

**HÔPITAL MONTFORT**  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2025

## HÔPITAL MONTFORT

### TABLE OF CONTENTS

	PAGE
Management Responsibilities	1
Independent Auditor's Report	2
Non-consolidated Financial Statements	
Non-consolidated Statement of Financial Position	5
Non-consolidated Statement of Changes in Fund Balances	6
Non-consolidated Statement of Reassessment Gains – Operating Fund	7
Non-consolidated Statement of Operations	8
Non-consolidated Statement of Cashflow	9
Notes to the Non-consolidated Financial Statements	10

## MANAGEMENT RESPONSIBILITIES

The Hospital's management is responsible for the non-consolidated financial statements, the notes and all other financial information contained in this financial report.

Management has prepared the non-consolidated financial statements in accordance with Canadian public sector accounting standards. In order to achieve the objective of fair presentation in all material respects, reasonable estimates and professional judgements were used. Management believes the non-consolidated financial statements present fairly the Hospital's financial position as at March 31, 2025, as well as its changes in fund balances, its remeasurement gains (losses), and the results of its operations and its cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that Hospital assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of non-consolidated financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the non-consolidated financial statements. The Board of Directors carries out its responsibility for review of the non-consolidated financial statements principally through the Management and Audit Committee. The Management and Audit Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The external auditors have full access to the Management and Audit Committee with or without the presence of management.

The non-consolidated financial statements for the year ended March 31, 2025 have been audited by Marcil Lavallée, Chartered Professional Accountants, Licensed Public Accountants, the independent external auditors appointed by the members of the Montfort Hospital Association. The accompanying Independent Auditor's Report outlines their professional opinion on the Hospital's non-consolidated financial statements, their responsibilities and the scope of their examination.



Dominic Giroux  
President and Chief Executive Officer



Guy Couture  
Senior Vice President, Finance and Administration

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Association  
Hôpital Montfort

### Report on the Non-consolidated Financial Statements

#### *Opinion*

We have audited the non-consolidated financial statements of Hôpital Montfort, which comprise the non-consolidated statement of financial position as at March 31, 2025 and the non-consolidated statements of changes in fund balances, accumulated remeasurement gains – Operating Fund, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of Hôpital Montfort as at March 31, 2025, and the results of its non-consolidated operations, its accumulated remeasurement gains and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (“PSAS”).

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). 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 Hôpital Montfort 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 opinion.

#### *Other Matter*

The financial statements for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 30, 2024.

#### *Responsibilities of Management and Those Charged with Governance for the non-consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for Hôpital Montfort'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 Hôpital Montfort or to cease operations, or has no realistic alternative but to do so.

**Marcil Lavallée**

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**MOORE**  
Un membre indépendant de  
Moore North America, Inc.  
An independent member  
of Moore North America, Inc.

Those charged with governance are responsible for overseeing Hôpital Montfort's financial reporting process.

*Auditor's Responsibilities for the Audit of the non-consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 GAAS 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 non-consolidated financial statements.

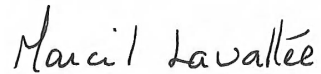
As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated 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 Hôpital Montfort'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 Hôpital Montfort'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 non-consolidated 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 Hôpital Montfort to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

**Report on Other Legal and Regulatory Requirements**

As required by the Ontario Not-for-Profit Corporations Act, 2010, we report that, in our opinion, these accounting policies contained in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
May 29, 2025

**Marcil Lavallée**

# HÔPITAL MONTFORT

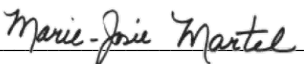
## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

