



**Bermuda
Cancer and
Health Centre**
DETECTION PREVENTION SUPPORT

2013 ANNUAL REPORT



Bermuda Cancer and Health Centre
Your Breast Imaging Centre of Excellence

2013 ANNUAL REPORT**TABLE OF CONTENTS**

Report from our Board Chairman	2
Message from the Executive Director	3
Improving Support for Men's Health	4
Breast Imaging Centre of Excellence	5
Clinical Services	6
Education	7
Marketing and Fundraising	8
Your Support – Donations	9
Board of Directors	11
Auditor's Report	12
Financial Statements	15
Education and Fundraising Event Photos	24

**This Year we achieved BICOE Accreditation
and BNSC Certification**

On behalf of the Board of Directors, I am pleased to present this annual report for Bermuda Cancer and Health Centre (the “Centre”), together with the audited financial statements for 2013.

During 2013 the Centre achieved all of its strategic objectives set by the Board.

In August 2013 the Centre received the American College of Radiology (ACR) – Breast Imaging Centre of Excellence (BICOE) designation. By awarding the status of a Breast Imaging Centre of Excellence, the ACR recognises that our Centre has earned accreditation in mammography, stereotactic breast biopsy, and breast ultrasound (including ultrasound-guided breast biopsy).

In October 2013 the Centre achieved the Bermuda National Standard Certification (BNSC). The BNSC enables a charity to demonstrate that it meets best practice standards in relation to Board Governance, Finance & Investment, Legal, Human Resources and capacity building. We are very proud of the Centre’s accomplishments during 2013.

Our vision is “to serve our community building healthier lives free of cancer and disease”. The work conducted by the Centre would not be possible without the on-going and dedicated support of volunteers, donors, staff, and the management team and I wish to express the gratitude of the Board of Directors to everyone who supports the Centre.

Sincerely



Glen Gibbons
Chairman of the Board of Directors
Bermuda Cancer and Health Centre

MESSAGE FROM THE EXECUTIVE DIRECTOR

The Centre donated \$160,038 enabling uninsured and underinsured to continue receiving valuable cancer screening

On behalf of the staff, volunteers and donors of the Centre I am pleased to join the Chairman in the presentation of the 2013 Annual Report.

2013 was a year of accomplishments for the Centre. Adding on to the breast biopsy service, which the Centre introduced in 2012, this year the Centre also began offering prostate biopsy tests as a means of improving access to screening for prostate cancer for the male population of Bermuda.

Over the past two years the Centre has placed significant focus and resources to help provide increased access to healthcare for Bermuda's male population. This year, a Men's Health Fair was held in June at the Seventh Day Adventist Church on King Street and the Centre was joined by other health supporting agencies, such as the Bermuda Diabetes Association, the Bermuda Heart Foundation, Open Airways and the Department of Health in order to provide men with free and confidential access to healthcare. Also in June, Dr. Michael O'Leary, Urologic Surgeon from the Brigham and Women's Hospital, provided a public talk at our "Men's Night Only" event.

This year the Centre was once again pleased to limit expense costs which resulted in an excess of revenues of \$351,735. The support for uninsured and underinsured patients increased by 36% in 2013 compared to 2012, however, this additional cost was offset by the donations the Centre received from its 2013 Tag Day, Raffle Programme and October Breast Cancer Awareness month fundraising events.

The Centre garners the majority of its revenues to support its operation through the provision of diagnostic imaging procedures which include mammograms, ultrasound, bone densitometry and breast and prostate biopsies. Although there was little change in the insurance reimbursement rates for 2013, the Centre did experience an overall decline in revenues for clinical services of 4.6% predominately as a result of changes to the screening recommendations for Bone Density assessment.

Although the cost of clinical procedures conducted at the Centre are fully covered by local private health insurance providers, reimbursement by the Health Insurance Department (HID), which provide HIP and Futurecare, for services outside of King Edward VII Memorial Hospital, was restricted to the Bermuda Health Council's 2013 Diagnostic Imaging Fee Schedule. Therefore, not all procedures offered at the Centre are reimbursed by the HID.

The Centre continues to evaluate the needs of our community in order to achieve our mission and also provide support where needed to ensure everyone in Bermuda have the access to healthcare that they need.

