

**Coast to Coast Against
Cancer Foundation
Financial Statements**
For the 7 months ended July 30, 2020

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 July 30, 2020 and the statements of loss 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 July 30, 2020, 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 ("CAS"). 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 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.

Emphasis of Matter

We draw attention to note 6 to the financial statements, which describes the impact of the emergence of the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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 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.

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 CAS. 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 CAS, 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 Organization'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 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.
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.

S+C Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
January 25, 2021

Coast to Coast Against Cancer Foundation
Balance Sheet
As at July 30, 2020

	July 30, 2020	Dec 31, 2019
Assets		
Cash	\$67,374	\$360,201
Marketable securities	-	6,743
Accounts receivable from government (note 5)	107,786	41,872
Accounts receivable	5,093	17,665
Prepaid expenses	6,193	6,193
	186,446	432,674
Capital assets (note 2)	6,728	8,402
	\$193,174	\$441,076
Liabilities		
Accounts payable and accrued liabilities	\$ 113,468	\$136,795
Deferred revenue	-	8,724
	113,468	145,519
Net Assets		
Capital asset fund	6,728	8,402
Unrestricted	72,978	287,155
	79,706	295,557
	\$193,174	\$441,076

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

Coast to Coast Against Cancer Foundation
Statement of Operations
7 Months ended July 30, 2020

	July 30, 2020	Dec 31, 2019
Revenues		
Receipted donations	\$163,579	\$2,416,204
Other donations	78,514	377,906
	242,093	2,794,110
Sponsorships (note 4)	19,500	241,936
Registrations	-	348,715
Fee income	1,699	23,555
Sale of merchandise	1,975	12,582
Gain on foreign exchange	405	1,522
Interest and other	-	35,255
Loss on disposal of capital assets	-	(6,295)
	265,672	3,451,380
Expenditures		
Donations to funding partners	185,693	1,394,734
Administration	30,477	227,960
Amortization	1,674	3,314
Rent	37,159	37,165
Event operations	22,804	943,417
Event promotion and awareness (recovery)	(2,033)	97,879
Staff (note 5)	205,749	705,712
	481,523	3,410,181
Excess (deficiency) of revenues over expenditures	\$ (215,851)	\$ 41,199

See accompanying notes to financial statements.

Coast to Coast Against Cancer Foundation
Statement of Change in Net Assets
7 Months Ended July 30, 2020

	July 30, 2020	Dec 31, 2019
Capital asset fund		
Balance, beginning of year	\$8,402	\$26,183
Amortization	(1,674)	(3,314)
Net acquisitions (disposals) of capital assets	-	(14,467)
Balance, end of year	\$6,728	\$8,402

Unrestricted Net Assets

Balance, beginning of year	\$287,155	\$228,175
Excess (deficiency) of revenues over expenditures	(215,851)	41,199
Net change in capital assets	1,674	17,781
Balance, end of year	\$72,978	\$287,155

See accompanying notes to financial statements.

Coast to Coast Against Cancer Foundation
Statement of Cash Flows
7 Months Ended July 30, 2020

	July 30, 2020	Dec 31, 2019
Cash provided by (used for):		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ (215,851)	\$ 41,199
Items not affecting cash		
Amortization	1,674	3,314
Loss on disposal of capital assets	-	6,295
	1,674	9,609
Change in non-cash working capital items		
Accounts receivable	(53,341)	(5,230)
Prepaid expenses	-	(6,193)
Marketable Securities	6,743	(6,743)
Accounts payable and accrued liabilities	(23,328)	80,765
Deferred revenue	(8,724)	(35,746)
	(292,827)	77,661
Investing activities		
Acquisition of capital assets	-	(1,998)
Disposal of capital assets	-	10,170
	-	8,172
Increase (decrease) in cash	(292,827)	85,833
Cash, beginning of year	360,201	274,368
Cash, end of year	\$ 67,374	\$ 360,201

See accompanying notes to financial statements.

COAST TO COAST AGAINST CANCER FOUNDATION

Notes to Financial Statements

7 Months Ended July 30, 2020

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%

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, fees 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.

Fees, interest and other: At the time earned and collection reasonably assured.

e) Government assistance:

Government assistance related to expenses of the current period are recorded as a reduction of the related expenses.

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	2020 Net book value	2019 Net book value
Computer equipment	\$12,254	\$5,700	\$6,554	\$7,983
Tents and outdoor equipment	<u>9,253</u>	<u>9,079</u>	<u>174</u>	<u>419</u>
	<u>\$21,507</u>	<u>\$14,779</u>	<u>\$6,728</u>	<u>\$8,402</u>

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
Marketable securities	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 July 30, 2020 were: cash \$67,374 (2019 - \$360,201), and accounts receivable \$112,879 (2019 - \$59,537).

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 the federal government in the form of refundable Harmonized Sales Tax and government assistance in connection with the Canada Emergency Wage Subsidy.

Management believes that concentration of credit risk with respect to cash and accounts receivable 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.

The Organization is also subject to exceptional liquidity considerations, which are further described in note 6.

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 exposed 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 July 30, 2020 or December 31, 2019.

4. Sources of revenues:

The Organization receives donations and registration revenues from many sources. No single donor or registrant accounted for more than 14% of the Organization's donation or registration revenues, respectively.

The Organization event sponsorship revenues came from various sources:

	2020	2019
In amounts of \$50,000 or more (2020–0 sponsors, 2019 – 0)	-	-
In other amounts (2020 – 2 sponsors, 2019 – 28)	<u>19,500</u>	<u>241,936</u>
	<u>\$ 19,500</u>	<u>\$241,936</u>

5. Government Assistance:

These financial statements include a reduction to staff salaries in the amount of \$93,032 (2019 - \$nil) in connection with the Canada Emergency Wage Subsidy claimed in the current year. The amount included in accounts receivable as of July 30, 2020 was \$93,032 (2019 – \$nil) with respect to the Canada Emergency Wage Subsidy.

6. COVID-19 Pandemic:

The emergence of the COVID-19 pandemic has created a significant impact on global, national and local markets, which could have a material impact on the Organization.

Some of the key impacts could include, but are not limited to:

- Cancellation of events
- Reductions in donations and earnings
- Absence of key personnel

The Board of Directors is assessing the impact of the pandemic on the Organization and implementing steps as appropriate.

7. Subsequent event:

On July 31, 2020, Coast to Coast Against Cancer Foundation amalgamated with the Childhood Cancer Canada Foundation.