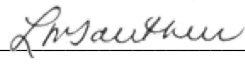
MARCH 31, 2025

5

	Operating Fund	Contingency Fund	Reserve Fund for Capital Assets	2025 Total	2024 Total (restated) (note 2)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 18,248,809	\$ 16,934,202	\$ 1,932,200	\$ 37,115,211	\$ 26,681,468
Accounts receivable (Note 4)	20,756,191	-	-	20,756,191	24,782,678
Inventories	1,803,151	-	-	1,803,151	1,845,931
Prepaid expenses	4,691,708	-	-	4,691,708	4,683,902
Current portion of investments (Note 5)	2,111,460	990,000	3,214,000	6,315,460	15,065,694
Interfund advances, without interest	599,701	2,000,000	(2,599,701)	-	-
	48,211,020	19,924,202	2,546,499	70,681,721	73,059,673
<b>INVESTMENTS (Note 5)</b>	74,517	1,746,079	28,298,341	30,118,937	30,645,084
<b>CAPITAL ASSETS (Note 6)</b>	243,788,059	-	-	243,788,059	251,665,041
<b>INTANGIBLE ASSETS (Note 7)</b>	5,143,314	-	-	5,143,314	7,263,849
	249,005,890	1,746,079	28,298,341	279,050,310	289,573,974
	\$ 297,216,910	\$ 21,670,281	\$ 30,844,840	\$ 349,732,031	\$ 362,633,647
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities (Note 9)	\$ 39,850,029	\$ -	\$ -	\$ 39,850,029	\$ 46,532,911
Deferred revenue	99,203	-	-	99,203	315,157
	39,949,232	-	-	39,949,232	46,848,068
<b>EMPLOYEE FUTURE BENEFITS (Note 10)</b>	14,091,630	-	-	14,091,630	13,196,332
<b>ASSET RETIREMENT OBLIGATIONS (Note 11)</b>	1,731,846	-	-	1,731,846	1,666,999
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 12)</b>	192,706,313	-	-	192,706,313	201,666,838
<b>ACCRUED LIABILITY FOR SOCIAL OBLIGATIONS</b>	3,381,468	-	-	3,381,468	-
	211,911,257	-	-	211,911,257	216,530,169
	251,860,489	-	-	251,860,489	263,378,237
<b>FUND BALANCES</b>					
Operating Fund	45,353,401	-	-	45,353,401	53,995,704
Contingency Fund	-	21,670,281	-	21,670,281	15,179,860
Reserve Fund for Capital Assets	-	-	-	-	-
Life cycle of buildings - local share	-	-	30,844,840	30,844,840	30,051,449
	45,353,401	21,670,281	30,844,840	97,868,522	99,227,013
Accumulated remeasurement gains	3,020	-	-	3,020	28,397
	45,356,421	21,670,281	30,844,840	97,871,542	99,255,410
	\$ 297,216,910	\$ 21,670,281	\$ 30,844,840	\$ 349,732,031	\$ 362,633,647

ON BEHALF OF THE BOARD

 , Director

 , Director

# HÔPITAL MONTFORT

## NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED MARCH 31, 2025

6

	Operating Fund	Contingency Fund	Reserve Fund for Capital Assets Life cycle of buildings - local share	2025 Total	2024 Total (restated) (Note 2)
<b>OPENING BALANCE, BEFORE RESTATEMENTS</b>	\$ 55,726,750	\$ 15,179,860	\$ 30,051,449	\$ 100,958,059	\$ 100,031,873
Restatements of previous years (Note 2)	(1,731,046)	-	-	(1,731,046)	1,134,202
<b>OPENING BALANCE, RESTATED</b>	53,995,704	15,179,860	30,051,449	99,227,013	101,166,075
Excess (deficiency) of revenue over expenses	(2,685,672)	533,790	793,391	(1,358,491)	(1,939,062)
Interfund transfer (Note 13)	(5,956,631)	5,956,631	-	-	-
<b>BALANCE, END OF YEAR</b>	\$ 45,353,401	\$ 21,670,281	\$ 30,844,840	\$ 97,868,522	\$ 99,227,013



# HÔPITAL MONTFORT

## NON-CONSOLIDATED STATEMENT OF ACCUMULATED REMEASUREMENT GAINS – OPERATING FUND FOR THE YEAR ENDED MARCH 31, 2025

7

	2025	2024
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	28,397	37,282
Unrealized gains (losses) on exchange rate	(25,377)	(8,885)
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	3,020	28,397

