

Working to **END DIABETES**

2017
ANNUAL
REPORT



DIABETES
CANADA

Leading the Way



Oria James, living with type 1 diabetes:

"D-Camps flipped a switch for me. I met kids who were successfully managing their diabetes while having fun doing physically demanding activities. Seeing these incredible role models gave me confidence in myself."



Alan Marks, living with type 2 diabetes:

"I see some people my age who have given up on managing their diabetes. I have not. Diabetes is full of surprises, and managing the disease is all about adapting."

On the cover: Other members of our community include D-Campers; Team Diabetes participants; Donna Smith Darrell; race car driver Charlie Kimball, who lives with type 1 diabetes (as do these young fans); and Dr. Shazhan Amed. Right: Marie-Christine Gauvin

OUR MISSION

TO LEAD THE FIGHT AGAINST DIABETES BY:

HELPING
THOSE AFFECTED
BY DIABETES TO LIVE
HEALTHY LIVES



PREVENTING
THE ONSET AND
CONSEQUENCES
OF DIABETES



DISCOVERING
A CURE



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FLAME
OF
HOPE

DEDICATED TO DIABETICS
THROUGHOUT THE WORLD
ON THE OCCASION OF THE VISIT OF
HER MAJESTY QUEEN ELIZABETH
THE QUEEN MOTHER
JULY 7, 1989



Time to take a bolder stand

With one in three Canadians living with diabetes or prediabetes (that's 11 million people nationwide) we at Diabetes Canada knew we needed to take a bolder stand in the fight against this disease.

A MESSAGE FROM THE CHAIR OF THE BOARD

We had to reach more people, and have them join us to take action against this epidemic. In response, in February 2017, we became Diabetes Canada. It was about more than changing our name and logo. It was about energizing people to join our movement to End Diabetes—and its health impacts and the misinformation surrounding it—and ultimately to find a cure.

We worked to achieve this vision by funding impactful research with up-and-coming leaders in the field; making advocacy breakthroughs, such as restoring the [disability tax credit](#) to hundreds of people who were previously denied; and sending thousands of kids with type 1 diabetes to our D-Camps to learn to better manage the disease in a fun environment.

This kind of impact is at the core of our strategic evolution to a focus on population impact and digital technology to help more people in every corner of the country.

We experienced leadership turnover—Rick Blickstead resigned after four years of bringing passion and leadership as president and CEO. John Reidy, who had already made great strides in improving the effectiveness of Diabetes Canada, became acting CEO. Dr. Jan Hux, our well-known chief science officer, became president of Diabetes Canada to fulfill her vision of population impact. John and Jan will work together with Russell Williams, government relations and public policy vice-president, whose team has been successful in advocating on behalf of people living with or affected by diabetes. With our terrific leadership teams working with our dedicated staff and volunteers, we are well positioned to deliver on our new direction.

I'd like to thank Diabetes Canada staff and volunteers, and the thousands of donors who have contributed to our movement to End Diabetes. Thank you for joining us.

Jim Newton
Chair of the Board



Changing the world for people with diabetes

When the Diabetic Association of Ontario was founded by Dr. Charles Best some 70 years ago, the goal was to provide direct support to families affected by type 1 diabetes.

A MESSAGE FROM OUR ACTING CEO, AND PRESIDENT

Today, with 11 million Canadians living with diabetes or prediabetes, we at Diabetes Canada have a real sense of urgency about moving forward as an organization that delivers greater impact at a population level. We will deliver by focusing on initiatives that directly affect more people, such as public policy and research; by enhancing our digital offerings; and by partnering with organizations that have broad reach into communities.

Even as we lead the movement to [End Diabetes](#) by rallying a larger community around our cause, we remain focused on the priorities of our mission—prevention, care and cure. We will advocate for public policies, so that people live in communities in which the healthy choice is the easy choice. We will drive excellence in diabetes management by putting practical, evidence-based tools into the hands of health-care providers. We will continue our search for a cure, as well as for better prevention and treatment strategies, by funding innovative research with a real focus on rising-star scientists.

We are proud and excited as we look forward to the 100th anniversary of the discovery of insulin. In 1921, Canada changed diabetes for the world. By 2021, we will change the world for those affected by diabetes through healthier communities, exceptional care, and high-impact research.

