



Financial Statements

Ovarian Cancer Canada

March 31, 2024

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Independent Auditor's Report

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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, 2024, 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.

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, 2024, and its results of 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

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, which includes donations and events, 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 the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and events revenue, deficiency of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as March 31, 2024 and 2023, and fund balances at April 1 and March 31 for both the 2024 and 2023 years. The audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 opinion.

Other Matter

The financial statements of the Organization for the year ended March 31, 2023, were audited by another auditor who expressed a qualified opinion on those financial statements on June 19, 2023.

Responsibilities of Management and Those Charged with Governance 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.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Grant Thornton LLP

Markham, Canada
August 13, 2024

Chartered Professional Accountants
Licensed Public Accountants

Ovarian Cancer Canada

Statement of Financial Position

As at March 31

2024

2023

Assets

Current

Cash	\$ 181,376	\$ 1,059,693
Investments (Note 3)	732,337	1,651,570
Accounts receivable	166,069	49,843
Prepaid expenses	<u>152,332</u>	<u>56,746</u>
	1,232,114	2,817,852

Capital assets (Note 4)	8,257	16,160
Investments (Note 3)	1,020,046	-
Other long-term asset (Note 5)	<u>25,327</u>	<u>21,595</u>
	<u>\$ 2,285,744</u>	<u>\$ 2,855,607</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 12)	\$ 157,607	\$ 325,531
Deferred grants and donations (Note 6)	<u>972,538</u>	<u>1,171,152</u>
	<u>1,130,145</u>	<u>1,496,683</u>

Fund balances

General fund	147,342	1,342,764
Invested in capital assets	8,257	16,160
Endowment fund	<u>1,000,000</u>	<u>-</u>
	<u>1,155,599</u>	<u>1,358,924</u>
	<u>\$ 2,285,744</u>	<u>\$ 2,855,607</u>

Commitments (Note 8)

On behalf of the Board of Directors

Director

Director

Ovarian Cancer Canada

Statement of Operations

Year ended March 31

2024

2023

Revenue

Donations

Individuals	\$ 791,780	\$ 761,629
Corporate	269,255	480,526
Bequests	67,924	48,106
Foundation grants	319,527	46,917
Events	2,082,196	2,082,766
Health Canada – Health Care Policy Contribution Program (Note 7)	2,337,004	2,234,842
Provincial – Health Care Policy Contribution Program	472,129	508,635
Investment and other income	<u>61,642</u>	<u>45,372</u>
	<u>6,401,457</u>	<u>6,208,793</u>

Expenses (Note 11)

Administration	725,226	646,747
Fundraising	1,364,920	1,217,828
Research (Notes 7 and 8)	3,998,307	4,074,598
Improve Care	1,516,329	935,837
Prevention	<u>-</u>	<u>438,693</u>
	<u>7,604,782</u>	<u>7,313,703</u>

Deficiency of revenue over expenses

\$ (1,203,325) \$ (1,104,910)

Ovarian Cancer Canada Statement of Changes in Fund Balances

Year ended March 31

	General fund	Invested in capital assets	Endowment fund	2024	2023
Fund balances, beginning of year	\$ 1,342,764	\$ 16,160	\$ -	\$ 1,358,924	\$ 2,463,834
Endowment contribution	-	-	1,000,000	1,000,000	-
Deficiency of revenue over expenses	<u>(1,195,422)</u>	<u>(7,903)</u>	<u>-</u>	<u>(1,203,325)</u>	<u>(1,104,910)</u>
Fund balances, end of year	<u>\$ 147,342</u>	<u>\$ 8,257</u>	<u>\$ 1,000,000</u>	<u>\$ 1,155,599</u>	<u>\$ 1,358,924</u>

See accompanying notes to the financial statements.

