MICS HEALTHCARE FOUNDATION

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2025

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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, 2025, 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, 2025, 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
In common with many not-for-profit organizations, the Foundation derives revenue from 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. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and March 31, 2024, or net assets as at March 31, 2025 and March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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.

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.

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INDEPENDENT AUDITOR'S REPORT, (CONT'D)

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.

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.

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

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 23, 2025

MICS HEALTHCARE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2025

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MICS HEALTHCARE FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED MARCH 31, 2025

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	Total 2025	Total 2024
REVENUES						
Fundraising activities	$ 33,150	$ 2,750	$ 215,515	$ 265	$ 251,680	$ 283,418
Donations	7,875	2,083	196,272	48,423	254,653	97,637
Grants	25,605	-	-	-	25,605	35,000
Interest income	5,699	-	53,109	-	58,808	46,868
	72,329	4,833	464,896	48,688	590,746	462,923
EXPENSES						
Advertising and promotion	-	-	4,634	-	4,634	6,353
Commission and fees	-	-	22,011	-	22,011	30,508
Licenses, dues and subscriptions	240	150	2,311	-	2,701	2,263
Office and administration	1,902	-	435	200	2,537	2,023
Prizes	-	-	115,355	-	115,355	149,450
Professional fees	7,500	-	-	-	7,500	6,470
Salaries and benefits	85,174	-	-	-	85,174	67,232
Supplies	-	1,776	38	-	1,814	5,928
Travel	84	-	1,197	-	1,281	1,275
	94,900	1,926	145,981	200	243,007	271,502
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	(22,571)	2,907	318,915	48,488	347,739	191,421
DONATIONS TO HOSPITALS (Note 4)	-	-	(65,134)	(20,709)	(85,843)	(856,627)
SURPLUS (DEFICIT) FOR THE YEAR	(22,571)	2,907	253,781	27,779	261,896	(665,206)
FUND BALANCE, BEGINNING OF YEAR	(47,788)	11,299	1,159,628	695,792	1,818,931	2,484,137
FUND BALANCE, END OF YEAR	$ (70,359)	$ 14,206	$ 1,413,409	$ 723,571	$ 2,080,827	$ 1,818,931

MICS HEALTHCARE FOUNDATION

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	Total 2025	Total 2024
ASSETS						
CURRENT ASSETS						
Cash	$ 79,837	$ 4,406	$ 280,412	$ 699,334	$ 1,063,989	$ 816,887
Accounts receivable	11,411	-	-	-	11,411	43,054
Short term investments (Note 3)	-	-	1,144,058	-	1,144,058	1,065,949
Due from related parties (Note 4)	-	-	1,836	1,419	3,255	3,255
Interfund balance (Note 5)	(19,721)	9,800	(12,897)	22,818	-	-
	$ 71,527	$ 14,206	$ 1,413,409	$ 723,571	$ 2,222,713	$ 1,929,145
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 99	$ -	$ -	$ -	$ 99	$ 198
Due to related party (Note 4)	141,787	-	-	-	141,787	110,016
	141,886	-	-	-	141,886	110,214
FUND BALANCE	(70,359)	14,206	1,413,409	723,571	2,080,827	1,818,931
	$ 71,527	$ 14,206	$ 1,413,409	$ 723,571	$ 2,222,713	$ 1,929,145

