

Financial statements of

Ovarian Cancer Canada

March 31, 2013 and March 31, 2012

Ovarian Cancer Canada

March 31, 2013 and March 31, 2012

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Independent Auditor's Report

To the Board of Directors of
Ovarian Cancer Canada

We have audited the accompanying financial statements of Ovarian Cancer Canada which comprise the balance sheets as at March 31, 2013, March 31, 2012 and April 1, 2011, the statements of operations, changes in fund balances and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 not-for-profit organizations, Ovarian Cancer Canada derives the majority of its revenues from the general public in the form of donations and events revenue, 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 Ovarian Cancer Canada, and we were not able to determine whether any adjustments might be necessary to donations and events revenue, excess of revenues over expenses, and cash flow from operations for the years ended March 31, 2013 and March 31, 2012, and current assets and fund balances as at March 31, 2013, March 31, 2012 and April 1, 2011.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ovarian Cancer Canada as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
June 17, 2013

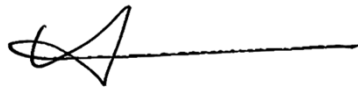
Ovarian Cancer Canada

Balance sheets

as at March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012 (Note 2)	April 1, 2011 (Note 2)
	\$	\$	\$
Assets			
Current assets			
Cash	52,498	98,895	112,058
Investments (Note 4)	1,547,470	1,627,761	1,611,220
Accounts receivable	254,807	141,860	85,545
Prepaid expenses	21,827	21,827	18,346
	1,876,602	1,890,343	1,827,169
Capital assets (Note 5)	8,376	12,985	20,345
	1,884,978	1,903,328	1,847,514
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (Note 14)	234,861	214,979	185,039
Deferred grants and donations (Note 6)	106,246	160,066	209,927
	341,107	375,045	394,966
Fund balances			
General	1,535,495	1,265,298	1,162,203
Board-restricted (Note 11)	-	250,000	250,000
Investment in capital assets	8,376	12,985	20,345
Endowment (Note 8)	-	-	20,000
	1,543,871	1,528,283	1,452,548
	1,884,978	1,903,328	1,847,514

Approved on behalf of Board



Ovarian Cancer Canada

Statements of operations

years ended March 31, 2013 and March 31, 2012

	2013	2012
		(Note 2)
	\$	\$
Revenue		
Foundation grant	21,957	33,473
Donations		
Individuals	318,564	332,785
Corporate	305,885	138,900
Bequests	40,117	10,000
Events	2,983,865	3,153,023
Other	80,766	100,259
Investment income (Note 7)	20,746	22,654
	3,771,900	3,791,094
Expenses		
Administrative	274,041	179,830
Awareness and education	1,231,855	1,120,486
Fundraising	1,351,043	1,297,738
Research	356,340	528,069
Support	543,033	569,236
	3,756,312	3,695,359
Excess of revenue over expenses for the year	15,588	95,735

The accompanying notes to the financial statements are an integral part of this financial statement.

Ovarian Cancer Canada

Statements of changes in fund balances years ended March 31, 2013 and March 31, 2012

	General fund	Board- restricted	Investment in capital assets	Endowment fund	Total
	\$	\$	\$	\$	\$
Fund balances, April 1, 2011 (Note 2)	1,162,203	250,000	20,345	20,000	1,452,548
Excess (deficiency) of revenue over expenses for the year	106,083	-	(10,348)	-	95,735
Addition to capital assets	(2,988)	-	2,988	-	-
Endowment donation (Note 8)	-	-	-	(20,000)	(20,000)
Fund balances, March 31, 2012 (Note 2)	1,265,298	250,000	12,985	-	1,528,283
Excess (deficiency) of revenue over expenses for the year	25,193	-	(9,605)	-	15,588
Addition to capital assets	(4,996)	-	4,996	-	-
Board-restricted (Note 11)	250,000	(250,000)	-	-	-
Fund balances, March 31, 2013	1,535,495	-	8,376	-	1,543,871

The accompanying notes to the financial statements are an integral part of this financial statement.

