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Audited Financial Statements

**COAST TO COAST AGAINST CANCER FOUNDATION**

December 31, 2008

AUDITED FINANCIAL STATEMENTS

**COAST TO COAST AGAINST CANCER FOUNDATION**

December 31, 2008

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## AUDITOR'S REPORT

To the Directors of **Coast to Coast Against Cancer Foundation**:

I have audited the statement of financial position of **Coast to Coast Against Cancer Foundation** as at December 31, 2008 and the statement of changes in net assets, and the statement of operations, and the statement of cash flows for the year then ended. 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.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Organization derives revenue from donations 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 donation revenues, excess of revenues over expenditures, assets, and net assets.

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 revenue, as explained in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ottawa  
March 3, 2009


  
Nicholas Ralph CA  
Licensed Public Accountant

STATEMENT OF FINANCIAL POSITION

**COAST TO COAST AGAINST CANCER FOUNDATION**

	December 31	
	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 640,073	\$ 361,804
Accounts receivable	94,714	(10,641)
Prepaid expenses	11,439	8,688
Inventory	<u>-</u>	<u>13,001</u>
	746,226	372,852
<b>CAPITAL ASSETS--Note C</b>	<u>18,363</u>	<u>21,369</u>
	<u>\$ 764,589</u>	<u>\$ 394,221</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 75,599	\$ 20,161
<b>NET ASSETS</b>		
Invested in capital assets	18,363	21,369
Unrestricted	<u>670,627</u>	<u>352,691</u>
	<u>688,990</u>	<u>374,060</u>
	<u>\$ 764,589</u>	<u>\$ 394,221</u>

**APPROVED ON BEHALF OF THE BOARD:**


  
 \_\_\_\_\_ Director
   
 \_\_\_\_\_ Director

See notes to financial statements

STATEMENT OF CHANGES IN NET ASSETS

**COAST TO COAST AGAINST CANCER FOUNDATION**

	Year ended December 31	
	<u>2008</u>	<u>2007</u>
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance at beginning of the year	\$ 21,369	\$ -
Amortization	(20,003)	(13,148)
Net acquisitions of capital assets	<u>16,997</u>	<u>34,517</u>
Balance at end of the year	<u>\$ 18,363</u>	<u>\$ 21,369</u>
<b>UNRESTRICTED NET ASSETS</b>		
Balance at beginning of the year	\$ 352,691	\$ -
Excess of revenues over expenditures	314,930	374,060
Net change in capital assets	<u>3,006</u>	<u>(21,369)</u>
Balance at end of the year	<u>\$ 670,627</u>	<u>\$ 352,691</u>

See notes to financial statements

STATEMENT OF OPERATIONS

**COAST TO COAST AGAINST CANCER FOUNDATION**

	Year ended December 31	
	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>		
Donations:		
Official Receipts for Income Tax purposes issued ("Tax-Receipted Revenue")	\$2,291,552	\$1,252,127
Other	<u>385,469</u>	<u>191,631</u>
	2,677,021	1,443,758
Sponsorships	974,882	300,425
Registrations	244,746	148,180
Sales of merchandise	29,590	27,667
Interest and miscellaneous	<u>1,690</u>	<u>9,095</u>
	<u>\$3,927,929</u>	<u>\$1,929,125</u>
<b>EXPENDITURES</b>		
Donations to other charities	\$2,342,709	\$1,099,001
Administration		
Accounting and legal	5,628	7,665
Insurance	17,130	9,747
Office supplies	7,808	4,104
Telecommunications	13,704	6,002
Web design	20,500	9,085
Other	<u>23,080</u>	<u>7,128</u>
	87,850	43,731
Amortization	20,003	13,148
Event promotion and awareness	87,215	27,088
Event operations	931,184	359,189
Staff	<u>144,038</u>	<u>12,908</u>
	<u>\$3,612,999</u>	<u>\$1,555,065</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 314,930</u>	<u>\$ 374,060</u>

