



2017

**Coast to Coast Against
Cancer Foundation**

Financial Statements

For the year ended
December 31, 2017

Independent Auditor's Report

To the directors of
Coast to Coast Against Cancer Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Coast to Coast Against Cancer Foundation, which comprise the balance sheet as at December 31, 2017 and the statements of operations and net assets and statement of 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.

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 opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from cash 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 were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the 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 Coast to Coast Against Cancer Foundation as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
June 15, 2018

Coast to Coast Against Cancer Foundation
Balance Sheet
As at December 31, 2017

	2017	2016
Assets		
Cash	\$ 368,114	576,270
Accounts receivable from government	187,570	104,054
Accounts receivable	32,004	46,200
Inventory	-	2,348
	<u>587,688</u>	<u>728,872</u>
Capital assets (note 2)	30,847	39,244
	<u>\$618,535</u>	<u>\$768,116</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 69,306	177,914
Deferred revenue	10,300	134,283
	<u>79,606</u>	<u>312,197</u>
Net Assets		
Invested in capital assets	30,847	39,244
Unrestricted	508,082	416,675
	<u>538,929</u>	<u>455,919</u>
	<u>618,535</u>	<u>768,116</u>

See accompanying notes to financial statements

Approved on behalf of the Board:

 Director

 Director

Coast to Coast Against Cancer Foundation
Statement of Operations
Year ended December 31

	2017	2016
Revenue		
Received donations	\$3,792,729	\$3,385,592
Other donations	995,298	1,148,398
	4,788,027	4,533,990
Sponsorships (note 4)	621,909	633,686
Registrations	367,468	245,201
Sale of merchandise	23,066	32,640
Gain (loss) on foreign exchange	(9,710)	3,366
Interest and other	24,728	14,540
	5,815,488	5,463,423
Expenditures		
Donations to other charities	4,104,610	4,101,000
Administration	206,893	128,786
Recovery on defalcation (note 6)	(554,497)	(141,336)
Amortization (note 1)	13,367	11,333
Rent	18,030	-
Event operations	1,216,331	900,221
Event promotion and awareness	31,859	64,937
Staff	695,885	425,316
	5,732,478	5,490,257
Excess (deficiency) of revenues over expenditures	\$ 83,010	\$ (26,834)

See accompanying notes to financial statements

**Coast to Coast Against Cancer Foundation
Statement of Change in Net Assets
Year Ended December 31**

	2017	2016
Invested in Capital Assets		
Balance, beginning of year	39,244	16,253
Amortization	(13,367)	(11,333)
Net acquisitions of capital assets	4,970	34,324
Balance, end of year	30,847	39,244

Unrestricted Net Assets

Balance, beginning of year	416,675	466,500
Excess (deficiency) of revenues over expenditures	83,010	(26,834)
Net change in capital assets	8,397	(22,991)
Balance, end of year	508,082	416,675

See accompanying notes to financial statements

**Coast to Coast Against Cancer Foundation
Statement of Cash Flows
Year Ended December 31**

	2017	2016
Cash provided by (used for):		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 83,010	\$ (26,834)
Items not affecting cash		
Amortization	13,367	11,333
Accounts receivable	(69,320)	(36,273)
Inventory	2,348	(2,348)
Accounts payable and accrued liabilities	(108,608)	(90,180)
Deferred revenue	(123,983)	126,744
	(203,186)	(17,558)
Investing activities		
Acquisition of capital assets	(4,970)	(34,324)
(Decrease) increase in cash	(208,156)	(51,882)
Cash, beginning of year	576,270	628,152
Cash, end of year	\$ 368,114	\$ 576,270

See accompanying notes to financial statements

COAST TO COAST AGAINST CANCER

Notes to Financial Statements
Year Ended December 31, 2017

Coast to Coast Against Cancer is a not-for-profit organization whose primary purpose is to raise funds to donate to charities which provide psycho-social support to children afflicted with cancer and to their families. The Organization was incorporated by Letters Patent under the Canada Corporations Act on July 19, 2005 and was continued by Certificate of Continuance under Section 211 of the Canada Not-for-profit Corporations Act on October 2, 2014. The Organization is a Public Foundation.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for profit organizations.

a) Fund accounting:

Capital Asset Fund

The Organization's net investment (cost less accumulated amortization) in capital assets is reported in the Capital Asset Fund. The Capital Asset Fund is internally restricted by the Board of Directors.

