

**MICS HEALTHCARE FOUNDATION**

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

**MARCH 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
MICS Healthcare Foundation

### *Qualified Opinion*

We have audited the financial statements of MICS Healthcare Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2023, and the statement 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.

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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *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 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.

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation 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, 2023.

### *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 ASNPO, 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.

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

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.

*Baker Tilly HKC*

Chartered Professional Accountants  
Licenced Public Accountants  
September 29, 2023

**MICS HEALTHCARE FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

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**MICS HEALTHCARE FOUNDATION**  
**STATEMENT OF OPERATIONS AND FUND BALANCES**  
**YEAR ENDED MARCH 31, 2023**

	<b>General Fund</b>	<b>Bingham Memorial Hospital</b>	<b>Anson General Hospital</b>	<b>Lady Minto Hospital</b>	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>						
Fundraising activities	\$ -	\$ -	\$ 252,305	\$ -	\$ 252,305	\$ 191,684
Donations	4,500	-	116,379	2,871	123,750	645,524
Grants	35,000	-	-	-	35,000	-
Interest income	1,392	-	1,678	-	3,070	954
	<u>40,892</u>	<u>-</u>	<u>370,362</u>	<u>2,871</u>	<u>414,125</u>	<u>838,162</u>
<b>EXPENSES</b>						
Advertising and promotion	-	-	5,927	-	5,927	18,094
Commission and fees	-	-	27,982	-	27,982	15,217
Licenses	-	-	300	-	300	300
Office and administration	392	-	1,733	-	2,125	1,860
Prizes	-	-	131,918	-	131,918	98,235
Professional fees	4,500	-	-	-	4,500	4,000
Rent	-	-	743	-	743	-
Salaries and benefits	67,769	-	-	-	67,769	-
Supplies	-	-	6,979	-	6,979	1,755
Travel	1,849	-	-	-	1,849	-
	<u>74,510</u>	<u>-</u>	<u>175,582</u>	<u>-</u>	<u>250,092</u>	<u>139,461</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(33,618)</b>	<b>-</b>	<b>194,780</b>	<b>2,871</b>	<b>164,033</b>	<b>698,701</b>
<b>FUND BALANCE, BEGINNING OF YEAR, AS RESTATED (Note 7)</b>	<b>6,748</b>	<b>7,628</b>	<b>1,282,809</b>	<b>1,056,798</b>	<b>2,353,983</b>	<b>1,655,282</b>
<b>TRANSFER TO HOSPITALS</b>	<b>-</b>	<b>-</b>	<b>(33,879)</b>	<b>-</b>	<b>(33,879)</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (26,870)</b>	<b>\$ 7,628</b>	<b>\$ 1,443,710</b>	<b>\$ 1,059,669</b>	<b>\$ 2,484,137</b>	<b>\$ 2,353,983</b>

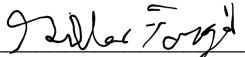
# MICS HEALTHCARE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2023	2022
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 22,052	\$ 650	\$ 428,395	\$ 1,051,478	\$ 1,502,575	\$ 2,352,306
Accounts receivable	5,299	-	-	-	5,299	9,841
Short term investment (Note 3)	-	-	1,011,763	-	1,011,763	-
Due from Anson General Hospital (Note 4)	-	-	1,836	-	1,836	1,836
Interfund balance (Note 5)	(16,885)	6,978	1,716	8,191	-	-
	<u>\$ 10,466</u>	<u>\$ 7,628</u>	<u>\$ 1,443,710</u>	<u>\$ 1,059,669</u>	<u>\$ 2,521,473</u>	<u>\$ 2,363,983</u>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 382	\$ -	\$ -	\$ -	\$ 382	\$ 10,000
Due to MICS Group of Health Services (Note 4)	36,954	-	-	-	36,954	-
	<u>37,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,336</u>	<u>10,000</u>
<b>FUND BALANCE</b>	<u>(26,870)</u>	<u>7,628</u>	<u>1,443,710</u>	<u>1,059,669</u>	<u>2,484,137</u>	<u>2,353,983</u>
	<u>\$ 10,466</u>	<u>\$ 7,628</u>	<u>\$ 1,443,710</u>	<u>\$ 1,059,669</u>	<u>\$ 2,521,473</u>	<u>\$ 2,363,983</u>

