

CANADIAN BREAST CANCER NETWORK

FINANCIAL STATEMENTS
JUNE 30, 2017



INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Canadian Breast Cancer Network:

We have audited the accompanying financial statements of Canadian Breast Cancer Network, which comprise the statement of financial position as at June 30, 2017, and the statement of changes in net assets, operations 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 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 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 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 similar organizations, the Network derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Network and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expense for the year, assets and net assets.

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 Canadian Breast Cancer Network as at June 30, 2017, and the results its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

OHCD LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario
November 27, 2017

CANADIAN BREAST CANCER NETWORK

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2017

	2017	2016
CURRENT ASSETS		
Cash	\$ 19,231	\$ 162,416
Short term investment (note 2)	20,790	20,790
Accounts receivable	57,314	17,775
Prepaid expense	8,966	9,470
	<u>\$ 106,301</u>	<u>\$ 210,451</u>
CURRENT LIABILITIES		
Bank indebtedness (note 6)	\$ 4,301	\$ -
Accounts payable	26,456	19,676
Deferred revenue (note 3)	6,120	118,743
	<u>36,877</u>	<u>138,419</u>
NET ASSETS		
Friends Remembered Fund (note 4)	9,652	22,132
Unrestricted	59,772	49,900
	<u>69,424</u>	<u>72,032</u>
	<u>\$ 106,301</u>	<u>\$ 210,451</u>

Approved on behalf of the Board:

Board Member

Board Member

CANADIAN BREAST CANCER NETWORK

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
FRIENDS REMEMBERED FUND		
Balance - beginning of year	\$ 22,132	\$ 22,132
Transfer to unrestricted net assets	(12,480)	-
BALANCE END OF YEAR	\$ 9,652	\$ 22,132
UNRESTRICTED NET ASSETS		
Balance beginning of year	\$ 49,900	\$ 23,176
Transfer from Friends Remembered fund	12,480	-
Net revenue (expenditure) for the year	(2,608)	26,724
BALANCE END OF YEAR	\$ 59,772	\$ 49,900

CANADIAN BREAST CANCER NETWORK

STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
REVENUE		
Corporate donations	\$ 419,013	\$ 511,701
Other donations and fundraising	25,084	62,142
Membership fees	250	200
Rent income	-	62,094
Interest and other	-	1,876
	444,347	638,013
EXPENDITURE		
Personnel	97,430	100,575
Professional fees	9,692	13,460
Rent	3,576	62,747
Telecommunications	16,393	15,055
Material and supplies	3,201	5,388
Services and equipment	4,426	10,023
Insurance	1,843	1,928
Translation	3,387	3,309
Travel and meetings	922	6,978
Promotion	572	45,273
Outreach	-	170
Public Relations Government Relations (schedule)	305,513	346,383
	446,955	611,289
NET REVENUE (EXPENDITURE) FOR THE YEAR	\$ (2,608)	\$ 26,724

CANADIAN BREAST CANCER NETWORK

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expenditure) for the year	\$ (2,608)	\$ 26,724
Items not affecting cash:		
Changes in non cash working capital items:		
Accounts receivable	(39,539)	51,471
Prepaid expenses	504	(1,424)
Bank indebtedness	4,301	-
Accounts payable	6,780	(6,634)
Deferred revenue	(112,623)	(16,381)
	(143,185)	53,756
INVESTING ACTIVITIES		
Increase in short term investment	-	(5,180)
Change in cash	(143,185)	48,576
CASH BEGINNING OF YEAR	162,416	113,840
CASH END OF YEAR	\$ 19,231	\$ 162,416

CANADIAN BREAST CANCER NETWORK

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The Canadian Breast Cancer Network is incorporated without share capital under part II of the Canada Corporations Act and is a registered charity under the Income Tax Act of Canada. The Network is a national organization whose purposes include sustaining the operation of a national network of breast cancer survivors and promoting education and facilitating communication about breast health and breast disease.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

Receipts from donations are recognized as revenue as they are received. The Network uses the deferral method to account for other revenue sources. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Rental income and interest are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

(b) Federal Government Contributions

Contributions received from the Government of Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Network's accounting records are subject to audit by the Government of Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to the Government of Canada. Adjustments to prior years' contributions are recorded in the year in which the Government requests the adjustment.

Contributions are accounted for on an accrual basis. Any portion of a contribution that has not been spent for the purpose it was intended is considered refundable to the Federal Government.

(c) Use of estimates

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 period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

(d) Donations in kind

Donations in kind are recorded at fair market value, at the date of receipt, when fair market value can be reasonably estimated.

(e) Volunteers contributions

Volunteers contribute a significant number of hours each year to assist with management and service delivery activities. Because of the difficulty in determining their fair value, these contributed services have not been recognized in the financial statements.

(f) Financial instruments

The Network's financial instruments consist of cash, short term investments, accounts receivable, and accounts payable. The investments in equity instruments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment. Unless otherwise noted, it is management's opinion that the Network is not exposed to significant interest, currency, or credit risks arising from these financial instruments and that carrying amounts approximate their fair value.

CANADIAN BREAST CANCER NETWORK

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

2. FINANCIAL INSTRUMENTS

The short term investment consist of a fixed income investment which has interest rate of 0.85% (\$20,790) per annum and matures on September 29, 2017.

3. DEFERRED REVENUE

Deferred revenue consists of unspent project funding that will be matched against expenses in the next fiscal year.

	2017	2016
Balance, beginning of year	\$118,743	\$135,124
Less: amount recognized as revenue in the year	(118,743)	(135,124)
Plus: amount received related to the following year	6,120	118,743
Balance, end of year	\$6,120	\$118,743

4. FRIENDS REMEMBERED FUND

The Friends Remembered Fund (formally The Memorial Fund) was established in 2012. The CBCN Board approved the fund to be disbursed and used to develop a new CBCN website. The website was launched in February 2017.

5. COMMITMENTS

The Network rents office space under a lease agreement that extends to August 31, 2024. Annual lease payment including operating cost is approximately \$30,000.

The Network also leases office equipment with minimum annual payments of \$2,500.

6. BANK INDEBTEDNESS

The Network has an unsecured line of credit with its banking institution for up to \$80,000. Interest is payable monthly, calculated at bank prime rate plus 2% per annum. As at June 30, 2017, the balance on the line of credit is \$4,301 (2016 - \$nil).

CANADIAN BREAST CANCER NETWORK

SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
PUBLIC RELATIONS GOVERNMENT RELATIONS		
Personnel	\$ 203,748	\$ 233,626
Telecommunication	15,928	13,714
Travel	39,565	64,951
Translation	110	456
Equipment	1,116	1,165
Printing	136	-
Postage	436	1,322
Rent	22,721	23,742
Consultants	21,753	7,357
Development	-	50
	<u>\$ 305,513</u>	<u>\$ 346,383</u>