

Independent Auditor's Report



TO THE BOARD OF DIRECTORS OF THE INSTITUTE FOR CLINICAL EVALUATIVE SCIENCES

We have audited the accompanying financial statements of the Institute for Clinical Evaluative Sciences, which comprise the statement of financial position as at March 31, 2015 and the statements of operations and changes in net assets and cash flows for the year then ended.

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 audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Institute for Clinical Evaluative Sciences as at March 31, 2015 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.

PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP
Chartered Professional Accountants,
Licensed Public Accountants

Statement of Financial Position

As at March 31, 2015

(in thousands of dollars)

	GENERAL FUND		RESTRICTED FUND		TOTAL	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
ASSETS						
Current assets						
Cash	1,963	1,350	8,624	7,051	10,587	8,401
Accounts receivable	2,249	1,848	279	3,293	2,528	5,141
Due from Sunnybrook Health Sciences Centre	—	—	—	—	—	—
Prepaid expenses	495	382	13	28	508	410
	4,707	3,580	8,916	10,372	13,623	13,952
Tangible capital assets	763	948	—	—	763	948
	5,470	4,528	8,916	10,372	14,386	14,900
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	2,092	2,300	36	248	2,128	2,548
Due to Ministry of Health and Long-Term Care	—	—	1,251	1,156	1,251	1,156
Deposit in trust	653	—	—	—	653	—
Due to Sunnybrook Health Sciences Centre	686	312	—	—	686	312
	3,431	2,612	1,287	1,404	4,718	4,016
Post-employment benefits other than pensions	883	716	—	—	883	716
Deferred capital grant	763	948	—	—	763	948
Deferred operating grants	128	—	7,629	8,968	7,757	8,968
	5,205	4,276	8,916	10,372	14,121	14,648
NET ASSETS						
General fund	265	252	—	—	265	252
	5,470	4,528	8,916	10,372	14,386	14,900

Statement of Operations and Changes in Net Assets

For the year ended March 31, 2015

(in thousands of dollars)

	GENERAL FUND		RESTRICTED FUND		TOTAL	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
REVENUE						
Grants — Ministry of Health and Long-Term Care	7,682	7,287	—	—	7,682	7,287
Interest income	63	18	—	—	63	18
Other revenue	7,371	7,817	—	—	7,371	7,817
Amortization of deferred capital grant	353	356	—	—	353	356
Amortization of deferred operating grants	—	—	8,698	7,380	8,698	7,380
	15,469	15,478	8,698	7,380	24,167	22,858
EXPENDITURES						
Employee costs	11,796	12,050	6,752	5,799	18,548	17,849
Contracted services	670	468	1	364	671	832
Information, technology and security	423	289	1,225	615	1,648	904
Office and general	638	628	165	70	803	698
Amortization of tangible capital assets	353	356	—	—	353	356
Professional	596	441	555	532	1,151	973
Premises	897	740	—	—	897	740
	15,373	14,972	8,698	7,380	24,071	22,352
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	96	506	—	—	96	506
NET ASSETS — BEGINNING OF YEAR	252	—	—	—	252	—
REMEASUREMENTS OF DEFINED BENEFIT PLANS	(83)	(254)	—	—	(83)	(254)
NET ASSETS — END OF YEAR	265	252	—	—	265	252

Statement of Cash Flows

For the year ended March 31, 2015

(in thousands of dollars)

	GENERAL FUND		RESTRICTED FUND		TOTAL	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
CASH PROVIDED BY (USED IN)						
OPERATING ACTIVITIES						
Excess of revenue over expenditures for the year	96	506	—	—	96	506
Items not affecting cash						
Post-employment benefits other than pensions	84	47	—	—	84	47
Amortization of deferred capital grant	(353)	(356)	—	—	(353)	(356)
Amortization of deferred operating grants	—	—	(8,698)	(7,380)	(8,698)	(7,380)
Transfer from deferred operating grant	128	(23)	268	3,338	396	3,821
Amortization of tangible capital assets	353	356	—	—	353	356
Changes in non-cash working capital	305	83	2,912	(2,983)	3,217	(2,900)
	613	613	(5,518)	(7,025)	(4,905)	(6,412)
INVESTING ACTIVITIES						
Transfer to deferred capital grant	168	186	—	—	168	186
Purchase of tangible capital assets	(168)	(186)	—	—	(168)	(186)
	—	—	—	—	—	—
FINANCING ACTIVITIES						
Deferred operating grants received plus interest and other income	—	—	7,447	6,602	7,447	6,602
Deferred operating grants to Ministry of Health and Long-Term Care	—	—	(356)	(614)	(356)	(614)
	—	—	7,091	5,988	7,091	5,988
INCREASE (DECREASE) IN CASH DURING THE YEAR	613	613	1,573	(1,037)	2,186	(424)
CASH — BEGINNING OF YEAR	1,350	737	7,051	8,088	8,401	8,825
CASH — END OF YEAR	1,963	1,350	8,624	7,051	10,587	8,401