
Unaudited Financial Statements

RETHINK BREAST CANCER CANADA

December 31, 2010

UNAUDITED FINANCIAL STATEMENTS

RETHINK BREAST CANCER CANADA

December 31, 2010

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REVIEW ENGAGEMENT REPORT

To the Directors of **RETHINK BREAST CANCER CANADA**:

We have reviewed the statement of financial position of **RETHINK BREAST CANCER CANADA** as at December 31, 2010 and the statement of operations and changes in net assets and the cash flow statement for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization, except as explained below.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

In common with many not-for-profit organizations, the organization derives part of its revenues from contributed goods and services (contributions-in-kind) and donations, the completeness of which are not susceptible to satisfactory review procedures. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the organization and we are not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenses, assets, liabilities and net assets.

Based on our review, except for the effect of any potential adjustments which we might have determined to be necessary had we been able to complete review procedures concerning the completeness of the revenues referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Ottawa, Ontario
April 6, 2011




Chartered Accountants
Licensed Public Accountants

UNAUDITED STATEMENT OF FINANCIAL POSITION

RETHINK BREAST CANCER CANADA

	December 31	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and investments--Note C	\$ 377,130	\$ 544,393
Accounts receivable	284,619	287,739
Prepaid expenses	<u>8,040</u>	<u>7,514</u>
	669,789	839,646
CAPITAL ASSETS--Note D	145,971	52,192
RESTRICTED INVESTMENTS--Note C	<u>515,874</u>	<u>834,409</u>
	<u>\$ 1,331,634</u>	<u>\$ 1,726,247</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 117,251	\$ 53,540
Deferred revenue--Note E	<u>59,002</u>	<u>144,945</u>
	176,253	198,485
NET ASSETS		
Unrestricted	493,536	641,161
Internally restricted - Reserve Fund	515,874	834,409
Invested in capital assets	<u>145,971</u>	<u>52,192</u>
	<u>1,155,381</u>	<u>1,527,762</u>
	<u>\$ 1,331,634</u>	<u>\$ 1,726,247</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 _____ Director

See notes to unaudited financial statements

UNAUDITED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

RETHINK BREAST CANCER CANADA

Year Ended December 31

	General	Reserve Fund	Capital Assets	Total	
				2010	2009
REVENUES					
Fashion Targets Breast Cancer	\$ 514,925	\$ -	\$ -	\$ 514,925	\$ 774,813
Annual campaigns and events	969,072	-	-	969,072	573,019
Community events	189,230	-	-	189,230	394,902
Corporate sponsorships	552,141	-	-	552,141	332,290
Other donations	151,991	-	-	151,991	158,190
Interest	<u>24,254</u>	<u>-</u>	<u>-</u>	<u>24,254</u>	<u>35,385</u>
	<u>2,401,613</u>	<u>-</u>	<u>-</u>	<u>2,401,613</u>	<u>2,268,599</u>
EXPENSES					
Breast cancer programs	1,307,813	318,535	13,965	1,640,313	1,521,303
Research grants	-	-	-	-	164,998
Fashion Targets Breast Cancer	96,055	-	-	96,055	150,054
Annual campaigns and events	820,855	-	-	820,855	447,510
Community events	54,657	-	-	54,657	110,733
Administration	<u>146,854</u>	<u>-</u>	<u>15,260</u>	<u>162,114</u>	<u>161,721</u>
	<u>2,426,234</u>	<u>318,535</u>	<u>29,225</u>	<u>2,773,994</u>	<u>2,556,319</u>
DEFICIENCY OF REVENUES OVER EXPENSES					
	(24,621)	(318,535)	(29,225)	(372,381)	(287,720)
Fund balance, beginning of year	641,161	834,409	52,192	1,527,762	1,815,482
Capital asset purchases	<u>(123,004)</u>	<u>-</u>	<u>123,004</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 493,536</u>	<u>\$ 515,874</u>	<u>\$ 145,971</u>	<u>\$ 1,155,381</u>	<u>\$ 1,527,762</u>

See notes to unaudited financial statements

UNAUDITED CASH FLOW STATEMENT
RETHINK BREAST CANCER CANADA

Year Ended December 31
2010 2009

CASH PROVIDED BY (USED FOR):

