

MICS HEALTHCARE FOUNDATION

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

MARCH 31, 2015

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, 2015 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, 2015 and the results of its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Gagné Gagnon Bisson Hébert

Chartered Professional Accountants
Licenced Public Accountants
February 1, 2016

MICS HEALTHCARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

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MICS HEALTHCARE FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED MARCH 31, 2015

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2015 Total	2014 Total (restated - note 6)
REVENUE						
Donations and fundraising	\$ -	\$ 651	\$ -	\$ -	\$ 651	\$ 29,831
EXPENSES						
Audit fees	2,933	-	-	-	2,933	3,638
SURPLUS (DEFICIT) FOR THE YEAR	(2,933)	651	-	-	(2,282)	26,193
FUND BALANCES, BEGINNING OF YEAR	(2,162)	3,666	360	25,805	27,669	1,476
DONATIONS TO HOSPITALS	-	(302)	-	(23,650)	(23,952)	-
FUND BALANCES, END OF YEAR	\$ (5,095)	\$ 4,015	\$ 360	\$ 2,155	\$ 1,435	\$ 27,669

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

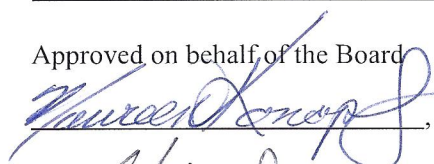
MICS HEALTHCARE FOUNDATION

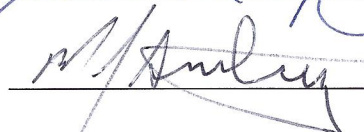
STATEMENT OF FINANCIAL POSITION

MARCH 31, 2015

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2015 Total	2014 Total (restated - note 6)
ASSETS						
CURRENT ASSETS						
Cash	\$ 367	\$ -	\$ 200	\$ 295	\$ 862	\$ 168,718
HST rebate receivable	573	-	-	-	573	317
Interfund balance (note 3)	(6,035)	4,015	160	1,860	-	-
	<u>\$ (5,095)</u>	<u>\$ 4,015</u>	<u>\$ 360</u>	<u>\$ 2,155</u>	<u>\$ 1,435</u>	<u>\$ 169,035</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	-	-	-	-	-	3,955
Due to related parties (note 4)	-	-	-	-	-	137,411
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,366</u>
FUND BALANCES						
Restricted	-	-	-	-	-	21,952
Unrestricted	(5,095)	4,015	360	2,155	1,435	5,717
	<u>(5,095)</u>	<u>4,015</u>	<u>360</u>	<u>2,155</u>	<u>1,435</u>	<u>27,669</u>
	<u>\$ (5,095)</u>	<u>\$ 4,015</u>	<u>\$ 360</u>	<u>\$ 2,155</u>	<u>\$ 1,435</u>	<u>\$ 169,035</u>

Approved on behalf of the Board

 , Board Member

 , Board Member

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

MICS HEALTHCARE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2015

	2015	2014 (restated - note 6)
OPERATING ACTIVITIES		
Surplus (deficit) for the year	\$ (2,282)	\$ 26,193
Changes in:		
HST rebate receivable	(256)	(317)
Accounts payable and accrued liabilities	(3,955)	3,955
	<u>(6,493)</u>	<u>29,831</u>
INVESTING ACTIVITIES		
Donations to hospitals	(23,952)	-
Payments to related parties	(137,411)	-
	<u>(161,363)</u>	<u>-</u>
CHANGE IN CASH POSITION	<u>(167,856)</u>	<u>29,831</u>
CASH POSITION, BEGINNING OF YEAR	<u>168,718</u>	<u>138,887</u>
CASH POSITION, END OF YEAR	<u>\$ 862</u>	<u>\$ 168,718</u>

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

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

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 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.

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.

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 statement of operations.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Measurement (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 instruments measured at fair value.

Impairment

Financial assets measured at amortized cost are assessed for impairment at the end of each year. The amount of any identified impairment, if any, is recorded as a write-down and recognized in the statement of operations. 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. The amount of the reversal is recognized in the statement of operations.

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 and disclosure of contingent assets and liabilities at the date of financial statements 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. 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.

4. DUE TO RELATED PARTIES

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.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

5. FINANCIAL INSTRUMENT RISKS

The Foundation is exposed to the following risks in respect of certain of the financial instruments held:

CREDIT RISK

The Foundation is exposed to credit risk in the event of non-payment for their accounts receivable. The Foundation believes that there is minimal risk associated with these amounts as they are due from government agencies.

LIQUIDITY RISK

Liquidity risk results from the Foundation's potential inability to meet its obligations associated with the financial liabilities as they become due. The Foundation monitors its operations and cash flows to ensure that current and future obligations will be met. The Foundation believes that its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

6. RESTATEMENT DUE TO ERROR

Management has restated its financial statements for the year ended March 31, 2014 due to an error. Management had not recorded an accrued liability for that same period. Adjustments necessary to the 2014 financial statements as a result of the restatement are as follows:

Adjustment to the 2014 assets and liabilities

March 31, 2014 HST rebate receivable, not previously recorded	\$ 317
March 31, 2014 accounts payable and accrued liabilities, not previously recorded	\$ 3,955

Adjustment to the 2014 surplus for the year

March 31, 2014 surplus, as previously stated	\$ 29,831
Less: Audit fees	(3,638)
March 31, 2014 surplus, as restated	\$ 26,193

Adjustment to the 2014 general fund balance

March 31, 2014 general fund balance, as previously stated	\$ 1,476
Less: Audit fees	(3,638)
March 31, 2014 general fund balance, as restated	\$ (2,162)