

**CANADIAN BREAST CANCER NETWORK**

FINANCIAL STATEMENTS  
JUNE 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
**Canadian Breast Cancer Network:**

### **Qualified opinion**

We have audited the financial statements of Canadian Breast Cancer Network ("the Entity"), which comprise the statement of financial position as at June 30, 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2019, 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 not-for-profit organizations, the Entity derives 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 the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net revenue for the year, and cash flows from operations for the years ended June 30, 2019 and 2018, current assets as at June 30, 2019 and 2018, and net assets as at July 1 and June 30 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended June 30, 2018 was modified accordingly because of the 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 the Entity 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 the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the Entity'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 the Entity'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 the Entity 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.

OHCI LLP

**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants

Ottawa, Ontario

October 28, 2019

## CANADIAN BREAST CANCER NETWORK

### STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

	2019	2018
<b>CURRENT ASSETS</b>		
Cash	\$ 221,900	\$ 152,218
Short term investment (note 2)	20,000	5,000
Accounts receivable	26,846	53,660
Prepaid expense	10,731	12,670
	<b>\$ 279,477</b>	<b>\$ 223,548</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 22,363	\$ 15,436
Deferred revenue (note 3)	97,297	138,024
	<b>119,660</b>	<b>153,460</b>
<b>NET ASSETS</b>		
Friends Remembered Fund (note 4)	-	-
Unrestricted	159,817	70,088
	<b>159,817</b>	<b>70,088</b>
	<b>\$ 279,477</b>	<b>\$ 223,548</b>

Approved on behalf of the Board:

\_\_\_\_\_  
Board Member

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Board Member

## CANADIAN BREAST CANCER NETWORK

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
<b>FRIENDS REMEMBERED FUND</b>		
Balance - beginning of year	\$ -	\$ 9,652
Transfer to unrestricted net assets (note 4)	-	(9,652)
<b>BALANCE END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>
<b>UNRESTRICTED NET ASSETS</b>		
Balance beginning of year	\$ 70,088	\$ 59,772
Transfer from Friends Remembered Fund (note 4)	-	9,652
Net revenue for the year	89,729	664
<b>BALANCE END OF YEAR</b>	<b>\$ 159,817</b>	<b>\$ 70,088</b>

## CANADIAN BREAST CANCER NETWORK

### STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
<b>REVENUE</b>		
Corporate donations	\$ 383,733	\$ 360,747
Other donations and fundraising	85,871	36,521
Membership fees	145	200
Interest and other	3,684	3,880
	<b>473,433</b>	<b>401,348</b>
<b>EXPENDITURE</b>		
Personnel	17,856	33,088
Professional fees	6,049	9,246
Rent	1,779	-
Telecommunications	2,426	5,529
Material and supplies	1,724	4,305
Services and equipment	6,350	10,174
Insurance	1,285	1,845
Travel and meetings	3,150	5,244
Promotion	50	16
Public Relations Government Relations (schedule)	228,727	228,645
Special Project (schedule)	114,308	102,592
	<b>383,704</b>	<b>400,684</b>
<b>NET REVENUE FOR THE YEAR</b>	<b>\$ 89,729</b>	<b>\$ 664</b>

## CANADIAN BREAST CANCER NETWORK

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue for the year	\$ 89,729	\$ 664
Items not affecting cash:		
Changes in non cash working capital items:		
Accounts receivable	26,814	3,654
Prepaid expenses	1,939	(3,704)
Bank indebtedness	-	(4,301)
Accounts payable	6,927	(11,020)
Deferred revenue	(40,727)	131,904
	84,682	117,197
<b>INVESTING ACTIVITIES</b>		
Increase in short term investment	(15,000)	15,790
Change in cash	69,682	132,987
<b>CASH BEGINNING OF YEAR</b>	<b>152,218</b>	<b>19,231</b>
<b>CASH END OF YEAR</b>	<b>\$ 221,900</b>	<b>\$ 152,218</b>

# CANADIAN BREAST CANCER NETWORK

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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, 2019

### 2. INVESTMENT

The short term investment consists of a fixed income investment which has interest rate of 1.55% per annum and matures on September 7, 2019.

### 3. DEFERRED REVENUE

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

	2019	2018
Balance, beginning of year	\$138,024	\$6,120
Less: amount recognized as revenue in the year	(138,024)	(6,120)
Plus: amount received related to the following year	97,297	138,024
Balance, end of year	\$97,297	\$138,024

### 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, 2019, the balance outstanding on the line of credit is \$nil (2018 - \$nil).

## CANADIAN BREAST CANCER NETWORK

### SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
<b>PUBLIC RELATIONS GOVERNMENT RELATIONS</b>		
Personnel	\$ 117,902	\$ 152,417
Telecommunication	11,679	9,046
Travel	35,351	18,839
Translation	6,261	9,305
Equipment	444	71
Printing	2,159	308
Postage	5,616	1,085
Rent	28,933	26,048
Promotion and marketing	748	-
Consultants	19,633	11,526
	<b>\$ 228,726</b>	<b>\$ 228,645</b>
<b>SPECIAL PROJECT</b>		
Personnel	\$ 34,102	\$ 77,347
Telecommunication	3,770	59
Printing	2,885	6,477
Rent	2,475	-
Supplies	285	-
Promotion and marketing	456	-
Translation	4,064	-
Consultants	66,271	18,709
	<b>\$ 114,308</b>	<b>\$ 102,592</b>