

---

# Financial statements of Ovarian Cancer Canada

March 31, 2020

---

---

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations	4
Statement of changes in fund balances	5
Statement of cash flows	6
Notes to the financial statements	7-12

---

## Independent Auditor's Report

To the Board of Directors of  
Ovarian Cancer Canada

### Qualified Opinion

We have audited the financial statements of Ovarian Cancer Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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, 2020, 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.

### Basis for Qualified Opinion

As is in common with many not-for-profit organizations, the Organization derives revenue from donations, 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 the Organization and we were not able to determine whether any adjustments might be necessary to recorded donations revenue, the excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and the fund balances as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 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 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 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.

### **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 GAAS 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 GAAS, 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.

*Deloitte LLP*


Chartered Professional Accountants  
Licensed Public Accountants  
September 29, 2020

**Ovarian Cancer Canada**  
**Statement of financial position**  
As at March 31, 2020

	Notes	2020 \$	2019 \$
<b>Assets</b>			
Current assets			
Cash		<b>1,566,182</b>	294,791
Investments	3	<b>1,306,763</b>	1,107,583
Accounts receivable		<b>157,091</b>	47,633
Prepaid expenses		<b>101,992</b>	119,272
		<b>3,132,028</b>	1,569,279
Capital assets			
Other long-term asset	4	<b>60,235</b>	95,317
	5	<b>12,183</b>	9,534
		<b>3,204,446</b>	1,674,130
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	12	<b>302,228</b>	183,137
Deferred grants and donations	6	<b>1,379,847</b>	293,605
		<b>1,682,075</b>	476,742
Commitments and contingencies			
	8		
<b>Fund balances</b>			
General		<b>1,462,136</b>	1,102,071
Invested in capital assets		<b>60,235</b>	95,317
		<b>1,522,371</b>	1,197,388
		<b>3,204,446</b>	1,674,130

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

Approved on behalf of the Board of Directors

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

**Ovarian Cancer Canada**  
**Statement of operations**  
Year ended March 31, 2020

	Notes	<b>2020</b>	2019
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Foundation grant		<b>35,905</b>	44,464
Donations			
Individuals		<b>573,381</b>	396,203
Corporate		<b>237,515</b>	116,319
Bequests		<b>5,000</b>	6,486
Events		<b>3,045,104</b>	2,599,024
Health Canada - Health Care Policy Contribution Program		<b>939,552</b>	—
Investment income	7	<b>19,181</b>	46,004
Other		<b>15,072</b>	238,777
		<b>4,870,710</b>	3,447,277
<b>Expenses</b>			
Administration	11	<b>411,716</b>	277,300
Awareness and education		<b>1,162,009</b>	1,097,919
Fundraising		<b>1,173,376</b>	1,006,827
Research		<b>1,201,508</b>	376,622
Support		<b>597,118</b>	720,755
		<b>4,545,727</b>	3,479,423
<b>Excess (deficiency) of revenue over expenses for the year</b>		<b>324,983</b>	(32,146)

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

**Ovarian Cancer Canada**  
**Statement of changes in fund balances**  
Year ended March 31, 2020

	<b>General fund \$</b>	<b>Invested in capital assets \$</b>	<b>2020 Total \$</b>	2019 Total \$
<b>Fund balances, beginning of year</b>	<b>1,102,071</b>	<b>95,317</b>	<b>1,197,388</b>	1,229,534
Excess (deficiency) of revenue over expenses	<b>360,065</b>	<b>(35,082)</b>	<b>324,983</b>	(32,146)
<b>Fund balances, end of year</b>	<b>1,462,136</b>	<b>60,235</b>	<b>1,522,371</b>	1,197,388