# HÔPITAL MONTFORT

## NON-CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2025

8

	Operating Fund	Contingency Fund	Reserve Fund for Capital Assets	2025 Total	2024 Total (restated) (note 2)
<b>REVENUES</b>					
Ministry of Health of Ontario and Ontario Health allocations	\$ 239,451,086	\$ -	\$ -	\$ 239,451,086	\$ 225,915,020
Patient services	47,779,931	-	-	47,779,931	43,693,024
Ancillary services and other	6,337,759	-	-	6,337,759	4,270,233
Specifically funded programs	4,664,898	-	-	4,664,898	4,203,138
Room differential and patients' co-payment	2,640,273	-	-	2,640,273	2,107,199
Interest and other investment income	807,062	533,790	793,391	2,134,243	2,441,457
Amortization of deferred contributions related to capital assets (Note 12)	10,511,983	-	-	10,511,983	10,594,132
	<b>312,192,992</b>	<b>533,790</b>	<b>793,391</b>	<b>313,520,173</b>	<b>293,224,203</b>
<b>EXPENSES</b>					
Salaries	145,934,084	-	-	145,934,084	139,557,573
Employee benefits	44,642,723	-	-	44,642,723	40,723,341
Supplies and other expenses (Note 14)	56,604,576	-	-	56,604,576	53,307,310
Medical fees	24,737,465	-	-	24,737,465	23,645,465
Medical and surgical supplies	13,866,857	-	-	13,866,857	14,177,385
Drugs	4,504,792	-	-	4,504,792	4,538,826
Specifically funded programs	4,664,898	-	-	4,664,898	4,203,138
Amortization of capital assets	16,488,292	-	-	16,488,292	16,291,410
Amortization of intangible assets	3,434,977	-	-	3,434,977	3,640,255
	<b>314,878,664</b>	<b>-</b>	<b>-</b>	<b>314,878,664</b>	<b>300,084,704</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE PRIOR YEARS ADJUSTEMENT</b>					
	(2,685,672)	533,790	793,391	(1,358,491)	(6,860,501)
Prior years adjustment	-	-	-	-	4,921,439
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>					
	<b>\$ (2,685,672)</b>	<b>\$ 533,790</b>	<b>\$ 793,391</b>	<b>\$ (1,358,491)</b>	<b>\$ (1,939,062)</b>

# HÔPITAL MONTFORT

## NON-CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

9

	2025	2024 Total (restated) (note 2)
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (1,358,491)	\$ (1,939,062)
<b>Adjustments for:</b>		
Amortization of capital assets	16,488,292	16,291,410
Amortization of intangible assets	3,434,977	3,640,255
Amortization of contributions related to capital assets	(10,511,983)	(10,594,132)
Amortization of premiums/discounts on investments	(149,571)	(166,151)
Loss on write-off of capital assets	3,725	1,735
Variation of asset retirement obligations	64,848	544,991
Variation of employee future benefits	895,298	544,201
	8,867,095	8,323,247
<b>Net change in non-cash working capital items (Note 15)</b>	<b>(3,173,699)</b>	<b>(8,056,221)</b>
	5,693,396	267,026
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(8,278,715)	(10,571,083)
Disposal of capital assets	-	18,000
Acquisition of intangible assets	(1,314,442)	(305,625)
Acquisition of investments	(20,996,132)	(7,683,990)
Disposal of investments	30,396,710	9,612,785
	(192,579)	(8,929,913)
<b>FINANCING ACTIVITIES</b>		
Increase in deferred contributions related to capital assets (Note 12)	1,551,458	2,318,185
Increase in accrued liability for social obligations	3,381,468	-
	4,932,926	2,318,185
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>10,433,743</b>	<b>(6,344,702)</b>
<b>CASH AND CASH EQUIVALENT, BEGINNING OF YEAR</b>	<b>26,681,468</b>	<b>33,026,170</b>
<b>CASH AND CASH EQUIVALENT, END OF YEAR</b>	<b>\$ 37,115,211</b>	<b>\$ 26,681,468</b>

Cash and cash equivalents consist of cash.

#### 1. STATUTE AND NATURE OF OPERATIONS

Hôpital Montfort (the “Hospital”), a corporation without share capital, incorporated on July 15, 1969 under the Ontario Non-Profit Organizations Act, 2010 (formerly Corporations Act of Ontario), is a not-for-profit organization dedicated to patient care, education of health professionals and medical science advancement. The Hospital is a registered charity under the Income Tax Act and, as such, is exempt from income tax. Continued operations are dependent upon the receipt of funding from the Ministry of Health (“MOH”) through Ontario Health (“OH”).

Under the Health Insurance Act and the regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the MOH and OH. These financial statements reflect agreed funding arrangements approved by the MOH and OH with respect to the year ended March 31, 2025.

