

BLADDER CANCER CANADA
Financial Statements
Year Ended December 31, 2016

BLADDER CANCER CANADA

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Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of Bladder Cancer Canada

We have audited the accompanying financial statements of Bladder Cancer Canada, which comprise the statement of financial position as at December 31, 2016, and the statements of revenue and expenditures, changes in net assets, and 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 organization'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 organization'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 audit opinion.

(continues)

Independent Auditor's Report to the Members of Bladder Cancer Canada (continued)

Basis for Qualified Opinion

Bladder Cancer Canada derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Bladder Cancer Canada as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Halton Hills, Canada
April 18, 2017

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

BLADDER CANCER CANADA**Statement of Revenue and Expenditures****Year Ended December 31, 2016**

	Budget (Note 5) 2016	2016	2015
REVENUE			
Fundraising	\$ 535,000	\$ 622,438	\$ 500,578
Sponsorships	110,000	129,664	51,150
Donations	30,000	90,099	54,013
Interest income	2,500	4,042	379
	677,500	846,243	606,120
EXPENDITURES (Note 4)			
Awareness	206,000	190,210	145,015
Research	115,000	139,567	94,900
Payroll	137,800	129,235	98,659
Fundraising	65,000	83,028	55,712
Patient support	73,000	59,327	55,460
Administration	42,500	54,708	46,521
New initiatives	-	-	726
	639,300	656,075	496,993
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	38,200	190,168	109,127
Statement of CBCIS fund revenue and expenditures	(84,582)	(84,259)	(44,816)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (46,382)	\$ 105,909	\$ 64,311

The accompanying notes are an integral
part of these financial statements

BLADDER CANCER CANADA**Statement of CBCIS Fund Revenue and Expenditures**

Year Ended December 31, 2016

	Budget (Note 5) 2016	2016	2015
REVENUE			
Contributions	\$ -	\$ 405	\$ 7,971
EXPENDITURES			
New sites	40,000	40,000	16,125
Project management	30,000	30,000	-
Site maintenance	11,000	11,000	-
IT program maintenance	3,582	3,664	25,500
Operations	-	-	11,162
	84,582	84,664	52,787
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES			
	\$ (84,582)	\$ (84,259)	\$ (44,816)

The accompanying notes are an integral
part of these financial statements

BLADDER CANCER CANADA**Statement of Changes in Net Assets****Year Ended December 31, 2016**

	January 1, 2016 Balance	Excess of revenue over expenditures	Transfer from general fund	December 31, 2016 Balance
General fund	\$ 406,489	\$ 296,860	\$ (200,000)	\$ 503,349
CBCIS fund	91,548	(84,259)	50,000	57,289
Research fund	150,000	(106,692)	100,000	143,308
Contingency fund	50,000	-	50,000	100,000
	\$ 698,037	\$ 105,909	\$ -	\$ 803,946


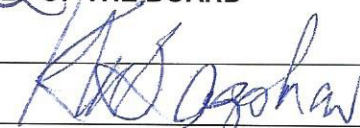
	January 1, 2015 Balance	Excess of revenue over expenditures	Transfer from general fund	December 31, 2015 Balance
General fund	\$ 497,362	\$ 109,127	\$ (200,000)	\$ 406,489
CBCIS fund	136,364	(44,816)	-	91,548
Research fund	-	-	150,000	150,000
Contingency fund	-	-	50,000	50,000
	\$ 633,726	\$ 64,311	\$ -	\$ 698,037

The accompanying notes are an integral
part of these financial statements

BLADDER CANCER CANADA
Statement of Financial Position
December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 436,144	\$ 370,426
Accounts receivable	10,319	-
Prepaid expenses	13,100	2,339
Harmonized sales tax recoverable	17,752	23,493
	477,315	396,258
Cash - CBCIS fund	57,289	99,360
Cash - research fund	43,308	-
Investment - general fund (Note 2)	52,137	54,302
Investment - research fund (Note 3)	100,000	150,000
Investment contingency fund (Note 3)	100,000	50,000
	\$ 830,049	\$ 749,920
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 26,103	\$ 19,071
Unearned revenue	-	25,000
	26,103	44,071
Accounts payable - CBCIS fund	-	7,812
	26,103	51,883
Fund balances		
General fund	503,349	406,489
CBCIS fund	57,289	91,548
Research fund	143,308	150,000
Contingency fund	100,000	50,000
	803,946	698,037
	\$ 830,049	\$ 749,920

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

The accompanying notes are an integral part of these financial statements

BLADDER CANCER CANADA**Statement of Cash Flows****Year Ended December 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenditures (note 4)	\$ 105,909	\$ 64,311
Changes in non-cash working capital:		
Accounts receivable	(10,319)	-
Prepaid expenses	(10,761)	(1,434)
Harmonized sales tax	5,741	553
Accounts payable and accrued liabilities	7,032	(21,165)
Deferred income	(25,000)	25,000
Accounts payable - CBCIS fund	(7,812)	(6,063)
	(41,119)	(3,109)
Cash flow from operating activities	64,790	61,202
INVESTING ACTIVITIES		
Purchase of investments	(2,137)	(254,302)
Proceeds on disposal of investments	4,302	-
Cash flow from (used by) investing activities	2,165	(254,302)
INCREASE (DECREASE) IN CASH FLOW	66,955	(193,100)
Cash - beginning of year	469,786	662,886
CASH - END OF YEAR	\$ 536,741	\$ 469,786
CASH CONSISTS OF:		
Cash	\$ 436,144	\$ 370,426
Cash - CBCIS fund	57,289	99,360
Cash - research fund	43,308	-
	\$ 536,741	\$ 469,786