Ovarian Cancer Canada

Statements of cash flows

years ended March 31, 2013 and March 31, 2012

	2013	2012
		(Note 2)
	\$	\$
Operating activities		
Cash from operations		
Excess of revenue over expenses for the year	15,588	95,735
Items not affecting cash		
Amortization of capital assets	9,605	10,348
Donor release of Restricted Endowment Fund	-	(20,000)
	25,193	86,083
Changes in non-cash working capital components		
Accounts receivable	(112,947)	(56,315)
Prepaid expenses	-	(3,481)
Accounts payable and accrued liabilities	19,882	29,940
Deferred grants and donations	(53,820)	(49,861)
	(121,692)	6,366
Investing activities		
Purchase of investments	(1,019,709)	(2,319,387)
Purchase of capital assets	(4,996)	(2,988)
Proceeds from disposal of investments	1,100,000	2,302,846
	75,295	(19,529)
Decrease in cash	(46,397)	(13,163)
Cash, beginning of year	98,895	112,058
Cash, end of year	52,498	98,895

The accompanying notes to the financial statements are an integral part of this financial statement.

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2013 and March 31, 2012

1. Purpose of organization

Ovarian Cancer Canada (“OCC”), formerly National Ovarian Cancer Association (the “Association”), was founded in 1997 and is dedicated to overcoming ovarian cancer and providing leadership by:

- supporting women and their families living with the disease;
- raising awareness by providing educational programs and materials to women living with ovarian cancer, the general public, and health care professionals; and
- funding research to develop reliable early detection techniques, improved treatments and, ultimately a cure.

The Association was incorporated on January 7, 1998 under the Canada Corporations Act as a Not-for-Profit Organization under the name of the Corinne Boyer Fund to continue this mission. The Association was granted registered charity status under the Income Tax Act (Canada) on March 26, 1999, effective August 1, 1998.

Effective February 28, 2007, the Association and the former Ovarian Cancer Canada (“the former OCC”) joined together to form one organization and the assets, liabilities and obligations of the former OCC were transferred to, and assumed by, the Association.

The former OCC was dissolved on October 29, 2007 and the Association subsequently changed its name to Ovarian Cancer Canada.

2. Adoption of a new accounting framework

Basis of presentation

During the year ended March 31, 2013, OCC adopted the new accounting standards for not-for profit organizations (the “new standards”) issued by the Canadian Institute of Chartered Accountants (“CICA”) and set out in Part III of the CICA Handbook. In accordance with Section 1501 of the CICA Handbook, “First-time adoption”, (“Section 1501”), the date of transition to the new standards is April 1, 2011, and OCC has presented an opening balance sheet at that date of transition to the new standards. This opening balance sheet is the starting point for OCC’s accounting under the new standards. In its opening balance sheet, under the recommendations of Section 1501, OCC:

- recognized all assets and liabilities, the recognition of which is required by the new standards;
- did not recognize items as assets or liabilities if the new standards do not permit such recognition;
- applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies set out in Note 3 have been consistently applied to all years presented. OCC has elected to adopt the exemption available under Section 1501 relating to the fair value of financial instruments at the date of transition for investments. No other exemptions have been applied and OCC has determined there is no financial impact on the financial statements.

Impact of the adoption of the new standards on net assets as at April 1, 2011

The adoption of this new financial reporting framework had no impact on the previously reported balance sheet as at April 1, 2011, or on the previously reported statements of operations and changes in net assets and cash flows for the year ended March 31, 2012; consequently, a reconciliation of previously reported balances has not been included.

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2013 and March 31, 2012

3. Summary of significant accounting policies

Basis of presentation

The financial statements of OCC are the representations of management prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CICA Handbook. The significant accounting policies adopted by OCC are as follows:

Revenue recognition

OCC follows the deferral method of accounting for restricted contributions. Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants and donations are recognized as revenue when received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions

Endowment contributions are recognized as direct increases in the fund balance.

Contributed services

The operations of OCC are dependent on the services of many volunteers. The value of contributed services is not recognized in these financial statements.

Capital assets

Capital assets are stated at cost, less accumulated amortization. Amortization of computer and office equipment is provided on the straight-line basis over four years.

Financial instruments

OCC has elected to value its financial instruments as follows:

<u>Asset/liability</u>	<u>Category</u>
Cash and cash equivalents	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses for the year then ended. Actual results may differ from such estimates. The balances which require significant estimates are accrued liabilities, deferred revenue, and amortization.