The past two years have been difficult for Diabetes Canada; like many health charities, we have been challenged to maximize our impact with fewer donations. However, we continue to strive to most efficiently use the funds entrusted to us by our donors and sponsors.

John Reidy
Acting Chief Executive Officer

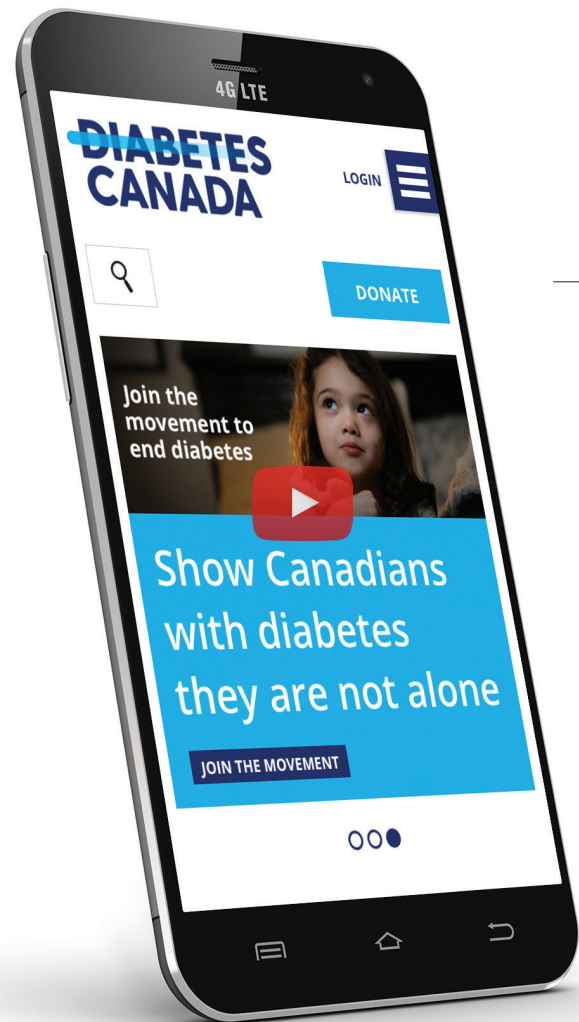
Dr. Jan Hux
President

DIABETES CANADA BY THE NUMBERS

HERE'S HOW WE MADE A DIFFERENCE IN
THE LIVES OF PEOPLE AFFECTED BY DIABETES:

 **54** research grants
were awarded

 **2.6 million**
people found vital diabetes resources
and information on our website



1,891 children and youth
with type 1 diabetes attended
CAMPS programs

+ 16,771 health-care
providers attended
163 Diabetes Canada health-care education events

300,000 Canadians
with type 1 diabetes
could benefit from an improved application
process for the disability tax credit



Preventing Type 2 Diabetes

WHAT'S THE CHALLENGE?

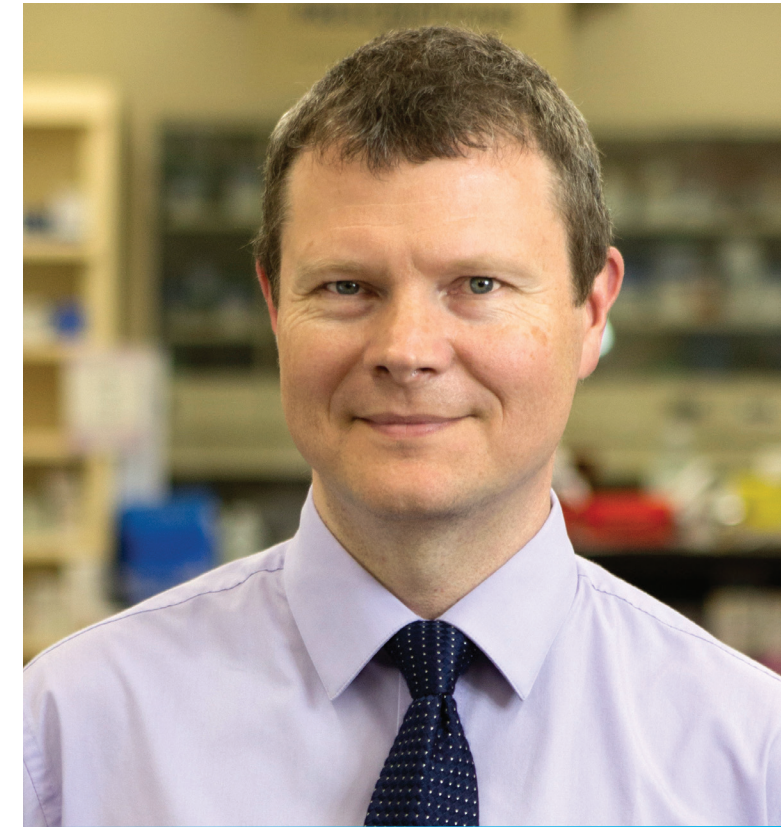
The number of Canadians with diabetes has doubled in the past 12 years and the escalation continues with a new diagnosis every three minutes. Some of that growth cannot be changed—it reflects improved survival, genetic and demographic factors; and type 1 diabetes, which is not preventable. But an equal portion of the growth is due to new cases of type 2 diabetes, which can often be prevented or delayed. However, placing the responsibility for reversing diabetes trends on individuals is not only unlikely to work, but it does not take into account the many environmental factors that contribute to unhealthy diets and sedentary lifestyles. We need to shift those environmental factors through healthy public policy.