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

**Ovarian Cancer Canada**  
**Statement of cash flows**  
Year ended March 31, 2020

	<b>2020</b>	2019
	\$	\$
<b>Operating activities</b>		
Cash from (used in) operations		
Excess (deficiency) of revenue over expenses for the year	<b>324,983</b>	(32,146)
Items not affecting cash		
Amortization	<b>35,082</b>	28,497
Gain on sale of investment	—	(13,715)
	<b>360,065</b>	(17,364)
Changes in non-cash working capital balances		
Accounts receivable	<b>(109,458)</b>	33,443
Prepaid expenses	<b>17,280</b>	(21,208)
Accounts payable and accrued liabilities	<b>119,091</b>	14,948
Deferred grants and donations	<b>1,086,242</b>	104,256
	<b>1,473,220</b>	114,075
<b>Investing activities</b>		
Purchase of investments	<b>(719,180)</b>	(1,671,633)
Increase in other long-term asset	<b>(2,649)</b>	(2,438)
Proceeds from sale of investments	<b>520,000</b>	1,661,012
	<b>(201,829)</b>	(13,059)
Increase in cash	<b>1,271,391</b>	101,016
Cash, beginning of year	<b>294,791</b>	193,775
<b>Cash, end of year</b>	<b>1,566,182</b>	294,791

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



## **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.

Ovarian Cancer Canada was continued under the Canada Not-for-Profit Corporations Act on May 12, 2014.

## **2. Summary of significant accounting policies**

### *Basis of presentation*

The financial statements of Ovarian Cancer Canada are prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the Chartered Professional Accountants (CPA) Canada Handbook - Accounting. The significant accounting policies adopted by Ovarian Cancer Canada are as follows:

### *Revenue recognition*

Ovarian Cancer Canada follows the deferral method of accounting for restricted contributions. Externally-restricted grants and donations including contributions from Health Canada related to the Health Care Policy Contribution Program are recognized as revenue in the year in which the related eligible research expenses are incurred.

During fiscal 2019-2020, Ovarian Cancer Canada entered into a contribution agreement with Health Canada related to the Health Care Policy Contribution Program. Health Canada will provide Ovarian Cancer Canada with externally-restricted contributions of up to \$10,000,000 over the term of the contribution agreement expiring on March 31, 2024. In the fiscal 2019-2020, \$939,552 was distributed.

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.

### *Contributed services*

The operations of Ovarian Cancer Canada are dependent on the services of many volunteers. The value of contributed services is not recognized in these financial statements as the fair value cannot be reasonably estimated.

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

*Capital assets*

Capital assets are stated at cost, less accumulated amortization. Computer and office equipment are amortized on a straight-line basis over four years. Leasehold improvements are amortized on a straight-line basis over the remaining lease term.

*Financial instruments*

Ovarian Cancer Canada's financial assets are comprised of cash, investments and accounts receivable. Financial liabilities are comprised of accounts payable and accrued liabilities.

Financial assets and financial liabilities are initially recognized at fair value when Ovarian Cancer Canada becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments quoted in active markets, which are carried at fair value. Any subsequent changes in fair value are recorded in the Statement of operations.

*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 date of the Statement of financial position 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 certain accrued liabilities, deferred grants and donations, and amortization of capital assets, which is based on the estimated useful lives of capital assets.

**3. Investments**

Investments consist of amounts held in high interest savings accounts of \$1,306,763 (2019 - \$1,107,583).

**4. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2020 Net book value</b>	2019 Net book value
	\$	\$	\$	\$
Leasehold improvements	<b>149,572</b>	<b>95,158</b>	<b>54,414</b>	88,780
Computer equipment	<b>29,270</b>	<b>24,688</b>	<b>4,582</b>	4,582
Office equipment	<b>23,613</b>	<b>22,374</b>	<b>1,239</b>	1,955
	<b>202,455</b>	<b>142,220</b>	<b>60,235</b>	95,317

**5. Other long-term asset**

Ovarian Cancer Canada received a donation of a life insurance policy in which Ovarian Cancer Canada is the holder and at the same time, the beneficiary. The policy requires that Ovarian Cancer Canada pays the annual premiums of the policy. Ovarian Cancer Canada intends to continue to cover the premium costs. No revenue has been recorded in the Statement of operations in respect of this donation to date. The premiums paid on the policy are recorded as a long-term asset in the Statement of financial position. In the event Ovarian Cancer Canada ceases to make premium payments on the policy, the amount capitalized as a long-term asset less any cash surrender value received will be expensed. At the time the benefits of the policy are received by Ovarian Cancer Canada, donation revenue will be recognized as the difference between the cumulative premiums paid and the payment received on the policy. As at March 31, 2020 the balance of this long-term asset is \$12,183 (\$9,534 as at March 31, 2019).

