

CANADIAN BREAST CANCER NETWORK

FINANCIAL STATEMENTS
JUNE 30, 2021



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, 2021, 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, 2021, 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, 2021 and 2020, current assets as at June 30, 2021 and 2020, and net assets as at July 1 and June 30 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended June 30, 2020 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

December 13, 2021

CANADIAN BREAST CANCER NETWORK

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

	2021	2020
CURRENT ASSETS		
Cash	\$ 594,835	\$ 308,288
Short term investment (note 2)	20,519	20,355
Accounts receivable	43,540	60,537
Prepaid expense	10,532	10,347
	<u>669,426</u>	<u>399,527</u>
CAPITAL ASSETS (note 3)		
	7,067	-
	<u>\$ 676,493</u>	<u>\$ 399,527</u>
CURRENT LIABILITIES		
Accounts payable	\$ 28,253	\$ 9,457
Deferred revenue (note 4)	312,052	137,195
	<u>340,305</u>	<u>146,652</u>
NET ASSETS		
Unrestricted	336,188	252,875
	<u>336,188</u>	<u>252,875</u>
	<u>\$ 676,493</u>	<u>\$ 399,527</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, 2021

	2021	2020
UNRESTRICTED NET ASSETS		
Balance beginning of year	\$ 252,875	\$ 159,817
Net revenue for the year	83,313	93,058
BALANCE END OF YEAR	\$ 336,188	\$ 252,875

CANADIAN BREAST CANCER NETWORK

STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
REVENUE		
Corporate donations	\$ 356,687	\$ 414,073
Other donations and fundraising	63,036	73,759
Government COVID-19 benefits (note 5)	103,773	-
Interest and other	3,132	2,133
	526,628	489,965
EXPENDITURE		
Personnel	19,760	13,166
Professional fees	6,260	6,979
Rent	1,600	1,751
Telecommunications	6,518	4,118
Material and supplies	3,339	1,828
Services and equipment	4,896	13,253
Amortization	1,413	-
Insurance	2,000	1,973
Travel and meetings	171	705
Promotion	221	2,801
Public Relations Government Relations (schedule)	337,181	229,603
Special Project (schedule)	59,956	120,730
	443,315	396,907
NET REVENUE FOR THE YEAR	\$ 83,313	\$ 93,058

CANADIAN BREAST CANCER NETWORK

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 83,313	\$ 93,058
Items not affecting cash:		
Amortization of capital assets	1,413	-
Changes in non cash working capital items:		
Accounts receivable	16,997	(33,691)
Prepaid expenses	(185)	384
Accounts payable	18,796	(12,906)
Deferred revenue	174,857	39,898
	295,191	86,743
INVESTING ACTIVITIES		
Acquisition of capital assets	(8,480)	-
Increase in short term investment	(164)	(355)
Change in cash	286,547	86,388
CASH BEGINNING OF YEAR	308,288	221,900
CASH END OF YEAR	\$ 594,835	\$ 308,288

CANADIAN BREAST CANCER NETWORK

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The Canadian Breast Cancer Network is incorporated without share capital under part II of the Canada Corporations Act and is a registered charity exempt from income tax 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 and fundraising 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, interest, and government COVID-19 benefits, 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

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.

(f) Capital assets

Capital assets consist of computer equipment that is recorded at cost. Amortization is calculated using the straight line method over the assets estimated useful life over 3 years.

CANADIAN BREAST CANCER NETWORK

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

2. INVESTMENT

The short term investment consists of a fixed income investment which has a variable interest rate (0.25% per annum as at June 30, 2021) and matures on September 9, 2021.

3. CAPITAL ASSETS

	Cost	Accumulated Depreciation	2021 NBV	2020 NBV
Computer equipment	\$ 8,480	\$ 1,413	\$ 7,067	\$ -

4. DEFERRED REVENUE

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

	2021	2020
Balance, beginning of year	137,195	\$ 97,297
Less: amount recognized as revenue in the year	(137,195)	(97,297)
Plus: amount received related to the following year	312,052	137,195
Balance, end of year	\$ 312,052	\$ 137,195

5. GOVERNMENT COVID-19 BENEFITS

The subsidy consists of Canadian Emergency Wage Subsidy (CEWS) of \$89,954 (2020 - nil), and Canada Emergency Rent Subsidy (CERS) of \$13,819 (2020 -nil). These claims are based on Management's interpretation of the applicable legislation in the Income Tax Act. They are subject to review by Canada Revenue Agency (CRA) and any future CRA adjustments to these claims will be recorded by the Network in the year of the adjustment.

6. COMMITMENTS AND RELATED PARTY TRANSACTIONS

The Network rents office space under a lease agreement that extends to December 31, 2021. Annual lease payment including operating cost is approximately \$30,000. The Network also leases office equipment with annual payments of approximately \$2,000.

Subsequent to 2021 fiscal year-end, the Network has signed a new lease agreement commencing on January 1, 2022 that extends to December 31, 2026. Gross monthly lease payment including operating cost is \$2,200.

Officers of the corporation are paid honorarium for their services in a volunteer capacity. These payments totalled \$9,592 in 2021 fiscal year (2020- \$715).

7. BANK INDEBTEDNESS

The Network had an unsecured line of credit with its banking institution for up to \$ 100,000 during 2021 fiscal year-end. Interest was payable monthly, calculated at bank prime rate plus 1% per annum. As at June 30, 2021, the balance outstanding on the line of credit was \$nil (2020 - \$nil). Subsequent to 2021 fiscal year-end in August 2021, the line of credit was cancelled.

CANADIAN BREAST CANCER NETWORK

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
PUBLIC RELATIONS GOVERNMENT RELATIONS		
Personnel	\$ 227,228	\$ 144,415
Telecommunication	16,415	7,517
Travel	171	26,767
Translation	12,449	4,502
Equipment	662	420
Printing	15,140	995
Postage	7,846	7,936
Rent	27,197	28,858
Promotion and marketing	2,967	3,134
Consultants	27,106	5,059
	\$ 337,181	\$ 229,603
SPECIAL PROJECT		
Personnel	\$ 10,439	\$ 68,917
Travel and meetings	-	11,547
Telecommunication	2,151	3,070
Printing	14,737	312
Rent	3,200	2,363
Supplies	2,329	140
Promotion and marketing	-	1,659
Postage and delivery	-	821
Translation	-	2,151
Consultants	27,100	29,750
	\$ 59,956	\$ 120,730