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Audited Financial Statements

COAST TO COAST AGAINST CANCER FOUNDATION

December 31, 2012

AUDITED FINANCIAL STATEMENTS

COAST TO COAST AGAINST CANCER FOUNDATION

December 31, 2012

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NICHOLAS RALPH

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Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Directors of **COAST TO COAST AGAINST CANCER FOUNDATION**:

I have audited the accompanying financial statements of COAST TO COAST AGAINST CANCER FOUNDATION which comprise the statements of financial position as at December 31, 2012, and at December 31, 2011 and the statements of changes in net assets and the statements of operations and the statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 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.

Except as explained in the following paragraph, I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

...continued

INDEPENDENT AUDITOR'S REPORT (continued)

Basis of Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, registrations and sales of merchandise which are not susceptible of complete audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the books of the Organization and I am not able to determine whether any adjustments might be necessary to donations revenues, registrations revenues, sales of merchandise, excess of revenues over expenditures, assets, and net assets.

Opinion

In my opinion, except for the effect of adjustments, if any, which might have been required had I been able to satisfy myself concerning the completeness of donations, registrations, and merchandise sales revenues, the financial statements present fairly, in all material respects, the financial position of COAST TO COAST AGAINST CANCER FOUNDATION as at December 31, 2012 and as at December 31, 2011 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations and with Canadian generally accepted accounting principles.

Ottawa
April 17, 2013

Nicholas Ralph CA Professional Corporation
Licensed to practise public accounting
by the Institute of Chartered Accountants of Ontario

STATEMENT OF FINANCIAL POSITION

COAST TO COAST AGAINST CANCER FOUNDATION

	December 31 2012	December 31 2011	January 1 2011
ASSETS			
CURRENT ASSETS			
Cash	$ 729,899	$ 1,123,129	$ 876,865
Accounts receivable	279,756	162,453	69,411
Prepaid expenses	-	25,000	-
	1,009,655	1,310,582	946,276
CAPITAL ASSETS--Note C	21,518	48,107	34,534
	$ 1,031,173	$ 1,358,689	$ 980,810
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	$ 45,380	$ 80,759	$ 32,063
NET ASSETS			
Invested in capital assets	21,518	48,107	34,534
Unrestricted	964,275	1,229,823	914,213
	985,793	1,277,930	948,747
	$ 1,031,173	$ 1,358,689	$ 980,810

APPROVED ON BEHALF OF THE BOARD:

____________________ Director

Cassie Clerk __________ Director

See notes to financial statements

STATEMENT OF CHANGES IN NET ASSETS

COAST TO COAST AGAINST CANCER FOUNDATION

	Year ended December 31 2012	2011
INVESTED IN CAPITAL ASSETS		
Balance at beginning of the year	$ 48,107	$ 34,534
Amortization	(47,990)	(34,123)
Net acquisitions of capital assets	21,401	47,696
Balance at end of the year	$ 21,518	$ 48,107
UNRESTRICTED NET ASSETS		
Balance at beginning of the year	$ 1,229,823	$ 914,213
Excess of revenues over expenditures	(292,137)	329,183
Net change in capital assets	26,589	(13,573)
Balance at end of the year	$ 964,275	$ 1,229,823

See notes to financial statements

STATEMENT OF OPERATIONS

COAST TO COAST AGAINST CANCER FOUNDATION

	Year ended December 31 2012	2011
REVENUES		
Donations		
Official Receipts for Income Tax purposes issued ("Tax-Receipted Revenue")	$ 4,974,603	$ 4,401,305
Other	872,902	771,523
	5,847,505	5,172,828
Sponsorships	963,960	994,005
Registrations	410,215	395,064
Sales of merchandise	17,910	44,934
Interest	24,488	14,929
	$ 7,264,078	$ 6,621,760
EXPENDITURES		
Donations to other charities	$ 5,910,219	$ 4,788,971
Administration	179,652	93,045
Amortization	47,990	34,123
Bad debt	2,500	-
Event operations	1,004,338	968,266
Event promotion and awareness	77,902	22,879
Staff	333,614	385,293
	$ 7,556,215	$ 6,292,577
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	$ (292,137)	$ 329,183

See notes to financial statements

STATEMENT OF CASH FLOWS

COAST TO COAST AGAINST CANCER FOUNDATION

	Year ended December 31 2012	2011
Cash provided by (used for):		
Operating activities		
Excess (deficit) of revenues over expenditures	$ (292,137)	$ 329,183
Items not affecting cash		
Amortization	47,990	34,123
	(244,147)	363,306
Changes in non-cash working capital		
Accounts receivable	(117,303)	(93,042)
Prepaid expenses	25,000	(25,000)
Accounts payable and accrued liabilities	(35,379)	48,695
	$ (371,829)	$ 293,959
Investing activities		
Decrease (increase) in temporary investments	$ -	$ -
Acquisitions of capital assets	(21,401)	(47,696)
	$ (21,401)	$ (47,696)
Increase (decrease) in cash	$ (393,230)	$ 246,263
Cash at beginning of the year	1,123,129	876,866
Cash at end of the year	$ 729,899	$ 1,123,129

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

COAST TO COAST AGAINST CANCER FOUNDATION

December 31, 2012

NOTE A--GENERAL

Coast to Coast Against Cancer Foundation 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 August 22, 2005 and is a Public Foundation.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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	50%
Tents and outdoor equipment	Straight-line	20%

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

Revenue Recognition

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.

