



Financial statements

Bladder Cancer Canada

December 31, 2018

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# Independent auditor's report

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To the Members of  
**Bladder Cancer Canada**

## Qualified Opinion

We have audited the accompanying financial statements of **Bladder Cancer Canada**, which comprise the statement of financial position as at December 31, 2018, 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.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of Bladder Cancer Canada as at December 31, 2018, 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.

## Basis for Qualified Opinion

In common with many charitable organizations, Bladder Cancer Canada derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenue 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 offerings, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2018 and December 31, 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1, 2018 and 2017 and December 31, 2018, and 2017. Our audit opinion on the financial statements for the period ended December 31, 2018 was modified accordingly because of 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 Bladder Cancer Canada 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 audit opinion.

## Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing Bladder Cancer Canada's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Bladder Cancer Canada or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing Bladder Cancer Canada'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 Bladder Cancer Canada'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 Bladder Cancer Canada'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 Bladder Cancer Canada 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.

*Grant Thornton LLP*

Mississauga, Canada  
April 2, 2019

Chartered Professional Accountants  
Licensed Public Accountants

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## Bladder Cancer Canada

### Statement of revenue and expenditures

Year ended December 31, 2018

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	Budget (unaudited) 2018 (Note 7)	<u>2018</u>	<u>2017</u>
<b>Revenue</b>			
Fundraising	\$ 600,000	\$ <b>596,433</b>	\$ 579,277
Donations	125,000	<b>198,245</b>	93,261
Sponsorships	182,500	<b>178,000</b>	163,336
Grants	-	-	3,395
Interest income	<u>8,000</u>	<u><b>17,313</b></u>	<u>2,597</u>
	<u>915,500</u>	<u><b>990,001</b></u>	<u>841,866</u>
<b>Expenditures (Note 5)</b>			
Awareness	\$ 224,032	\$ <b>220,869</b>	\$ 224,789
Payroll	240,570	<b>214,903</b>	190,565
Research	125,332	<b>124,082</b>	131,762
Patient support	77,000	<b>89,523</b>	100,408
Administration	83,467	<b>73,772</b>	54,698
Contribution to CBCIS (Note 6)	75,000	<b>93,197</b>	50,000
Fundraising	62,500	<b>68,978</b>	57,608
Loss on disposal of investments	-	<b>9,579</b>	-
	<u>887,901</u>	<u><b>894,903</b></u>	<u>809,830</u>
<b>Excess of revenue over expenditures</b>	<u>\$ 27,599</u>	<u><b>\$ 95,098</b></u>	<u>\$ 32,036</u>

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See accompanying notes to the financial statements.

## Bladder Cancer Canada Statement of changes in net assets

Year ended December 31, 2018

	December 31, 2017 <u>Balance</u>	Excess of revenue over expenditures	<u>Transfers</u>	<b>2018 Balance</b>
General fund	\$ 567,147	\$ 219,180	\$ (150,000)	\$ <b>636,327</b>
Research fund	86,546	(124,082)	125,000	<b>87,464</b>
Contingency fund	<u>125,000</u>	<u>-</u>	<u>25,000</u>	<b><u>150,000</u></b>
	\$ <u>778,693</u>	\$ <u>95,098</u>	\$ <u>-</u>	\$ <b><u>873,791</u></b>

  

	December 31, 2016 Balance (as previously stated)	Prior period adjustment	December 31, 2016 Balance (as restated)	Excess of revenue over expenditures	<u>Transfers</u>	2017 <u>Balance</u>
General fund	\$ 503,349	\$ -	\$ 503,349	\$ 163,798	\$ (100,000)	\$ 567,147
CBCIS fund	57,289	(57,289)	-	-	-	-
Research fund	143,308	-	143,308	(131,762)	75,000	86,546
Contingency fund	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>25,000</u>	<u>125,000</u>
	\$ <u>805,946</u>	\$ <u>(57,289)</u>	\$ <u>746,657</u>	\$ <u>32,036</u>	\$ <u>-</u>	\$ <b><u>778,693</u></b>

See accompanying notes to the financial statements.

# Bladder Cancer Canada

## Statement of financial position

December 31

2018

2017  
(Note 2)

### Assets

#### Current

Cash	\$ 539,455	\$ 322,959
Accounts receivable	18,826	26,360
Prepaid expenses	17,017	17,914
Harmonized sales tax recoverable	<u>35,020</u>	<u>12,482</u>
	<b>610,318</b>	379,715

Cash – research fund	12,464	36,546
Investment – general fund (Note 4)	92,009	226,315
Investment – research fund (Note 4)	75,000	50,000
Investment – contingency fund (Note 4)	<u>150,000</u>	<u>125,000</u>
	<b>\$ 939,791</b>	<b>\$ 817,576</b>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 66,000	\$ 31,383
Unearned revenue	<u>-</u>	<u>7,500</u>
	<b>66,000</b>	<b>38,883</b>

#### Net assets

General fund	636,327	567,147
Research fund (restricted)	87,464	86,546
Contingency fund (restricted)	<u>150,000</u>	<u>125,000</u>
	<b>873,791</b>	<b>778,693</b>
	<b>\$ 939,791</b>	<b>\$ 817,576</b>

See accompanying notes to the financial statements.