"I wasn't expecting the world to become 100 per cent free of sugary drinks when I made the decision to pull them [from my store]. I wanted to make a statement about how bad these things were."

– **Graham MacKenzie, pharmacist**

HOW ARE WE MEETING IT NOW?

We know that changing one policy alone will not turn the tide of diabetes. We are advocating for a number of policies that will make the healthy choice the easy choice for Canadians when they select their food and drinks. Together with partners in the Stop Marketing to Kids (Stop M2K) Coalition, we have advocated for restrictions on marketing unhealthy food to children. This policy has been in place in Quebec for decades, and is associated with lower consumption of "junk food" and higher consumption of fruit and vegetables by kids in the province. We have advised the government on changes to the Canada Food Guide and the nutrition facts table on packaged foods, and called for front-of-package labelling to help consumers make choices about what they eat and how much they eat. Because consuming one to two servings per day of sugary drinks increases the risk of type 2 diabetes by 20 per cent (even among those at a healthy weight), we continue to advocate for a levy on these beverages.



HOW WILL WE MEET IT IN THE FUTURE?

The roots of type 2 diabetes are complex, and solutions will need to be found at multiple levels. Many factors that affect health are controlled at a local level so we will be working with municipalities to promote walkable/cycling-friendly neighbourhoods that feature sidewalks and snow removal; more playgrounds and parks; accessible water options; and access to healthy food and beverage options in municipal facilities. Framing the discussion around wellness, as well as health care, helps to incorporate the full spectrum of options needed to achieve our goal to End Diabetes.

Our ambitious goals will require an all-hands-on-deck approach so we will engage a broad coalition of organizations across government, and for-profit and not-for-profit sectors who share our aspirations, and work with them to deliver collective impact.

Drive for Excellence in Health Care



HOW ARE WE MEETING IT NOW?

We sift through the thousands of research studies published every year on how to manage diabetes, sort the gems from the rest, and condense the information into a set of recommendations people can act on—the *Diabetes Canada Clinical Practice Guidelines for the Prevention and Management of Diabetes in Canada*. We then develop and disseminate tools that help health-care providers apply best research evidence in daily decisions. Once that information is in the hands of front-line health-care providers, they can deliver it to people affected by diabetes, both through improved care, and by putting informational resources into their hands—the means through which many of them have told us they prefer to get their information.

“The *Clinical Practice Guidelines* can be empowering for people living with diabetes because there is so much we can do to manage the disease.”

– Susie Jin, pharmacist and certified diabetes educator

HOW WILL WE MEET IT IN THE FUTURE?

Our next *Guidelines* cycle launches in April 2018, accompanied by a range of new digital tools and educational resources for health-care providers and patients. We will bring tools even closer to the point of clinical decision-making by integrating them into the electronic medical records (EMR) systems used in many primary-care offices. Webinars and local educational events in communities across the country will be used to build providers’ knowledge and confidence in applying the *Guidelines*. The *Guidelines* will evolve into a “living” document, with more frequent updates of key content and active outreach to community practitioners.