Approved on behalf of the board

 , Director

 , Director

## MICS HEALTHCARE FOUNDATION

### STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2023	2022
<b>OPERATING ACTIVITIES</b>						
Surplus (deficit) for the year	\$ (33,618)	\$ -	\$ 194,780	\$ 2,871	\$ 164,033	\$ 698,701
Changes in:						
Accounts receivable	(2,699)	-	7,241	-	4,542	(9,841)
Interfund balance	69	-	2,052	(2,121)	-	-
Accounts payable and accrued liabilities	382	-	(10,000)	-	(9,618)	10,000
	<u>(35,866)</u>	<u>-</u>	<u>194,073</u>	<u>750</u>	<u>158,957</u>	<u>698,860</u>
<b>INVESTING ACTIVITIES</b>						
Purchase of investments	-	-	(1,011,763)	-	(1,011,763)	-
Transfer to hospitals	-	-	(33,879)	-	(33,879)	-
	<u>-</u>	<u>-</u>	<u>(1,045,642)</u>	<u>-</u>	<u>(1,045,642)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>						
Advance from MICS Group of Health Services	36,954	-	-	-	36,954	-
<b>CHANGE IN CASH POSITION</b>	1,088	-	(851,569)	750	(849,731)	698,860
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>20,964</u>	<u>650</u>	<u>1,279,964</u>	<u>1,050,728</u>	<u>2,352,306</u>	<u>1,653,446</u>
<b>CASH POSITION, END OF YEAR</b>	<u>\$ 22,052</u>	<u>\$ 650</u>	<u>\$ 428,395</u>	<u>\$ 1,051,478</u>	<u>\$ 1,502,575</u>	<u>\$ 2,352,306</u>

# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

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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 are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### ACCRUAL BASIS OF ACCOUNTING

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### FUND ACCOUNTING RESTRICTED

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 when received. Unrestricted contributions are recognized as revenue of the appropriate fund when received.

The Foundation recognizes interest revenue and other revenues as earned.



# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

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

#### 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.

#### FINANCIAL INSTRUMENTS

##### *Measurement*

Financial instruments are financial assets or 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. The Foundation subsequently measures all its financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

Financial instruments measured at amortized cost include cash, accounts receivable, due from Anson General Hospital, investments, and accounts payable and accrued liabilities.

The Foundation has no financial assets 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 the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

### 3. SHORT TERM INVESTMENT

	2023	2022
GIC, interest rate of 5.03%, maturing in November 2023	\$ 100,000	\$ -
GIC, interest rate of 5.15%, maturing in November 2023	100,000	-
GIC, interest rate of 5.03%, maturing in November 2023	100,000	-
GIC, interest rate of 5.02%, maturing in November 2023	100,000	-
GIC, interest rate of 5.15%, maturing in November 2023	100,000	-
GIC, interest rate of 3.80%, maturing in December 2023	511,763	-
	<u>\$ 1,011,763</u>	<u>\$ -</u>

### 4. RELATED PARTY TRANSACTIONS

The amount due to Anson General Hospital and the amount due from the MICS Group of Health Services are interest free, unsecured with no specific terms of repayment.

The transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

### 5. 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.

### 6. FINANCIAL INSTRUMENT RISKS

The risks which the Foundation is exposed to in respect of its financial instruments are credit risk, liquidity risk and interest rate risk. In the opinion of management, the risks are low and not material.

# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

### 7. FUND BALANCE, BEGINNING OF YEAR, AS RESTATED

In the prior year, the operations from specific fundraising activities were incorrectly presented under the General Fund rather than the Anson General Hospital fund. The adjustment had no impact on the total fund balances. The fund balance, beginning of year was restated as follows:

	<b>General Fund</b>	<b>Bingham Memorial Hospital</b>	<b>Anson General Hospital</b>	<b>Lady Minto Hospital</b>	<b>2023</b>
FUND BALANCE, AS PREVIOUSLY STATED	\$ 48,152	\$ 7,628	\$ 1,241,405	\$ 1,056,798	\$ 2,353,983
INTERFUND ADJUSTMENT	(41,404)	-	41,404	-	-
FUND BALANCE, AS RESTATED	\$ 6,748	\$ 7,628	\$ 1,282,809	\$ 1,056,798	\$ 2,353,983