None of what we do would be possible without the continued support of our donors, volunteers, staff members and supporters. Thank you for helping us to achieve our mission

Sincerely



Tara E. Soares
Executive Director

IMPROVING SUPPORT FOR MEN'S HEALTH

PROSTATE BIOPSIES

In October 2013 the Centre began offering Ultrasound Guided Prostate Biopsies under the direction of Clinical Director, Dr. David Green.

As a screening tool, a prostate biopsy may be warranted for asymptomatic patients when a primary care doctor determines that a man has an elevated Prostate Specific Antigen on at least 2 occasions, as detected through a blood test, and when the patient also has an abnormal prostate as indicted by a digital rectal examination. The procedure is conducted in our dedicated ultrasound suite and takes only a few minutes to perform.



The second Annual Men's Health Fair was held on June 6th at the Seventh Day Adventist Church on King Street. Over 200 men attended the Health Fair which had partner agencies; the Bermuda Diabetes Association, CORE, Open Airways and the Department of Health participate and provide access to free health checks for the attendees.



BREAST IMAGING CENTRE OF EXCELLENCE

**The Centre Achieved the American College of Radiology's Breast Imaging
Centre of Excellence Designation**

The American College of Radiology's (ACR) Breast Imaging Centre of Excellence designation means that the Centre has earned accreditation in mammography, stereotactic breast biopsy, and breast ultrasound (including ultrasound-guided breast biopsy).

Centres designated as an ACR Breast Imaging Centre of Excellence have:

- Voluntarily gone through a rigorous review process to be sure they meet nationally accepted standards.
- Employed personnel who are well qualified, through education and certification, to perform and interpret medical images and administer radiation therapy treatments.
- Acquired equipment appropriate for the testing or treatment of breast cancer.
- Met or exceeded quality assurance and safety guidelines.



CLINICAL SERVICES

BERMUDA NATIONAL STANDARDS CERTIFICATION

In January 2013 the Centre undertook the Bermuda National Standards Certification process. The purpose of charities certification is to help charities that are seeking government and/or community funds to demonstrate through compliance, with a set of 27 internationally recognized standards of practice, that they are effectively and efficiently operating the charity.

The certification process involved a detailed review and analysis of an organisation's administrative operations against international standards of best practice for charitable organisations.



FULL RANGE OF DIAGNOSTIC IMAGING SERVICES PROVIDED

BREAST BIOPSY

Since the inception of this service in May 2012, the Centre conducted 273 breast biopsies and fine needle aspirations as of December 31st, 2013 which resulted in the detection of 91 cases of breast cancer. As a comprehensive centre in breast cancer detection, patients are able to have a breast biopsy performed right away therefore minimizing the amount of waiting and worrying a patient may otherwise experience. We are extremely proud to offer this level of comprehensive service for the community we serve.

DIGITAL MAMMOGRAPHY

Digital Mammography remains the gold standard for breast cancer screening. In 2013 the Centre conducted over 9,100 screening and diagnostic mammograms. Female patients, over the age of 40 year may simply call the Centre and book an appointment for their annual screening mammogram; other mammograms require a physician's referral.

ULTRASOUND

The Centre's Mary-Jean Mitchell Green Ultrasound Suite, along with our fulltime ultrasound technologist, continue to offer men and women an expanded array of ultrasound services for abdominal, vascular, testicular, prostate and extremity exams as well as breast ultrasounds and biopsies.



BONE DENSITOMETRY (DEXA)

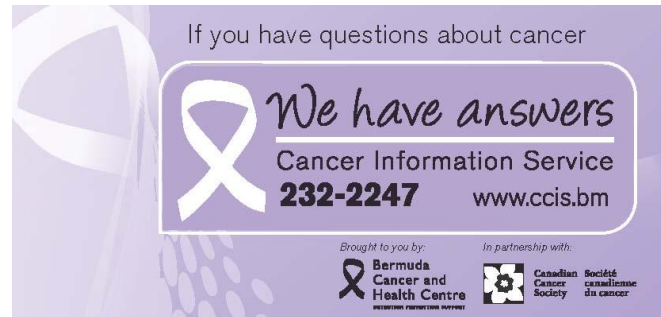
DEXA is one of the most accurate bone density tests available and assists in the diagnosis of bone mineral loss at an early stage. This test also allows physicians to determine the rate of bone loss, show changes in bone density over time, and track progress made during treatment.