Many of the barriers to optimal diabetes management lie outside of the patient-provider interaction: limited access to drugs and supplies, poor integration of care, and failure to measure and manage outcomes can all undermine the quality of diabetes management. To promote and support optimal care, we will work with stakeholders across the system (governments, other non-profits, industry, academia, and people affected by diabetes) to address challenges in the health-care system that impede the delivery of care.

WHAT’S THE CHALLENGE?

Insights from clinical diabetes research can improve health outcomes for people living with diabetes, cutting the risk of complications such as stroke, heart attack and amputation in half. Sadly, not all Canadians with diabetes get the benefits of these advances. We know that the control of blood pressure and cholesterol are important steps in achieving these improved outcomes yet nearly half of Canadians with diabetes do not reach their blood pressure target, and a quarter of those who need treatment for high cholesterol do not receive it. This is despite the fact that there are many published research studies that describe best care. Indeed, the overwhelming volume of research evidence has become part of the problem—there is just too much data for front-line health-care providers to stay on top of on their own. The challenge is to get this information into the hands of both patients and the health professionals who care for them in a concise and usable fashion.

Research Funding

WHAT’S THE CHALLENGE?

Advances in research have the power to dramatically change lives. There is no better example than the way in which the discovery of insulin transformed the diagnosis of type 1 diabetes from a rapidly fatal illness to a manageable chronic disease. But, wonderful as insulin is, it is not a cure. We need a deeper understanding of what causes diabetes at the level of cells and molecules in order to help us find better ways to prevent, treat and, ultimately, cure it. Canada continues to lead in the diabetes research field, and we have a number of talented scientists who are ready to take science to the next level but they need resources. Every year, many applications that, after intensive review by Diabetes Canada, have been rated as excellent remain unfunded because there is just not enough money.

“Given all the amazing researchers in Canada, it is such a huge honour to [receive] the Diabetes Canada 2017 Young Scientist Award.”

– Dr. Gregory Steinberg, PhD

HOW ARE WE MEETING IT NOW?

In 2017, Diabetes Canada implemented a new research funding model designed to deliver maximum impact for the amount of money invested. In particular, we wanted to encourage highly talented students to commit to careers in diabetes research and to support their early careers. Postdoctoral Fellowships nurture new talent by providing salary support for researchers who have completed a PhD but who want to develop additional skills by working in another investigator’s lab. Dr. Caroline Kramer is a Toronto endocrinologist whose Postdoctoral Fellowship we supported and who is now studying the way in which obesity drives the risk for type 2 diabetes. New Investigator and Diabetes Investigator Awards provide support to launch the research programs of scientists at the beginning and middle of their careers, respectively. These awards provide funding at a higher level than we have offered in the past and support integrated programs of research rather than individual projects. Dr. Gregory Steinberg, PhD, of McMaster University is studying fundamental processes of metabolism in diabetes—work that has garnered him



prestigious young scientist awards in Canada and the U.S. He is a great example of the type of rising star whom we are proud to have supported in his training and as an independent researcher.

HOW WILL WE MEET IT IN THE FUTURE?

We will closely track both the productivity and career trajectory of the researchers we fund looking for evidence of high-quality science and the ability to leverage our investment into additional funding. We will increasingly engage with people affected by diabetes so that we can understand their priorities in future research, since they are the ultimate consumers of diabetes research.

However, we know that the challenge is large and that we cannot meet it with our current resources so we will look for ways to extend our impact through partnerships and by tapping into funding sources in order to grow our investment.

Building Confidence in Kids with Type 1 Diabetes



HOW ARE WE MEETING IT NOW?

Diabetes Canada's D-Camps address the challenges of isolation and stigma by building a community among young people with type 1 diabetes and their families across Canada. In addition to outdoor activities, such as swimming, canoeing and archery, summer campers learn how to check their blood sugar levels, inject insulin, and count carbohydrates with help from a dedicated team of health-care professionals (usually including a pediatric endocrinologist, registered nurses, diabetes educators, and dietitians) and with the camaraderie of campers who are "just like them." Camp counsellors, most of whom live with type 1 diabetes, act as role models, showing kids that living with the disease is no barrier to achieving their ambitions, hopes and dreams.

Family camps bring together families with a child living with type 1 diabetes for a weekend that features programming for siblings, parents, grandparents and guardians. Families share their experiences, learn from guest speakers and members of the medical team, and connect with other families facing similar challenges.