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2013 and March 31, 2012

4. Investments

Investments consist of the following:

	March 31, 2013		March 31, 2012 (Note 2)		April 1, 2011 (Note 2)	
	Cost	Fair value	Cost	Fair value	Cost	Fair value
	\$	\$	\$	\$	\$	\$
Guaranteed investment certificates	-	-	-	-	1,000,000	1,000,000
High interest savings accounts	1,547,470	1,547,470	1,627,761	1,627,761	611,220	611,220
	1,547,470	1,547,470	1,627,761	1,627,761	1,611,220	1,611,220

5. Capital assets

	March 31, 2013		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	7,407	6,271	1,136
Office equipment	20,367	13,127	7,240
	27,774	19,398	8,376

	March 31, 2012 (Note 2)		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	13,581	9,461	4,120
Office equipment	26,275	17,410	8,865
	39,856	26,871	12,985

	April 1, 2011 (Note 2)		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	13,720	6,834	6,886
Office equipment	28,572	15,113	13,459
	42,292	21,947	20,345

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2013 and March 31, 2012

6. Deferred grants and donations

Deferred grants and donations consist of unspent revenue. Changes in the deferred grants and donations balances are as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Balance, beginning of year	160,066	209,927	142,154
Add: amount received during the year	384,933	212,182	408,297
Less: amount recognized as revenue during the year	438,753	262,043	340,524
Balance, end of year	106,246	160,066	209,927

The balance is comprised of the following:

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Externally restricted grants and donations	87,193	117,951	90,950
Other deferred amounts	19,053	42,115	118,977
	106,246	160,066	209,927

7. Investment income

Investment income earned is reported as follows:

	2013	2012
	\$	\$
Income earned on unrestricted resources	20,746	22,615
Income earned on resources held for endowment - unrestricted	-	39
Total investment income earned and recognized as revenue in the year	20,746	22,654

8. Endowment fund

The endowment donations are subject to externally imposed restrictions stipulating that the resources be maintained permanently. Investment income earned on the endowment funds is unrestricted and is recorded in the General fund. The balance of the endowment fund was recognized as donation revenue in the general fund effective May 31, 2011 as authorized by the donor, who was a member of the Board.

9. Commitments

Leases

Future minimum annual lease commitments on office premises and equipment leases, which expire in 2018, are as follows:

	\$
2014	249,647
2015	222,911
2016	187,459
2017	78,059
2018	2,912
	740,988

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2013 and March 31, 2012

10. Additional information to comply with the disclosure requirements of the Charitable Fundraising Act of Alberta

Remuneration paid to employees for activities involving fundraising, together with associated employee benefits and statutory payroll costs, amounted to \$592,356 (2012 - \$575,239).

11. Board restricted fund

On March 12, 2010, the Board of Directors approved a resolution to establish a board-restricted fund for use toward future research initiatives. An amount of \$250,000 of the cumulative excess of revenue over expenses was allocated to this fund and has since been spent for such initiatives. Accordingly, the balance of the board-restricted fund was transferred to the general fund.

12. Guarantees

In the normal course of business, OCC enters into agreements that meet the definition of a guarantee.

Indemnity has been provided to all directors and officers of OCC, subject to certain restrictions. OCC has purchased directors' and officers' liability insurance to mitigate the cost of any potential future legal actions. Further, in the normal course of business, OCC has entered into agreements that include indemnities in favour of third parties, such as engagement letters with advisors and consultants, leasing contracts and rental agreements. Historically, OCC has not incurred any costs as a result of such suits, actions or agreements. The maximum amount of any potential future payment cannot be reasonably estimated and hence no amount has been recorded in the financial statements.

13. Allocation of expenses

Staff costs

OCC allocates staff costs based on management's estimate of the amount of time required to fulfill the duties of each position. Total salary and benefits subject to allocation amount to \$1,941,194 (2012 - \$1,819,178) and are allocated on the statements of operations as follows:

	2013	2012
	%	%
Administrative	18	14
Awareness and education	35	31
Fundraising	31	32
Research	2	6
Support	14	17
	100	100

Administrative expenses

The major components of administrative expenses subject to allocation are:

	2013	2012
	\$	\$
Common expenses		
Occupancy	249,845	226,783
General and office	117,662	141,777
Accounting staff cost	127,471	132,018
Professional and consulting	56,088	46,415
Total common expenses before reallocation	551,066	546,993

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Notes to the financial statements

March 31, 2013 and March 31, 2012

13. Allocation of expenses (continued)

Common administrative expenses

Common expenses are allocated based on management's estimate of the proportion of benefit received by each of the functions. Common expenses are allocated as follows:

	2013		2012	
	\$	%	\$	%
Administrative	55,106	10	54,699	10
Awareness and education	165,320	30	164,098	30
Fundraising	82,660	15	82,049	15
Research	82,660	15	82,049	15
Support	165,320	30	164,098	30
	551,066	100	546,993	100

14. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$10,472 (March 31, 2012 - \$8,613 and April 1, 2011 - \$7,780) of income taxes, CPP and EI owing to the government.