



Financial Statements

Bladder Cancer Canada

December 31, 2019

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

Independent Auditor's Report

Grant Thornton LLP
Suite 501
201 City Centre Drive
Mississauga, ON
L5B 2T4

T +1 416 366 0100
F +1 905 804 0509
www.GrantThornton.ca

To the Members of
Bladder Cancer Canada

Qualified opinion

We have audited the financial statements of Bladder Cancer Canada, which comprise the statement of financial position as at December 31, 2019, and the statements of revenues and expenditures, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2019, and its results of operations 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 not-for-profit organizations, the organization 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 the organization. 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, 2019 and 2018, current assets as at December 31, 2019 and 2018, and net assets as at January 1 and December 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 qualified opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

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

Mississauga, Canada
April 8, 2020

Chartered Professional Accountants
Licensed Public Accountants

Bladder Cancer Canada Statement of Revenues and Expenditures

Year ended December 31	2019 Budget (unaudited)	2019	2018
Revenues			
Fundraising	\$ 550,000	\$ 579,787	\$ 596,443
Sponsorships	245,000	242,044	178,000
Donations	120,000	244,100	198,245
Interest income	8,000	7,035	17,313
Gain (loss) on disposal of investments	-	3,937	(9,579)
Foreign exchange gain	-	1,183	-
	<u>923,000</u>	<u>1,078,086</u>	<u>980,422</u>
Expenditures (Note 5)			
Payroll	248,349	294,374	214,903
Awareness	257,500	243,180	220,869
Research	82,500	154,410	124,082
Administration	64,296	108,320	73,772
Contribution to CBCIS (Note 4)	75,000	75,000	93,197
Patient Support	86,600	73,106	89,523
Fundraising	99,000	61,629	68,978
	<u>913,245</u>	<u>1,010,019</u>	<u>885,324</u>
Excess of revenues over expenditures	<u>\$ 9,755</u>	<u>\$ 68,067</u>	<u>\$ 95,098</u>

Bladder Cancer Canada

Statement of Changes in Net Assets

Year ended December 31

	General fund	Research fund	Contingency fund	Total 2019	Total 2018
Balance, beginning of year	\$ 636,327	\$ 87,464	\$ 150,000	\$ 873,791	\$ 778,693
Excess (deficiency) of revenues over expenditures	222,474	(154,407)	-	68,067	95,098
Transfers	<u>(254,407)</u>	<u>254,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 604,394</u>	<u>\$ 187,464</u>	<u>\$ 150,000</u>	<u>\$ 941,858</u>	<u>\$ 873,791</u>

Bladder Cancer Canada

Statement of Financial Position

December 31

2019

2018

Assets

Current

Cash	\$ 466,505	\$ 539,455
Accounts receivable	23,626	18,826
Prepaid expenses	5,825	17,017
Harmonized sales tax receivable	17,402	35,020
Due from related party (Note 6)	<u>14,249</u>	<u>-</u>
	527,607	610,318
Investment - general fund (Note 3)	105,974	104,473
Investment - Research Fund (Note 3)	187,464	75,000
Investment - contingency fund (Note 3)	<u>150,000</u>	<u>150,000</u>
	\$ 971,045	\$ 939,791

Liabilities

Current

Accounts payable and accrued liabilities	<u>\$ 29,187</u>	<u>\$ 66,000</u>
--	------------------	------------------

Net Assets

Contingency fund (restricted)	150,000	150,000
General fund	604,394	636,327
Research fund (restricted)	<u>187,464</u>	<u>87,464</u>
	941,858	873,791
	\$ 971,045	\$ 939,791

