

BLADDER CANCER CANADA
Financial Statements
Year Ended December 31, 2017

BLADDER CANCER CANADA
Index to Financial Statements
Year Ended December 31, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenue and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11
Schedule 1 - Statement of CBCIS Fund Revenue and Expenditures	12

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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, 2017, 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.

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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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Bladder Cancer Canada derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Bladder Cancer Canada. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2016 and 2017, current assets as at December 31, 2016 and 2017, and net assets as at January 1, 2016 and 2017 and December 31, 2016 and 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible 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, 2017 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, 2018

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants
Licensed Public Accountants

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

Year Ended December 31, 2017

	Budget (Unaudited) (Note 5) 2017	2017	2016
REVENUE			
Fundraising	\$ 585,000	\$ 579,277	\$ 622,438
Sponsorships	157,500	163,336	129,664
Donations	45,000	93,261	90,099
Grants	-	3,395	-
Interest income	3,000	2,597	4,042
	790,500	841,866	846,243
EXPENDITURES (Note 3)			
Awareness	243,000	224,788	190,210
Payroll	179,800	190,565	129,235
Research	77,500	131,762	139,567
Patient support	68,000	100,408	59,327
Fundraising	60,000	57,608	83,028
Administration	79,500	54,698	54,708
	707,800	759,829	656,075
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	82,700	82,037	190,168
Statement of CBCIS fund revenue and expenditures (Schedule 1)	40,500	285,715	(84,259)
EXCESS OF REVENUE OVER EXPENDITURES	\$ 123,200	\$ 367,752	\$ 105,909

BLADDER CANCER CANADA**Statement of Changes in Net Assets****Year Ended December 31, 2017**


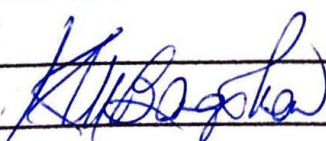
	January 1, 2017 Balance	Excess of revenue over expenditures	Transfers	December 31, 2017 Balance
General fund	\$ 503,349	\$ 213,799	\$ (150,000)	\$ 567,148
CBCIS fund	57,289	285,715	50,000	393,004
Research fund	143,308	(131,762)	75,000	86,546
Contingency fund	100,000	-	25,000	125,000
	\$ 803,946	\$ 367,752	\$ -	\$ 1,171,698

	January 1, 2016 Balance	Excess of revenue over expenditures	Transfers	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

BLADDER CANCER CANADA**Statement of Financial Position****December 31, 2017**

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 322,959	\$ 436,144
Accounts receivable	26,360	10,319
Prepaid expenses	17,914	13,100
Harmonized sales tax recoverable	12,482	17,752
	379,715	477,315
Cash - CBCIS fund	393,004	57,289
Cash - research fund	36,546	43,308
Investment - general fund (Note 2)	226,315	52,137
Investment - research fund	50,000	100,000
Investment contingency fund	125,000	100,000
	\$ 1,210,580	\$ 830,049
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,382	\$ 26,103
Unearned revenue	7,500	-
	38,882	26,103
Net assets		
General fund	567,148	503,349
CBCIS fund	393,004	57,289
Research fund	86,546	143,308
Contingency fund	125,000	100,000
	1,171,698	803,946
	\$ 1,210,580	\$ 830,049

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, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 367,752	\$ 105,909
Changes in non-cash working capital:		
Accounts receivable	(16,041)	(10,319)
Prepaid expenses	(4,814)	(10,761)
Harmonized sales tax recoverable	5,270	5,741
Accounts payable and accrued liabilities	5,282	7,032
Unearned revenue	7,500	(25,000)
Accounts payable - CBCIS fund	-	(7,812)
	(2,803)	(41,119)
Cash flow from operating activities	364,949	64,790
INVESTING ACTIVITIES		
Purchase of investments	(375,000)	(2,137)
Proceeds on disposal of investments	225,820	4,302
Cash flow from (used by) investing activities	(149,180)	2,165
INCREASE IN CASH FLOW	215,769	66,955
Cash - beginning of year	536,741	469,786
CASH - END OF YEAR	\$ 752,510	\$ 536,741
CASH CONSISTS OF:		
Cash	\$ 322,959	\$ 436,144
Cash - CBCIS fund	393,004	57,289
Cash - research fund	36,546	43,308
	\$ 752,509	\$ 536,741

The accompanying notes are an integral part of these financial statements

BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2017

Bladder Cancer Canada (the Organization) 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 is a research endeavour between the organization and the Research Institute of McGill University Hospital which involves the establishment and maintenance of a national database of bladder cancer patients through data input by 14 independent hospital research centres across Canada. The organization provided the seed financing by way of an initial pledge of \$150,000 to this project and then to assist with funding at a moderate level in the future. The major funders for the fund are pharmaceutical companies with \$720,000 pledged for funding through 2022. The balance of funds at December 31, 2017 are predominately from those pharmaceutical companies in trust to be disbursed for the Canadian Bladder Cancer Information System expenditures under written agreements.

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.

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BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2017

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 fair value.

Financial assets measured at fair value 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.

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BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2017

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

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.

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. Investments

The organization holds investments consisting of guaranteed investment certificates with both a cost basis & market value of \$401,315 (2016 - \$252,137). Interest earned on investments during the year was \$2,597 (2016 - \$4,042).

BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2017

3. Allocation of expenditures by object

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

	2017	2016
Awareness	\$ 224,788	\$ 190,210
Payroll	190,565	129,235
Research	131,762	139,567
Fundraising	57,634	83,028
Website	48,076	16,047
Patient meetings	33,724	8,329
Accounting and legal	14,710	10,613
Patient handbook	13,441	26,550
Interest and bank charges	10,354	12,303
Board meetings	9,790	6,305
Supplies and general	9,681	7,653
Telephone	5,519	3,705
Brochures	3,996	8,401
Insurance	3,167	5,023
Volunteer recognition	1,190	1,045
New initiatives	790	-
Travel	519	7,387
Memberships	125	80
Conferences	-	379
Realized exchange loss	-	215
	759,831	656,075

4. 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.

5. 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, 2017.

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.

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BLADDER CANCER CANADA

Notes to Financial Statements

Year Ended December 31, 2017

5. Financial instruments (*continued*)

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.

BLADDER CANCER CANADA**Schedule 1 - Statement of CBCIS Fund Revenue and Expenditures**

Year Ended December 31, 2017

	Budget (Unaudited) (Note 5) 2017	2017	2016
REVENUE			
Contributions	\$ 150,000	\$ 355,318	\$ 405
EXPENDITURES			
Site maintenance	50,000	22,000	11,000
Project management	25,000	20,500	30,000
New sites	22,000	20,000	40,000
IT program maintenance	12,500	3,022	3,664
Steering Committee	-	2,056	-
Operations	-	2,025	-
	109,500	69,603	84,664
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 40,500	\$ 285,715	\$ (84,259)