MICS HEALTHCARE FOUNDATION

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2026

Baker Tilly HKC
2 Ash Street, Suite 2
Kapuskasing, ON
Canada P5N 3H4

T: 705.337.6411
F: 705.335.6563

kapuskasing@bakertilly.ca
www.bakertilly.ca

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, 2026, 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, 2026, 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, 2026 and March 31, 2025, or net assets as at March 31, 2026 and March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2025 was also 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.

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
Licensed Public Accountants
October 27, 2026

MICS HEALTHCARE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2026

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MICS HEALTHCARE FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED MARCH 31, 2026

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	Total 2026	Total 2025
REVENUES						
Fundraising activities	$ 16,195	$ -	$ 145,530	$ -	$ 161,725	$ 251,680
Donations	13,084	1,241	393,263	12,921	420,509	254,653
Grants	30,451	-	-	-	30,451	25,605
Interest income	1,405	-	26,234	-	27,639	58,808
	61,135	1,241	565,027	12,921	640,324	590,746
EXPENSES						
Advertising and promotion	-	-	250	-	250	4,634
Commission and fees	-	-	11,752	-	11,752	22,011
Licenses, dues and subscriptions	-	-	1,685	-	1,685	2,701
Office and administration	1,076	-	218	-	1,294	2,537
Prizes	-	-	85,870	-	85,870	115,355
Professional fees	7,500	-	-	-	7,500	7,500
Salaries and benefits	82,281	-	-	-	82,281	85,174
Supplies	-	-	955	-	955	1,814
Travel	187	-	421	-	608	1,281
	91,044	-	101,151	-	192,195	243,007
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	(29,909)	1,241	463,876	12,921	448,129	347,739
DONATIONS TO HOSPITALS (Note 4)	-	-	(32,673)	(640,000)	(672,673)	(85,843)
SURPLUS (DEFICIT) FOR THE YEAR	(29,909)	1,241	431,203	(627,079)	(224,544)	261,896
FUND BALANCE, BEGINNING OF YEAR	(70,359)	14,206	1,413,409	723,571	2,080,827	1,818,931
FUND BALANCE, END OF YEAR	$ (100,268)	$ 15,447	$ 1,844,612	$ 96,492	$ 1,856,283	$ 2,080,827

MICS HEALTHCARE FOUNDATION

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	Total 2026	Total 2025
ASSETS						
CURRENT ASSETS						
Cash	$ 106,042	$ 4,871	$ 663,488	$ 65,620	$ 840,021	$ 1,063,989
Accounts receivable	4,334	-	-	-	4,334	11,411
Short term investments (Note 3)	-	-	1,211,503	-	1,211,503	1,144,058
Due from related parties (Note 4)	-	-	5,681	-	5,681	3,255
Interfund balance (Note 5)	(20,085)	10,576	(36,060)	45,569	-	-
	$ 90,291	$ 15,447	$ 1,844,612	$ 111,189	$ 2,061,539	$ 2,222,713
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 108	$ -	$ -	$ -	$ 108	$ 99
Due to related party (Note 4)	190,451	-	-	14,697	205,148	141,787
	190,559	-	-	14,697	205,256	141,886
FUND BALANCE	(100,268)	15,447	1,844,612	96,492	1,856,283	2,080,827
	$ 90,291	$ 15,447	$ 1,844,612	$ 111,189	$ 2,061,539	$ 2,222,713

COMMITMENTS (Note 6)

Approved on behalf of the board

_____, Director _____, Director

MICS HEALTHCARE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026

	General Fund	Bingham Memorial Hospital	Anson General Hospital	Lady Minto Hospital	Total 2026	Total 2025
OPERATING ACTIVITIES						
Surplus (deficit) for the year	$ (29,909)	$ 1,241	$ 431,203	$ (627,079)	$ (224,544)	$ 261,896
Changes in:						
Accounts receivable	7,077	-	-	-	7,077	31,643
Interfund balance	364	(776)	23,163	(22,751)	-	-
Accounts payable and accrued liabilities	9	-	-	-	9	(99)
	(22,459)	465	454,366	(649,830)	(217,458)	293,440
INVESTING ACTIVITIES						
Purchase of investments	-	-	(92,397)	-	(92,397)	(78,109)
Disposition of investments	-	-	24,952	-	24,952	-
	-	-	(67,445)	-	(67,445)	(78,109)
FINANCING ACTIVITY						
Advances from (to) related parties	48,664	-	(3,845)	16,116	60,935	31,771
CHANGE IN CASH POSITION	26,205	465	383,076	(633,714)	(223,968)	247,102
CASH POSITION, BEGINNING OF YEAR	79,837	4,406	280,412	699,334	1,063,989	816,887
CASH POSITION, END OF YEAR	$ 106,042	$ 4,871	$ 663,488	$ 65,620	$ 840,021	$ 1,063,989