EDUCATION

PROVIDING COMMUNITY SUPPORT

CANCER INFORMATION SERVICE (CIS)

Residents of Bermuda have access to our free Cancer Information Service provided through our partnership with the Canadian Cancer Society. By calling 232-2247 individuals may speak directly to knowledgeable Cancer Information Specialists on a host of cancer topics and receive information about support available in our local community.



LENDING LIBRARY

Located on the ground floor of the Centre, the library offers more than 800 books and DVDs covering a wide range of cancer and health topics.

SUNSMART

The incidence of skin cancer in Bermuda is 12% higher than the incidence of skin cancer in the United States as shown by comparison data between the Bermuda National Tumour Registry and the US National Cancer Institute. The Centre's SunSmart Awareness Programme is delivered in schools and summer camps and provides children and camp leaders with information on the importance of sun protection measures to avoid sunburn and potential skin cancers later in life.



LUNGSMART

Sponsored by Argus, our smoking prevention programme provides students with a sound understanding of the health dangers associated with smoking and the high level of addiction to nicotine which occurs with smoking.

Sponsored by:



LECTURE AND TALK SERIES

Providing free, relevant health information to the community is an important goal of the Centre. Through public presentations, corporate lunch and learns and community and corporate health fairs the message is that cancer is preventable, treatable, and beatable. Building awareness is an important part of helping to increase screening and decrease mortality rates.

MARKETING AND FUNDRAISING

GETTING THE COMMUNITY INVOLVED

THE BERMUDA CANCER AND HEALTH SCHOLARSHIP

The Centre continued to support two scholarship recipients in 2013. Erek Fox was provided a \$10,000 scholarship in support of his current studies to be a physiatrist. A second scholarship valued at \$10,000 was also granted to support LeRhonda Mills in her studies in oncology nursing.

FUNDRAISING

The Centre's annual raffle was drawn on Oct. 16 and with the generous support of our volunteers raised \$29,321 toward our Equal Access Fund.

BREAST CANCER AWARENESS MONTH

Patron of Breast Cancer Awareness Month, Mrs. Fergusson, invited the community to "Be a Pink Ambassador" by volunteering, fundraising and participating in a number of annual initiatives: Wear it PINK Denim Day, Fish Fry, Girls Night In, Breast Talk and a host of other events by individuals and organisations. This year's campaign raised over \$266,000.

Once again the highlight of the month was the Breast Cancer Annual Fun Walk. Event sponsor BF&M transformed Barr's Bay Park into a magical pink venue for more than 1,800 walkers who attended the health fair and Survivor's Ceremony.

GIRLS NIGHT IN

We are pleased to congratulate The Bosom Buddies on holding their 8th Annual Girls Night In! Chrissy Wetherhill, Audrey Cranage, June Sousa and Sandra Soares organized the 2013 event which raised a staggering \$28,241. Over the past eight years The Bosom Buddies have raised over \$83,000 to help support Breast Cancer Awareness month!

MOVEMBER

With the support of our sponsor Elbow Beach Bermuda, over \$34,607 was raised in Movember to support our Men's Health Programme, which encourages men over the age of 40 to take control of their health. Funding was provided to 254 uninsured/underinsured men to assist with costs of receiving an annual physical. A free men's screening clinic was offered in June giving men access to critical screening tests and the opportunity for brief consultation with a local physician.



YOUR SUPPORT

HOW YOUR DONATIONS WERE SPENT

Funds raised during 2013 were used to support the Centre's Equal Access Fund to assist those persons who do not have insurance to get access to important cancer detection tests. Funds raised also helped to support the Centre's Education Programmes for the Community.

THANKING OUR DONORS

CORPORATE MATCHING

Corporate matching gifts are a valuable way for supporters of the Centre to maximize personal contributions to our charity and increase the impact of their gift. Many companies provide matching donations thereby doubling, tripling or quadrupling the personal donation made by their staff. Thank you to the following companies for supporting their staff donations and allowing them to maximize their contributions:

ACE Foundation	Bacardi International	Liberty Mutual
Allied World Assurance Company	Bank of Bermuda Foundation	OIL insurance Limited
AON Insurance Managers (Bermuda) Ltd.	Beecher Carlson	PIMCO Foundation
Appleby Services (Bermuda) Ltd	Butterfield & Vallis	PartnerRe limited
ARCH Reinsurance	Colonial Group	Platinum Underwriters
AXIS Specialty Limited	Digicel Bermuda	RenaissanceRe
	Harrington Sound Primary School	Zurich International (Bermuda) Ltd
	Kane Bermuda Limited	

