
Financial statements of Ovarian Cancer Canada

March 31, 2021

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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, 2021, 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, 2021, 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and the fund balances as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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
June 21, 2021

Ovarian Cancer Canada
Statement of financial position
As at March 31, 2021

	Notes	2021	2020
		\$	\$
Assets			
Current assets			
Cash		2,775,463	1,566,182
Investments	3	1,621,202	1,306,763
Accounts receivable		47,165	157,091
Prepaid expenses		72,417	101,992
		4,516,247	3,132,028
Capital assets	4	24,935	60,235
Other long-term asset	5	15,062	12,183
		4,556,244	3,204,446
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	158,274	302,228
Deferred grants and donations	6	2,575,799	1,379,847
		2,734,073	1,682,075
Commitments and contingencies	8		
Fund balances			
General		1,797,236	1,462,136
Invested in capital assets		24,935	60,235
		1,822,171	1,522,371
		4,556,244	3,204,446

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, 2021

	Notes	2021	2020
		\$	\$
Revenue			
Foundation grants		29,055	35,905
Donations			
Individuals		851,779	573,381
Corporate		75,077	237,515
Bequests		164,252	5,000
Events		1,670,066	3,045,104
Health Canada - Health Care Policy Contribution Program	7	2,142,632	939,552
Investment income		4,105	19,181
Other	13	489,582	15,072
		5,426,548	4,870,710
Expenses			
Administration	11	232,488	411,716
Awareness and education		1,135,821	1,162,009
Fundraising		813,837	1,173,376
Research	7	2,339,077	1,201,508
Support		605,525	597,118
		5,126,748	4,545,727
Excess of revenue over expenses for the year		299,800	324,983

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

Ovarian Cancer Canada
Statement of changes in fund balances
Year ended March 31, 2021

	General fund \$	Invested in capital assets \$	2021 Total \$	2020 Total \$
Fund balances, beginning of year	1,462,136	60,235	1,522,371	1,197,388
Excess (deficiency) of revenue over expenses	335,100	(35,300)	299,800	324,983
Fund balances, end of year	1,797,236	24,935	1,822,171	1,522,371

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

Ovarian Cancer Canada
Statement of cash flows
Year ended March 31, 2021

	2021	2020
	\$	\$
Operating activities		
Cash from (used in) operations		
Excess (deficiency) of revenue over expenses for the year	299,800	324,983
Items not affecting cash		
Amortization	35,300	35,082
	335,100	360,065
Changes in non-cash working capital balances		
Accounts receivable	109,926	(109,458)
Prepaid expenses	29,575	17,280
Accounts payable and accrued liabilities	(143,954)	119,091
Deferred grants and donations	1,195,952	1,086,242
	1,526,599	1,473,220
Investing activities		
Purchase of investments, net	(314,439)	(199,180)
Increase in other long-term asset	(2,879)	(2,649)
	(317,318)	(201,829)
Increase in cash	1,209,281	1,271,391
Cash, beginning of year	1,566,182	294,791
Cash, end of year	2,775,463	1,566,182

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

1. Purpose of organization

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

- championing the health and wellbeing of women with ovarian cancer and others at risk of this disease
- advancing research to save lives
- providing leadership in research, advocacy, and support, so that women live fuller, better, longer lives

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 joined together to form one organization and the assets, liabilities and obligations of the former Ovarian Cancer Canada were transferred to, and assumed by, the Association.

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

The Organization 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 are recognized as revenue in the year in which the related eligible research 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.

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.

Capital assets

Capital assets are recorded 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.

2. Summary of significant accounting policies (continued)

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.

Government subsidies

The Organization has applied for and recognized government subsidies which are described in Note 13. The nature of the subsidies relates to assistance provided at the Federal level during COVID-19 pandemic and to which the Organization qualified. These government subsidies have been recorded in other revenue 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 that is based on each asset's estimated useful life.

3. Investments

Investments consist of amounts held in high interest savings accounts of \$1,610,868 (2020 - \$1,306,763) and donated securities of \$10,334 (2020 - \$nil).

4. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
	\$	\$	\$	\$
Leasehold improvements	149,572	129,525	20,047	54,414
Computer equipment	9,753	5,171	4,582	4,582
Office equipment	23,614	23,308	306	1,239
	182,939	158,004	24,935	60,235

During the year, the organization disposed of fully amortized capital assets with an original cost of \$19,516 (2020 - \$nil).

5. Other long-term asset

Ovarian Cancer Canada received a donation of a life insurance policy in which the Organization 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, 2021 the balance of this long-term asset is \$15,062 (2020 - \$12,183).

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:

	2021	2020
	\$	\$
Balance, beginning of year	1,379,847	293,605
Add: amount received during the year	3,534,863	2,260,795
Less: amount recognized as revenue during the year	(2,338,911)	(1,174,553)
Balance, end of year	2,575,799	1,379,847

The balance is comprised of the following:

	2021	2020
	\$	\$
Externally restricted contributions	2,243,369	1,284,332
Other deferred revenue	332,430	95,515
	2,575,799	1,379,847

7. Health Canada contribution agreement

During the year ended March 31, 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 (the "Health Canada Funds"). During the year ended March 31, 2021, \$2,142,632 (2020 - \$939,552) was distributed.

8. Commitments and contingencies

Leases

Future minimum annual lease commitments on office premises and equipment leases, which expire up to 2024, are as follows:

	\$
2022	121,442
2023	15,388
2024	5,977
	<u>142,807</u>

Research commitments

Ovarian Cancer Canada made a commitment to pay a grant of \$60,000 to the Cancer Research Society ("CRS") during the year ended March 31, 2021. The Ovarian Cancer Canada grant will be matched by CRS. For the year ended March 31, 2021, the grant to CRS was paid out of the Health Canada Funds (note 7), representing the prior year carry forward funds.

In connection with the Health Care Policy Contribution Program funded by Health Canada, Ovarian Cancer Canada had made a commitment to distribute \$2,250,000 for research during the year ending March 31, 2022 (2021 - \$2,250,000).

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 \$336,844 (2020 - \$419,365).

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 \$2,078,070 (2020 - \$2,054,832) and are allocated on the Statement of operations as follows:

	2021	2020
	%	%
Administration	24	25
Awareness and education	37	37
Fundraising	18	20
Research	3	3
Support	18	15
	100	100

Administration expenses

The major components of administration expenses subject to allocation are:

	2021	2020
	\$	\$
Common expenses		
Occupancy	199,725	245,376
General and office	142,740	166,252
Accounting staff cost	308,294	202,177
Professional and consulting	97,965	91,913
Total common expenses before reallocation	748,724	705,718

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:

	2021		2020	
	\$	%	\$	%
Administration	74,872	10%	70,570	10
Awareness and education	224,617	30%	211,716	30
Fundraising	112,309	15%	105,858	15
Research	112,309	15%	105,858	15
Support	224,617	30%	211,716	30
	748,724	100%	705,718	100

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes \$nil (2020 - \$25,069) relating to government remittances.

13. Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS)

During the year, the Organization applied for COVID-19 wage and rent subsidies offered by the Federal government. The Organization received wage subsidies totalling \$484,373 rent subsidies totalling \$5,109 which were recorded in other revenue in the Statement of operations.

14. 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 Ovarian Cancer Canada in future periods.