

**RETHINK BREAST CANCER CANADA**  
**Financial Statements**  
**Year Ended March 31, 2021**

**RETHINK BREAST CANCER CANADA**  
**Index to Financial Statements**  
**Year Ended March 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Rethink Breast Cancer Canada

### *Qualified Opinion*

We have audited the financial statements of Rethink Breast Cancer Canada (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flow 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 Organization as at March 31, 2021, and the results of its operations and its cash flow 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 Organization derives revenue from 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2021, current assets and net assets as at March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation of 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 Organization 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 those 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 the 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting

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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 Organization'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 Organization'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 Organization 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.

Oakville, Ontario  
September 14, 2021

Jonathan Sears CA Professional Corporation  
Chartered Professional Accountants  
Licensed Public Accountants

**RETHINK BREAST CANCER CANADA****Statement of Financial Position****March 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 352,603	\$ 128,425
Short-term investments (Note 3)	48,342	48,208
Accounts receivable	84,232	37,403
Harmonized sales tax recoverable	25,562	30,368
Prepaid expenses	9,745	9,661
	<u>520,484</u>	254,065
PROPERTY, PLANT AND EQUIPMENT (Note 4)	6,540	18,177
INTANGIBLE ASSETS (Note 5)	17,182	26,697
	<u>\$ 544,206</u>	<u>\$ 298,939</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 45,091	\$ 32,637
Wages payable	16,774	11,209
Government remittances payable	-	6,550
Deferred contributions (Note 6)	150,000	12,300
	<u>211,865</u>	62,696
LONG TERM DEBT	40,000	-
	<u>251,865</u>	62,696
<b>NET ASSETS</b>		
General fund	292,341	236,243
	<u>\$ 544,206</u>	<u>\$ 298,939</u>

\_\_\_\_\_  
Director

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Director

**RETHINK BREAST CANCER CANADA**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2021**

	2021	2020
<b>REVENUES</b>		
Corporate sponsorships	\$ 644,956	\$ 845,947
Donations	232,014	234,684
Annual campaigns and events	78,133	465,085
	<u>955,103</u>	<u>1,545,716</u>
<b>EXPENSES</b>		
Breast cancer programs	702,590	834,839
Annual campaigns and events	288,062	504,670
Administrative	195,810	209,063
Research grants	-	16,500
	<u>1,186,462</u>	<u>1,565,072</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>(231,359)</u>	<u>(19,356)</u>
<b>OTHER INCOME</b>		
Interest income	135	1,415
Government wage subsidy	302,007	13,959
Contributed services amortization	-	13,593
Loss on disposal of assets	(14,685)	-
	<u>287,457</u>	<u>28,967</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 56,098</u>	<u>\$ 9,611</u>

**RETHINK BREAST CANCER CANADA**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2021**

	<b>2021</b>	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 236,243</b>	\$ 226,632
Excess of revenues over expenses	<u>56,098</u>	<u>9,611</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 292,341</u></b>	<b><u>\$ 236,243</u></b>

**RETHINK BREAST CANCER CANADA****Statement of Cash Flow****Year Ended March 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 56,098	\$ 9,611
Items not affecting cash:		
Loss on disposal of property, plant and equipment	14,685	-
Amortization	12,428	32,789
	<u>83,211</u>	<u>42,400</u>
Changes in non-cash working capital:		
Accounts receivable	(46,829)	71,026
Harmonized sales tax	4,806	441
Prepaid expenses	(84)	598
Accounts payable and accrued liabilities	12,455	(6,866)
Wages payable	5,565	3,951
Deferred contributions	137,700	(145,091)
Deferred capital	-	(13,593)
Employee deductions payable	(6,550)	(1,271)
	<u>107,063</u>	<u>(90,805)</u>
Cash flow from (used by) operating activities	<u>190,274</u>	<u>(48,405)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(5,961)	(21,677)
Short-term investments	(135)	(22,758)
Cash flow used by investing activities	<u>(6,096)</u>	<u>(44,435)</u>
<b>FINANCING ACTIVITY</b>		
Bank loans payable	40,000	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>224,178</b>	<b>(92,840)</b>
Cash - beginning of year	<u>128,425</u>	<u>221,265</u>
<b>CASH - END OF YEAR</b>	<b>\$ 352,603</b>	<b>\$ 128,425</b>



# RETHINK BREAST CANCER CANADA

## Notes to Financial Statements

Year Ended March 31, 2021

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### NATURE OF ORGANIZATION

Rethink Breast Cancer Canada (the "organization") 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 Canadian Corporations Act on March 15, 2001, is a registered Canadian charity, and is exempt from income taxes.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Revenue recognition

Rethink Breast Cancer Canada follows the deferral method of accounting for contributions.

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 to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### 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.

#### Short-term investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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# RETHINK BREAST CANCER CANADA

## Notes to Financial Statements

Year Ended March 31, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life at the following rates and methods:

Computer equipment	45%	declining balance method
Furniture and fixtures	20%	declining balance method

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired or under development during the year and not placed into use are not amortized until they are placed into use.