UNION DUES

Many employees opt to designate their union dues to support a charity of their choice. The Centre was honoured to be one of the recipients of these donations and would like to acknowledge those employees of the following companies for their support:

Bermuda Cablevision	Fairmont Hamilton Princess	TBI International
Bermuda Hospitals Board	Fairmont Southampton	The Reefs
Bermuda Government	Key Management Services	
Bermuda Telephone Co	Newstead Belmont Hills	

THANKING OUR DONORS CONTINUED

CHARITABLE GIVING IN MEMORY

Charitable donations can be made through gifts of life insurance, outright gifts of cash, pledges, securities, and bequests in wills. Our heartfelt thank you to all who donated in honour of a departed loved one this year.

Kenneth Hubbard

Eddie DeMello

Eula Bean

HONOURING OTHERS

Making a charitable donation in the name of a loved one is a meaningful way to give for any occasion. In 2013, the Centre received gifts in lieu of celebrating survivorship, birthdays and anniversaries. Thank you for choosing to make a donation to Bermuda Cancer and Health Centre in honour of your loved one.

Ariane Di Meglio

Colina James

Keil Gunther

DONOR HONOUR ROLL

Their philanthropic support helped to improve patient care, the purchase of cancer detection equipment, and funding for cancer prevention programmes. These donors contributed over \$2,000 each during the 2013 fiscal year:

A.P.Moller (Bermuda) Limited
Alterra Bermuda Limited
AON Insurance Managers
(Bermuda) Ltd.
Appleby Services (Bermuda) Ltd
Bank of Bermuda Foundation
Bernhard, Keith
Bermuda High School for Girls
Association
Bermuda Institute of Advanced
Motorists
BF&M Insurance Company

Capital G
Conyers Dill & Pearman
Bolton Charitable Foundation
Butterfield & Vallis
Elbow Beach Team
FIL Limited
International Women's Club of
Bermuda
KPMG
Man on the Run Team
Mount St. Agnes
PartnerRe Limited

Purvis Primary
Red Steakhouse
RenaissanceRe
Robin Hood FC Team
Saltus Grammar School
Schroder Family
Slayton, Stephanie
The Green Family
Wetherill, Chrissy
World Rugby Classic
XL Foundation
XLIT Ltd.

BOARD OF DIRECTORS DRAWING ON EXPERTISE

Together with the staff and volunteers of the Centre we look forward to strengthening partnerships with our community to achieve the greatest impact in the fight against cancer.



Glen Gibbons* - Board President since 2008, Member of Finance & Investment Committee.
Senior Vice President, BF&M Ltd.



Judy White* - Vice President since 2007, Member of Governance & Compliance and Finance & Investment Committees.
President, CTFS Bermuda Ltd.



Lynda Davidson-Leader - Appointed 2011, Corporate Secretary, Member of Governance & Compliance Committee.
Vice President of Corporate Services, BF&M Ltd.



Denton Williams - Appointed 2011, Chairman of Clinical Committee.
COO, BELCO



Gary Carr* - Appointed 2007, Member of Governance & Compliance Committee.
Accountant, Delphi



Jennifer Haworth* - Appointed 2007, Chairman of Governance & Compliance Committee.
Litigation Attorney, MJM Ltd.



Wendy Dunne - Appointed 2011, Member of Finance & Investment and Scholarship Committees.
Retired Insurance Underwriter



Larry Dennis* - Appointed 2007, Chairman of Finance & Investment and Scholarship Committees.
Retired Auditor General



Dr. Henry Dowling - Appointed 2011, Member of Clinical Committee.
Family Practitioner, Associates in Integrated Health



Tara Soares - Appointed 2008, Member of Governance & Compliance, Finance & Investment and Clinical Committees.
Executive Director, Bermuda Cancer and Health Centre

* Board members were previously council members of the Bermuda TB Cancer and Health Association.

