

Sioux Lookout Meno Ya Win Health Centre Foundation
Financial Statements
March 31, 2020

Sioux Lookout Meno Ya Win Health Centre Foundation

Contents

For the year ended March 31, 2020

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Management's Responsibility

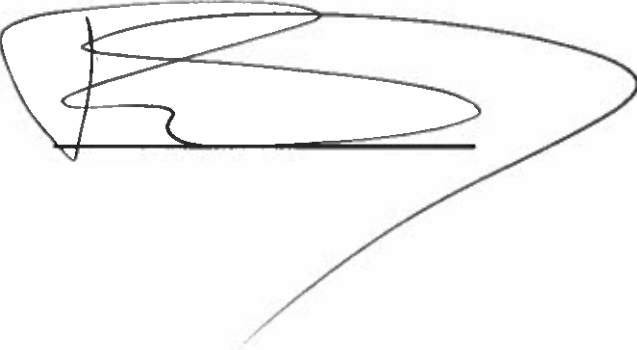
To the Board of Directors of Sioux Lookout Meno Ya Win Health Centre Foundation:

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 Foundation. 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 Foundation'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.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Independent Auditor's Report

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

Qualified Opinion

We have audited the financial statements of Sioux Lookout Meno Ya Win Health Centre Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in net assets 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 Foundation as at March 31, 2020, 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 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 Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the year ended March 31, 2020 and 2019, and assets and net assets as at March 31, 2020 and 2019. The March 31, 2019 audit opinion was qualified in respect of this matter.

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 Foundation 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.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Thunder Bay, Ontario

August 13, 2020

MNP LLP

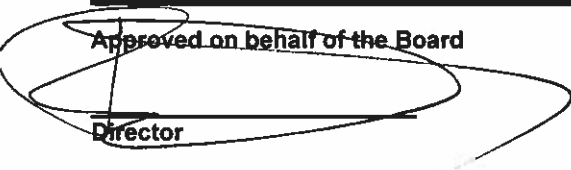
Chartered Professional Accountants

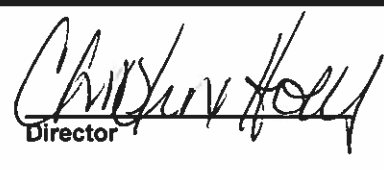
Licensed Public Accountants

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

As at March 31, 2020

	2020	2019
Assets		
Current		
Cash	210,168	208,759
Accounts receivable (Note 3)	10,573	64,828
Marketable securities - short-term (Note 4)	326,192	1,119,211
Current portion of long-term notes receivable (Note 6)	44,083	-
	591,016	1,392,798
Marketable securities - long-term (Note 5)	609,000	-
Notes receivable (Note 6)	185,159	-
	1,385,175	1,392,798
Liabilities		
Current		
Accounts payable and accruals	3,697	3,698
Net Assets		
General	193,785	210,687
Restricted (Note 7)	1,187,693	1,178,413
	1,381,478	1,389,100
	1,385,175	1,392,798

Approved on behalf of the Board

 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, 2020

	<i>General Fund</i>	<i>Restricted Funds</i>	2020	<i>2019</i>
Revenue				
Donations	4,802	231,309	236,111	241,723
Fundraising	12,743	-	12,743	10,463
Investments	35,341	-	35,341	22,434
	52,886	231,309	284,195	274,620
Expenses				
Advertising	132	-	132	407
Bank charges and interest	25	-	25	181
Fundraising	6,386	-	6,386	8,283
Membership dues	-	-	-	680
Miscellaneous	230	-	230	133
Office	4,046	-	4,046	4,582
Professional fees	4,420	-	4,420	4,212
Contract payments	14,394	-	14,394	15,150
Telephone	475	-	475	655
Travel	45	-	45	64
	30,153	-	30,153	34,347
Excess of revenue over expenses before the following	22,733	231,309	254,042	240,273
Donations to Sioux Lookout Meno Ya Win Health Centre	-	222,029	222,029	115,441
Excess of revenue over expenses before other items	22,733	9,280	32,013	124,832
Unrealized gain (loss) from increase (decrease) in fair market value of marketable securities	(39,635)	-	(39,635)	13,274
Excess (deficiency) of revenue over expenses	(16,902)	9,280	(7,622)	138,106
Net assets, beginning of year	210,687	1,178,413	1,389,100	1,250,994
Net assets, end of year	193,785	1,187,693	1,381,478	1,389,100