Ovarian Cancer Canada

Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash

Operating

Deficiency of revenue over expenses	\$ (1,203,325)	\$ (1,104,910)
Items not affecting cash		
Unrealized gain on investments	(336)	-
Amortization of capital assets	<u>7,903</u>	<u>8,160</u>
	(1,195,758)	(1,096,750)
Changes in non-cash working capital balances		
Accounts receivable	(116,226)	(13,599)
Prepaid expenses	(95,586)	1,739
Accounts payable and accrued liabilities	(167,924)	81,600
Deferred grants and donations	<u>(198,614)</u>	<u>(647,794)</u>
	(1,774,108)	(1,674,804)

Investing

Purchase of investments	(1,000,000)	(37,326)
Proceeds on sale of investments	899,523	-
Increase in other long-term asset	<u>(3,732)</u>	<u>(3,411)</u>
	(104,209)	(40,737)

Financing

Contribution to endowment	<u>1,000,000</u>	<u>-</u>
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Decrease in cash	(878,317)	(1,715,541)
Cash, beginning of year	<u>1,059,693</u>	<u>2,775,234</u>
Cash, end of year	<u>\$ 181,376</u>	<u>\$ 1,059,693</u>

Ovarian Cancer Canada

Notes to Financial Statements

March 31, 2024

1. Purpose of the organization

Ovarian Cancer Canada (the “Organization”) has a clear mission – to boldly and unapologetically take action against ovarian cancer until the number of deaths from this disease is zero. Core mission activities include:

- Research - Improve patient outcomes through scientific discoveries and research breakthroughs
- Support - Improve access to care and enhance quality of life for people with or at high risk of ovarian cancer
- Advocacy - Positively impact disease prevention, time to diagnosis and access to treatments through system changes
- Awareness - Elevate the voice of the ovarian cancer community

The Organization is incorporated under the Canada Not-for-Profit Corporations Act. It is a registered charity under the Income Tax Act (Canada) and is therefore exempt from income taxes and may issue official donation receipts for income tax purposes.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization 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 the Organization are as follows:

Revenue recognition

The Organization 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.

Events revenue is recognized on completion of the event.

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

Contributed services

The operations of the Organization 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.

Ovarian Cancer Canada

Notes to Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Fund balances

Fund balances are comprised of the following:

General fund

The General fund represents amounts to fund the Organization's activities that are not specifically restricted to research or endowments.

Invested in capital assets

The invested in capital assets balance represents the net book value of all capital assets.

Endowment fund

The Endowment fund represent funds received which are externally restricted, where the principal cannot be spent.

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.

When conditions indicate a capital asset no longer contributes to the Organization's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost.

Financial instruments

The Organization's financial assets are comprised of cash, investments, and accounts receivable. Financial liabilities are comprised of accounts payable.

Financial assets and financial liabilities are initially recognized at fair value when the Organization 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.

Investments

Investments are recorded and carried at fair market value. Unrealized gains and losses arising from the change in fair value of investments are recorded in the Statement of Operations.

Short-term investments represent the amounts available to be utilized within one year. All other investments are considered long-term as they are intended to be held for long-term purposes and reinvestment.

Ovarian Cancer Canada

Notes to Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

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. Balances which require some degree of estimation are valuation of investments, amortization of capital assets that is based on each asset's estimated useful life, certain accrued liabilities and allocated expenses.

3. Investments

Short-term investments consist of the following:

	<u>2024</u>	<u>2023</u>
High interest savings account	\$ 132,337	\$ 1,651,570
GICs	<u>600,000</u>	<u>-</u>
	<u>\$ 732,337</u>	<u>\$ 1,651,570</u>

GICs have effective annual interest rates of 5.60% (2023 – N/A) with a maturity date of December 2024 (2023 – N/A).

Long-term investments consist of the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 364,450	\$ -
Fixed income	527,664	-
Canadian equities	<u>127,932</u>	<u>-</u>
	<u>\$ 1,020,046</u>	<u>\$ -</u>

The fixed income instruments have effective annual interest rates ranging from 1.75% to 5.50% (2023 – N/A) with maturity dates ranging from September 2025 to January 2035 (2023 – N/A).

4. Capital assets

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvement	\$ 6,693	\$ 5,269	\$ 1,424	\$ 3,865
Computer equipment	16,381	15,176	1,205	3,414
Office furniture	<u>13,012</u>	<u>7,384</u>	<u>5,628</u>	<u>8,881</u>
	<u>\$ 36,086</u>	<u>\$ 27,829</u>	<u>\$ 8,257</u>	<u>\$ 16,160</u>

Ovarian Cancer Canada

Notes to Financial Statements

March 31, 2024

5. Other long-term asset

The Organization received a donation of a life insurance policy in 2014 of which the Organization is the holder and at the same time, the beneficiary. The policy requires that the Organization pay the annual premiums of the policy. The Organization 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 the Organization 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 the Organization, donation revenue will be recognized as the difference between the cumulative premiums paid and the payment received on the policy. As at March 31, 2024 cumulative premiums capitalized total \$25,327 (2023 - \$21,595).

