


YOUNG ADULT CANCER CANADA INC.
Financial Statements
Year Ended July 31, 2022



HARRIS RYAN



YOUNG ADULT CANCER CANADA INC.
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Year Ended July 31, 2022

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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, 2022, 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, 2022, 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 revenues over expenses, and cash flows from operations for the year ended July 31, 2022, current assets and net assets as at July 31, 2022. Our audit opinion on the financial statements for the year ended July 31, 2021 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.

(continues)

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.



St. John's, Newfoundland and Labrador
January 26, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

YOUNG ADULT CANCER CANADA INC.
Statement of Financial Position
July 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and term deposits	\$ 1,008,631	\$ 679,928
Accounts receivable (Note 3)	211,827	36,554
Prepaid expenses	14,163	23,979
	1,234,621	740,461
TANGIBLE CAPITAL ASSETS (Note 4)	28,465	1,840
INVESTMENT	25,017	25,000
	\$ 1,288,103	\$ 767,301
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 98,850	\$ 68,415
Employee deductions payable	-	16,537
Deferred income (Note 5)	481,386	38,184
	580,236	123,136
LONG TERM DEBT (Note 6)	40,000	40,000
	620,236	163,136
NET ASSETS	667,867	604,165
	\$ 1,288,103	\$ 767,301

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, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 604,165	\$ 441,227
EXCESS OF REVENUES OVER EXPENSES	63,702	162,938
NET ASSETS - END OF YEAR	\$ 667,867	\$ 604,165

YOUNG ADULT CANCER CANADA INC.
Statement of Revenues and Expenditures
Year Ended July 31, 2022

	2022	2021
REVENUES		
Shave for the Brave	\$ 379,023	\$ 305,529
Corporate donations	304,687	168,907
Personal donations	186,358	167,265
Government grants	129,900	51,000
In Memoriam donations	22,686	26,558
Third party events	17,575	27,965
Climb	3,095	3,610
Interest	1,773	2,166
Miscellaneous	20	1,964
Rollerbrave	-	29,892
	1,045,117	784,856
EXPENSES		
Support (<i>Schedule 1</i>)	497,070	373,220
Fund Development (<i>Schedule 2</i>)	202,931	166,748
Operations (<i>Schedule 3</i>)	192,290	125,257
Awareness and Advocacy (<i>Schedule 4</i>)	106,932	121,310
	999,223	786,535
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	45,894	(1,679)
OTHER INCOME		
Wage subsidy	17,808	144,617
Forgivable portion of CEBA loan	-	20,000
	17,808	164,617
EXCESS OF REVENUES OVER EXPENSES	\$ 63,702	\$ 162,938

YOUNG ADULT CANCER CANADA INC.**Statement of Cash Flows****Year Ended July 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 63,702	\$ 162,938
Items not affecting cash:		
Amortization of tangible capital assets	8,560	3,311
Forgivable portion of CEBA loan	-	(20,000)
	72,262	146,249
Changes in non-cash working capital:		
Accounts receivable	(175,273)	21,528
Accounts payable	30,435	29,053
Deferred income	443,202	(10,314)
Prepaid expenses	9,816	(2,821)
Employee deductions payable	(16,537)	5,047
	291,643	42,493
Cash flow from operating activities	363,905	188,742
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(35,185)	(3,550)
Purchase of investment	(17)	(25,006)
Proceeds from sale of investment	-	25,000
Cash flow used by investing activities	(35,202)	(3,556)
FINANCING ACTIVITY		
Proceeds from long term financing	-	20,000
INCREASE IN CASH FLOW	328,703	205,186
Cash - beginning of year	679,928	474,742
CASH - END OF YEAR	\$ 1,008,631	\$ 679,928

See notes to financial statements

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2022

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 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, 2022

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 accrued liabilities 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, 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 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, 2022

3. ACCOUNTS RECEIVABLE

	2022	2021
Accounts receivable	\$ 189,495	\$ 2,761
HST receivable	22,332	14,355
Wage subsidy	-	19,438
	\$ 211,827	\$ 36,554

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and equipment	\$ 5,290	\$ 529	\$ 4,761	\$ 65
Computer equipment	55,476	51,474	4,002	1,775
Computer software	1,392	1,392	-	-
Leasehold improvements	21,891	2,189	19,702	-
	\$ 84,049	\$ 55,584	\$ 28,465	\$ 1,840

5. DEFERRED REVENUE

Deferred revenue consists of a \$10,000 sponsorship for a September 2022 Shave for the Brave event, and \$471,386 in donations received through a Shave for the Brave event, 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

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 December 31, 2023 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, 2023. The \$20,000 forgivable portion of the loan has been recognized as revenue in the prior year. The loan is interest free to December 31, 2023 and bears interest at 5% annually from January 1, 2024 to December 31, 2025. If not repaid by December 31, 2023, payments are interest only to December 31, 2025 with full principal payment due on December 31, 2025.

YOUNG ADULT CANCER CANADA INC.

Notes to Financial Statements

Year Ended July 31, 2022

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, 2022.

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, 2022 the organization had cash and investments of \$1,033,648 (2021 - \$704,928), 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, 2022

8. RELATED PARTY TRANSACTIONS

The organization received donations of \$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 minimum lease payments as at July 31, 2022, are as follows:

2023	\$	61,275
2024		61,275
2025		61,275
2026		<u>61,275</u>
	\$	<u>245,100</u>

10. 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, 2022**

	2022	2021
Support expenditures		
Human resources	\$ 295,962	\$ 226,067
Primetown	107,393	70,499
Support administration	39,485	9,769
Web	13,625	36,891
Localife	13,203	15,646
Professional fees	10,930	3,753
Survivor conference	8,119	5,924
Amortization	4,365	1,445
Support program development	2,923	2,700
Web chats	565	526
Survivor in Action	500	-
	\$ 497,070	\$ 373,220

YOUNG ADULT CANCER CANADA INC.**Fund Development****(Schedule 2)****Year Ended July 31, 2022**

	2022	2021
Fund Development expenditures		
Human resources	\$ 92,850	\$ 98,174
Shave for the Brave	66,128	39,723
Fund development	25,289	10,230
Fund development administrative	12,387	4,243
Professional fees	3,429	1,630
Third party events	1,422	8,049
Amortization	1,370	627
Climb	56	1,377
Rollerbrave	-	2,695
	\$ 202,931	\$ 166,748

YOUNG ADULT CANCER CANADA INC.**Operations****(Schedule 3)****Year Ended July 31, 2022**

	2022	2021
Operations expenditures		
Human resources	\$ 145,080	\$ 114,598
Operations administrative	38,981	7,868
Professional fees	5,358	1,902
Amortization	2,140	732
Governance	731	157
	\$ 192,290	\$ 125,257

YOUNG ADULT CANCER CANADA INC.**Awareness and Advocacy****(Schedule 4)****Year Ended July 31, 2022**

	2022	2021
Awareness and Advocacy expenditures		
Human resources	\$ 46,426	\$ 79,250
Communications	35,380	34,834
Shave for the Brave	16,532	1,936
Awareness and advocacy administrative	6,194	3,425
Professional fees	1,715	1,316
Amortization	685	506
YAC Prime Research	-	43
	\$ 106,932	\$ 121,310