#### 2. RESTATEMENTS OF PRIOR YEARS

During the fiscal year ended March 31, 2024, the Ministry provided additional funding related to volumes of surgical procedures. Revenue in the amount of \$1,731,046 was recognized although the required volumes had not been met. Consequently, a prior period adjustment was recorded to correct the overstatement of ministerial allocation revenue. This adjustment resulted in a reduction of revenue for the fiscal year ended March 31, 2024, by \$1,731,046, an increase in accounts payable and accrued liabilities by the same amount, and a decrease of the deficiency of revenues over expenses for the fiscal year ended March 31, 2024, by \$1,731,046.

Additionally, a restatement for the fiscal year ended March 31, 2024, was necessary to reduce the value of the asset retirement obligations. This restatement resulted in a reduction of the asset retirement obligations by \$1,868,469 as of March 31, 2024. It also led to an increase in the net book value of buildings by \$734,267 as of March 31, 2024, and an increase in fund balances as of April 1, 2023, by \$1,134,202.

#### 3. ACCOUNTING POLICIES

The non-consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The Hospital elected to apply the sections of the PS-4200 series for non-profit organizations of the public sector. These non-consolidated financial statements include the following significant accounting policies:

##### **Controlled entities**

The Hospital has control over Santé Montfort as the majority of its Board members are also members of the Hospital's Board of Directors. The Hospital also has control over Institut du savoir Montfort (the “Institute”) as its sole member. The Institute is accountable to the Hospital's Board of Directors. The financial results of these entities are not consolidated in the financial statements of the Hospital but are presented in Note 16.

### 3. ACCOUNTING POLICIES (continued)

#### **Fund accounting**

The Hospital accounts for its activities within various funds. The Operating Fund covers its daily operations. The Contingency Fund covers non-recurrent expenses. The Reserve Fund for Capital Assets "Fund for Life Cycle of Buildings – Local Share" is dedicated to financing future major capital projects.

#### **Financial instruments**

The Hospital evaluates its financial assets and liabilities in the following manner:

##### *Cash*

Cash is measured at fair value.

##### *Accounts receivable*

Accounts receivable are measured at amortized cost using the effective interest method. Gains and losses related to the derecognition of these financial assets are recognized in the non-consolidated statement of operations in the period in which they arise.

##### *Investments*

Investments are measured at amortized cost of the premium or discount, if applicable. Investments fair value is presented in Note 5. Fair value is based on active market and valuation technique based on observable data.

##### *Financial liabilities*

Accounts payable and accrued liabilities are measured at amortized cost using the effective interest method. Gains and losses related to the derecognition of these financial liabilities are recognized in the non-consolidated statement of operations in the period in which they arise.

#### **Asset retirement obligations**

Asset retirement obligations (ARO's) are provisions for legal obligations for the retirement of the Hospital's tangible capital assets that are either in productive use or no longer in productive use.

An ARO liability is recognized when, as at the financial reporting date:

- a) there is a statutory, contractual, or legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and
- d) a reasonable estimate of the amount can be made.

### 3. ACCOUNTING POLICIES (continued)

#### Asset retirement obligations (continued)

Liabilities are recognized by the Hospital in the period in which an obligation arises for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the tangible capital assets. The obligations are measured initially at management's best estimate of the present value of the estimated future cash flows required to settle the retirement obligation. For tangible capital assets that are still in productive use, the carrying amount of the related asset is increased accordingly. For assets that are no longer recognized or in productive use, the liability is recognized in the period. In subsequent periods, the liability is expensed over time and adjusted for changes in the liability estimate, as applicable or timing of the future cash flows. The capitalized asset retirement costs are amortized on the same basis as the related asset, and accretion expense is included in the statement of operations.

#### Use of estimates

The preparation of non-consolidated financial statements in compliance with the Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenses for the period covered. The main estimates relate to the value of the allowance for doubtful accounts, cost and net realizable value of inventories, impairment of financial assets, useful life of capital assets, certain accrued liabilities, the value of the employee future benefits, the accrued liability for social obligations and the value of the asset retirement obligations. Actual amounts could differ from these estimates.

The revenue recognized from the MOH and OH requires some estimation.

The Hospital has entered into accountability agreements that set out the rights and obligations of the parties in respect of funding provided to the Hospital by the MOH and OH for the years ended March 31, 2025, and 2024. The accountability agreements set out certain performance standards and obligations that establish acceptable results for the Hospital's performance in several areas.

