

CANADIAN BREAST CANCER NETWORK

FINANCIAL STATEMENTS
JUNE 30, 2016



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, 2016, 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, 2016, 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.

OHCID LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

Ottawa, Ontario
January 24, 2017

CANADIAN BREAST CANCER NETWORK

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2016

	2016	2015
CURRENT ASSETS		
Cash (note 4)	\$ 162,416	\$ 113,840
Short term investments (note 2)	20,790	15,610
Accounts receivable	17,775	69,246
Prepaid expense	9,470	8,046
	<u>\$ 210,451</u>	<u>\$ 206,742</u>
CURRENT LIABILITIES		
Accounts payable	\$ 19,676	\$ 26,310
Deferred revenue (note 4)	118,743	135,124
	<u>138,419</u>	<u>161,434</u>
NET ASSETS		
Friends Remembered Fund (note 5)	22,132	22,132
Unrestricted	49,900	23,176
	<u>72,032</u>	<u>45,308</u>
	<u>\$ 210,451</u>	<u>\$ 206,742</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, 2016

	2016	2015
FRIENDS REMEMBERED FUND		
Balance - beginning of year	22,132	21,397
Transfer from unrestricted net assets	-	735
BALANCE END OF YEAR	\$ 22,132	\$ 22,132
UNRESTRICTED NET ASSETS		
Balance beginning of year	\$ 23,176	\$ (18,635)
Transfer to Friends Remembered fund	-	(735)
Net revenue for the year	26,724	42,546
BALANCE END OF YEAR	\$ 49,900	\$ 23,176

CANADIAN BREAST CANCER NETWORK

STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
REVENUE		
Federal government contributions		
High Risk Breast Cancer project	\$ -	\$ 106,171
Corporate donations	511,701	302,654
Foundation donations	-	5,000
Other donations and fundraising	62,142	19,989
Membership fees	200	200
Rent income	62,094	75,927
Interest and other	1,876	8,097
	638,013	518,038
EXPENDITURE		
Personnel	100,575	6,929
Professional fees	13,460	2,898
Rent	62,747	82,671
Telecommunications	15,055	5,662
Material and supplies	5,388	1,851
Services and equipment	10,023	7,660
Amortization	-	347
Fundraising and donations	-	18
Insurance	1,928	1,707
Translation	3,309	354
Travel and meetings	6,978	43,222
Promotion	45,273	67
Education and skills development	-	2,000
Outreach	170	36
Printing	-	555
High Risk Breast Cancer (schedule)	-	105,490
Public Relations Government Relations (schedule)	346,383	214,025
	611,289	475,492
NET REVENUE FOR THE YEAR	\$ 26,724	\$ 42,546

CANADIAN BREAST CANCER NETWORK

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
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CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 26,724	\$ 42,546
Items not affecting cash:		
Amortization of capital assets	-	347
Changes in non cash working capital items:		
Accounts receivable	51,471	(10,107)
Prepaid expenses	(1,424)	(24)
Accounts payable	(6,634)	14,729
Deferred revenue	(16,381)	62,474
	<hr/>	<hr/>
	53,756	109,965
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INVESTING ACTIVITIES		
Increase in short term investments	(5,180)	(178)
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Change in cash	48,576	109,787
CASH BEGINNING OF YEAR	113,840	4,053
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CASH END OF YEAR	\$ 162,416	\$ 113,840
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CANADIAN BREAST CANCER NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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) 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, 2016

2. FINANCIAL INSTRUMENTS

The short term investments consist of a fixed income investment which has interest rate of 1.15% (\$20,790) per annum and matures on September 29, 2016.

3. 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 per annum. As at June 30, 2016, the balance on the line of credit is \$nil (2015 - \$nil).

4. DEFERRED REVENUE

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

	2016	2015
Balance, beginning of year	\$135,124	\$72,650
Less: amount recognized as revenue in the year	(135,124)	(72,650)
Plus: amount received related to the following year	118,743	135,124
Balance, end of year	\$118,743	\$135,124

5. FRIENDS REMEMBERED FUND

The Friends Remembered Fund (formerly the Memorial Fund) was established in 2012 and CBCN is considering several options for the use of the funds. The fund continues to attract donations in memoriam.

6. DONATIONS AND 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.

CANADIAN BREAST CANCER NETWORK

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

7. COMMITMENTS

The Network rents office space under a lease agreement that extends to August 31, 2017. Annual lease payment including operating cost is approximately \$25,000.

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

8. ALLOCATION OF EXPENSES

The Network engages in various projects. The costs of each project include expenses directly related to the project. The Network also incurs a number of general and administrative support expenses that are common to the administration of the organization and of its projects. The Network has a relatively small complement of staff, some of whom support more than one of the projects. In order to ensure that each project bears its share of the cost of delivering the project, the salary and benefit costs of the administrative staff that provide service to more than one project are allocated to each of those areas in an amount that is proportional to the services provided. Similarly, certain common overhead expenses such as rent are proportionally allocated to the projects where allowable under the contribution agreements.

CANADIAN BREAST CANCER NETWORK

SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2015

	2016	2015
HIGH RISK BREAST CANCER		
Personnel	\$ -	\$ 50,316
Consultations and workshops	-	653
Rent	-	5,052
Telecommunications	-	5,137
Consultants	-	4,215
Translation	-	1,865
Postage and courier	-	5,753
Evaluation and dissemination	-	7,888
Newsletter	-	24,611
	\$ -	\$ 105,490
PUBLIC RELATIONS GOVERNMENT RELATIONS		
Personnel	\$ 233,626	\$ 134,366
Telecommunication	13,714	8,863
Travel	64,951	39,509
Hill events	-	719
Translation	456	485
Equipment	1,165	1,341
Printing	-	900
Postage	1,322	1,329
Rent	23,742	19,089
Consultants	7,357	2,862
Development	50	4,562
	\$ 346,383	\$ 214,025