See notes to financial statements

STATEMENT OF CASH FLOWS

**COAST TO COAST AGAINST CANCER FOUNDATION**

	Year ended December 31	
	<u>2008</u>	<u>2007</u>
<b>Cash provided by (used for) Operating activities</b>		
Excess of revenues over expenditures	\$ 314,930	\$ 374,060
Items not affecting cash		
Amortization	<u>20,003</u>	<u>13,148</u>
	334,933	387,208
Changes in non-cash working capital		
Accounts receivable	(105,355)	10,641
Prepaid expenses	(2,751)	(8,688)
Inventory	13,001	(13,001)
Accounts payable and accrued liabilities	<u>55,438</u>	<u>20,161</u>
	\$ <u>295,266</u>	\$ <u>396,321</u>
<b>Investing activities</b>		
Acquisitions of capital assets	\$ <u>(16,997)</u>	\$ <u>(34,517)</u>
<b>Increase in cash</b>	\$ 278,269	\$ 361,804
<b>Cash at beginning of year</b>	<u>361,804</u>	<u>-</u>
<b>Cash at end of year</b>	\$ <u>640,073</u>	\$ <u>361,804</u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

**COAST TO COAST AGAINST CANCER FOUNDATION**

December 31, 2008

**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 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.

**Inventory**

Inventory is stated at the lower of cost and estimated net realizable value. Cost is determined on an average basis.

**Capital Assets**

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

	<u>Method</u>	<u>Rate</u>
Bicycles and racks	Straight line	50%
Computer equipment	Straight line	50%
Tents and outdoor equipment	Straight line	20%

In the year of acquisition, unless otherwise stated below, 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**

Year ended December 31, 2008

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

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
<b>2008</b>			
Bicycles and racks	\$ 26,162	\$ 23,937	\$ 2,225
Computer equipment	6,171	3,703	2,468
Tents and outdoor equipment	<u>19,180</u>	<u>5,510</u>	<u>13,670</u>
	<u>\$ 51,513</u>	<u>\$ 33,150</u>	<u>\$ 18,363</u>
<b>2007</b>			
Bicycles and racks	\$ 21,712	\$ 10,856	\$ 10,856
Computer equipment	4,437	618	3,819
Tents and outdoor equipment	<u>8,368</u>	<u>1,674</u>	<u>6,694</u>
	<u>\$ 34,517</u>	<u>\$ 13,148</u>	<u>\$ 21,369</u>

## NOTES TO FINANCIAL STATEMENTS

**COAST TO COAST AGAINST CANCER FOUNDATION**

December 31, 2008

**NOTE D--FINANCIAL INSTRUMENTS****Fair Value**

The Organization's current financial instruments recognized on the balance sheet consist of cash, accounts receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term nature of these instruments.

**Risk**

The Organization is at financial risk as to the earnings from investments it makes temporarily from time to time as a result of fluctuations in interest rates, and market conditions generally. The Organization does not use derivative instruments to reduce its exposure to these risks.

The Organization is at credit risk in that a counterparty may fail to perform its obligations under an investment contract. Management monitors this risk on a regular basis and does not believe the risk to be significant.

The Organization is at concentration risk in that its cash resources are all deposited in one financial institution. Management monitors this risk on a regular basis and does not believe the risk to be significant in light of the quality of the credit of the financial institution which holds the Organization's cash deposits.

**NOTE E--DONATED MATERIALS**

During the year the Organization received in-kind donations of goods amounting to \$Nil (2007 - \$3,200).

**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:

	<u>2008</u>	<u>2007</u>
Donations to other charities as a percentage of tax-receipted revenue:		
Current year	102.2 %	87.8 %
Cumulative	97.1 %	87.8 %
Proportion of operating costs covered by other (non tax-receipted) revenue:		
Current year	100.0 %	100.0 %
Cumulative	100.0 %	100.0 %