

**Colorectal Cancer
Association of Canada
Financial Statements**
June 30, 2015

Colorectal Cancer Association of Canada
Contents

For the year ended June 30, 2015

	<i>Page</i>
Management's Responsibility	
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Unrestricted Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5

Management's Responsibility

To the Members of Colorectal Cancer Association of Canada:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP SENCRL, srt is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 26, 2015

President

Independent Auditors' Report

To the Members of Colorectal Cancer Association of Canada:

We have audited the accompanying financial statements of Colorectal Cancer Association of Canada, which comprise the statement of financial position as at June 30, 2015, and the statements of operations, changes in unrestricted 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.

Auditors' 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 auditors' 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 entity'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 entity'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 statement.

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 charitable organizations, the Association derives most of its revenue from donations and 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 Colorectal Cancer Association of Canada. Therefore we were not able to determine whether any adjustments might be necessary to the revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the year ended June 30, 2015, current assets and unrestricted net assets as at June 30, 2015.

Qualified Opinion

In our opinion, except for the possible 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 Colorectal Cancer Association of Canada as at June 30, 2015 and the results of its operations, changes in unrestricted net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Montréal, Québec

November 26, 2015

MNP SENCRL, s.r.l.¹

¹ CPA auditor, CA, public accountancy permit No. A108651

Colorectal Cancer Association of Canada
Statement of Financial Position

As at June 30, 2015

	2015	2014
<hr/>		
Assets		
Current		
Cash	163,763	83,156
Accounts receivable (Note 3)	23,610	75,403
Prepaid expenses	23,511	14,809
	<hr/>	<hr/>
	210,884	173,368
Capital assets (Note 4)	20,003	26,457
	<hr/>	<hr/>
	230,887	199,825
<hr/>		
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	54,850	76,147
	<hr/>	<hr/>
Net Assets		
Unrestricted net assets	176,037	123,678
	<hr/>	<hr/>
	230,887	199,825
<hr/>		

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Colorectal Cancer Association of Canada
Statement of Operations
For the year ended June 30, 2015

	2015	2014
Revenues		
Corporate sponsorship <i>(Note 8)</i>	474,394	647,225
Fundraising income <i>(Note 8)</i>	371,485	464,767
Donations	152,664	158,722
Investment income	94	1,099
Other	2,061	4,214
	1,000,698	1,276,027
Expenses		
Program costs <i>(Note 8)</i>	266,931	499,075
Consulting fees <i>(Note 9)</i>	264,486	264,487
Salaries and wage levies	176,197	279,174
Rent	81,801	87,604
Accounting	30,552	34,289
Office and general	28,007	30,347
Travel	22,852	37,833
Telephone	20,927	17,955
Professional fees	20,071	27,383
Bank charges	11,118	10,229
Computer software and supplies	10,649	9,943
Insurance	8,107	8,192
Amortization of capital assets	6,454	7,700
Board development	187	4,160
Staff training, hiring and education	-	6,057
	948,339	1,324,428
Excess (deficiency) of revenues over expenses	52,359	(48,401)

The accompanying notes are an integral part of these financial statements

Colorectal Cancer Association of Canada
Statement of Changes in Unrestricted Net Assets

For the year ended June 30, 2015

	2015	2014
Net assets - beginning of year	123,678	172,079
Excess (deficiency) of revenues over expenses	52,359	(48,401)
Net assets, end of year	176,037	123,678

The accompanying notes are an integral part of these financial statements

Colorectal Cancer Association of Canada
Statement of Cash Flows
For the year ended June 30, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenues over expenses	52,359	(48,401)
Amortization of capital assets	6,454	7,700
	58,813	(40,701)
Changes in working capital accounts		
Accounts receivable	51,793	(23,827)
Prepaid expenses	(8,702)	6,876
Accounts payable and accrued liabilities	(21,297)	(16,581)
Deferred contributions	-	(265,333)
	80,607	(339,566)
Financing		
Decrease in long-term liability	-	(30,000)
Investing		
Additions to capital assets	-	(4,625)
Increase (decrease) in cash resources	80,607	(374,191)
Cash resources, beginning of year	83,156	457,347
Cash resources, end of year	163,763	83,156

The accompanying notes are an integral part of these financial statements

Colorectal Cancer Association of Canada

Notes to the Financial Statements

For the year ended June 30, 2015

1. Incorporation and nature of the organization

Colorectal Cancer Association of Canada (the "Association") operates as a registered charity and has continued under section 211 of the *Canada Not-For-Profit Corporations Act*.

