

**MICS HEALTHCARE FOUNDATION**

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

**MARCH 31, 2016**

## 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, 2016 and the statements of operations and fund balances and cash flows 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 qualified audit opinion.

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

### *Basis for Qualified Opinion*

In common with many not-for-profit organization, the organization derives revenue from donations throughout the year. Adequate controls were not in place throughout the year to allow us to obtain satisfactory audit verification as to the completeness of these revenues. 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 donation revenues, changes in fund balances and cash flows for the year ended March 31, 2016.

### *Qualified Opinion*

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 preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the MICS Healthcare Foundation as at March 31, 2016 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.

*Collins Barrow Gagné Gagnon Bisson Hébert*

Chartered Professional Accountants  
Licenced Public Accountants  
November 1, 2016

# MICS HEALTHCARE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2016

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# MICS HEALTHCARE FOUNDATION

## STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED MARCH 31, 2016

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2016 Total	2015 Total
<b>REVENUE</b>						
Donations and fundraising	\$ -	\$ 393	\$ -	\$ 100	\$ 493	\$ 651
<b>EXPENSES</b>						
Audit fees	2,706	-	-	-	2,706	2,933
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	(2,706)	393	-	100	(2,213)	(2,282)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	(5,095)	4,015	360	2,155	1,435	27,669
<b>DONATIONS TO HOSPITALS</b>	-	-	-	-	-	(23,952)
<b>FUND BALANCES, END OF YEAR</b>	\$ (7,801)	\$ 4,408	\$ 360	\$ 2,255	\$ (778)	\$ 1,435

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

# MICS HEALTHCARE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2016

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	2016 Total	2015 Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 1,433	\$ -	\$ 200	\$ 295	\$ 1,928	\$ 862
HST rebate receivable	236	-	-	-	236	573
Interfund balance (note 3)	(6,528)	4,408	160	1,960	-	-
	\$ (4,859)	\$ 4,408	\$ 360	\$ 2,255	\$ 2,164	\$ 1,435
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 2,942	\$ -	\$ -	\$ -	\$ 2,942	\$ -
<b>FUND BALANCES</b>						
Unrestricted	(7,801)	4,408	360	2,255	(778)	1,435
	\$ (4,859)	\$ 4,408	\$ 360	\$ 2,255	\$ 2,164	\$ 1,435

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, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit) for the year	\$ (2,213)	\$ (2,282)
Changes in:		
HST rebate receivable	337	(256)
Accounts payable and accrued liabilities	2,942	(3,955)
	<u>1,066</u>	<u>(6,493)</u>
<b>INVESTING ACTIVITIES</b>		
Donations to hospitals	-	(23,952)
Payments to related parties	-	(137,411)
	<u>-</u>	<u>(161,363)</u>
<b>CHANGE IN CASH POSITION</b>	1,066	(167,856)
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>862</u>	<u>168,718</u>
<b>CASH POSITION, END OF YEAR</b>	\$ 1,928	\$ 862

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

# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

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### 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.

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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.

#### 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*

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.



## MICS HEALTHCARE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

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

##### FINANCIAL INSTRUMENTS (CONT'D)

###### *Measurement (cont'd)*

Financial instruments measured at amortized cost include cash, HST rebate receivable and accounts payable and accrued liabilities.

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 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. Items requiring the use of significant estimates includes the accrued liabilities. 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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# MICS HEALTHCARE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

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### 4. FINANCIAL INSTRUMENT RISKS

The financial instruments of the Foundation and the nature of the risks to which it may be subject are as follows:

#### CREDIT RISK

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation is exposed to credit risk in the event of non-payment from 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 relates to the risk the Foundation will encounter difficulty in meeting its obligations associated with financial liabilities. The Foundation closely monitors its cash flows requirements 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.

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