AUDITOR'S REPORT

BERMUDA CANCER AND HEALTH CENTRE

Financial Statements

(With Independent Auditors' Report Thereon)

For the year ended December 31, 2013

AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

To the Members of Bermuda Cancer and Health Centre

We have audited the accompanying financial statements of Bermuda Cancer and Health Centre ("the Centre"), which comprise the statement of financial position as at December 31, 2013, the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes, comprising 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 accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada 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 audits in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that we comply with ethical requirements and plan and perform an 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 our 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, we consider internal control relevant to the Centre'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 Centre'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 many charitable organizations, the Centre derives a portion of its revenues from the general public in the form of donations and contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donations and deferred contributions was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether, any adjustments might be necessary to donations, amortization of deferred contributions and excess of revenues over expenditures reported in the statement of revenues and expenses for the year ended December 31, 2013, and deferred contributions and net assets reported in the statement of financial position as at that date.

AUDITOR'S REPORT

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
July 9, 2014

BERMUDA CANCER AND HEALTH CENTRE

Statement of Financial Position

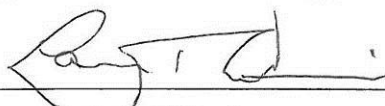
As at December 31, 2013

(Expressed in Bermuda Dollars)

	December 31, <u>2013</u>	December 31, <u>2012</u> (As restated - Note 14)	January 1, <u>2012</u> (As restated - Note 14)
Assets			
Current assets			
Cash and cash equivalents	\$ 1,487,471	\$ 1,392,458	\$ 1,845,792
Accounts receivable - net of a provision for doubtful accounts of \$nil (2012 - \$66,749)	240,462	469,893	458,279
Prepaid expenses	46,907	35,730	72,570
Inventories	<u>50,443</u>	<u>55,450</u>	<u>34,696</u>
Total current assets	1,825,283	1,953,531	2,411,337
Investments (Note 3)	145,522	148,383	148,102
Term deposits (Note 3)	1,300,000	900,000	-
Capital assets (Note 4)	<u>4,226,002</u>	<u>4,659,584</u>	<u>5,083,607</u>
Total assets	<u>\$ 7,496,807</u>	<u>\$ 7,661,498</u>	<u>\$ 7,643,046</u>
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued liabilities (Note 13)	<u>\$ 317,366</u>	<u>\$ 357,110</u>	<u>\$ 440,301</u>
Total current liabilities	317,366	357,110	440,301
Deferred contributions (Note 5)	<u>3,717,628</u>	<u>4,194,310</u>	<u>4,342,039</u>
Total liabilities	<u>4,034,994</u>	<u>4,551,420</u>	<u>4,782,340</u>
Net assets			
Unrestricted net assets	2,437,892	2,011,018	1,672,889
Restricted net assets (Note 6)	<u>1,023,921</u>	<u>1,099,060</u>	<u>1,187,817</u>
Total net assets	<u>3,461,813</u>	<u>3,110,078</u>	<u>2,860,706</u>
Total liabilities and net assets	<u>\$ 7,496,807</u>	<u>\$ 7,661,498</u>	<u>\$ 7,643,046</u>

The accompanying notes are an integral part of these financial statements

On behalf of the Board of Directors:



 _____ Director



 _____ Director

BERMUDA CANCER AND HEALTH CENTRE

Statement of Revenues and Expenditures

For the year ended December 31, 2013
(Expressed in Bermuda Dollars)

	<u>2013</u>	<u>2012</u>
Revenues		
Mammography services	\$ 1,513,498	\$ 1,519,071
Densitometry services	748,382	898,222
Amortization of deferred contributions (Note 5)	524,516	526,481
Ultrasound services	373,314	379,149
Donations	259,749	194,265
Biopsy service - breast	166,482	143,991
Donations for uninsured and underinsured patients	153,143	3,008
Prescription sales	65,450	64,939
Interest income	34,070	20,276
Dividends from investments	8,412	5,909
Rent and other income	5,440	5,000
Biopsy service – prostate	<u>2,999</u>	<u>–</u>
Total revenues	<u>3,855,455</u>	<u>3,760,311</u>
Expenditures		
General and administrative (Note 7)	2,727,926	2,738,294
Mammography services	236,147	197,948
Fundraising and education	205,223	253,428
Donation to uninsured patients (Note 8)	88,523	66,346
Subsidy for underinsured patients (Note 8)	71,515	52,243
Prescription purchases	66,665	65,797
Biopsy expenses - breast	40,218	80,062
Ultrasound services	32,161	28,505
Densitometry services	27,305	28,597
Biopsy expenses – prostate	5,176	–
Net change in unrealized gains and losses on investments (Note 3)	<u>2,861</u>	<u>(281)</u>
Total expenditures	<u>3,503,720</u>	<u>3,510,939</u>
Excess of revenues over expenditures	<u>\$ 351,735</u>	<u>\$ 249,372</u>

