

**Sioux Lookout Meno Ya Win Health Centre Foundation**  
**Financial Statements**  
*March 31, 2018*

# Sioux Lookout Meno Ya Win Health Centre Foundation

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*For the year ended March 31, 2018*

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## **Management's Responsibility**

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To the Board of Directors of Sioux Lookout Meno Ya Win Health Centre Foundation:

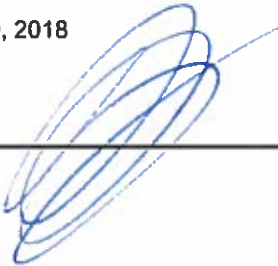
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 29, 2018



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## Independent Auditors' Report

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To the Board of Directors of Sioux Lookout Meno Ya Win Health Centre Foundation:

We have audited the accompanying financial statements of Sioux Lookout Meno Ya Win Health Centre Foundation, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in net assets 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.

### *Auditors' 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 auditors' 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*

As is the case with most organizations of this nature, we were unable to independently verify revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2018. The March 31, 2017 audit opinion was qualified in respect of this matter.

### *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 Sioux Lookout Meno Ya Win Health Centre Foundation as at March 31, 2018 and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Thunder Bay, Ontario  
July 5, 2018

*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**Sioux Lookout Meno Ya Win Health Centre Foundation**  
**Statement of Financial Position**

*As at March 31, 2018*

	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash	34,509	124,948
Accounts receivable (Note 3)	4,155	6,821
Marketable securities - short-term (Note 4)	866,027	813,277
	904,691	945,046
Marketable securities - long-term (Note 5)	350,000	350,000
	1,254,691	1,295,046
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	3,697	3,699
<b>Net Assets</b>		
General	147,651	128,394
Restricted (Note 6)	1,103,343	1,162,953
	1,250,994	1,291,347
	1,254,691	1,295,046

Approved on behalf of the Board of Directors

Director

Director

The accompanying notes are an integral part of these financial statements

## Sioux Lookout Meno Ya Win Health Centre Foundation Statement of Operations and Changes in Net Assets

*For the year ended March 31, 2018*

	<i>General Fund</i>	<i>Restricted Funds</i>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>				
Donations	51,579	191,605	243,184	234,649
Investments	15,904	-	15,904	11,424
	<b>67,483</b>	<b>191,605</b>	<b>259,088</b>	<b>246,073</b>
<b>Expenses</b>				
Advertising	263	-	263	869
Fundraising	688	-	688	405
Membership dues	658	-	658	671
Miscellaneous	115	-	115	411
Office	2,854	-	2,854	2,747
Professional fees	3,675	-	3,675	2,908
Contract payments	20,373	-	20,373	24,497
Telephone	553	-	553	600
Travel	125	-	125	100
	<b>29,304</b>	<b>-</b>	<b>29,304</b>	<b>33,208</b>
<b>Excess of revenue over expenses before the following</b>	<b>38,179</b>	<b>191,605</b>	<b>229,784</b>	<b>212,865</b>
<b>Donations to Sioux Lookout Meno Ya Win Health Centre</b>	<b>2,000</b>	<b>251,215</b>	<b>253,215</b>	<b>157,228</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>36,179</b>	<b>(59,610)</b>	<b>(23,431)</b>	<b>55,637</b>
<b>Unrealized gain (loss) from increase (decrease) in fair market value</b>	<b>(16,922)</b>	<b>-</b>	<b>(16,922)</b>	<b>6,517</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>19,257</b>	<b>(59,610)</b>	<b>(40,353)</b>	<b>62,154</b>
<b>Net assets, beginning of year</b>	<b>128,394</b>	<b>1,162,953</b>	<b>1,291,347</b>	<b>1,229,193</b>
<b>Net assets, end of year</b>	<b>147,651</b>	<b>1,103,343</b>	<b>1,250,994</b>	<b>1,291,347</b>

*The accompanying notes are an integral part of these financial statements*

**Sioux Lookout Meno Ya Win Health Centre Foundation**  
**Statement of Cash Flows**  
*For the year ended March 31, 2018*