Donated Materials and Services

Donated materials are recognized at fair market value where this 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.

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NOTES TO FINANCIAL STATEMENTS

COAST TO COAST AGAINST CANCER FOUNDATION

December 31, 2012

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 became known.

Allocation of Expenditures

The Organization runs several riding events each year to raise money for onward donation to other charities, and routinely makes expenditures on fund-raising and administration, insurance, materials and services, transportation, and other expenses. All expenditures are allocated across events, fund-raising, and administration in a manner consistent with management's estimate of consumption. Management ensures that the basis for allocation of expenditures is applied consistently from year to year, and regularly reviews its estimates of consumption, asset usage, and staff time allocation to ensure that the resulting allocations represent fairly the manner in which expenditures are absorbed across the Organization.

NOTE C--CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
2012			
Bicycles and racks	$ 93,440	$ 92,925	$ 515
Computer equipment	11,113	11,113	-
Tents and outdoor equipment	53,329	32,326	21,003
	$ 157,882	$ 136,364	$ 21,518
2011			
Bicycles and racks	$ 88,748	$ 52,976	$ 35,772
Computer equipment	11,113	11,113	-
Tents and outdoor equipment	36,620	24,285	12,335
	$ 136,481	$ 88,374	$ 48,107

NOTE D--FINANCIAL INSTRUMENTS

Financial instruments are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale, and other financial liabilities. The classification determines the accounting treatment of the instrument: the classification is determined by the Organization when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The Organization measures its financial instruments as follows:

Asset or Liability	Measurement
Cash	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations in the period in which the gain or loss occurs.

Changes in the fair value of financial instruments classified as available for sale are recorded in the statement of changes in net assets until realized, at which time they are recorded in the statement of operations.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Organization would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of temporary investments are determined by reference to published bid price quotations in an active market at year-end.

The fair values of accounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to their nature or capacity for prompt liquidation.

Risk management

The Organization manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance with the objective of minimizing volatility in cash flow and operating results. The Organization does not use derivative financial instruments to manage its risks.

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NOTES TO FINANCIAL STATEMENTS

COAST TO COAST AGAINST CANCER FOUNDATION

December 31, 2012

NOTE D--FINANCIAL INSTRUMENTS (continued)

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 $729,899, (2011 - $1,123,129), and accounts receivable $279,756, (2011 - $162,453)

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 which may readily be converted to cash.

Market Risk

Market risk includes currency risk, interest rate risk, and other price risk. The Organization is not exposed directly to currency risk or other price risk as its financial assets are denominated in Canadian dollars and 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 as at December 31 in 2012 or 2011.

NOTES TO FINANCIAL STATEMENTS

COAST TO COAST AGAINST CANCER FOUNDATION

December 31, 2012

NOTE E--SOURCES OF REVENUES

The Organization receives donations and registration revenues from many sources: no single donor or registrant accounted for 1% or more of the Organization's donation or registration revenues respectively.

The Organization event sponsorship revenues came from various sources:

	2012	2011
In amounts of $50,000 or more (2012 - 4 sponsors, 2011 - 4)	$ 690,000	$ 724,319
In other amounts (2012 - 24 sponsors, 2011 - 32)	273,960	269,686
Total	$ 963,960	$ 994,005

NOTE F--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:

	2012	2011
Donations to other charities as a percentage of tax-receipted revenue:		
Current year	118.8 %	108.8 %
Cumulative	114.5 %	113.0 %
Proportion of operating costs covered by other (non tax-receipted) revenue:		
Current year	100.0 %	100.0 %
Cumulative	100.0 %	100.0 %

NOTES TO FINANCIAL STATEMENTS

COAST TO COAST AGAINST CANCER FOUNDATION

December 31, 2012

NOTE G--ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The Organization has elected to adopt the accounting framework outlined in Part III of the CICA Accounting Handbook - Accounting Standards for Not-For-Profit Organizations (ASNPO). These are the Organization's first financial statements prepared in accordance with ASNPO and the transitional provisions of Section 1501, First-Time Adoption, have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in Note B have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented for the year ended December, 2011 and in the preparation of the opening balance sheet as at January 1, 2011 (the Organization's date of transition).

The Organization issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by the CICA Handbook. The adoption of ASNPO had no impact on the previously reported assets, liabilities and net assets of the Organization and, accordingly, no adjustments have been recorded in the comparative statements of financial position, statements of changes in net assets, statements of operations, or statements of cash flows. Certain of the Organization's disclosures in these financial statements reflect the new disclosure requirements under ASNPO.