The accompanying notes are an integral part of these financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Changes in Net Assets

Year ended December 31, 2013

(Expressed in Bermuda Dollars)

	Restricted net assets (Note 6)							
	Scholarship	CIS	RIS	Men's Health	Total	Unrestricted net assets	2013 Total	2012 Total
Balance beginning of year	\$ 430,341	\$ 324,006	\$ 146,751	\$ 197,962	\$ 1,099,060	\$ 2,011,018	\$ 3,110,078	\$ 2,860,706
Transfers	71,343	-	(71,343)	-	-	-	-	-
Excess (deficit) of revenues over expenses	26,862	(14,525)	(75,408)	(12,068)	(75,139)	426,874	351,735	249,37
Balance at end of year	\$ 528,546	\$ 309,481	\$ -	\$ 185,894	\$ 1,023,921	\$ 2,437,892	\$ 3,461,813	\$ 3,110,078

The accompanying notes are an integral part of these financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Cash Flows

For the year ended December 31, 2013
(Expressed in Bermuda Dollars)

	<u>2013</u>	<u>2012</u> (As restated - Note 14)
Operating activities		
Excess of revenues over expenditures	\$ 351,735	\$ 249,372
Adjustments for:		
Depreciation of capital assets	479,828	507,286
Amortization of deferred contributions	(524,516)	(526,481)
Net change in unrealized gains and losses on investments	2,861	(281)
Loss on disposal of fixed assets	2,996	-
Changes in non-cash working capital balances:		
Accounts receivable	229,431	(11,614)
Prepaid expenses	(11,177)	36,840
Inventories	5,007	(20,755)
Accounts payable and accrued liabilities	<u>(39,744)</u>	<u>(83,191)</u>
Cash provided by operating activities	<u>496,421</u>	<u>151,176</u>
Investing activities		
Purchase of term deposits	(400,000)	(900,000)
Purchase of capital assets	<u>(49,242)</u>	<u>(83,262)</u>
Cash used in investing activities	<u>(449,242)</u>	<u>(983,262)</u>
Financing activities		
Net cash contributions received for capital campaigns (Note 5)	<u>47,834</u>	<u>378,752</u>
Cash provided by financing activities	<u>47,834</u>	<u>378,752</u>
Net increase (decrease) in cash and cash equivalents	95,013	(453,334)
Cash and cash equivalents at beginning of period	<u>1,392,458</u>	<u>1,845,792</u>
Cash and cash equivalents at end of period	<u>\$ 1,487,471</u>	<u>\$ 1,392,458</u>

The accompanying notes are an integral part of these financial statements

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2013

1. General

The Bermuda Cancer and Health Centre (the “Centre”) is a registered charity formed on July 17, 1945 for the purpose of assisting tuberculosis, cancer and diabetic patients in Bermuda. On July 2, 2007, the Centre converted from an unincorporated Association to a company limited by guarantee and changed its name from Bermuda Tuberculosis, Cancer and Health Association to Bermuda Cancer & Health Resource Centre. On August 31, 2007, the Centre changed its name to Bermuda Cancer and Health Centre.

2. Significant accounting policies

These financial statements were prepared in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada (“ASNFP”) contained in Part III of the Chartered Professional Accountants of Canada (“CPA Canada”) Handbook – Accounting, and include the following significant accounting policies:

(a) Use of estimates

The preparation of these financial statements in conformity with ASNFP 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 expenditures during the period. These estimates are reviewed periodically and adjustments are made to revenues and expenditures as appropriate in the year they become known.

(b) Revenue recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions that relate to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from services are recognized when the service is provided to the client and the collectability of the related receivable from the client’s insurance provider is reasonably assured.

All other income, except for contributions, is recognized on the accrual basis when earned.