"Meeting so many kids [at camp] with diabetes—some as young as seven—really opened my eyes and gave me the strength to deal with things."

– Ruth Masuka (pictured above right)

HOW WILL WE MEET IT IN THE FUTURE?

Campers will grow in self-assurance as they learn to speak directly to the medical team about their diabetes (a responsibility that is usually undertaken by their parents). This will help them find their voice and gain confidence in dealing with health-care providers—skills that will serve them well as they transition from pediatric to adult care.

As we work to deliver camping programs both efficiently and effectively, there will inevitably be changes. D-Camps' streamlined services have resulted in mergers of programs in the Maritimes and Ontario that allow us to focus our efforts while ensuring we continue to have high value and impact for our camp families.

WHAT'S THE CHALLENGE?

If children with type 1 diabetes develop confidence in living with their disease, it sets them up for good diabetes management for the rest of their lives. Yet many function in isolation, feeling different or alone, as perhaps the only child with diabetes in a family or at school. Misunderstanding of the causes of diabetes can lead to blame and stigma. According to some research studies, 35 per cent of young people with type 1 diabetes experience distress related to their diabetes, and that distress is often coupled with poor diabetes control.

FINANCIALS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Diabetes Association (o/a Diabetes Canada)

We have audited the accompanying financial statements of the Canadian Diabetes Association (o/a Diabetes Canada), which comprise the statement of financial position as at December 31, 2017, the statements of revenue and expenses, 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 audit 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 charitable organizations, the Canadian Diabetes Association (o/a Diabetes Canada) derives revenue from donations, bequests and other fundraising activities, 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 Canadian Diabetes Association (o/a Diabetes Canada). Therefore, we were not able to determine whether any adjustments might be necessary to support from the public, excess of revenue over expenses, and cash flows from operations for the year ended December 31, 2017 and 2016, current assets as at December 31, 2017 and 2016 and fund balances as at December 31, 2017 and 2016.

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 the Canadian Diabetes Association (o/a Diabetes Canada) as at December 31, 2017, 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.

Grant Thornton LLP

Toronto, Canada
March 8, 2018

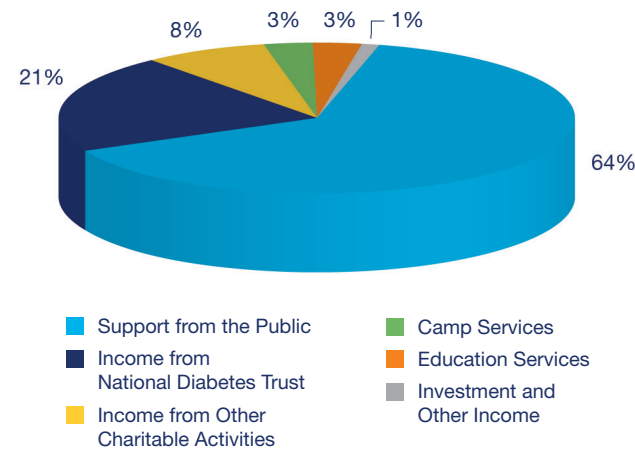
Chartered Professional Accountants
Licensed Public Accountants

FINANCIALS

NEW PRESENTATION

We have transformed our financials to provide greater alignment and transparency to our program activities and to bring us in line with charitable sector practices. These changes will hopefully bring clarity to the value delivered in our programs, advocacy and services supporting people living with diabetes, our volunteers and donors.

REVENUE BY SOURCE



Changes to Revenue Presentation

The number of revenue categories has been reduced to provide stakeholders with a clearer understanding of our sources of revenue, and enhance communications with our external stakeholders.

Support from the Public represents donations and gifts from individuals, corporations, and charitable foundations.

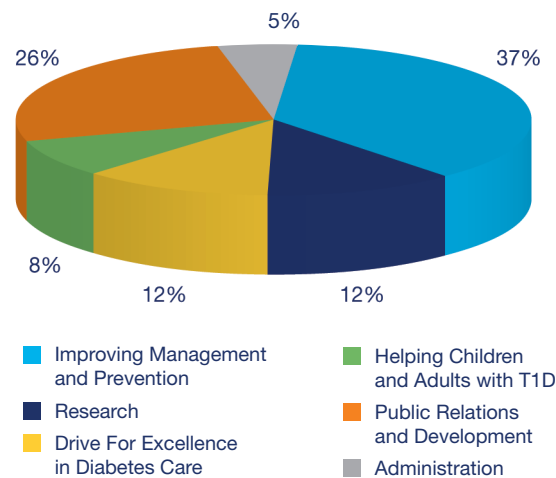
Income from National Diabetes Trust represents household donations of approximately 100 million pounds of textiles that have been diverted from landfill.