On behalf of the board

_____ Director

_____ Director

Bladder Cancer Canada

Statement of Cash Flows

Year ended December 31

	2019	2018
Operating activities		
Excess of revenues over expenditures	\$ 68,067	\$ 95,098
Items not affecting cash:		
(Gain) loss on disposal of investments	(3,937)	9,579
Foreign exchange gain	(1,183)	-
	<u>62,947</u>	104,677
Change in non-cash working capital:		
Accounts receivable	(4,800)	7,534
Prepaid expenses	11,192	897
Harmonized sales tax	17,618	(22,538)
Accounts payable and accrued liabilities	(36,812)	34,617
Deferred revenue	-	(7,500)
	<u>50,145</u>	117,687
Investing activities		
Advances to related party	(14,249)	-
Proceeds on disposal of investments	56,716	74,727
	<u>42,467</u>	74,727
Cash flow used by investing activities	<u>42,467</u>	74,727
Increase in cash	92,612	192,414
Cash		
Beginning of year	551,919	359,505
End of year	<u>\$ 644,531</u>	<u>\$ 551,919</u>
Cash consists of:		
Cash	\$ 466,505	\$ 539,455
Cash - restricted	<u>178,026</u>	<u>12,464</u>
	<u>\$ 644,531</u>	<u>\$ 551,919</u>

Bladder Cancer Canada

Notes to the Financial Statements

December 31, 2019

1. Nature of operations

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.

2. Summary of significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

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.

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. 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.

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.

Bladder Cancer Canada

Notes to the Financial Statements

December 31, 2019

2. 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.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of 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.

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 probably 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.

Bladder Cancer Canada

Notes to the Financial Statements

December 31, 2019

2. 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
- Investments
- Accounts payable

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 and investments.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

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 revenues over expenditures.

3. Investments

The organization holds investments consisting of guaranteed investment certificates with both a cost basis and market value of \$265,413 (2018 - \$317,009). Interest earned on investments during the year was \$7,035 (2018 - \$17,313).

Bladder Cancer Canada

Notes to the Financial Statements

December 31, 2019

4. CBCIS project

This project 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 major funders for the fund are pharmaceutical companies with \$720,000 pledged for funding through 2022. The balance of funds at December 31, 2019 are predominately from those pharmaceutical companies in trust to be disbursed for the Canadian Bladder Cancer Information System expenditures under written agreements.

The contribution from Bladder Cancer Canada to the project was by way of performing administrative functions for the project and by providing the seed financing by way of an initial pledge of \$150,000 to this project and then additional funding in the future. During the year, Bladder Cancer Canada contributed \$75,000 (2018 - \$93,197) to the CBCIS project.

5. Subsequent events

Since January 1, 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization has determined that these events are a non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the Covid-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

6. Due from related party

Bladder Cancer Canada is performing administrative functions and providing financing for the research project between the Organization and the Research Institute of McGill University Hospital through Canadian Bladder Cancer Information System. See also Note 4.

	<u>2019</u>	<u>2018</u>
Amounts receivable	<u>\$ 14,249</u>	<u>\$ -</u>

Bladder Cancer Canada

Notes to the Financial Statements

December 31, 2019

7. Allocation of expenditures by object

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

	<u>2019</u>	<u>2018</u>
Payroll	\$ 294,374	\$ 214,903
Awareness	243,180	219,362
Research	154,407	124,082
Fundraising	75,792	79,412
Contribution to CBCIS project	75,000	93,197
Patient meetings	30,687	39,286
New initiatives	21,938	7,396
Supplies and general	20,134	16,034
Patient handbook	19,206	19,229
Board meetings	16,750	6,957
Accounting and legal	13,104	11,887
Website	12,594	19,509
Interest and bank charges	11,222	11,379
Brochures	7,432	11,058
Telephone	6,660	4,879
Insurance	4,483	4,369
Travel	2,249	2,074
Volunteer recognition	622	-
Memberships	185	310
	<u>\$ 1,010,019</u>	<u>\$ 885,324</u>

8. 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.

9. 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, 2019.

Bladder Cancer Canada

Notes to the Financial Statements

December 31, 2019

9. Financial instruments (continued)

(a) 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.

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.

(b) 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 fixed-rate instruments subject the organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

(c) Liquidity risk

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