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(40,353)	62,154
Change in unrealized gain (loss) from increase (decrease) in fair value of marketable securities	16,922	(6,517)
	<b>(23,431)</b>	55,637
Changes in working capital accounts		
Accounts receivable	2,666	(1,873)
Marketable securities	(69,672)	296,320
Accounts payable and accruals	(2)	(1,249)
	<b>(90,439)</b>	348,835
<b>Investing</b>		
Purchase of marketable securities	-	(350,000)
<b>Decrease in cash resources</b>	<b>(90,439)</b>	(1,165)
<b>Cash resources, beginning of year</b>	<b>124,948</b>	126,113
<b>Cash resources, end of year</b>	<b>34,509</b>	124,948

*The accompanying notes are an integral part of these financial statements*

# Sioux Lookout Meno Ya Win Health Centre Foundation

## Notes to the Financial Statements

For the year ended March 31, 2018

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### 1. Incorporation and nature of the organization

Sioux Lookout Meno Ya Win Health Centre Foundation (the "Organization") was incorporated without share capital under the laws of Ontario and thus is exempt from income taxes under the Income Tax Act ("the Act"). The Organization's primary purpose is to perform fundraising activities for the Sioux Lookout Meno Ya Win Health Centre.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board and include the following significant accounting policies:

#### ***Fund accounting***

The Organization follows the restricted fund method of accounting for contributions, and maintains two funds: General Fund and Restricted Funds.

The General Fund is used to account for donation revenues not specifically earmarked for any other fund. Accumulated funds are to be expended for administrative and operational costs. Funds are also expended for charitable purposes to assist the Sioux Lookout Meno Ya Win Health Centre and others to carry out health research projects, to fund major renovations and to provide additional support for patient care programs and services.

The Restricted Funds have been established for donations specifically intended to go towards building, equipment, education and program needs for specific hospital departments and projects.

#### ***Revenue recognition***

The Organization uses the restricted fund method of accounting for contributions. Restricted contributions related to specific building, equipment, education and program needs for specific departments and projects are recognized as revenue of the Restricted Funds in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the General Fund because there is not an appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized in the General Fund when earned.

#### ***Cash and cash equivalents***

Cash and cash equivalents include balances with banks.

#### ***Marketable securities***

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. They consist of equities which are all traded in the public markets and GICs.

#### ***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.



# Sioux Lookout Meno Ya Win Health Centre Foundation

## Notes to the Financial Statements

*For the year ended March 31, 2018*

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**3. Accounts receivable**

	<b>2018</b>	<b>2017</b>
Investment accrual	<b>2,798</b>	5,542
HST receivable	<b>1,357</b>	1,279
	<b>4,155</b>	6,821

**4. Marketable securities - short-term**

	<b>2018</b>	<b>2017</b>
Measured at fair value:		
Cash account (cost - \$723,020; 2017 - \$3,334)	<b>723,020</b>	3,334
GICs, redeemed in 2017	-	700,000
Equities (cost - \$152,683; 2017 - \$101,658)	<b>143,007</b>	109,943
	<b>866,027</b>	813,277

**5. Marketable securities - long-term**

	<b>2018</b>	<b>2017</b>
Measured at fair value:		
GIC, bearing interest at 1.65%, maturing October 2019 (Cost - \$350,000; 2017 - \$350,000)	<b>350,000</b>	350,000

**Sioux Lookout Meno Ya Win Health Centre Foundation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**6. Restricted funds**

	<b>2018</b>	2017
Chemotherapy	11,157	10,732
Diagnostic Imaging	289,551	165,702
General Equipment	155,638	335,652
Extended Care	72,474	67,874
Janelle Wesley	29,949	29,949
CCAS Youth Programs	18,400	13,400
Palliative Care	933	2,803
Women's Health	130,291	130,291
Long-term Care	390,941	388,741
Opening the Doors	-	10,000
Tree of Hearts	4,009	7,809
	<b>1,103,343</b>	1,162,953

**7. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

***Liquidity risk***

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit, for which repayment is required at various maturity dates.

***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 or foreign currency 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's investments in publicly-traded securities and corporate bonds exposes the Organization to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

**8. Commitments**

The Organization has committed to providing payments totalling \$100,000 to Sioux Lookout Meno Ya Win Health Centre during the 2018-2019 year.

**9. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.