If the Hospital does not meet its performance standards or obligations, the MOH/OH have the right to adjust funding received by the Hospital. Neither the MOH nor OH are required to communicate certain funding adjustments until after submission of year end data. Since this data is not submitted until after the completion of the financial statements, the amount of the MOH/OH funding received during a year may be increased or decreased subsequent to year end. The amount of revenue recognized in these financial statements represents management's best estimates of amounts earned during the year.

#### Contributed services

The Hospital records significant in-kind contributions at fair value when it can be easily determined, the services are used in the normal course of its activities and if the Hospital would have had to otherwise acquire these services for its normal operations.

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the non-consolidated financial statements.

### 3. ACCOUNTING POLICIES (continued)

#### Revenue recognition

The Hospital follows the deferral method of accounting for contributions, including the allocations from OH.

As provided under the *Local Health Integration Act*, 2006, the Hospital is funded primarily by OH. Allocations are negotiated through a Hospital Service Accountability Agreement in accordance with processes established by Ontario Health (OH) and the Ministry of Health of Ontario (MOH). Ontario Health, a Crown agency of the Government of Ontario, was established on June 6, 2019.

Allocations are recorded as revenue in the period to which they relate when received or receivable if the amount can be reasonably estimated and collection be reasonably assured.

Allocations approved but not received at the end of an accounting period are recorded as accounts receivable. When a portion of an allocation relates to a future period, it is deferred and recognized in that period.

The Hospital receives funds to operate certain programs from OH. The final amount of operating revenue recorded is approved definitively when OH reviews the Hospital's financial and statistical returns for the year. Any potential adjustments arising from the reviews of OH are recorded in the period in which the adjustment is made.

Grants and funding authorized by the MOH/OH as of the end of the fiscal year, and for which a specific purpose or use has been identified, are recognized as revenue when there is reasonable assurance that the Hospital has complied with, and will continue to comply with, all conditions necessary to earn the grant. The recognition of revenue associated with such grants requires management to make estimates and assumptions based on the best information available at the time of preparation of these non-consolidated financial statements. Final funding approved is subject to the funders' reconciliation process and could differ from these estimates.

Grants for which revenues are due but have not been received at the end of the financial year are recorded as account receivable. When a portion of a grant relates to a future period, it is recorded as deferred revenue and recognized when it becomes due.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenue from the Provincial Health Insurance Plan, other plans or services included under "Patient services and Room differential and patients' co-payment" is recognized when the goods are sold, or the services are provided.

Investment income is recognized when it is realized and becomes due.

Contributions related to capital assets received by the Hospital are deferred and recorded as revenue using the same method as the one used for the amortization of the acquired capital assets.

### 3. ACCOUNTING POLICIES (continued)

#### Inventories

Inventories are valued at the lower of cost and replacement cost, cost being determined using the weighted average cost with the exception of the drug inventories, which are valued at the first-in first-out method.

#### Capital assets

Capital assets are initially recorded at cost. The costs of capital assets received as contributions are considered to be the fair value at the date of the contribution. Capital assets are amortized on a straight-line basis over their estimated useful life as follows.

Buildings	40 years
Building service equipment	5 to 28 years
Equipment	3 to 20 years

The costs of projects in progress are accumulated and transferred as capital assets when they are ready for use.

#### Intangible assets

The intangible assets are recorded at cost. Amortization of the Electronic Health Record (EHR) software is calculated using the straight-line method over a period of five years.

The costs of software in development are accumulated and transferred as intangible assets when they are ready for use.

#### Impairment of long-lived assets

When a capital asset no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to residual value, if any. The excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

#### Employee future benefit plans

The Hospital accrues its obligations for employee future benefit plans. The costs of non-pension post-retirement and post-employment benefits earned by employees are actuarially determined using the projected benefit method prorated on the number of years of service and management's best estimate of retirement ages of employees and expected health care costs. The most recent actuarial valuation was performed as at March 31, 2025. The next required actuarial valuation will be performed as at March 31, 2028.

For purposes of calculating the current year's expenses, past service costs are recognized in the non-consolidated statement of operations when granted. The actuarial gains and losses are amortized over the average remaining service period of active employees (EARSL).



### 3. ACCOUNTING POLICIES (continued)

#### Employee future benefit plans (continued)

The Hospital is an employer member of the Healthcare of Ontario Pension Plan, which is a multi-employer defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan because of insufficient information to apply defined benefit plan accounting principles. The Hospital records as pension expense the current service cost, amortization of past service costs and interest costs related to future employer contributions to the Plan for past employee service.

