
Financial statements of Ovarian Cancer Canada

March 31, 2023

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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, 2023, 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, 2023, 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 (deficiency) excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and the fund balances as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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 19, 2023


Ovarian Cancer Canada
Statement of financial position
As at March 31, 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash		1,059,693	2,775,234
Investments	3	1,651,570	1,614,244
Accounts receivable		49,843	36,244
Prepaid expenses		56,746	58,485
		2,817,852	4,484,207
Capital assets			
Other long-term asset	4	16,160	24,320
	5	21,595	18,184
		2,855,607	4,526,711
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	325,531	243,931
Deferred grants and donations	6	1,171,152	1,818,946
		1,496,683	2,062,877
Commitments and contingencies			
	8		
Fund balances			
General		1,342,764	2,439,514
Invested in capital assets		16,160	24,320
		1,358,924	2,463,834
		2,855,607	4,526,711

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, 2023

	Notes	2023	2022
		\$	\$
Revenue			
Donations			
Individuals		808,546	1,024,296
Corporate		480,526	252,870
Bequests		48,106	369,959
Events		2,082,766	1,801,704
Health Canada - Health Care Policy Contribution Program	7	2,234,842	2,345,971
Provincial - Health Care Policy Contribution Program		508,635	719,075
Investment income		37,472	3,316
Other	13	7,900	413,094
		6,208,793	6,930,285
Expenses			
Administration	11	646,747	643,677
Fundraising		1,217,828	731,056
Research	7 and 8	4,074,598	3,552,959
Improve Care		935,837	1,051,498
Prevention		438,693	309,432
		7,313,703	6,288,622
(Deficiency) excess of revenue over expenses for the year		(1,104,910)	641,663

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

Ovarian Cancer Canada
Statement of changes in fund balances
Year ended March 31, 2023

	General fund	Invested in capital assets	2023 Total	2022 Total
	\$	\$	\$	\$
Fund balances, beginning of year	2,439,514	24,320	2,463,834	1,822,171
(Deficiency) excess of revenue over expenses	(1,096,750)	(8,160)	(1,104,910)	641,663
Fund balances, end of year	1,342,764	16,160	1,358,924	2,463,834

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

Ovarian Cancer Canada
Statement of cash flows
Year ended March 31, 2023

	2023	2022
	\$	\$
Operating activities		
Cash from (used in) operations		
(Deficiency) excess of revenue over expenses for the year	(1,104,910)	641,663
Items not affecting cash		
Amortization of capital assets	8,160	27,111
	(1,096,750)	668,774
Changes in non-cash working capital balances		
Accounts receivable	(13,599)	10,921
Prepaid expenses	1,739	13,932
Accounts payable and accrued liabilities	81,600	85,657
Deferred grants and donations	(647,794)	(756,853)
	(1,674,804)	22,431
Investing activities		
(Purchase) sale of investments, net	(37,326)	6,958
Purchase of capital assets	—	(26,496)
Increase in other long-term asset	(3,411)	(3,122)
	(40,737)	(22,660)
(Decrease) in cash	(1,715,541)	(229)
Cash, beginning of year	2,775,234	2,775,463
Cash, end of year	1,059,693	2,775,234

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 equipment is amortized on a straight-line basis over three years. Office furniture is 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 had applied for and recognized government subsidies which are described in Note 13. The nature of the subsidies related 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 amounts 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 that 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 balances held in high interest savings accounts of \$1,651,570 (\$1,614,244 in 2022).

4. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
	\$	\$	\$	\$
Leasehold improvements	6,693	(2,828)	3,865	6,453
Computer equipment	16,544	(13,130)	3,414	5,623
Office furniture	13,012	(4,131)	8,881	12,244
	36,249	(20,089)	16,160	24,320

During the year, the Organization disposed of fully amortized capital assets with an original cost of nil (\$173,186 in 2022).

5. Other long-term asset

Ovarian Cancer Canada received a donation of a life insurance policy of which the Organization is the holder and at the same time, the beneficiary. The policy requires that Ovarian Cancer Canada pay 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 insurance 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, 2023 the balance of this long-term asset is \$21,595 (\$18,184 in 2022).

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:

	2023	2022
	\$	\$
Balance, beginning of year	1,818,946	2,575,799
Add: amount received during the year	2,610,065	2,605,245
Less: amount recognized during the year	(3,257,859)	(3,362,098)
Balance, end of year	1,171,152	1,818,946

The balance is comprised of the following:

	2023	2022
	\$	\$
Externally-restricted contributions	311,340	359,146
Other deferred revenue	859,812	1,459,800
	1,171,152	1,818,946

7. Health Canada contribution agreement

On February 10, 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"). Over the term of the contribution agreement, Ovarian Cancer Canada has distributed in aggregate \$7,667,176 as at March 31, 2023 (\$5,432,334, as at March 31, 2022). During the year ended March 31, 2023, \$2,134,842 (\$2,345,971 in 2022) was distributed. These distributions are reported as research expenses on the statement of operations.

8. Commitments and contingencies

Leases

Future minimum annual lease commitments on office premises and equipment leases, which expire up to 2026, are as follows:

	<u>\$</u>
2024	130,375
2025	126,372
2026	<u>69,594</u>
	<u>326,341</u>

Research commitments

- (a) In connection with the Health Care Policy Contribution Program funded by Health Canada, \$2,332,834 is expected to be distributed by March 31, 2024. Distributions made during the year in connection with this commitment are discussed in Note 7.
- (b) In connection with the funding agreement with the Province of Saskatchewan, the Organization made a commitment to distribute \$1,000,000 for research. As at March 31, 2023, the Organization has in aggregate distributed \$741,614. The balance of \$258,386 is expected to be distributed by March 31, 2024.
- (c) In connection with a funding arrangement with the Province of Nova Scotia, the Organization has committed to distribute \$1,000,000 for research over future fiscal years. As at March 31, 2023, the Organization has in aggregate distributed \$486,096. The balance of \$513,904 is expected to be distributed by March 31, 2024.

Contingencies

From time to time, lawsuits and claims have been brought against the Organization. The Organization defends 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 the Organization. Accordingly, no provision has been made in these financial statements. 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 \$724,278 (\$405,229 in 2022).

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

The Organization 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 \$2,784,625 (\$2,437,429 in 2022) and are allocated on the statement of operations as follows:

	2023	2022
	%	%
Administration	22	24
Fundraising	17	17
Improve Care	26	34
Research	25	18
Prevention	10	7
	100	100

Expenses

The Organization allocates expenses based on management's estimate of nature of expenses.

The allocated expenses include both costs which can be directly attributed, and those costs which have been allocated. The total allocated expenses by classification are summarized as follows:

	Administration	Fundraising	Research	Improve Care	Prevention	Total
	\$	\$	\$	\$	\$	\$
Administration	505,971	80,465	216,632	237,854	234,087	1,275,009
Fundraising	126,679	1,115,468	98,172	311,067	94,067	1,745,453
Research	—	—	3,462,906	—	—	3,462,906
Improve Care	14,097	21,895	296,888	386,916	110,539	830,335
Total	646,747	1,217,828	4,074,598	935,837	438,693	7,313,703
2022	643,677	731,056	3,552,959	1,051,498	309,432	6,288,622

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes nil (nil in 2022) relating to government remittances.

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

The Organization applied for CEWS and CERS offered by the Federal government. During the year, the Organization received CEWS totaling nil (\$205,598 in 2022) and CERS totaling nil (\$28,301 in 2022), which were recorded in other revenue in the statement of operations.