RETHINK BREAST CANCER CANADA

Financial Statements

Year Ended March 31, 2024

RETHINK BREAST CANCER CANADA
Index to Financial Statements
Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

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, 2024, and the statements of revenues and expenditures, changes in net assets 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 organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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, 2024, current assets and net assets as at March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

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 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 the financial statements in accordance with ASNPO, 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 related 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 process.

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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.

Jonathan Sears, CPA CA

Oakville, Ontario
June 18, 2024

Jonathan Sears CPA Professional Corporation
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

RETHINK BREAST CANCER CANADA
Statement of Financial Position
March 31, 2024

		2024		2023
ASSETS				
CURRENT				
Cash	**$**	**687,361**	$	633,106
Short-term investments *(Note 2)*		**51,710**		49,569
Accounts receivable *(Note 3)*		**76,725**		-
Harmonized sales tax recoverable		**18,732**		16,199
Prepaid expenses		**7,274**		21,442
		841,802		720,316
EQUIPMENT *(Note 4)*		**7,705**		8,982
WEBSITE COSTS *(Note 5)*		**46,816**		2,710
	$	**896,323**	$	732,008
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	**$**	**30,357**	$	22,746
Deferred contributions *(Note 6)*		**196,674**		-
Canada Emergency Business Account *(Note 8)*		**-**		40,000
		227,031		62,746
NET ASSETS		**669,292**		669,262
	$	**896,323**	$	732,008

ON BEHALF OF THE BOARD

_____________________________ *Director*

_____________________________ *Director*

See notes to financial statements

RETHINK BREAST CANCER CANADA

Statement of Revenues and Expenditures

Year Ended March 31, 2024

	2024	2023
REVENUES		
Corporate sponsorships	**$ 933,700**	$ 850,916
Fundraising	**123,341**	107,193
Donations	**93,872**	104,467
Other revenue	**21,498**	4,711
Merchandise	**3,319**	6,791
	1,175,730	1,074,078
EXPENSES		
Administrative *(Note 7)*	**123,277**	89,944
Professional fees	**285,421**	257,375
Program expenses *(Note 7)*	**672,981**	484,367
Rental	**65,171**	67,654
Software subscriptions	**16,455**	13,852
Insurance	**6,980**	6,506
Amortization *(Note 4)*	**4,845**	2,155
Amortization of intangible assets *(Note 5)*	**2,710**	6,212
	1,177,840	928,065
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	**(2,110)**	146,013
OTHER INCOME	**2,140**	1,113
EXCESS OF REVENUES OVER EXPENSES	**$ 30**	$ 147,126

See notes to financial statements

RETHINK BREAST CANCER CANADA
Statement of Changes in Net Assets
Year Ended March 31, 2024

	General Fund	**2024**	2023
NET ASSETS - BEGINNING OF YEAR	$ 669,262	**$ 669,262**	$ 522,136
EXCESS OF REVENUES OVER EXPENSES	30	**30**	147,126
NET ASSETS - END OF YEAR	$ 669,292	**$ 669,292**	$ 669,262

See notes to financial statements

RETHINK BREAST CANCER CANADA

Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 30**	$ 147,126
Items not affecting cash:		
Amortization of equipment	**4,845**	2,155
Amortization of intangible assets	**2,710**	6,212
	7,585	155,493
Changes in non-cash working capital:		
Accounts receivable	**(76,725)**	8,412
Accounts payable and accrued liabilities	**7,611**	(8,230)
Deferred contributions	**196,674**	(122,062)
Prepaid expenses	**14,168**	(8,962)
Harmonized sales tax payable	**(2,533)**	(1,156)
Wages payable	**-**	(7,442)
Canada Emergency Business Account	**(40,000)**	-
	99,195	(139,440)
Cash flow from operating activities	**106,780**	16,053
INVESTING ACTIVITIES		
Purchase of equipment	**(3,568)**	(8,566)
Short-term investments	**(2,141)**	(1,113)
Additions to website costs	**(46,816)**	-
Cash flow used by investing activities	**(52,525)**	(9,679)
INCREASE IN CASH FLOW	**54,255**	6,374
Cash - beginning of year	**633,106**	626,732
CASH - END OF YEAR	**$ 687,361**	$ 633,106

See notes to financial statements

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.

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. No cash equivalents were noted during the year (2023 - $Nil).

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.

Equipment

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

Computer equipment	45%	declining balance method

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

Equipment acquired or under development during the year and not placed into use are not amortized until they are placed into use.

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

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.

Deferred capital

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

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 $43,000 in goods and services were and 3,500 of volunteer hours were donated.

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.

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.

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

Financial instruments

Initial and subsequent measurement

The organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis includes cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized income.

Transaction costs

The organization's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

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

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 equipment;
- the estimated useful lives of tangible and intangible assets;
- the valuation of accounts receivable and allowance for doubtful accounts;
- the valutaion of tangible assets;
- the valuation of contributed goods and services;
- the valuation of intangible assets;
- the accrued liabilities;

2. SHORT-TERM INVESTMENTS

	2024	2023
RBC Dominion Securities	**$ 51,710**	$ 49,570

3. ACCOUNTS RECEIVABLE

	2024	2023
Accounts Receivable (A/R)	**$ 76,725**	$ -

No allowance for doubtful accounts were noted for the year (2023 - $Nil).

4. EQUIPMENT

		Cost		Accumulated amortization		**2024 Net book value**
Computer equipment	$	16,655	$	8,950	**$**	**7,705**

Amortization was $4,845 for the year (2023 - $2,155).

		Cost		Accumulated amortization		2023 Net book value
Computer equipment	$	13,087	$	4,105	$	8,982

5 INTANGIBLE ASSETS

		2024		2023
Website development	**$**	**203,149**	$	156,333
Accumulated amortization		**(156,333)**		(153,623)
		-		-
	$	**46,816**	$	2,710

Amortization was $2,710 for the year (2023 - $6,212).

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:

		2024		2023
Balance at the beginning of the year	**$**	**-**	$	122,062
Contributions received		**960,774**		487,944
Amounts recognized as revenue		**(764,100)**		(610,006)
Balance at the end of the year	**$**	**196,674**	$	-

7. EXPENSE ALLOCATION

Salaries and benefits of $596,679 (2023 - $393,047) were allocated to program expenses in the amount of $516,556 (2023 - $344,767) and administrative expenses in the amount of $80,123 (2023 - $48,279).

8. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

In 2021, the company received an interest-free loan of $60,000 through the Canada Emergency Business Account progam. This loan was created by the federal government to assist businesses during the COVID-19 pandemic. $20,000 of the loan was forgiven since it was repaid on time. The full balance of the loan ($40,000) was paid October 17, 2023.

9. COMPARATIVE FIGURES

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

10. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2024.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, and accounts payable and accrued liabilities.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its cash held in a high interest savings account.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or it’s issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investment in quoted shares.