OPERATING

Deficiency of revenues over expenses	\$ (372,381)	\$ (287,720)
Items not involving cash and cash equivalents		
Amortization	29,225	18,647
Reserve Fund expenses	318,535	265,591
Change in non-cash operating working capital		
Accounts receivable	3,120	44,703
Prepaid expenses	(526)	7,495
Accounts payable and accrued liabilities	63,711	14,433
Deferred revenue	<u>(85,943)</u>	<u>(117,815)</u>
	<u>(44,259)</u>	<u>(54,666)</u>

INVESTING

Purchase of capital assets	<u>(123,004)</u>	<u>(17,697)</u>
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**DECREASE IN
CASH AND CASH EQUIVALENTS**

(167,263)	(72,363)
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Cash and cash equivalents at beginning of year	<u>544,393</u>	<u>616,756</u>
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**CASH AND CASH EQUIVALENTS
AT END OF YEAR**

\$ <u>377,130</u>	\$ <u>544,393</u>
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See notes to unaudited financial statements

NOTES TO UNAUDITED FINANCIAL STATEMENTS

RETHINK BREAST CANCER CANADA

December 31, 2010

NOTE A--NATURE OF ORGANIZATION

Rethink Breast Cancer Canada is a national organization raising funds to fight breast cancer through the advancement of education and research. The Organization was incorporated without share capital under the *Canada Corporations Act* on March 15, 2001, is a registered Canadian charity and is exempt from income taxes.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The Organization's significant accounting policies are as follows:

Use of Estimates: Management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Financial Instruments: Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Organization's designation of such instruments. The Organization's financial assets consist of cash and investments, accounts receivable and restricted investments. Cash and investments are classified as *held-for-trading*, accounts receivable are classified as *loans and receivable* and restricted investments are classified as *held-to-maturity*. The Organization's financial liabilities consist of accounts payable and accrued liabilities and are classified as *other liabilities*.

Held-for-trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the date of the statement of financial position. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in income. *Held-to-maturity* and *loans and receivables* financial assets are financial assets with fixed or determinable payments and fixed maturities that the Organization's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently carried at amortized cost, using the effective interest method. *Other liabilities* financial liabilities are recorded at amortized cost using the effective interest method.

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RETHINK BREAST CANCER CANADA

December 31, 2010

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents: Cash and cash equivalents consist of unrestricted cash and investments with an initial maturity of three months or less at the time of acquisition.

Capital Assets: Capital assets are stated at cost. Amortization is based on the estimated useful lives of the assets and is calculated using the following annual rates:

	<u>Method</u>	<u>Rate</u>
Furniture and equipment	Declining balance	20%
Computers	Declining balance	45%
Leasehold improvements	Straight-line	10 years
Website	Straight-line	5 years

Reserve Fund: The Reserve Fund is an internally restricted fund for the purpose of funding future research and program initiatives.

Revenue Recognition: The Organization follows the deferral method in accounting for contributions. Contributions include donations, sponsorships, campaigns and events. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured.

Contributed Goods and Services: The Organization receives contributed goods and services (contributions-in-kind) from various organizations and individual volunteers. These items are recorded in the financial statements when the fair market value can be reasonably estimated.

Allocation of Expenses: The Organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year.

NOTES TO UNAUDITED FINANCIAL STATEMENTS

RETHINK BREAST CANCER CANADA

December 31, 2010

NOTE C--CASH AND INVESTMENTS

	<u>2010</u>	<u>2009</u>
Cash	\$ 100,350	\$ 110,394
Fixed income investments in \$94,000 to \$100,000 individual instruments. Effective annual interest rates from 1.15% to 3.45% (2009 - 0.60% to 4.15 %). Maturity dates from March 4, 2011 to March 9, 2013.	782,512	1,206,757
Mutual funds and common shares	<u>10,142</u>	<u>61,651</u>
	893,004	1,378,802
Less restricted investments	<u>(515,874)</u>	<u>(834,409)</u>
	<u>\$ 377,130</u>	<u>\$ 544,393</u>

NOTE D--CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2010</u>	<u>2009</u>
Furniture and equipment	\$ 46,729	\$ 20,743	\$ 25,986	\$ 21,631
Computers	60,458	41,986	18,472	15,690
Leasehold improvements	42,513	14,063	28,450	14,301
Website	<u>104,754</u>	<u>31,691</u>	<u>73,063</u>	<u>570</u>
	<u>\$ 254,454</u>	<u>\$ 108,483</u>	<u>\$ 145,971</u>	<u>\$ 52,192</u>

Amortization expense of \$13,965 is included in Breast cancer programs expenses and \$15,260 is included in program support expenses (2009 - \$18,647).