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

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 have been prepared using the accrual basis of accounting. Revenues are recognized in accordance with the Foundation's revenue recognition policies, and expenses are recognized in the period in which they are incurred, regardless of when they are paid.

RESTRICTED FUND ACCOUNTING

The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Foundation's unrestricted revenues, expenses and general operating activities. The General Fund also accounts for restricted contributions for which no corresponding restricted fund is presented, using the deferral method where applicable.

The Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital funds account for resources restricted or designated for the respective hospitals.

Externally restricted contributions are recognized as revenue of the corresponding hospital fund when received or receivable, provided the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the General Fund when received or receivable, provided the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts subsequently designated by the Board of Directors for specific hospital purposes are reported as interfund transfers rather than revenue of the restricted funds.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

REVENUE RECOGNITION

Restricted contributions and grants are recognized as revenue of the appropriate fund in the period in which they are received or receivable.

Unrestricted contributions and grants are recognized as revenue of the General Fund in the period in which they are received or receivable.

Revenue from fundraising activities, including raffle ticket sales, is recognized when the related fundraising activity or draw occurs and the revenue has been earned. Where applicable, proceeds received before completion of the related activity are deferred until the appropriate recognition period.

Interest income is recognized as earned.

CONTRIBUTED SERVICES

Contributed materials and services are recognized when their fair value can be reasonably estimated and when they are used in the normal course of the Foundation's operations and would otherwise have been purchased.

Volunteers contribute services to assist the Foundation in carrying out its activities. Because the fair value of these services cannot be reasonably estimated, these services are not recognized in the financial statements.

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.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS, (CONT'D)

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.

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. Actual results could differ from those estimates.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

3. SHORT TERM INVESTMENTS

	2026	2025
Savings account	$ 16,116	$ 7,713
GIC, interest rate of 1.50%, renewable, maturing in November 2026	597,693	568,172
GIC, interest rate of 1.50%, renewable, maturing in November 2026	597,694	568,173
	$ 1,211,503	$ 1,144,058

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.

The expenses charged by the MICS Group of Health Services relate primarily to reimbursed transactions. These expenses are recorded at the exchange amount, being the amount of consideration established and agreed to by the related parties.

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

	2026	2025
EXPENSES		
Advertising and promotion	$ -	$ 294
Salaries and benefits	82,281	85,174
Supplies	623	135
	82,904	85,603

The Foundation also donated the following amounts to the hospitals:

DONATIONS TO HOSPITALS		
Donation to Anson General Hospital	32,673	65,134
Donation to Lady Minto Hospital	640,000	20,709
	$ 672,673	$ 85,843

The Foundation is continually undertaking fundraising activities in support of purchasing medical equipment and funding special programs or development costs. Funds raised for these purposes are included in the respective fund. As at March 31, 2026, the Foundation has not yet committed to a specific amount of funding towards these projects.

MICS HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

4 RELATED PARTY TRANSACTIONS, (CONT'D)

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

	2026	2025
Due from related parties		
Due from Anson General Hospital	$ 5,681	$ 1,836
Due from Lady Minto Hospital	-	1,419
	5,681	3,255
Due to related party		
Due to MICS Group of Health Services	190,451	141,787
Due to Lady Minto Hospital	14,697	-
	$ 205,148	$ 141,787

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

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 arranged for a commercial letter of guarantee with Caisse Desjardins Ontario in connection with its 50/50 fundraising activities. The maximum amount payable under the guarantee is $72,000. The guarantee may be called upon if the Foundation is unable to remit the required prize amount to a draw winner. The agreement has no specified expiry date. During the year, no payments were required under the guarantee. Management does not anticipate that the guarantee will 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.