#### Deferred capital

Capital contributions received for the purpose of acquiring property, plant, & equipment are deferred and amortized on the same basis, and over the same periods, as the related property, plant, & equipment.

#### Intangible assets

Website development costs are capitalized if they significantly enhance the capability or capacity of the company's website. Costs capitalized include external direct costs of materials and services. Any costs during the preliminary project stage or related to training or maintenance is expensed as incurred. Capitalization ceases when the projects are substantially complete and ready for their intended use.

#### Contributed services

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

#### Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year \$0 in equity securities were donated (2020 - \$25,845).

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# RETHINK BREAST CANCER CANADA

## Notes to Financial Statements

Year Ended March 31, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Allocation of expenses

When allocating an expense among various operating functions, the organization follows the following approach:

For an expense that contributes directly to the output of one function it is applied directly to that function.

For all other expenses, the organization uses the percentage of employee time by function and allocates based the relevant percentage.

#### Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of property, plant and equipment;
- the estimated useful lives of assets;
- the collectibility of accounts receivable;
- the recoverability of tangible assets;
- the valuation of contributed goods and services

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Impairment of Long Lived Assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

#### Leases

Leases are classified as either capital or operating leases. At the time the organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

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**RETHINK BREAST CANCER CANADA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Pledges

Pledges which are legally enforceable (less an allowance for amounts considered uncollectible) are recorded as receivable in the year made. Pledges to support current operations are recorded as general fund receipts. Pledges made for the acquisition of property or to support future operations are recorded as deferred amounts in their respective fund.

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2. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform to the current year's presentation.

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3. SHORT-TERM INVESTMENTS

	<u>2021</u>	<u>2020</u>
RBC Dominion Securities	<b>\$ 48,342</b>	\$ 48,208

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4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<b>2021 Net book value</b>
Computer equipment	\$ 14,151	\$ 7,611	<b>\$ 6,540</b>

Amortization was \$2,912 for the year (2020 - \$10,112).

	Cost	Accumulated amortization	2020 Net book value
Computer equipment	\$ 123,280	\$ 113,480	\$ 9,800
Furniture and fixtures	57,791	49,414	8,377
	<b>\$ 181,071</b>	<b>\$ 162,894</b>	<b>\$ 18,177</b>

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# RETHINK BREAST CANCER CANADA

## Notes to Financial Statements

Year Ended March 31, 2021

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### 5 INTANGIBLE ASSETS

	<u>2021</u>	<u>2020</u>
Website development	\$ 156,333	\$ 265,067
Accumulated amortization	(139,151)	(238,370)
	<u>-</u>	<u>-</u>
	<u>\$ 17,182</u>	<u>\$ 26,697</u>

Amortization was \$9,516 for the year (2020 - \$22,677).

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### 6. DEFERRED CONTRIBUTIONS

Deferred contributions represents unspent resources received for which expenses have not yet been incurred. The ending balance represents funds that have been donated and granted to the Organization and set aside for future uses. The deferred contributions balance is as follows:

	<u>2021</u>	<u>2020</u>
Balance at the beginning of the year	\$ 12,300	\$ 157,391
Contributions received	150,000	9,610
Amounts recognized as revenue	<u>(12,300)</u>	<u>(154,701)</u>
Balance at the end of the year	<u>\$ 150,000</u>	<u>\$ 12,300</u>

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### 7. EXPENSE ALLOCATION

Salaries and benefits of \$711,300 (2020 - \$729,966), occupancy expenses of \$51,518 (2020 - \$70,184) and amortization expenses of \$12,428 (2020 - \$32,789) have been allocated as follows:

	<u>2021</u>	<u>2020</u>
Breast cancer programs	\$ 487,525	\$ 563,308
Annual campaigns and events	231,101	215,060
Administration	<u>56,620</u>	<u>54,571</u>
	<u>\$ 775,246</u>	<u>\$ 832,939</u>

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## RETHINK BREAST CANCER CANADA

### Notes to Financial Statements

Year Ended March 31, 2021

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#### 8. GLOBAL PANDEMIC

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic and recommended containment and mitigation measures. Since then, extraordinary actions have been taken by international, federal and local governments to contain and combat the outbreak and spread of COVID-19. These actions include travel bans, quarantines, “stay-at-home” orders, and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations.

In response to the various guidelines and mandates imposed by the government, Rethink took immediate decisive actions to lower costs, strengthen the balance sheet and optimize financial flexibility. Rethink continued operations during this time by reducing operating costs, capital expenditures, and the number of employees wherever possible.

The federal government has since responded with various assistance plans including wage subsidy programs to assist businesses to continue to pay their employees during this downturn in economic conditions.

It is management’s opinion that the company currently has sufficient liquidity and access to financing in order to continue to fund its operations and to meet its obligations.

The full impact of the COVID-19 pandemic on the coming year’s financial results will depend on future developments, such as the ultimate duration and scope of the outbreak, its impact on employees, customers, and suppliers as well as the rate at which economic conditions, operations, and demand for the company’s products and service returns to pre-COVID-19 levels

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