#### Cash and cash equivalents

The Hospital's policy is to present bank balances, including bank indebtedness with balances that can fluctuate from being positive to overdrawn, under cash and cash equivalents.

### 4. ACCOUNTS RECEIVABLE

	0-30 days	31-90 days	91 days +	2025 Total
Allocations from the Ministry of Health of Ontario and Ontario health	\$ 1,857,759	\$ 156,758	\$ 4,144,040	\$ 6,158,557
Patient services	3,683,838	2,916,639	4,189,987	10,790,464
Santé Montfort, without interest	954,752	912,251	1,750,628	3,617,631
Fondation de l'Hôpital Montfort, without interest	131,411	-	-	131,411
Other	1,090,182	840,304	3,147,586	5,078,072
	7,717,942	4,825,952	13,232,241	25,776,135
Allowance for doubtful accounts – patient services and other	(261,189)	(190,839)	(4,567,916)	(5,019,944)
	\$ 7,456,753	\$ 4,635,113	\$ 8,664,325	\$ 20,756,191
	0-30 days	31-60 days	91 days +	2024 Total
Allocations from the Ministry of Health of Ontario and Ontario health	\$ 3,280,706	\$ 6,573	\$ 7,834,249	\$ 11,121,528
Patient services	3,340,989	3,779,501	2,029,686	9,150,176
Santé Montfort, without interest	1,195,578	1,452,660	(14,969)	2,633,269
Fondation de l'Hôpital Montfort, without interest	81,142	-	-	81,142
Institut du savoir Montfort, without interest	486,725	-	-	486,725
Other	1,512,221	1,095,069	2,816,130	5,423,420
	9,897,361	6,333,803	12,665,096	28,896,260
Allowance for doubtful accounts – patient services and other	(584,221)	(305,056)	(3,224,305)	(4,113,582)
	\$ 9,313,140	\$ 6,028,747	\$ 9,440,791	\$ 24,782,678

# HÔPITAL MONTFORT

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

16

### 5. INVESTMENTS

	2025	2024
<b>Operating Fund</b>		
<i>Investments measured at amortized cost</i>		
Guaranteed investment certificates		
Financial institutions – fair value: \$2,153,269 (2024: \$2,034,928)	\$ 2,111,460	\$ 1,984,500
Bonds		
Federal, provincial and municipal – fair value: \$0 (2024: \$3,618,189)	-	3,354,178
Accrued interest – fair value: \$74,517 (2024: \$436,025)	74,517	436,025
	<b>2,185,977</b>	<b>5,774,703</b>
Short-term investments	<b>2,111,460</b>	<b>1,984,500</b>
	<b>\$ 74,517</b>	<b>\$ 3,790,203</b>
<b>Contingency Fund</b>		
Guaranteed investment certificates		
Financial institutions – fair value: \$0 (2024: \$2,810,000)	\$ -	\$ 2,810,000
Bonds		
Financial institutions – fair value: \$1,733,598 (2024: \$3,580,283)	<b>1,692,309</b>	<b>3,569,726</b>
Federal, provincial and municipal – fair value: \$989,999 (2024: \$1,014,532)	<b>987,063</b>	<b>1,028,777</b>
Accrued interest – fair value: \$56,707 (2024: \$69,801)	<b>56,707</b>	<b>69,801</b>
	<b>2,736,079</b>	<b>7,478,304</b>
Short-term investments	<b>990,000</b>	<b>2,810,000</b>
	<b>\$ 1,746,079</b>	<b>\$ 4,668,304</b>
<b>Reserve Fund for Capital Assets</b>		
Guaranteed investment certificates		
Financial institutions – fair value: \$1,500,000 (2024: \$10,795,000)	\$ 1,500,000	\$ 10,795,000
Bonds		
Financial institutions – fair value: \$11,644,679 (2024: \$8,025,958)	<b>11,575,964</b>	<b>8,360,783</b>
Federal, provincial and municipal – fair value: \$16,347,886 (2024: \$11,991,370)	<b>16,440,374</b>	<b>12,721,319</b>
Companies – fair value: \$1,735,979 (2024: \$292,933)	<b>1,704,067</b>	<b>309,721</b>
Accrued interest – fair value: \$291,936 (2024: \$270,948)	<b>291,936</b>	<b>270,948</b>
	<b>31,512,341</b>	<b>32,457,771</b>
Short-term investments	<b>3,214,000</b>	<b>10,271,194</b>
	<b>\$ 28,298,341</b>	<b>\$ 22,186,577</b>

# HÔPITAL MONTFORT

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

17

### 5. INVESTMENTS (continued)

Bonds and guaranteed investment certificates of the reserve fund for capital assets, contingency fund and the operating fund mature between April 2025 and December 2051, have a rate of return varying from 1.05% to 5.21% (maturing between April 2024 and November 2036, and had a rate of return varying from 1.05% to 5.53%).

