

**Coast to Coast Against
Cancer Foundation
Financial Statements**
For the year ended December 31, 2018

Independent Auditor's Report

To the directors of
Coast to Coast Against Cancer Foundation

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Coast to Coast Against Cancer Foundation, which comprise the balance sheet as at December 31, 2018 and the statements of loss and and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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.

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 Company in accordance with the 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 opinion.

Other information

Management is responsible for the other information, which comprises the annual report except for the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, is inconsistent with our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we determine that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity's financial reporting process.

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.

As part of an audit in accordance with CASs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. 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 Charity's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Charity'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 Charity to cease to continue as a going concern.
5. 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

S+C Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 15, 2019

**Coast to Coast Against Cancer Foundation
Balance Sheet
As at December 31, 2018**

	2018	2017
Assets		
Cash	\$274,368	368,114
Accounts receivable from government	29,798	187,570
Accounts receivable	24,509	32,004
	328,675	587,688
Capital assets (note 2)	26,183	30,847
	\$354,858	\$618,535
Liabilities		
Accounts payable and accrued liabilities	\$ 56,030	69,306
Deferred revenue	44,470	10,300
	100,500	79,606
Net Assets		
Capital asset fund	26,183	30,847
Unrestricted	228,175	508,082
	254,358	538,929
	\$354,858	\$618,535

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

	2018	2017
Revenue		
Receipted donations	\$3,024,683	\$3,792,729
Other donations	603,395	995,298
	<u>3,628,078</u>	<u>4,788,027</u>
Sponsorships (note 4)	497,251	621,909
Registrations	229,466	367,468
Sale of merchandise	15,826	23,066
Gain (loss) on foreign exchange	9,035	(9,710)
Interest and other	26,917	24,728
	<u>4,406,573</u>	<u>5,815,488</u>
Expenditures		
Donations to funding partners	3,064,241	4,104,610
Administration	177,827	206,893
Recovery on defalcation	-	(554,497)
Amortization (note 1)	9,949	13,367
Rent	-	18,030
Event operations	659,028	1,216,331
Event promotion and awareness	37,217	31,859
Staff	742,882	695,885
	<u>4,691,144</u>	<u>5,732,478</u>
Excess (deficiency) of revenues over expenditures	\$ (284,571)	\$ 83,010

See accompanying notes to financial statements

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

	2018	2017
Capital asset fund		
Balance, beginning of year	\$30,847	\$39,244
Amortization	(9,949)	(13,367)
Net acquisitions of capital assets	5,285	4,970
Balance, end of year	\$26,183	\$30,847

Unrestricted Net Assets

Balance, beginning of year	\$508,082	\$416,675
Excess (deficiency) of revenues over expenditures	(284,571)	83,010
Net change in capital assets	4,664	8,397
Balance, end of year	\$228,175	\$508,082

See accompanying notes to financial statements

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

	2018	2017
Cash provided by (used for):		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ (284,571)	\$ 83,010
Items not affecting cash		
Amortization	9,949	13,367
Accounts receivable	165,267	(69,320)
Inventory	-	2,348
Accounts payable and accrued liabilities	(13,276)	(108,608)
Deferred revenue	34,170	(123,983)
	(88,461)	(203,186)
Investing activities		
Acquisition of capital assets	(5,285)	(4,970)
Decrease in cash	(93,746)	(208,156)
Cash, beginning of year	368,114	576,270
Cash, end of year	\$ 274,368	\$ 368,114

See accompanying notes to financial statements

COAST TO COAST AGAINST CANCER

Notes to Financial Statements

Year Ended December 31, 2018

Coast to Coast Against Cancer Foundation is a not-for-profit organization whose primary purpose is to raise and disburse funds to programs and research that support children, youth and young adults affected with cancer and 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
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.

Interest and other: At the time earned and collection reasonably assured.

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	2018 Net book value	2017 Net book value
Computer equipment	\$10,256	\$2,021	\$8,235	\$4,472
Tents and outdoor equipment	9,253	7,770	1,483	3,324
Vehicles	32,930	16,465	16,465	23,051
	\$52,439	\$26,256	\$26,183	\$30,847

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 \$274,368 (2017 - \$368,114), and accounts receivable \$54,307 (2017 - \$219,574).

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 amounts 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, 2018 or 2017.

4. Sources of revenues:

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

The Organization event sponsorship revenues came from various sources:

	2018	2017
In amounts of \$50,000 or more (2018–2 sponsors, 2017–2)	\$179,365	\$227,500
In other amounts (2018 – 35 sponsors, 2017 – 42)	<u>317,886</u>	<u>394,409</u>
	<u>\$497,251</u>	<u>\$621,909</u>

5. Operating ratios:

The Organization's operating objectives include the donation to funding partners 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:

	2018	2017
Donations to funding partners as a percentage of tax-receipted revenue:		
Current year	101.3%	108.2%
Cumulative	112.4%	113.0%