Income from Other Charitable Activities includes both government service contracts and sales of literature.

Camp Services represents all revenue generated through our overnight and day camp programs for children and youth with type 1 diabetes.

Education Services represents revenue generated from educational services for professional conference, expos, and workshops.

HOW THE FUNDS ARE USED



Changes to Expense Presentation

The number of expense categories has increased to provide stakeholders with transparency regarding our spending.

Improving Management and Prevention expenditures include activities and public policy efforts geared to those at risk for and living with diabetes.

Research expenditures support a select number of Canada's most promising scientists in their quest for new and innovative developments in the prevention, treatment, and management of diabetes. It also includes the cost of reviewing research required to produce *Diabetes Canada Clinical Practice Guidelines for the Prevention and Management of Diabetes*.

Drive for Excellence in Diabetes Care expenditures are related to sharing best-care information with health professionals who care for people living with diabetes. This includes professional conference, literature, and educational forums.

Helping Children and Adults with T1D expenditures are related to empowering children and youth to effectively manage their diabetes, specifically through our D-Camps program.

Public Relations and Development expenditures include communications and fundraising costs for cultivating new and existing donors.

CANADIAN DIABETES ASSOCIATION (O/A DIABETES CANADA) STATEMENT OF FINANCIAL POSITION

As at December 31
(In thousands of dollars)

	2017	2016
Assets		
Current		
Cash	\$ 1,097	\$ 995
Restricted cash	1,455	2,424
Investments	1,045	1,485
Restricted investments	224	202
Accounts receivable	1,590	1,135
Promissory note from National Diabetes Trust	–	1,500
Amount due from National Diabetes Trust	2,083	2,731
Prepaid expenses	630	904
Inventories	–	158
Total current assets	8,124	11,534
Long-term		
Investments	4,535	4,274
Restricted investments	809	811
Accounts receivable	25	25
Property and equipment	2,525	2,515
Intangible assets	3,676	2,738
Total assets	\$ 19,694	\$ 21,897

Liabilities and fund balances

Current		
Accounts payable and accrued liabilities	\$ 4,181	\$ 3,680
Deferred revenue	1,870	2,016
Research grants and personnel awards payable	1,141	2,021
	7,192	7,717
Long-term		
Deferred revenue	836	794
Employee future benefits	726	1,329
Total liabilities	8,754	9,840
Total fund balances	10,940	12,057
Total liabilities and fund balances	\$ 19,694	\$ 21,897

Approved by the Board of Directors

Jim Newton,
Chair of the Board

John Reidy,
Acting Chief Executive Officer

FINANCIALS

CANADIAN DIABETES ASSOCIATION (O/A DIABETES CANADA) STATEMENT OF REVENUE AND EXPENSES

Year ended December 31
(In thousands of dollars)

	2017	2016
Revenue		
Support from the public	\$ 27,055	\$ 28,930
Income from National Diabetes Trust	8,708	10,549
Education services	1,408	1,526
Camp services	1,142	1,138
Income from other charitable activities	3,551	3,516
Investment and other Income	408	532
Total revenue	42,272	46,191
Expenses		
Improving management and prevention	16,217	16,340
Research	5,308	6,503
Drive for excellence in diabetes care	5,198	5,043
Helping children and adults with T1D	3,633	3,989
Total program expenses	30,356	31,875
Support		
Administration	2,281	3,278
Public relations and development	11,264	13,265
Total support expenses	13,545	16,543
Total expenses	43,901	48,418
Deficiency of revenue over expenses	\$ (1,629)	\$ (2,227)

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On the back cover: Suzy Shalla and family; volunteers in Newfoundland and Labrador; Dr. Herbert Gaisano; and Sharan Sandhu and her daughter, Aykta.

DIABETES CANADA

DIABETES CANADA
1400-522 University Avenue
Toronto, ON M5G 2R5
1-800-BANTING (226-8464)
info@diabetes.ca

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