

**BREAST CANCER ACTION
FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members:

BREAST CANCER ACTION

Report on the Financial Statements

We have audited the accompanying financial statements of **BREAST CANCER ACTION**, which comprise the Statement Of Financial Position as at December 31, 2016, and the Statements 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 organization'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 organization'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 organization 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 organization and we were not able to determine whether any adjustments might be necessary to revenue, net revenue 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 **BREAST CANCER ACTION** as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Parker Prins Lebano".

Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
May 29, 2017

BREAST CANCER ACTION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Cash	\$ 41,419	\$ 52,029
Guaranteed investment certificates (note 2)	20,699	20,642
Accounts receivable	7,389	7,388
Prepaid expenses	<u>3,293</u>	<u>6,025</u>
	72,800	86,084
CAPITAL ASSETS (note 3)	<u>14,103</u>	<u>6,499</u>
	<u>\$ 86,903</u>	<u>\$ 92,583</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 7)	\$ 13,876	\$ 18,717
Source deductions payable	2,826	1,860
Deferred revenue (note 4)	<u>16,383</u>	<u>10,705</u>
	<u>33,085</u>	<u>31,282</u>
NET ASSETS		
Invested in capital assets	14,103	6,499
Unrestricted	12,252	23,236
Internally restricted for Dragon Boat Program	<u>27,463</u>	<u>31,566</u>
	<u>53,818</u>	<u>61,301</u>
	<u>\$ 86,903</u>	<u>\$ 92,583</u>

Approved by the Board:

_____ Director

_____ Director

BREAST CANCER ACTION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
NET ASSETS INVESTED IN CAPITAL ASSETS		
Balance, beginning of year	\$ 6,499	\$ 8,367
Additions to capital assets	10,044	-
Amortization	<u>(2,440)</u>	<u>(1,868)</u>
Balance, end of year	<u>\$ 14,103</u>	<u>\$ 6,499</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ 23,236	\$ 47,272
Deficiency of revenue over expenses for the year	(7,483)	(35,181)
Net change in capital asset investment	(7,604)	1,868
Transfer from Dragon Boat Program (note 6)	<u>4,103</u>	<u>9,277</u>
Balance, end of year	<u>\$ 12,252</u>	<u>\$ 23,236</u>
INTERNALLY RESTRICTED FOR DRAGON BOAT PROGRAM		
Balance, beginning of year	\$ 31,566	\$ 40,843
Transfer to unrestricted net assets (note 6)	<u>(4,103)</u>	<u>(9,277)</u>
Balance, end of year	<u>\$ 27,463</u>	<u>\$ 31,566</u>

BREAST CANCER ACTION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Donations	\$ 79,036	\$ 60,288
Special events	95,280	100,546
Memberships	17,433	9,849
Product sales	448	1,430
	<u>192,197</u>	<u>172,113</u>
EXPENSES		
Activities	42,678	47,682
Advertising and newsletter	1,684	835
Fundraising	22,484	18,906
Miscellaneous	2,717	3,881
Office equipment and supplies	11,278	10,695
Postage and delivery	-	521
Professional fees	5,665	4,280
Rent	20,133	20,524
Salary and benefits	89,165	96,852
Telephone	1,436	1,250
Amortization of capital assets	2,440	1,868
	<u>199,680</u>	<u>207,294</u>
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ (7,483)</u>	<u>\$ (35,181)</u>

BREAST CANCER ACTION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	\$ (7,483)	\$ (35,181)
Items not affecting cash:		
Amortization	<u>2,440</u>	<u>1,868</u>
	(5,043)	(33,313)
Net changes in non-cash items related to operations:		
Accounts receivable	-	(1,272)
Prepaid expenses	2,732	(120)
Account payable and accrued liabilities	(4,841)	3,828
Source deductions payable	966	(162)
Deferred revenue	<u>5,678</u>	<u>1,663</u>
	<u>(508)</u>	<u>(29,376)</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Additions to capital assets	<u>(10,045)</u>	<u>-</u>
DECREASE IN CASH	(10,553)	(29,376)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>72,671</u>	<u>102,047</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 62,118</u>	<u>\$ 72,671</u>
CASH AND CASH EQUIVALENTS		
Cash	\$ 41,419	\$ 52,029
Guaranteed investment certificates (note 2)	<u>20,699</u>	<u>20,642</u>
	<u>\$ 62,118</u>	<u>\$ 72,671</u>

BREAST CANCER ACTION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. NATURE OF ORGANIZATION

Breast Cancer Action is incorporated without share capital under Part II of the Canada Corporations Act. As a registered charity under the Income Tax Act, the organization is exempt from income taxes under subsection 149(1)f of the Income Tax Act. The organization is a survivor-directed group joined in purpose to inform, educate and support women and men living with breast cancer, their families and the community.

2. SIGNIFICANT ACCOUNTING POLICIES

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

CAPITAL ASSETS

Capital assets are recorded at cost and are amortized using the diminishing balance method at the following annual rates:

Dragon boat equipment	20%
Computer equipment	30%

REVENUE RECOGNITION

The organization follows the deferral method of recognizing revenue. Unrestricted amounts are recorded as revenue when received or receivable. Donations and memberships are recorded as revenue when received. Restricted amounts are recognized as revenue when the related expenses are incurred.

GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are recorded at the lower of cost and net realizable value and consist of two investments held at TD Canada Trust, maturing August 19, 2017 and November 14, 2017 with annual interest rates of 0.90% and 0.40% respectively.

3. CAPITAL ASSETS

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Dragon boat equipment	\$ 22,519	\$ 9,367	\$ 13,152	\$ 5,140
Computer equipment	2,775	1,824	951	1,359
	<u>\$ 25,294</u>	<u>\$ 11,191</u>	<u>\$ 14,103</u>	<u>\$ 6,499</u>

BREAST CANCER ACTION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2016

4. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Peer support	\$ 2,295	\$ 2,295
Membership subsidy	185	260
Community Foundation Fitness Grant	4,083	4,570
Kelly Project	-	3,580
H.O.P.E Ottawa-Carleton Inc. funding	<u>9,820</u>	<u>-</u>
	<u>\$ 16,383</u>	<u>\$ 10,705</u>

5. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities and source deductions payable. The book values approximate fair values due to their nature. It is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments.

6. DRAGON BOAT PROGRAM

The Statement of Operations includes revenue and expenses of the Dragon Boat Program. The net expenses related to the program of \$4,103 (2015 \$9,277) were transferred from interally restricted net assets to unrestricted net assets.

7. COMMITMENTS

The organization leases its office space and a photocopier under the terms of leases that expire September 30, 2020 and March 23, 2022 respectively. Minimum annual lease payments for the next five years are as follows:

2017	\$ 22,822
2018	22,445
2019	22,445
2020	22,445
2021	17,463

The organization entered into an agreement with Be The Choice on October 30, 2012 to work together in partnership for the purpose of fundraising and promoting a media project. All funds raised by Be The Choice through Breast Cancer Action will go toward the making and promotion of the project. Included in accounts payable is \$Nil (2015 \$4,463) collected for the Be The Choice project during the 2016 fiscal year.

8. DONATIONS IN-KIND

The organization received in-kind donations but they have not been recognized in the financial statements as the goods received would not otherwise have been purchased.