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, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(7,622)	138,106
Change in unrealized (gain) loss from (increase) decrease in fair value of marketable securities	39,635	(13,274)
	32,013	124,832
Changes in working capital accounts		
Accounts receivable	54,255	(60,673)
Accounts payable and accruals	(1)	1
	86,267	64,160
Investing		
Purchase of marketable securities	(746,822)	(612,930)
Proceeds on disposal of marketable securities	891,206	723,020
Advances of notes receivable	(250,000)	-
Repayment of notes receivable	20,758	-
	(84,858)	110,090
Increase in cash resources	1,409	174,250
Cash resources, beginning of year	208,759	34,509
Cash resources, end of year	210,168	208,759

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, 2020

1. Incorporation and nature of the organization

Sioux Lookout Meno Ya Win Health Centre Foundation (the "Foundation") 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 Foundation'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 Foundation 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 Foundation 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.

Contributed materials

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

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.

Sioux Lookout Meno Ya Win Health Centre Foundation

Notes to the Financial Statements

For the year ended March 31, 2020

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

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.

Financial instruments

The Foundation recognizes its financial instruments when the Foundation 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 4460 *Related Party Transactions*.

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

The Foundation 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

	2020	2019
Investment accrual	5,948	10,898
Other accounts receivable	4,342	53,279
HST receivable	283	651
	10,573	64,828

4. Marketable securities - short-term

	2020	2019
Measured at fair value:		
Cash account (Cost - \$1,870; 2019 - \$4,107)	1,870	4,107
Treasury Bill, YLD 1.75%, matured May 2019	-	909,748
Equities (Cost - \$349,798; 2019 - \$203,411)	324,322	205,356
	326,192	1,119,211

Sioux Lookout Meno Ya Win Health Centre Foundation

Notes to the Financial Statements

For the year ended March 31, 2020

5. Marketable securities - long-term

	2020	2019
Measured at fair value:		
GIC, bearing interest at 2.18%, maturing July 2021 (Cost - \$140,000)	140,000	-
GIC, bearing interest at 2.28%, maturing July 2021 (Cost - \$80,000)	80,000	-
GIC, bearing interest at 2.25%, maturing October 2021 (Cost - \$50,000)	50,000	-
GIC, bearing interest at 2.25%, maturing October 2021 (Cost - \$70,000)	70,000	-
GIC, bearing interest at 2.10%, maturing February 2022 (Cost - \$84,000)	84,000	-
GIC, bearing interest at 2.11%, maturing February 2022 (Cost - \$85,000)	85,000	-
GIC, bearing interest at 2.19%, maturing October 2022 (Cost - \$100,000)	100,000	-
	609,000	-

6. Notes receivable

Notes receivable consist of the following:

	2020	2019
Sioux Lookout Meno Ya Win Health Centre bearing interest at 8.0% per annum, payable in monthly instalments of \$5,069, due November 2024	229,242	-
Less: current portion	44,083	-
	185,159	-

7. Restricted funds

	2020	2019
Chemotherapy	13,583	12,896
Diagnostic Imaging	224,960	367,651
General Equipment	280,188	137,816
Extended Care	75,472	75,889
Janelle Wesley	29,949	29,949
CCAS Youth Programs	21,437	20,630
Palliative Care	1,053	1,003
Women's Health	135,541	130,541
Long-Term Care	396,141	396,141
Tree of Hearts	9,369	5,897
	1,187,693	1,178,413

Sioux Lookout Meno Ya Win Health Centre Foundation

Notes to the Financial Statements

For the year ended March 31, 2020

8. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation 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 Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation 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 Foundation's investments in publicly-traded securities and corporate bonds exposes the Foundation 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.

9. Uncertainty with respect to COVID-19

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Foundation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The Foundation is actively monitoring the effect on its financial condition and operations.