

MICS HEALTHCARE FOUNDATION

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

MARCH 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
MICs Healthcare Foundation

We have audited the accompanying financial statements of MICs Healthcare Foundation, which comprise the statement of financial position as at March 31, 2014 and the statement of operations and fund balances 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.

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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2014 and the results of its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other matter

The statements of financial position as at March 31, 2013, and the statements of operations and fund balances for the year then ended, were audited by another auditor who expressed an unmodified audit opinion on those statements dated September 26, 2013.

Collins Barrow Gagné Gagnon Bisson Hébert

Chartered Accountants
Licenced Public Accountants
January 8, 2015

MICS HEALTHCARE FOUNDATION

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2014

| | |
|---|-----|
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MICS HEALTHCARE FOUNDATION


STATEMENT OF FINANCIAL POSITION

MARCH 31, 2014

| | General Fund | Bingham Memorial Hospital | General Hospital | Anson General Hospital | Lady Minto Hospital | 2014 Total | 2013 Total |
|---------------------------------|-----------------|---------------------------------|---------------------|------------------------------|---------------------------|---------------|---------------|
| ASSETS | | | | | | | |
| Cash | \$ 1,476 | \$ 10,371 | \$ 44,891 | \$ 111,980 | \$ 168,718 | \$ 138,887 | |
| LIABILITIES | | | | | | | |
| Due to related parties (note 3) | \$ - | \$ 6,705 | \$ 44,531 | \$ 86,175 | \$ 137,411 | \$ 137,411 | |
| FUND BALANCES | | | | | | | |
| Restricted | \$ - | 302 | - | 21,650 | 21,952 | - | |
| Unrestricted | 1,476 | 3,364 | 360 | 4,155 | 9,355 | 1,476 | |
| | 1,476 | 3,666 | 360 | 25,805 | 31,307 | 1,476 | |
| | \$ 1,476 | \$ 10,371 | \$ 44,891 | \$ 111,980 | \$ 168,718 | \$ 138,887 | |

Approved on behalf of the Board

 Board Member

 Board Member

MICS HEALTHCARE FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED MARCH 31, 2014

| | General Fund | Bingham Memorial Hospital | Anson General Hospital | Lady Minto Hospital | 2014 Total | 2013 Total |
|---|-----------------|---------------------------------|------------------------------|---------------------------|---------------|---------------|
| REVENUE | | | | | | |
| Donations and fundraising | \$ - | \$ 3,666 | \$ 360 | \$ 25,805 | \$ 29,831 | \$ 1,476 |
| SURPLUS FOR THE YEAR | - | 3,666 | 360 | 25,805 | 29,831 | 1,476 |
| FUND BALANCES, BEGINNING OF YEAR | 1,476 | - | - | - | 1,476 | - |
| FUND BALANCES, END OF YEAR | \$ 1,476 | \$ 3,666 | \$ 360 | \$ 25,805 | \$ 31,307 | \$ 1,476 |

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

1. 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 is exempt from income taxes provided certain requirements of the Income Tax Act are met.

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, Canada who provide services and/or support the aforementioned organizations.

2. SUMMARY OF 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.

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

Due to the difficulty in determining the fair value of contributed services, they are not recognized in these financial statements.

FINANCIAL INSTRUMENTS

Measurement

The Foundation initially measures its financial assets and financial liabilities 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. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in the net income.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include due to related parties.

There are no financial assets or liabilities measured at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change in the expected timing or amount of future cash flows from the financial asset or group of assets has occurred during the period, a write-down is recognized in the net income.

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 amount of assets and liabilities at the date of the financial statements and disclosure of contingent assets and liabilities at the financial position date and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

3. RELATED PARTY TRANSACTIONS

Amounts due to related parties include charitable donations from individuals and organizations to the respective Hospitals which were deposited into the bank account of the Foundation, as well as cash transferred from individual Hospitals to the account of the Foundation.

The amounts payable bear no interest, and have no set terms of repayment.

4. STATEMENT OF CASH FLOW

A cash flow statement has not been prepared since the cash flow information is readily apparent from other financial statements and related notes.
