

Financial statements of

Ovarian Cancer Canada

March 31, 2016

Ovarian Cancer Canada

March 31, 2016

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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 statement of financial position as at March 31, 2016, 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, deficiency of revenues over expenses, and cash flow from operations for the years ended March 31, 2016 and March 31, 2015, current assets as at March 31, 2016 and March 31, 2015 and fund balances as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion for the year ended March 31, 2015 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, 2016 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

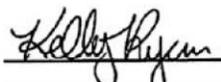
Chartered Professional Accountants
Licensed Public Accountants
June 20, 2016

Ovarian Cancer Canada

Statement of financial position as at March 31, 2016

	2016	2015
	\$	\$
Assets		
Current assets		
Cash	182,904	140,506
Investments (Note 3)	1,301,688	1,589,449
Accounts receivable	138,542	88,341
Prepaid expenses	21,995	22,696
	1,645,129	1,840,992
Capital assets (Note 4)	2,608	3,236
Other long-term asset (Note 5)	2,843	1,050
	1,650,580	1,845,278
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	193,608	325,823
Deferred grants and donations (Note 6)	222,264	160,692
	415,872	486,515
Fund balances		
General	1,232,100	1,355,527
Invested in capital assets	2,608	3,236
	1,234,708	1,358,763
	1,650,580	1,845,278

Approved on behalf of Board

 _____ Director

 _____ Director

Ovarian Cancer Canada

Statement of operations year ended March 31, 2016

	2016	2015
	\$	\$
Revenue		
Foundation grant	55,710	29,128
Donations		
Individuals	394,082	338,105
Corporate	430,490	279,434
Bequests	90,262	105,000
Events	2,845,305	3,445,414
Other	102,495	64,475
Investment income (Note 7)	12,296	20,132
	3,930,640	4,281,688
Expenses		
Administrative	231,196	263,238
Awareness and education	1,383,115	1,369,988
Fundraising	1,275,613	1,598,086
Research	380,009	507,639
Support	784,762	800,693
	4,054,695	4,539,644
Deficiency of revenue over expenses for the year	(124,055)	(257,956)

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, 2016

	2016			2015
	General fund	Invested in capital assets	Total	Total
	\$	\$	\$	\$
Fund balances, beginning of year	1,355,527	3,236	1,358,763	1,616,719
Deficiency of revenue over expenses	(121,883)	(2,172)	(124,055)	(257,956)
Addition to capital assets	(1,544)	1,544	-	-
Fund balances, end of year	1,232,100	2,608	1,234,708	1,358,763

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, 2016

	2016	2015
	\$	\$
Operating activities		
Cash from operations		
Deficiency of revenue over expenses for the year	(124,055)	(257,956)
Items not affecting cash		
Amortization of capital assets	2,172	2,202
	(121,883)	(255,754)
Changes in non-cash working capital components		
Accounts receivable	(50,201)	5,134
Prepaid expenses	701	(1)
Accounts payable and accrued liabilities	(132,215)	(18,291)
Deferred grants and donations	61,572	8,705
	(242,026)	(260,207)
Investing activities		
Purchase of investments	(1,412,239)	(1,419,583)
Increase in other long-term asset	(1,793)	(1,050)
Purchase of capital assets	(1,544)	(1,164)
Proceeds from disposal of investments	1,700,000	1,700,000
	284,424	278,203
Increase in cash	42,398	17,996
Cash, beginning of year	140,506	122,510
Cash, end of year	182,904	140,506

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, 2016

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.

OCC 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 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 Chartered Professional Accountants (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.

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.

Financial instruments

OCC has elected to value its financial instruments as follows:

<u>Asset/liability</u>	<u>Category</u>
Cash	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2016

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 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 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

	2016		2015
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	5,171	4,732	439
Office equipment	21,124	18,955	2,169
	26,295	23,687	2,608

5. Other long-term asset

OCC received a donation of a life insurance policy in which OCC is the owner and at the same time, the beneficiary. The policy requires that OCC pay the annual premiums of the policy and OCC intends to continue to cover the premium costs. No revenue has been recorded in the Statement of operations in respect of this donation at this time. The premiums paid on the policy are recorded as a long-term asset in the Statement of financial position. In the event OCC ceases to make premium payments on the policy, the investment less any cash surrender value received will be expensed. At the time the benefits of the policy are received by OCC, donation revenue will be recognized as the difference between the cumulative premiums paid and the payment received on the policy. As at March 31, 2016 the balance of this long-term asset is \$2,843 (2015 - \$1,050).

6. Deferred grants and donations

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

	2016	2015
	\$	\$
Balance, beginning of year	160,692	151,987
Add: amount received during the year	610,458	569,265
Less: amount recognized as revenue during the year	548,886	560,560
Balance, end of year	222,264	160,692

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2016

6. Deferred grants and donations (continued)

The balance is comprised of the following:

	2016	2015
	\$	\$
Externally restricted grants and donations	183,134	88,826
Other deferred revenue	39,130	71,866
	<u>222,264</u>	<u>160,692</u>

7. Investment income

Investment income earned is reported as follows:

	2016	2015
	\$	\$
Income earned on unrestricted resources	<u>12,296</u>	<u>20,132</u>

8. Commitments

Leases

Future minimum annual lease commitments on office premises and equipment leases, which expire up to 2021, are as follows:

	\$
2017	190,456
2018	108,972
2019	54,106
2020	33,622
2021	22,230
	<u>409,386</u>

Research commitment

OCC has committed to pay \$60,000 to a research organization in the year ending March 31, 2017. These funds are to support OCC's portion of the financial commitment for one grant for research in OCC's core areas of focus. The OCC contribution will be matched by the research organization.

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 \$535,020 (2015 - \$591,043).

Ovarian Cancer Canada

Notes to the financial statements

March 31, 2016

10. 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.

11. 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 \$2,079,990 (2015 - \$2,302,812) and are allocated on the Statement of operations as follows:

	2016	2015
	%	%
Administrative	15	16
Awareness and education	33	34
Fundraising	26	26
Research	5	3
Support	21	21
	100	100

Administrative expenses

The major components of administrative expenses subject to allocation are:

	2016	2015
	\$	\$
Common expenses		
Occupancy	261,740	266,206
General and office	108,003	105,202
Accounting staff cost	146,471	166,810
Professional and consulting	60,377	69,607
Total common expenses before reallocation	576,591	607,825

Ovarian Cancer Canada

Notes to the financial statements

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11. Allocation of expenses (continued)

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:

	2016		2015	
	\$	%	\$	%
Administrative	57,659	10	60,783	10
Awareness and education	172,977	30	182,347	30
Fundraising	86,489	15	91,174	15
Research	86,489	15	91,174	15
Support	172,977	30	182,347	30
	576,591	100	607,825	100

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$19,802 (2015 - \$17,957) of income taxes, CPP and EI owing to the government.