(c) Cash and cash equivalents

The Centre considers all cash on hand, deposits with financial institutions that can be withdrawn without notice or penalty, and short-term deposits with an original maturity of ninety days or less as equivalent to cash. Interest earned on cash and cash equivalents is at rates ranging between 0% and 0.50% (2012 - 0% to 0.50%) per annum.

(d) Inventories

Inventories are carried at the lower of cost and net realizable value, and are valued on a first-in, first-out basis. Included in prescription purchases are recognized inventory expenses of \$66,665 (2012 - \$65,797). There were no inventories written off during the year (2012 - \$nil) and no provision for obsolete or slow-moving inventories at the reporting date (2012 - \$nil).

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2013

3. Investments and term deposits

Investments include marketable securities consisting of:

Number of shares	Securities held	2013		2012	
		Cost	Fair value	Cost	Fair value
23,182	Butterfield Bank	\$ 38,871	\$ 32,588	\$ 38,871	\$ 27,339
4,000	Somers Limited (formerly Bermuda Commercial Bank Ltd.)	21,575	48,000	21,575	48,000
4,509	Ascendant Group Ltd.	70,712	46,217	70,712	52,755
3,492	KeyTech Limited	49,213	18,717	49,213	20,289
		\$ 180,371	\$ 145,522	\$ 180,371	\$ 148,383

As at December 31, 2013, the Centre has \$1,300,000 (2012 - \$900,000) of its cash in 24-30 month certificates of deposit with a Bermuda bank with annual interest rates of 2.5% to 2.75% payable upon maturity.

4. Capital assets

Capital assets consist of:

	2013			2012
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 987,428	\$ -	\$ 987,428	\$ 987,428
Building and building improvements	3,709,986	1,843,501	1,866,485	2,054,515
Medical equipment	2,608,396	1,280,124	1,328,272	1,547,665
Vehicle	17,630	5,091	12,539	14,302
Office equipment and furniture	619,893	596,045	23,848	43,786
Website development	22,290	14,860	7,430	11,888
	\$ 7,965,623	\$ 3,739,621	\$ 4,226,002	\$ 4,659,584

The cost and accumulated depreciation of capital assets at December 31, 2012 were \$7,947,643 and \$3,288,059, respectively.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2013

5. Deferred contributions

Deferred contributions represent unamortized restricted contributions for capital assets. Changes in the deferred contributions balance are as follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of period	\$ 4,194,310	\$ 4,342,039
Amount received during the current period	47,834	378,752
Amounts amortized to revenue in the period	<u>(524,516)</u>	<u>(526,481)</u>
Balance, end of period	<u>\$ 3,717,628</u>	<u>\$ 4,194,310</u>

In 2000, the Centre launched a building campaign to raise \$4 million for a new Cancer Resource Centre. The deferred contributions balance comprises amounts contributed during the current year and prior years, which is externally restricted for the building of, and new equipment for, the Centre.

6. Restricted net assets

Restricted net assets represent unspent resources internally restricted for the Scholarship fund as well as externally restricted capital campaign funds. The externally restricted funds include the Cancer Information Services ("CIS"), Radiology Information System and Patient Support Services ("RIS") and Men's Health.

7. General and administrative expenditures

	<u>2013</u>	<u>2012</u>
Salaries and related costs	\$ 1,952,571	\$ 2,054,824
Depreciation of capital assets	479,828	507,286
Building operation and maintenance	88,530	79,965
Professional fees	62,705	49,843
Insurance	59,565	62,924
Telephone and postage	46,610	46,228
Electricity and water	30,276	28,205
Miscellaneous	25,458	24,544
Office supplies	21,667	22,301
Office equipment maintenance	16,418	13,314
Bank charges	8,036	6,492
Loss on disposal of assets	2,996	-
System implementation expenses	15	27,218
Change in provision for impairment of doubtful accounts receivable	<u>(66,749)</u>	<u>(184,850)</u>
	<u>\$ 2,727,926</u>	<u>\$ 2,738,294</u>

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2013

8. Donation to uninsured patients and subsidy for underinsured patients

The donation to uninsured patients of \$88,523 (2012 - \$66,346) represents services donated by the Centre for patients without insurance. The subsidy for underinsured patients of \$71,515 (2012 - \$52,243) represents services not covered by other agencies.