### 6. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value (restated) (Note 2)
Land	\$ 1,636,611	\$ -	\$ 1,636,611	\$ 1,636,611
Buildings	318,330,535	127,868,199	190,462,336	196,157,896
Equipment for building operations	71,921,632	39,336,878	32,584,754	30,690,889
Equipment	77,615,090	59,159,383	18,455,707	22,166,443
Projects in progress	648,651	-	648,651	1,013,202
	<b>\$ 470,152,519</b>	<b>\$ 226,364,460</b>	<b>\$ 243,788,059</b>	<b>\$ 251,665,041</b>

During the year, the Hospital purchased capital assets for \$8,687,718 (2024: \$10,150,056) and disposed of capital assets for a cost of \$10,906 and a net book value of \$3,725 (2024: cost of \$1,026,181 and net book value of \$21,024).

#### Non-monetary transactions

As at March 31, 2025, there is \$1,926,814 (2024: \$1,590,495) in capital asset acquisitions which have not been paid and are included in accounts payable. As no cash has been used to purchase these capital assets yet, the amounts have been deducted from the respective lines in the non-consolidated statement of cash flows.

### 7. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Software - EHR	\$ 29,836,376	\$ 25,401,909	\$ 4,434,467	\$ 6,851,096
Software in development	663,973	-	663,973	329,030
Website	214,894	170,020	44,874	83,723
	<b>\$ 30,715,243</b>	<b>\$ 25,571,929</b>	<b>\$ 5,143,314</b>	<b>\$ 7,263,849</b>

During the year, the Hospital acquired intangible assets valued at \$1,314,443 (2024: \$331,494) and did not dispose of any intangible assets (2024: cost of \$1,024,563 and net book value of \$608,280).

# HÔPITAL MONTFORT

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

18

### 8. LINE OF CREDIT

The Hospital has an authorized line of credit of \$3,000,000 (2024: \$3,000,000). This line of credit bears interest at the prime rate plus 0% (2024: 0.%). As at March 31, 2025 and 2024, this line of credit was not in use.

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024 (restated) (Note 2)
Salaries, employee benefits and source deductions	\$ 22,411,364	\$ 22,521,130
Payable to vendors	11,284,746	10,076,099
Refundable to Ontario Health and the other Ontario Government agencies	5,652,367	12,910,139
Eastern Ontario Regional Laboratory Association, without interest	124,851	953,461
Institut du savoir Montfort, without interest	289,402	
Fondation de l'Hôpital Montfort, without interest	87,299	72,082
	\$ 39,850,029	\$ 46,532,911

### 10. EMPLOYEE FUTURE BENEFITS

#### Pension plan

The Hospital contributes to the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefits pension plan. It is mandatory for a full-time employee to enroll in HOOPP. This Plan is also offered to part-time and occasional employees on a voluntary basis. The Hospital's pension costs charged to operations during the year ended March 31, 2025, amounts to \$11,720,167 (2024: \$10,215,852). The most recent audited financial statements of the Plan as at December 31, 2024 indicate HOOPP is fully funded.

**10. EMPLOYEE FUTURE BENEFITS (continued)****Post-retirement benefits**

The Hospital also provides health and dental benefits as well as life insurance to its employees and extends coverage to the post-retirement period. The valuation of these other benefits is based on the actuarial valuation of March 31, 2025 (the 2024 accrued benefit obligation is based on the actuarial valuation of March 31, 2022) and extrapolated for the year ended March 31, 2025. The information regarding these benefits is as follows:

