

CANADIAN BREAST CANCER NETWORK

FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, 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, 2018, 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
February 4, 2019

CANADIAN BREAST CANCER NETWORK

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018

	2018	2017
CURRENT ASSETS		
Cash	\$ 152,218	\$ 19,231
Short term investment (note 2)	5,000	20,790
Accounts receivable	53,660	57,314
Prepaid expense	12,670	8,966
	<u>\$ 223,548</u>	<u>\$ 106,301</u>
CURRENT LIABILITIES		
Bank indebtedness (note 6)	\$ -	\$ 4,301
Accounts payable	15,436	26,456
Deferred revenue (note 3)	138,024	6,120
	<u>153,460</u>	<u>36,877</u>
NET ASSETS		
Friends Remembered Fund (note 4)	-	9,652
Unrestricted	70,088	59,772
	<u>70,088</u>	<u>69,424</u>
	<u>\$ 223,548</u>	<u>\$ 106,301</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, 2018

	2018	2017
FRIENDS REMEMBERED FUND		
Balance - beginning of year	\$ 9,652	\$ 22,132
Transfer to unrestricted net assets (note 4)	(9,652)	(12,480)
BALANCE END OF YEAR	\$ -	\$ 9,652
UNRESTRICTED NET ASSETS		
Balance beginning of year	\$ 59,772	\$ 49,900
Transfer from Friends Remembered Fund (note 4)	9,652	12,480
Net revenue (expenditure) for the year	664	(2,608)
BALANCE END OF YEAR	\$ 70,088	\$ 59,772

CANADIAN BREAST CANCER NETWORK

STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
REVENUE		
Corporate donations	\$ 360,747	\$ 419,013
Other donations and fundraising	36,521	25,081
Membership fees	200	250
Interest and other	3,880	3
	401,348	444,347
EXPENDITURE		
Personnel	33,088	97,430
Professional fees	9,246	5,093
Rent	3,344	3,576
Telecommunications	5,529	16,393
Material and supplies	4,305	3,201
Services and equipment	10,174	4,426
Insurance	1,845	1,843
Translation	-	3,387
Travel and meetings	1,900	922
Promotion	16	572
Public Relations Government Relations (schedule)	228,645	305,513
Special Project (schedule)	102,592	4,599
	400,684	446,955
NET REVENUE (EXPENDITURE) FOR THE YEAR	\$ 664	\$ (2,608)



CANADIAN BREAST CANCER NETWORK

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expenditure) for the year	\$ 664	\$ (2,608)
Items not affecting cash:		
Changes in non cash working capital items:		
Accounts receivable	3,654	(39,539)
Prepaid expenses	(3,704)	504
Bank indebtedness	(4,301)	4,301
Accounts payable	(11,020)	6,780
Deferred revenue	131,904	(112,623)
	117,197	(143,185)
INVESTING ACTIVITIES		
Increase in short term investment	15,790	
Change in cash	132,987	(143,185)
CASH BEGINNING OF YEAR	19,231	162,416
CASH END OF YEAR	\$ 152,218	\$ 19,231

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) 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.

(c) 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.

(d) Volunteer 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.

(e) Financial instruments

The Network's financial instruments consist of cash, short term investment, accounts receivable, and accounts payable. 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, credit, liquidity, market or other price risk 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. INVESTMENT

The short term investment consists of a fixed income investment which has interest rate of 0.85% per annum and matures on September 6, 2018.

3. DEFERRED REVENUE

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

	2018	2017
Balance, beginning of year	\$6,120	\$118,743
Less: amount recognized as revenue in the year	(6,120)	(118,743)
Plus: amount received related to the following year	138,024	6,120
Balance, end of year	\$138,024	\$6,120

4. FRIENDS REMEMBERED FUND

The Friends Remembered Fund (formally The Memorial Fund) was established in 2012. The CBCN Board has approved the fund to be transferred to unrestricted net assets.

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 annual payments of approximately

6. BANK INDEBTEDNESS

The Network has an unsecured line of credit with its banking institution for up to \$ 100,000. Interest is payable monthly, calculated at bank prime rate plus 1% per annum. As at June 30, 2018, the balance outstanding on the line of credit is \$nil (2017 - \$4,301).

7. COMPARATIVE AMOUNTS

Certain comparative amounts were reclassified to conform with the presentation adopted in the current year.



CANADIAN BREAST CANCER NETWORK

SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
PUBLIC RELATIONS GOVERNMENT RELATIONS		
Personnel	\$ 152,417	\$ 203,748
Telecommunication	9,046	15,928
Travel	18,839	39,565
Translation	9,305	110
Equipment	71	1,116
Printing	308	136
Postage	1,085	436
Rent	26,048	22,721
Consultants	11,526	21,753
	\$ 228,645	\$ 305,513
SPECIAL PROJECT		
Personnel	\$ 77,347	\$ -
Telecommunication	59	-
Printing	6,477	-
Consultants	18,709	4,599
	\$ 102,592	\$ 4,599