

Financial statements of

**Ovarian Cancer Canada**

March 31, 2014

# Ovarian Cancer Canada

March 31, 2014

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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 sheet as at March 31, 2014, the statements of operations, changes in fund balances and cash flows for the year then ended, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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, our 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, 2014 and March 31, 2013, current assets as at March 31, 2014 and March 31, 2013 and fund balance as at April 1 and March 31 for both the 2014 and 2013 years. Our audit opinion for the year ended March 31, 2013 was modified accordingly because of the possible effects of this limitation in scope.

### **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, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Deloitte LLP*


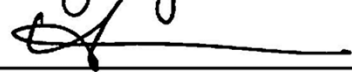
Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants  
June 16, 2014

# Ovarian Cancer Canada

Balance sheet  
as at March 31, 2014

	2014	2013
	\$	\$
<b>Assets</b>		
Current assets		
Cash	122,510	52,498
Investments (Note 3)	1,869,866	1,547,470
Accounts receivable	93,475	254,807
Prepaid expenses	22,695	21,827
	<b>2,108,546</b>	1,876,602
Capital assets (Note 4)	4,274	8,376
	<b>2,112,820</b>	1,884,978
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	344,114	234,861
Deferred grants and donations (Note 5)	151,987	106,246
	<b>496,101</b>	341,107
<b>Fund balances</b>		
General	1,612,445	1,535,495
Investment in capital assets	4,274	8,376
	<b>1,616,719</b>	1,543,871
	<b>2,112,820</b>	1,884,978

Approved on behalf of Board

  
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# Ovarian Cancer Canada

## Statement of operations year ended March 31, 2014

	2014	2013
	\$	\$
<b>Revenue</b>		
Foundation grant	35,830	21,957
Donations		
Individuals	321,112	318,564
Corporate	132,102	305,885
Bequests	9,883	40,117
Events	3,410,153	2,983,865
Other	117,417	80,766
Investment income (Note 6)	23,074	20,746
	<b>4,049,571</b>	<b>3,771,900</b>
<b>Expenses</b>		
Administrative	268,385	274,041
Awareness and education	1,285,711	1,231,855
Fundraising	1,449,209	1,351,043
Research	343,724	356,340
Support	629,694	543,033
	<b>3,976,723</b>	<b>3,756,312</b>
<b>Excess of revenue over expenses for the year</b>	<b>72,848</b>	<b>15,588</b>

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

# Ovarian Cancer Canada

## Statement of changes in fund balances year ended March 31, 2014

	2014			2013
	General fund	Investment in capital assets	Total	Total
	\$	\$	\$	\$
<b>Fund balances, beginning of year</b>	<b>1,535,495</b>	<b>8,376</b>	<b>1,543,871</b>	1,528,283
Excess of revenue over expenses	77,542	(4,694)	72,848	15,588
Addition to capital assets	(592)	592	-	-
<b>Fund balances, end of year</b>	<b>1,612,445</b>	<b>4,274</b>	<b>1,616,719</b>	1,543,871

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

# Ovarian Cancer Canada

## Statement of cash flows year ended March 31, 2014

	2014	2013
	\$	\$
<b>Operating activities</b>		
Cash from operations		
Excess of revenue over expenses for the year	72,848	15,588
Items not affecting cash		
Amortization of capital assets	4,694	9,605
	<b>77,542</b>	<b>25,193</b>
Changes in non-cash working capital components		
Accounts receivable	161,332	(112,947)
Prepaid expenses	(868)	-
Accounts payable and accrued liabilities	109,253	19,882
Deferred grants and donations	45,741	(53,820)
	<b>393,000</b>	<b>(121,692)</b>
<b>Investing activities</b>		
Purchase of investments	(1,422,396)	(1,019,709)
Purchase of capital assets	(592)	(4,996)
Proceeds from disposal of investments	1,100,000	1,100,000
	<b>(322,988)</b>	<b>75,295</b>
Increase (decrease) in cash	70,012	(46,397)
Cash, beginning of year	52,498	98,895
<b>Cash, end of year</b>	<b>122,510</b>	<b>52,498</b>

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, 2014

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### 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. 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 CPA 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.

# Ovarian Cancer Canada

## Notes to the financial statements

March 31, 2014

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### 2. Summary of significant accounting policies (continued)

#### *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 estimates are accrued liabilities, deferred revenue, and amortization, which is based on the estimated useful lives of capital assets.

### 3. Investments

Investments consist of high interest savings accounts where cost approximates fair value.

### 4. Capital assets

	2014		2013
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	6,456	6,166	290
Office equipment	20,960	16,976	3,984
	<b>27,416</b>	<b>23,142</b>	<b>4,274</b>

### 5. Deferred grants and donations

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

	2014	2013
	\$	\$
Balance, beginning of year	106,246	160,066
Add: amount received during the year	287,945	384,933
Less: amount recognized as revenue during the year	242,204	438,753
Balance, end of year	<b>151,987</b>	<b>106,246</b>

# Ovarian Cancer Canada

## Notes to the financial statements

March 31, 2014

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### 5. Deferred grants and donations (continued)

The balance is comprised of the following:

	2014	2013
	\$	\$
Externally restricted grants and donations	104,756	87,193
Other deferred amounts	47,231	19,053
	<u>151,987</u>	<u>106,246</u>

### 6. Investment income

Investment income earned is reported as follows:

	2014	2013
	\$	\$
Income earned on unrestricted resources	<u>23,074</u>	<u>20,746</u>

### 7. Commitments

#### Leases

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

	\$
2015	265,448
2016	220,629
2017	106,660
2018	28,949
	<u>621,686</u>

### 8. 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 \$603,949 (2013 - \$592,356).

### 9. 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.

# Ovarian Cancer Canada

## Notes to the financial statements

March 31, 2014

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### 10. 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 \$2,118,616 (2013 - \$1,941,194) and are allocated on the statement of operations as follows:

	<b>2014</b>	2013
	%	%
Administrative	<b>17</b>	18
Awareness and education	<b>35</b>	35
Fundraising	<b>29</b>	31
Research	<b>3</b>	2
Support	<b>16</b>	14
	<b>100</b>	100

#### *Administrative expenses*

The major components of administrative expenses subject to allocation are:

	<b>2014</b>	2013
	\$	\$
Common expenses		
Occupancy	<b>262,683</b>	249,845
General and office	<b>120,943</b>	117,662
Accounting staff cost	<b>155,541</b>	127,471
Professional and consulting	<b>64,518</b>	56,088
Total common expenses before reallocation	<b>603,685</b>	551,066

#### *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:

	<b>2014</b>		2013	
	\$	%	\$	%
Administrative	<b>60,368</b>	<b>10</b>	55,106	10
Awareness and education	<b>181,105</b>	<b>30</b>	165,320	30
Fundraising	<b>90,553</b>	<b>15</b>	82,660	15
Research	<b>90,553</b>	<b>15</b>	82,660	15
Support	<b>181,106</b>	<b>30</b>	165,320	30
	<b>603,685</b>	<b>100</b>	551,066	100

### 11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$13,827 (2013 - \$10,472) of income taxes, CPP and EI owing to the government.