The mission of the Association is to support and improve the quality of life of Canadians with colorectal cancer as well as their families and caregivers. The Association is dedicated to increasing awareness of colorectal cancer, supporting patients and advocating for population-based screening and timely access to effective treatments.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when it is earned.

Pledges are recognized as revenue only when the amount can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Contributions of materials are recognized as both contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

In the course of its activities, the Association uses the services of volunteers. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook Section 3840 *Related Party Transactions* (refer to Note 9).

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

Colorectal Cancer Association of Canada
Notes to the Financial Statements
For the year ended June 30, 2015

2. **Significant accounting policies** (Continued from previous page)

Financial instruments (Continued from previous page)

With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenditures in the year the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. The Association has no restrictions on its cash and cash equivalents.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rates
Computer equipment	declining balance	30%
Furniture and fixtures	declining balance	20%
Telephone system	declining balance	20%

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Association determines that a long-lived asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Government assistance

Claims for assistance under various government grant programs are recorded as a reduction of the cost of the related expense in the period in which eligible expenditures are incurred.

Colorectal Cancer Association of Canada
Notes to the Financial Statements
For the year ended June 30, 2015

3. Accounts receivable

	2015	2014
Receivables	2,061	23,771
Sales taxes receivable	21,549	51,632
	23,610	75,403

Included in receivables is \$Nil (2014 - \$20,000) in pledges receivable.

4. Capital assets

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Computer equipment	58,166	50,028	8,138	11,626
Furniture and fixtures	34,956	27,402	7,554	9,442
Telephone system	14,619	10,308	4,311	5,389
	107,741	87,738	20,003	26,457

5. Credit facility

The Association's credit facility arrangement consists of an unutilized demand loan in the amount of \$40,000. The loan bears interest at the Bank's prime rate plus 2.10% per annum, is secured by the assets of the Association and is reviewed on an annual basis.

6. Accounts payable and accrued liabilities

	2015	2014
Accounts payable and accrued liabilities	48,539	64,408
Payroll taxes payable	6,311	11,739
	54,850	76,147

Included in accounts payable and accrued liabilities is \$Nil (2014 - \$30,000) related to the settlement of a claim by a supplier. This claim was paid during the current fiscal year.

7. Commitments

The Association has entered into a lease agreement with estimated minimum annual payments as follows:

2016	26,000
2017	26,000
2018	19,000
	71,000

Colorectal Cancer Association of Canada

Notes to the Financial Statements

For the year ended June 30, 2015

8. Contributed materials and services

Included in fundraising income and corporate sponsorships as well as programs expenses in the statement of operations is \$2,600 (2014 - \$8,502) representing the estimated fair value of contributions of gift certificates and other small gift items used at the annual gala as well as other events.

During the year, the Association received \$8,170 (2014 - \$9,693) in short-term investments which were sold during the year and have been included in fundraising income.

9. Related party transactions

During the year, the Association paid consulting fees of approximately \$264,000 (2014 - \$264,000) to a director. This transaction is in the normal course of operations and is measured at the exchange amount which is the amount established and agreed to by the related parties.

10. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate cash flow risk with respect to its line of credit which is subject to a floating interest rate.

During the year, the Association's exposure to interest rate risk was constant because the Bank of Canada prime rate did not fluctuate. As a result, interest expense on the line of credit fluctuated only based on usage of the facility and not based on a change in the interest rate.

A 1% change in the prime rate will not have a significant effect on the financial position of the Association.