# Bladder Cancer Canada

## Statement of cash flows

December 31	2018	2017
<b>Operating activities</b>		
Excess of revenue over expenditures	\$ 95,098	\$ 32,036
Items not affecting cash:		
Loss on disposal of investments	<u>9,579</u>	<u>-</u>
	<u>104,677</u>	<u>32,036</u>
Change in on-cash working capital:		
Accounts receivable	7,534	(16,041)
Prepaid expenses	897	(4,814)
Harmonized sales tax recoverable	(22,538)	5,270
Accounts payable and accrued liabilities	34,617	5,280
Unearned revenue	<u>(7,500)</u>	<u>7,500</u>
	<u>13,010</u>	<u>(2,805)</u>
Cash flow from operating activities	<u>117,687</u>	<u>29,231</u>
<b>Investing activities</b>		
Purchase of investments	-	(375,000)
Proceeds on disposal of investments	<u>74,727</u>	<u>225,822</u>
Cash flow used by investing activities	<u>74,727</u>	<u>(149,178)</u>
Increase (decrease) in cash	192,414	(119,947)
Cash – beginning of year	<u>359,505</u>	<u>479,452</u>
Cash – end of year	\$ <u>551,919</u>	\$ <u>359,505</u>
<b>Cash consists of:</b>		
Cash	\$ 539,455	\$ 322,959
Cash – research fund	<u>12,464</u>	<u>36,546</u>
	\$ <u>551,919</u>	\$ <u>359,505</u>

See accompanying notes to the financial statements.



# Bladder Cancer Canada

## Notes to the financial statements

December 31, 2018

### 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. Prior period adjustment

In 2018, Bladder Cancer Canada reviewed the agreement with the Research Institute of McGill University Hospital which established the Canadian Bladder Cancer Information System (“CBCIS”) project. The agreement showed that Bladder Cancer Canada does not have significant influence over the project and therefore the Organization has determined that Bladder Cancer Canada should not have recorded the assets, liabilities and net assets of the CBCIS project in its financial statements. of Bladder Cancer Canada.

As a result of the correction, the following financial statement items at the end of 2017 have been increased (decreased) by the following amounts:

<u>December 31, 2017</u>	<u>Previously Reported</u>	<u>Adjustments</u>	<u>Revised</u>
<b>Statement of operations and changes in net assets</b>			
Schedule 1			
Revenue			
Contributions	\$ 355,318	\$ (355,318)	\$ -
Expenditures			
Site maintenance	22,000	(22,000)	-
Project management	20,500	(20,500)	-
New sites	20,000	(20,000)	-
IT program maintenance	3,022	(3,022)	-
Steering Committee	2,056	(2,056)	-
Operating	<u>2,025</u>	<u>(2,025)</u>	-
	<u>69,603</u>	<u>(69,603)</u>	-
Excess of revenue over expenses	<u>\$ 285,715</u>	<u>\$ (285,715)</u>	<u>\$ -</u>
Net assets, beginning of year	<u>\$ 57,289</u>	<u>\$ (57,289)</u>	<u>\$ -</u>
<b>Statement of financial position</b>			
Cash – CBCIS fund	<u>\$ 393,004</u>	<u>\$ (393,004)</u>	<u>\$ -</u>

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# **Bladder Cancer Canada**

## **Notes to the financial statements**

December 31, 2018

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### **3. 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 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.

#### **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 in determining their fair value, contributed services are not recognized or disclosed in the financial statements.

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# Bladder Cancer Canada

## Notes to the financial statements

December 31, 2018

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### 3. Summary of significant accounting policies (continued)

#### 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 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.

#### 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 includes accounts payable.

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# Bladder Cancer Canada

## Notes to the financial statements

December 31, 2018

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### 3. Summary of significant accounting policies (continued)

#### Financial instruments (continued)

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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### 4. Investments

The organization holds investments consisting of guaranteed investment certificates with both a cost basis and market value of \$317,009 (2017 - \$401,315). Interest earned on investments during the year was \$17,313 (2017 - \$2,597).

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### 5. 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>2018</u>	<u>2017</u>
Awareness	\$ 219,362	\$ 224,788
Payroll	214,903	190,565
Research	124,082	131,762
Fundraising	79,412	57,634
Contribution to CBCIS project (Note 2)	93,197	50,000
Patient meetings	39,286	33,724
Website	19,509	48,076
Patient handbook	19,229	13,441
Supplies and general	16,034	9,681
Accounting and legal	11,887	14,710
Interest and bank charges	11,379	10,354
Brochures	11,058	3,996
New initiatives	7,396	790
Board meetings	6,957	9,790
Telephone	4,879	5,519
Insurance	4,369	3,167
Travel	2,074	519
Memberships	310	125
Volunteer recognition	-	1,190
	<u>\$ 894,903</u>	<u>\$ 809,830</u>

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## **Bladder Cancer Canada**

### **Notes to the financial statements**

December 31, 2018

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#### **6. 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, 2018 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 \$93,197 (2017 - \$50,000) to the CBCIS project.

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#### **7. 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.

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#### **8. 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 organizations risk exposure and concentration as of December 31, 2018.

##### **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.

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# **Bladder Cancer Canada**

## **Notes to the financial statements**

December 31, 2018

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### **8. Financial instruments (continued)**

#### **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.