:

- Cash is measured at fair value.
- Accounts receivable and investments are recorded at amortized cost.

Financial risk factors

The Organization is exposed to various risks through its financial instruments. The following analysis presents the Organization's exposure to financial risks at July 31, 2014:

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 investment 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.

YOUNG ADULT CANCER CANADA INC.

Notes to the Financial Statements

July 31, 2014

6. FINANCIAL INSTRUMENTS (Continued)

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, 2014 the Organization had cash and investments of \$336,408 (2013 - \$319,705), which is sufficient to cover its short-term financial obligations of \$111,464 (2013 - \$194,424).

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.

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.

YOUNG ADULT CANCER CANADA INC.

Schedule 1 - Support

Year ended July 31, 2014

	2014	2013
	\$	\$
Support expenses		
Wages and benefits	203,774	178,007
Survivor conference	134,784	111,891
Localife	29,356	5,765
Retreat Yourself	20,247	77,249
Survive and Thrive	20,179	21,960
Office rental	15,697	15,364
Communications	14,491	21
Office supplies and postage	3,263	6,544
Support program development	3,165	1,306
Professional fees	3,158	4,951
Telephone and internet	2,266	1,709
Amortization	2,026	2,347
Website	2,013	16,340
Insurance	773	1,535
Professional development	701	1,182
Goaltender	285	255
Miscellaneous	-	149
	456,178	446,575

YOUNG ADULT CANCER CANADA INC.

Schedule 2 - Awareness and Advocacy

Year ended July 31, 2014

	2014	2013
	\$	\$
Awareness and advocacy expenses		
Wages and benefits	83,907	107,883
Communications	66,006	119,445
Shave for the Brave	36,495	54,361
Office rental	6,463	9,311
Office supplies and postage	1,344	3,966
Professional fees	1,300	3,000
Telephone and internet	933	1,036
Amortization	834	1,423
Insurance	318	930
Professional development	289	716
Touch Yourself, Trust Yourself	50	205
Miscellaneous	-	90
We Get It	-	6
	197,939	302,372

YOUNG ADULT CANCER CANADA INC.

Schedule 3 - Fund Development

Year ended July 31, 2014

	2014	2013
	\$	\$
Fund development expenses		
Wages and benefits	149,834	134,854
Shave for the Brave	45,333	54,361
Fund development	35,626	34,905
Third party events	22,952	-
Office rental	11,542	11,639
Office supplies and postage	2,400	4,957
Professional fees	2,322	3,750
Telephone and internet	1,666	1,295
Amortization	1,490	1,778
Insurance	568	1,163
Professional development	515	895
Miscellaneous	-	115
	274,248	249,712

YOUNG ADULT CANCER CANADA INC.

Schedule 4 - Operations

Year ended July 31, 2014

	2014	2013
	\$	\$
Operations expense		
Wages and benefits	161,821	118,671
Office rental	12,465	10,242
Interest and bank charges	3,065	2,175
Office supplies and postage	2,592	4,363
Professional fees	2,508	3,300
Governance	2,497	6,058
Telephone and internet	1,799	1,140
Amortization	1,609	1,565
Vehicle operating	1,546	2,438
Insurance	614	1,023
Professional development	557	788
Communications	-	893
Miscellaneous	-	100
	191,073	152,756