9. Employee future benefits

The Centre has a defined contribution pension plan providing pension benefits to all of its employees. Employee pension contributions of 5% are matched by the Centre. Pension expense incurred by the Centre in the current year was \$60,716 (2012 - \$60,941) and is included in general and administrative expenditures under salaries and related costs (Note 7). The pension liability as at December 31, 2013 amounted to \$11,481 (2012 - \$315) and is included in accounts payable and accrued liabilities in the statement of financial position.

10. Financial instruments

The estimated fair value of financial instruments, including cash and cash equivalents, term deposits, accounts receivable and accounts payable and accrued liabilities approximate their carrying value due to their relative short-term nature or the fact that they attract market rates of interest. The estimated fair value of marketable securities based on year-end quoted market bid prices is disclosed in Note 3.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Centre would realize in a current market exchange. Certain items such as inventories, deferred contributions and capital assets are excluded from the fair value disclosure. Thus the individual fair value amounts cannot be aggregated to determine the underlying fair value of the Centre.

The Centre is not exposed to any significant interest rate risk, credit risk or liquidity risk. The Centre is exposed to market risk with respect to its marketable securities which comprise investments in Bermuda listed companies quoted on the Bermuda Stock Exchange.

The Centre holds cash and cash equivalents and term deposits with three Bermuda-based financial institutions which have credit ratings of BBB to A+. Management believes that the Centre is not exposed to any significant concentration of credit risk. The Centre monitors its accounts receivable balances and believes that a provision for impairment of accounts receivable of \$nil (2012 - \$66,749) is sufficient to reflect the related credit risk.

11. Related party transactions

During the normal course of its operations, the Centre purchased employee health benefits and property contents and directors and others liability insurance of \$165,431 (2012 - \$188,920) and \$33,820 (2012 - \$35,847) respectively, from BF&M Ltd. where a Board member of the Centre is the Senior Vice President. In addition, the Centre has a defined contribution pension plan (Note 9) administered by BF&M Ltd. The Centre also paid expenses related to HR consultancy, immigration processing, accounting services and staff professional development training of \$130,599 (2012 - \$21,564) to Expertise Limited, where one of the partners is a spouse of a Board member of the Centre.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2013

12. Capital management

The Centre defines capital, for its own purposes, as restricted and unrestricted fund balances. During the year the Centre's objective when managing capital, which was unchanged from previous years, was to hold sufficient unrestricted funds to enable it to withstand negative unexpected financial events and continue as a going concern. The Centre seeks to achieve this objective by holding sufficient cash and cash equivalents to maintain liquidity and enable it to meet its obligations as they become due. The Centre is not subject to any externally imposed requirements on capital.

13. Government remittances payable

Included in accounts payable and accrued liabilities are government remittances payable of \$22,930 (2012 - \$32,544).

14. Prior period adjustment

The Centre became aware of overpayments received from patients' insurance providers in relation to Age Subsidy cases for 2011 and 2012 amounting to \$45,320 and \$56,132 respectively. The Centre has restated the comparative figures for year ended December 31, 2012 and opening balances as at January 1, 2012 to reflect these overpayments. There is no impact on the statement of revenues and expenditures or total restricted and unrestricted net assets as previously reported.

	Effect of revision as at December 31, <u>2012</u>	Effect of revision as at January 1, <u>2012</u>
Increase in accounts receivable	\$ 101,452	\$ 45,320
	=====	=====
Increase in accounts payable and accrued liabilities	\$ 101,452	\$ 45,320
	=====	=====

BF&M BREAST CANCER AWARENESS WALK



MEN'S HEALTH: MEN'S HEALTH SCREENING CLINIC, MOVEMBER, & XL MAN ON THE RUN 5K



XL Group
Insurance
Reinsurance



FUNDRIASING AND EDUCATIONAL EVENTS



2013 BF&M School Spirit winning team Saltus Grammar School



Dunkley's Yoplait Donation supporting Breast Cancer Awareness



Governor Fergusson Tag Day



North Village Community Club & Freisenbruch Meyer Group



Centre's staff and patients supporting Eliza Dolittle Society



Corporate partner in the Annual Give Back



SunSmart Relay



SunSmart Pre-school presentation



Partnership with the Ovarian Cancer Awareness Bermuda Group



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To be a Centre of Excellence offering comprehensive Breast Specialist services and providing early detection, support and education for cancer and other diseases.