Approved on behalf of the board

Suzanne De Laplante, Director

Gilles Forget, Director

MICS HEALTHCARE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2025

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	Total 2025	Total 2024
OPERATING ACTIVITIES						
Surplus (deficit) for the year	$ (22,571)	$ 2,907	$ 253,781	$ 27,779	$ 261,896	$ (665,206)
Changes in:						
Accounts receivable	31,643	-	-	-	31,643	(37,755)
Interfund balance	1,317	(1,306)	(32,523)	32,512	-	-
Accounts payable and accrued liabilities	(99)	-	-	-	(99)	(184)
	10,290	1,601	221,258	60,291	293,440	(703,145)
INVESTING ACTIVITY						
Purchase of investments	-	-	(78,109)	-	(78,109)	(54,186)
FINANCING ACTIVITY						
Advances from related parties	31,771	-	-	-	31,771	36,954
CHANGE IN CASH POSITION	42,061	1,601	143,149	60,291	247,102	(720,377)
CASH POSITION, BEGINNING OF YEAR	37,776	2,805	137,263	639,043	816,887	1,502,575
CASH POSITION, END OF YEAR	$ 79,837	$ 4,406	$ 280,412	$ 699,334	$ 1,063,989	$ 816,887

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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.

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.

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

The Foundation recognizes interest revenue and other revenues as earned.

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 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.

Related party financial instruments that do not have repayment terms are recorded at cost, determined using the consideration transferred or received. If the consideration transferred or received has repayment terms, then the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, of the financial instrument transferred as consideration. If, however, the consideration transferred is an asset or liability that does not have repayment terms, the cost is initially recognized at the carrying or exchange amount of the consideration transferred or received, depending on the circumstances. The exchange amount is used when the transaction is in the normal course of operations or the transaction is not in the normal course of operations but has commercial substance, the change in ownership interest is substantive and the amount of consideration transferred or received is supported by independent evidence. Otherwise, the consideration transferred or received is recorded at the carrying amount.

Financial instruments measured at amortized cost include cash, accounts receivable, due from related parties, investments, accounts payable and accrued liabilities and due to related party.

The Foundation has no financial assets measured at fair value.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS, (CONT'D)

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. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period in which they become known. The significant estimates used by management in preparing these financial statements are for accrued liabilities. Actual results could differ from those estimates.

3. SHORT TERM INVESTMENTS

	2025	2024
Savings account	$ 7,713	$ 1,234
GIC, interest rate of 3.00%, maturing in November 2025	568,172	527,283
GIC, interest rate of 3.00%, maturing in November 2025	568,173	517,283
GIC, interest rate of 4.30%, matured in December 2024	-	20,149
	$ 1,144,058	$ 1,065,949

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

4. RELATED PARTY TRANSACTIONS

The Foundation is related to Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital as well as the MICS Group of Health Services by virtue of common control and its economic interest in the Foundation.

During the year, the Foundation incurred the following transactions with the MICS Group of Health Services:

	2025	2024
EXPENSES		
Advertising and promotion	$ 294	$ 213
Salaries and benefits	85,174	67,232
Supplies	135	4,642
Travel	-	975
	85,603	73,062

The Foundation also donated the following amounts to the hospitals:

DONATIONS TO HOSPITALS		
Donation to Anson General Hospital	65,134	459,117
Donation to Lady Minto Hospital	20,709	397,510
	$ 85,843	$ 856,627

These 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.

The amount due from and due to related parties are as follows:

	2025	2024
Due from related parties		
Due from Anson General Hospital	$ 1,836	$ 1,836
Due from Lady Minto Hospital	1,419	1,419
	3,255	3,255
Due to related party		
Due to MICS Group of Health Services	$ 141,787	$ 110,016

The amount due from and to related parties are interest free, unsecured with no specific terms of repayment.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

5. INTERFUND BALANCE

The Foundation receives and disburses transactions relating to the other funds using the cash from other funds. There are also transfers of cash between funds. As a result, the Foundation has interfund balances due to and from the various funds. There are no specified conditions or terms on these interfund balances.

6. LETTER OF GUARANTEE

The Foundation has a commercial letter of guarantee in place with the Caisse Desjardins Ontario to support its 50/50 draw operations. The maximum potential liability under this guarantee is $72,000 and it is subject to an annual interest rate of 6.7%. The guarantee has no specified duration and would be triggered if the Foundation fails to remit the prize amount to the winner. As of year-end, no amounts have been paid under this guarantee, and management does not expect the guarantee to be called upon.

7. 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.