NOTE E--DEFERRED REVENUE

	<u>2010</u>	<u>2009</u>
Balance at beginning of year	\$ 144,945	\$ 262,760
Plus amounts received/receivable in the year	133,003	157,300
Less amounts recognized as revenue in the year	<u>(218,946)</u>	<u>(275,115)</u>
Balance at end of year	<u>\$ 59,002</u>	<u>\$ 144,945</u>

NOTES TO UNAUDITED FINANCIAL STATEMENTS

RETHINK BREAST CANCER CANADA

December 31, 2010

NOTE F--FINANCIAL INSTRUMENTS

Capital Disclosure: The Organization manages its capital to ensure that it will be able to continue as a going concern and that it has sufficient working capital available for operational purposes. The capital structure of the Organization consists of cash and investments. The Organization manages its capital structure by monitoring its cash flow requirements and making adjustments to its cash balance and investments.

Credit Risk Management: The Organization is exposed to credit risk on the accounts receivable. The Organization's exposure to credit risk is minimal since most of its accounts receivable have been received subsequent to the year-end.

Fair Value: The financial instruments recognized in the statement of financial position consist of cash and investments, accounts receivable, restricted investments and accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying amounts due to the short-term nature of these instruments and due to the market interest rates on the investments.

Interest Rate Risk: The Organization manages its investments based on its cash flow needs with a view of optimizing its interest income. The effective interest rate on its investments is 2.0% (2009 - 2.3%).

NOTE G--CONTRIBUTED GOODS AND SERVICES

Contributed goods and services (contributions-in-kind) are recorded in revenues and expenses as follows:

	<u>2010</u>	<u>2009</u>
<u>Revenues</u>		
Fashion Targets Breast Cancer	\$ 354,925	\$ 601,443
Annual campaigns and events	602,552	360,506
Community events	<u>-</u>	<u>48,460</u>
	<u>\$ 957,477</u>	<u>\$ 1,010,409</u>
<u>Expenses</u>		
Breast cancer programs	\$ 493,939	\$ 601,716
Fashion Targets Breast Cancer	70,984	120,289
Annual campaigns and events	<u>392,554</u>	<u>288,404</u>
	<u>\$ 957,477</u>	<u>\$ 1,010,409</u>

NOTES TO UNAUDITED FINANCIAL STATEMENTS

RETHINK BREAST CANCER CANADA

December 31, 2010

NOTE H--EXPENSE ALLOCATION

Salaries and benefits of \$628,449 (2009 - \$586,913) and occupancy expenses of \$63,907 (2009 - \$56,884) have been allocated as follows:

	<u>2010</u>	<u>2009</u>
Breast cancer programs	\$ 431,070	\$ 361,107
Fashion Targets Breast Cancer	19,162	18,989
Annual campaigns and events	108,910	149,667
Community events	46,609	32,865
Administration	<u>86,605</u>	<u>81,169</u>
	<u>\$ 692,356</u>	<u>\$ 643,797</u>

NOTE I--COMMITMENTS

The Organization has contractual commitments for research programs and for the leasing of office space. The payments for these commitments over the next two years are approximately as follows:

2011	\$ 130,600
2012	<u>15,300</u>
	<u>\$ 145,900</u>

NOTE J--CONTINGENT LIABILITY

In 2004, the Organization was named as one of the defendants in a legal action claiming damages and loss of profits from the alleged unauthorized use of a marketing concept. This matter has been referred to the Organization's legal counsel and remains outstanding. The Organization and its legal counsel believe that this contingent obligation will not have a material and adverse effect on the Organization's financial position and consequently no provision has been made in the financial statements.