

**MICS HEALTHCARE FOUNDATION**

**INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS**

**MARCH 31, 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
MICs Healthcare Foundation

### *Qualified Opinion*

We have audited the accompanying financial statements of the MICs Healthcare Foundation, which comprise the statement of financial position as at March 31, 2021 and the statements of operations and fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of adjustments if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues as described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the MICS Healthcare Foundation as at March 31, 2021 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*

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 organization 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 audit opinion.

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded by management and we were not able to determine whether adjustments might be necessary to donations and fundraising revenues, changes in fund balances and cash flows for the year ended March 31, 2021.

### *Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT, (CONT'D)

### *Auditor's Responsibility 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 judgement 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 organization'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 organization'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 organization 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.

*Baker Tilly HKC*

Chartered Professional Accountants  
Licenced Public Accountants  
October 28, 2021

**MICS HEALTHCARE FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2021**

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# MICS HEALTHCARE FOUNDATION

## STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED MARCH 31, 2021

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2021 Total	2020 Total
<b>REVENUE</b>						
Donations and fundraising	\$ 3,050	\$ 500	\$ 118,226	\$ 430,252	\$ 552,028	\$ 1,076,918
Other income	343	-	-	-	343	-
	<u>3,393</u>	<u>500</u>	<u>118,226</u>	<u>430,252</u>	<u>552,371</u>	<u>1,076,918</u>
<b>EXPENSES</b>						
Audit fees	3,000	-	-	-	3,000	3,000
Advertising	-	-	99	-	99	738
Prizes and events	-	-	10,460	-	10,460	6,622
License fees	-	-	300	-	300	150
Supplies	-	-	-	-	-	3,851
	<u>3,000</u>	<u>-</u>	<u>10,859</u>	<u>-</u>	<u>13,859</u>	<u>14,361</u>
<b>SURPLUS FOR THE YEAR</b>	393	500	107,367	430,252	538,512	1,062,557
<b>FUND BALANCES, BEGINNING OF YEAR</b>	5,401	5,798	1,579,523	26,048	1,616,770	554,213
<b>TRANSFER TO HOSPITAL</b>	-	-	(500,000)	-	(500,000)	-
<b>FUND BALANCES, END OF YEAR</b>	\$ 5,794	\$ 6,298	\$ 1,186,890	\$ 456,300	\$ 1,655,282	\$ 1,616,770

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

# MICS HEALTHCARE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2021 Total	2020 Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 478,681	\$ 650	\$ 1,153,447	\$ 20,668	\$ 1,653,446	\$ 1,614,934
Due from Anson General Hospital	-	-	1,836	-	1,836	1,836
Interfund balance (note 3)	(472,887)	5,648	31,607	435,632	-	-
	\$ 5,794	\$ 6,298	\$ 1,186,890	\$ 456,300	\$ 1,655,282	\$ 1,616,770
<b>FUND BALANCES</b>						
Externally restricted	\$ -	\$ -	\$ 1,169,610	\$ 430,000	\$ 1,599,610	\$ 1,566,580
Unrestricted	5,794	6,298	17,280	26,300	55,672	50,190
	\$ 5,794	\$ 6,298	\$ 1,186,890	\$ 456,300	\$ 1,655,282	\$ 1,616,770

Approved on behalf of the Board

*Silles Forget*

\_\_\_\_\_, Board Member

*Suzanne de Laplante*

\_\_\_\_\_, Board Member

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

**MICS HEALTHCARE FOUNDATION**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2021**

	<b>General Fund</b>	<b>Bingham Memorial Hospital</b>	<b>Anson General Hospital</b>	<b>Lady Minto Hospital</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>OPERATING ACTIVITIES</b>						
Surplus for the year	\$ 393	\$ 500	\$ 107,367	\$ 430,252	\$ 538,512	\$ 1,062,557
Change in interfund	460,000	-	(29,928)	(430,072)	-	-
	<u>460,393</u>	<u>500</u>	<u>77,439</u>	<u>180</u>	<u>538,512</u>	<u>1,062,557</u>
<b>INVESTING ACTIVITY</b>						
Transfer to hospital	-	-	(500,000)	-	(500,000)	-
<b>CHANGE IN CASH POSITION</b>	460,393	500	(422,561)	180	38,512	1,062,557
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>18,288</u>	<u>150</u>	<u>1,576,008</u>	<u>20,488</u>	<u>1,614,934</u>	<u>552,377</u>
<b>CASH POSITION, END OF YEAR</b>	<u>\$ 478,681</u>	<u>\$ 650</u>	<u>\$ 1,153,447</u>	<u>\$ 20,668</u>	<u>\$ 1,653,446</u>	<u>\$ 1,614,934</u>

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

# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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### 1. STATUS AND NATURE OF ORGANIZATION

MICs Healthcare Foundation (the Foundation) is a corporation without share capital and is incorporated under the laws of the Province of Ontario. The Foundation is a registered charity under the Income Tax Act and as such, is exempt from income taxes and may issue income tax receipts to donors.

The Foundation is under joint control of Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital. These Hospitals have an economic interest in the Foundation. The Foundation was incorporated to establish, receive, hold and maintain a fund or funds and to apply or donate all or part of the principal and income therefrom, from time to time to any one of the following organizations: Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital or other related charitable organizations registered under the income Tax Act who provide services and/or support the aforementioned organizations.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and includes the following significant accounting policies:

#### FUND ACCOUNTING

These financial statements are prepared following the restricted fund method of accounting for contributions.

The general fund accounts for current operations and programs as well as the Foundation's general operations. Unrestricted contributions (donations and grants) and restricted contributions to be used for operations are reported in this fund.

Externally restricted contributions for various purposes are classified for accounting and reporting purposes into separate funds in accordance with specified activities or objectives and for the specified hospital.

#### REVENUE RECOGNITION

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received.

#### CONTRIBUTED SERVICES

When fair value of the contributed services can be reasonably determined, it is recognized as revenue and an offsetting expense in the financial statements.

Volunteers contribute many hours to assist the Foundation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.



# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### FINANCIAL INSTRUMENTS

##### *Measurement of financial instruments*

Financial instruments are financial assets and liabilities of the Foundation where, in general, the Foundation has the right to receive cash or another financial asset from another party or the Foundation has the obligation to pay another party cash or other financial assets.

The Foundation initially measures its financial instruments at fair value adjusted by, in the case of the financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Foundation subsequently measures all its financial instruments at amortized cost, except for investments in equity securities that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations and fund balances.

Financial instruments measured at amortized cost include cash and due from Anson General Hospital.

There are no financial instruments measured at fair value.

##### *Impairment*

Financial assets measured at amortized cost are assessed for impairment at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of identified impairment, if any, is recorded as a write-down and recognized in the statement of operations and fund balances. Any previously recognized impairment loss may be reversed to the extent of the improvement, providing it is not greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the statement of operations and fund balances.

#### MEASUREMENT UNCERTAINTY

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 disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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### 3. INTERFUND BALANCE

The Foundation receives donations for the other funds using the general fund. As a result, the Foundation's general fund currently has outstanding interfund loans payable at the end of the year to the other funds. There are no specified conditions or terms on these interfund balances.

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