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:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,171,152	\$ 1,818,946
Amount received during the year	3,071,445	2,610,065
Amount receivable during the year	98,860	-
Amount recognized during the year	<u>(3,368,919)</u>	<u>(3,257,859)</u>
Balance, end of year	<u>\$ 972,538</u>	<u>\$ 1,171,152</u>

The balance is comprised of the following:

	<u>2024</u>	<u>2023</u>
Externally restricted contributions	\$ 595,283	\$ 311,340
Province of Nova Scotia funding arrangement and other deferred revenues	<u>377,255</u>	<u>859,812</u>
	<u>\$ 972,538</u>	<u>\$ 1,171,152</u>

7. Health Canada contribution agreement

On February 10, 2020, the Organization entered into a contribution agreement with Health Canada related to the Health Care Policy Contribution Program. Health Canada provided the Organization with externally restricted contributions of up to \$10,000,000 over the term of the contribution agreement which expired on March 31, 2024. Over the term of the contribution agreement, the Organization has distributed in aggregate \$10,000,000 as at March 31, 2024 (2023 - \$7,667,176). During the year ended March 31, 2024, \$2,332,824 (2023 - \$2,134,842) was distributed. These distributions are reported as research expenses on the Statement of Operations.

Ovarian Cancer Canada

Notes to Financial Statements

March 31, 2024

8. Commitments

Operating leases

Future minimum annual lease commitments on office premises and equipment leases, which expire up to 2028, are as follows:

2025	\$ 111,327
2026	31,413
2027	20,189
2028	<u>8,815</u>
	<u>\$ 171,744</u>

Research commitments

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, 2024, the Organization has in aggregate distributed \$699,839 (2023 - \$486,096). \$167,188 is expected to be distributed by March 31, 2025 with the remaining balance of \$132,973 is expected to be distributed by March 31, 2026.

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 \$750,278 (2023 - \$724,278).

10. Guarantees

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

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

March 31, 2024

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 \$3,118,757 (2023 - \$2,784,625) and are allocated on the statement of operations as follows:

	<u>2024</u>	<u>2023</u>
Administration	21%	22%
Fundraising	24%	26%
Improve Care	27%	17%
Research	28%	25%
Prevention	0%	10%
	<u>100%</u>	<u>100%</u>

Expenses

The Organization allocates expenses based on management's estimate of the 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:

	<u>Administration</u>	<u>Fundraising</u>	<u>Research</u>	<u>Improve Care</u>	<u>Prevention</u>	<u>Total</u>
Administration	\$ 609,140	\$ 202,204	\$ 369,182	\$ 317,814	\$ -	\$ 1,498,340
Fundraising	101,617	1,131,915	161,725	406,759	-	1,802,016
Research	-	-	3,148,322	18,450	-	3,166,772
Improve Care	<u>14,469</u>	<u>30,801</u>	<u>319,078</u>	<u>773,306</u>	-	<u>1,137,654</u>
2024 Total	<u>\$ 725,226</u>	<u>\$ 1,364,920</u>	<u>\$ 3,998,307</u>	<u>\$ 1,516,329</u>	<u>\$ -</u>	<u>\$ 7,604,782</u>
2023 Total	<u>\$ 646,747</u>	<u>\$ 1,217,828</u>	<u>\$ 4,074,598</u>	<u>\$ 935,837</u>	<u>\$ 438,693</u>	<u>\$ 7,313,703</u>

12. Accounts payable and accrued liabilities

No amounts related to government remittances were included in accounts payable and accrued liabilities as at March 31, 2024 and 2023.

Ovarian Cancer Canada

Notes to Financial Statements

March 31, 2024

13. Financial risks

Risk management relates to the understanding and active management of risks associated with all areas of the Organization's activities and the associated operating environment. The Organization is primarily exposed to the following financial risks:

Credit risk

Credit risk arises as a result of the potential non-performance by counterparties of contract obligations which could lead to a financial loss to the Organization. The Organization's credit risk relates to its receivables and fixed income investments. The Organization does not consider credit risk on its receivables to be significant given the nature of the Organization's sources of revenue.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization meets its liquidity requirements by preparing and monitoring forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risks relevant to the Organization are interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. The Organization is subject to interest rate risk on its fixed income investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments quoted in an active market.

14. Comparatives

Comparative figures have been adjusted to conform to the current year presentation.