The accompanying notes are an integral
part of these financial statements

BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2016

Bladder Cancer Canada is a national registered charity organized to help bladder cancer patients and their support teams address the day-to-day issues of the disease, increase awareness of bladder cancer among the general public and medical community and fund research which pursues the diagnosis, treatment and elimination of bladder cancer. The organization is incorporated without share capital under the Canada Not-For-Profit Corporations Act as a not-for-profit organization and is exempt from income tax as per Section 149(1)(L) of the Income Tax Act.

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Fund accounting

Bladder Cancer Canada follows the restricted fund method of accounting for contributions.

The general fund reports the revenue from fundraising, sponsorship and donations and expenses related to the operations and administration of the organization.

The CBCIS fund reports only restricted resources that are to be used for the Canadian Bladder Cancer Information System.

The research fund represents an amount internally set aside by the Board of Directors to be used to fund research initiatives.

The contingency fund represents an amount internally set aside by the Board of Directors to be used to help meet future obligations that may be incurred in a year that donations are lower than expected.

Revenue and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

(continues)

BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2016

1. Summary of significant accounting policies (*continued*)

Financial instruments

The organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The organization accounts for the following as financial instruments:

- cash
- accounts receivable
- harmonized sales tax recoverable
- investments
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

The organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the organization is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost includes cash, accounts receivable, harmonized sales tax, and investments.

Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

The organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenue over expenditures.

Measurement uncertainty

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revisions. Many items in the preparation of these financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenditures as appropriate in the year they become known.

(*continues*)

BLADDER CANCER CANADA
Notes to Financial Statements
Year Ended December 31, 2016

1. Summary of significant accounting policies (*continued*)

Cash equivalents

Cash equivalents consist of short term investments with an initial maturity of three months or less.

Investments

Investments held that are quoted in an active market are recorded under the equity method and are carried at fair value. Unrealized gains or losses are reported as part of net income.

Investments that are purchased to be held to maturity for which there is not an active market are recorded at cost plus accrued interest, calculated using the effective interest rate method.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions. The organization recognizes restricted contributions as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized when it is earned.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty in determining their fair value, contributed services are not recognized or disclosed in the financial statements.

Capital assets

Capital assets are stated at cost less accumulated amortization. To date, the organization does not have any material capital assets.

2. Investment - general fund

The general fund investment consists of cash and mutual funds. The mutual funds are traded on the active market with both a cost basis & a quoted market value of \$50,362 (2015 - \$50,000). The common shares held previously in 2015, were sold in the current-year when the market value reached \$4,306.18 (2015 - \$4,204) on January 6, 2016.

BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2016

3. Investments - research and contingency funds

The research fund investments consist of two guaranteed investment certificates:

- 1) \$50,000, bearing interest at 1.90% and maturing on December 15, 2017
- 2) \$50,000, bearing interest at 2.00% and maturing on December 17, 2018

The contingency fund investment consists of the following:

- 1) \$50,000 uninvested cash from the maturity of a guaranteed investment certificate
- 2) \$50,000 guaranteed investment certificate, bearing interest at a variable rate and maturing on December 17, 2018

The \$50,000 guaranteed investment certificate bearing interest at 1.55% that was previously held in the contingency fund in 2015, matured on December 15, 2016.

4. Allocation of expenditures by object

The statement of revenue and expenditures presents the expenditures by function. The details of the expenditures by object are:

	2016	2015
Awareness	\$ 190,210	\$ 145,016
Research	139,567	94,900
Payroll	129,235	98,659
Fundraising	83,028	55,712
Patient handbook	26,550	23,873
Website	16,047	14,491
Interest and bank charges	12,303	9,167
Accounting and legal	10,613	10,598
Brochures	8,401	4,749
Patient meetings	8,329	12,347
Supplies and general	7,653	5,393
Travel	7,387	2,087
Board meetings	6,305	10,059
Insurance	5,023	1,911
Telephone	3,705	4,195
Volunteer recognition	1,045	1,227
Conferences	379	1,433
Realized exchange loss	215	-
Memberships	80	450
New initiatives	-	726
	\$ 656,075	\$ 496,993

5. Budget amounts

The budgeted figures presented for comparison purposes are unaudited. These figures are those approved by the Board of Directors and have been reclassified to conform with these financial statements.

6. Financial instruments

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2016.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The organization is mainly exposed to interest rate risk through fixed interest rates on guaranteed investment certificates held.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of long-term debt, fixed-rate instruments subject the organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

7. SUBSEQUENT EVENT

Subsequent to year end, the organization entered into an employee benefit plan contract with a company of which a director of the organization is a minority shareholder. This director did not participate in discussions or vote on this matter and has confirmed that they will receive no direct compensation from this contract.