Unrestricted Fund

All other revenues and expenditures, and assets and liabilities, are reported in the Unrestricted Fund.

b) Cash

The Organization considers deposits in bank and short term investments with maturity dates of 90 days or less as cash and cash equivalents.

c) Capital assets:

Capital assets are stated at cost. Amortization is computed using the following methods and rates:

	Method	Rate
Bicycles and racks	Straight-line	50%
Computer equipment	Straight-line	20%
Tents and outdoor equipment	Straight-line	20%
Vehicles	Straight-line	20%

In the year of acquisition, capital assets purchases are amortized at half the normal annual rate.

d) Revenue recognition

The Organization realizes revenue from contributions, sponsorships, registrations and the sale of merchandise.

The deferral method is used for accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred or accrued. Unrestricted contributions are recognized as revenue when received.

Revenue from other sources is recognized as follows:

Sponsorship revenue: At the time the related event is held.

Registration revenue: At the time the related event is held.

Revenue from the sale of merchandise: At the time the merchandise is delivered.

e) Donated materials and services

Donated materials are recognized at fair market value where the value can be reasonably determined and where, had the materials not been donated, it would have been necessary to purchase them. Donated services are not recognized.

f) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the period. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known. The principal estimates used in these financial statements are the determination of allowance for doubtful accounts, accrued liabilities, and the useful life of capital assets.

2. Capital assets:

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Bicycles and racks	\$ -	\$ -	\$ -	\$ 2,752
Computer equipment	4,969	497	4,472	-
Tents and outdoor equipment	9,253	5,929	3,324	6,855
Vehicles	32,930	9,879	23,051	29,637
	\$47,152	\$16,305	\$30,847	\$39,244

3. Financial Instruments

The Organization measures its financial instruments initially at fair value, and subsequently as follows:

<u>Asset or Liability</u>	<u>Measurement</u>
Cash	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, 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.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization does not hold directly any collateral as security for financial obligations.

The maximum exposures of the Organization to credit risk at December 31 were: cash \$368,114 (2016 - \$576,240), and accounts receivable \$219,574 (2016 - \$150,254).

Cash: credit risk associated with cash is mitigated substantially by ensuring that these assets are deposited with Canadian chartered banks.

Accounts receivable: credit risk associated with accounts receivable is minimal as substantially all of the accounts receivable are due from major sponsors with excellent credit standing, or from the federal government in the form of refundable Harmonized Sales Tax.

Management believes that concentration of credit risk with respect to cash is limited due to the credit quality of the counter-parties.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk that the Organization might not be able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of receipts and expenditures from operations, and by investing surplus cash in instruments that may readily be converted to cash.

Market Risk

Market risk includes currency risk, interest rate risk, and other price risk. The Organization is exposed to currency risk arising from gains and losses due to fluctuations in foreign currency exchange rates on its US dollar denominated bank account. Foreign currency risk is managed by maintaining minimum levels of US cash and by converting US dollar receipts to Canadian dollars as soon as possible. The Organization's financial assets are not, by their nature, subject to other price risk.

The Organization is expose to interest rate risk, which refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

There was no exposure to interest rate risk at December 31, 2017 or 2016.

4. Sources of revenues

The Organization receives donations and registration revenues from many sources. No single donor or registrant accounted for more than 2% or more of the Organization’s donation or registration revenues respectively.

The Organization event sponsorship revenues came from various sources:

	2017	2016
In amounts of \$50,000 or more (2017 – 2 sponsors, 2016 – 3)	\$227,500	\$404,855
In other amounts (2017 – 42 sponsors, 2016 – 27)	<u>394,409</u>	<u>228,831</u>
	<u>\$621,909</u>	<u>\$633,686</u>

5. Operating ratios

The Organization’s operating objectives include the donation to other registered charitable organizations of 100% of the revenue received by the Organization in the form of donations for which Official Receipts for Income Tax Purposes are issued (“tax-receipted revenue”) and the coverage of all operating costs from revenues other than tax-receipted revenue. The ratios for the current and prior years are:

	2017	2016
Donations to other charities as a percentage of tax-receipted revenue:		
Current year	108.2%	121.1%
Cumulative	113.0%	113.5%

6. Defalcation

The Organization was granted summary judgement against a former member of the Board of Directors for fraud, embezzlement, misappropriation and / or defalcation.

During the year, the Organization recovered \$554,497 (2016 - \$141,336) from the former member of the Board of Directors. The recovery is included in income under recovery from defalcation.