**6. Deferred grants and donations**

Deferred grants and donations consist of unspent externally-restricted contributions and other deferred revenue. Changes in the balances of externally-restricted contributions and other deferred revenue are as follows:

	<b>2020</b>	2019
	\$	\$
Balance, beginning of year	<b>293,605</b>	189,349
Add: amount received during the year	<b>2,260,795</b>	406,453
Less: amount recognized as revenue during the year	<b>(1,174,553)</b>	(302,197)
Balance, end of year	<b>1,379,847</b>	293,605

The balance is comprised of the following:

	<b>2020</b>	2019
	\$	\$
Externally restricted contributions	<b>1,284,332</b>	159,227
Other deferred revenue	<b>95,515</b>	134,378
	<b>1,379,847</b>	293,605

**7. Investment income**

Investment income earned is reported as follows:

	<b>2020</b>	2019
	\$	\$
Investment income earned	<b>19,181</b>	46,004

**8. Commitments and contingencies**

*Leases*

Future minimum annual lease commitments on office premises and equipment leases, which expire up to 2023, are as follows:

	\$
2021	239,575
2022	112,367
2023	7,727
	<u>359,669</u>

*Research commitments*

Ovarian Cancer Canada made a commitment to pay a grant of \$60,000 to the Cancer Research Society during the year ending March 31, 2021. The Ovarian Cancer Canada grant will be matched by the research organization.

In connection with the Health Care Policy Contribution Program funded by Health Canada, Ovarian Cancer Canada has made a commitment to distribute \$2,250,000 for research during the year ending March 31, 2021.

*Contingencies*

From time to time, lawsuits and claims have been brought against Ovarian Cancer Canada. Ovarian Cancer Canada contests such lawsuits and claims and management believes any resulting outcome would not have a material effect on the financial position or the Statement of operations and changes in fund balances of Ovarian Cancer Canada. Accordingly, no provision has been made in the accounts for any amounts claimed. Any future liability will be recorded if an amount is likely and measurable.

**9. 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 \$419,365 (\$290,299 in 2019).

**10. Guarantees**

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

Indemnity has been provided to all directors and officers of Ovarian Cancer Canada, subject to certain restrictions. Ovarian Cancer Canada has purchased directors' and officers' liability insurance to mitigate the cost of any potential future legal actions. Further, in the normal course of business, Ovarian Cancer Canada 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, Ovarian Cancer Canada 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.

**11. Allocation of expenses**

*Staff costs*

Ovarian Cancer Canada 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 \$2,054,832 (\$1,824,981 in 2019) and are allocated on the Statement of operations as follows:

	<b>2020</b>	2019
	<b>%</b>	<b>%</b>
Administration	<b>25</b>	21
Awareness and education	<b>37</b>	37
Fundraising	<b>20</b>	16
Research	<b>3</b>	2
Support	<b>15</b>	24
	<b>100</b>	100

*Administration expenses*

The major components of administration expenses subject to allocation are:

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Common expenses		
Occupancy	<b>245,376</b>	245,899
General and office	<b>166,252</b>	136,171
Accounting staff cost	<b>202,177</b>	167,511
Professional and consulting	<b>91,913</b>	64,654
Total common expenses before reallocation	<b>705,718</b>	614,235

*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>2020</b>		2019	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Administration	<b>70,570</b>	<b>10</b>	57,125	10
Awareness and education	<b>211,716</b>	<b>30</b>	185,703	30
Fundraising	<b>105,858</b>	<b>15</b>	92,852	15
Research	<b>105,858</b>	<b>15</b>	92,852	15
Support	<b>211,716</b>	<b>30</b>	185,703	30
	<b>705,718</b>	<b>100</b>	614,235	100

**12. Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities includes \$25,069 (\$21,296 as at March 31, 2019) relating to government remittances.

**13. Significant event**

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Ovarian Cancer Canada in future periods.