	2025	2024
<b>Plan status</b>		
Accrued benefit obligation at the beginning	\$ 11,356,883	\$ 8,826,556
Current service cost	815,933	673,793
Actuarial loss (gain) amortized	(2,575,522)	1,729,326
Interest on accrued benefit obligation	459,800	365,400
Hospital's contribution	(249,036)	(238,192)
Accrued benefit obligation at year-end	9,808,058	11,356,883
Unamortized actuarial gain	4,283,572	1,839,449
Accrued benefit liability	\$ 14,091,630	\$ 13,196,332
	2025	2024
<b>Reconciliation of the unamortized actuarial gain</b>		
Opening actuarial gain	\$ 1,839,449	\$ 3,825,575
Amortization of actuarial gain	(131,400)	(256,800)
Amortized actuarial loss (gain)	2,575,523	(1,729,326)
	\$ 4,283,572	\$ 1,839,449

**10. EMPLOYEE FUTURE BENEFITS (continued)****Post-retirement benefits (continued)**

	2025	2024
<b>Actuarial assumptions</b>		
Discount rate on liabilities	3.89%	3.95%
Dental cost increases	4.00%	4.00%
Extended health care increase (reduction of 0.5% per year until the minimum rate of 5.0% is reached)	5.00%	5.00%
Amortization period of actuarial losses (gains) (EARSL)	14.00 years	14.90 years

The expense for the year is detailed as follows:

	2025	2024
Current service costs	\$ 815,933	\$ 673,794
Interest on accrued benefit obligation	459,800	365,400
Amortization of actuarial gain	(131,400)	(256,800)
	<b>\$ 1,144,333</b>	<b>\$ 782,394</b>

**11. ASSET RETIREMENT OBLIGATIONS**

The Hospital has one building containing asbestos requiring remediation upon decommissioning. The Canadian Environmental Protection Act (CEPA) governs the protection of the environment and human health with respect the hazardous waste such as asbestos. There are regulations specifically regarding the handling of asbestos, such as the "Prohibition of Asbestos and Products Containing Asbestos Regulations" which are published under the authority of CEPA. In addition, the Canada Occupational Health and Safety Regulations (10.26.1 Schedule, Division II – Hazardous Substances Other than Hazardous Products) outlines requirements for asbestos exposure control plans, as well as requirements on disposal of asbestos and decontamination.

The estimated liability is the estimated total undiscounted future cash flows required to settle the asset retirement obligations.

	2025	2024 (restated) (Note 2)
Opening balance	\$ 1,666,999	\$ 1,410,032
Inflationary increase	64,847	256,967
	<b>\$ 1,731,846</b>	<b>\$ 1,666,999</b>

## 12. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets.

	2025	2024
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 201,666,838</b>	<b>\$ 209,942,785</b>
Contributions granted during the year *	<b>1,551,458</b>	2,318,185
Amortization of contributions related to capital assets		
Amortization of contributions related to buildings	<b>(8,506,767)</b>	(8,597,877)
Amortization of contributions related to equipments	<b>(2,005,216)</b>	(1,996,255)
<b>BALANCE, END OF YEAR</b>	<b>\$ 192,706,313</b>	<b>\$ 201,666,838</b>

\* The following tables present the main sources of contributions granted during the current and previous exercises. In addition, the table shows accounts receivable as at March 31, 2025 as well as revenue recognized during fiscal year 2025 related to these accounts receivable:

	Contributions granted	Accounts receivable	2025 Revenue Recognized
Fondation de l'Hôpital Montfort			
Aline-Chrétien Health Hub	<b>\$ 1,705,126</b>	<b>\$ -</b>	<b>\$ -</b>
Ontario Ministry of Health			
HIRF	<b>103,477</b>	<b>-</b>	<b>-</b>
	<b>\$ 1,808,603</b>	<b>\$ -</b>	<b>\$ -</b>

	Contributions granted	Accounts receivable	2024 Revenue Recognized
Fondation de l'Hôpital Montfort			
Aline-Chrétien Health Hub	<b>\$ 159,175</b>	<b>\$ -</b>	<b>\$ -</b>
Ontario Health			
Medical Equipment	<b>495,046</b>	<b>-</b>	<b>-</b>
Ontario Ministry of Health			
Aline-Chrétien Health Hub	<b>2,088,695</b>	<b>1,414,086</b>	<b>97,218</b>
HIRF	<b>800,000</b>	<b>-</b>	<b>-</b>
	<b>\$ 3,542,916</b>	<b>\$ 1,414,086</b>	<b>\$ 97,218</b>

# HÔPITAL MONTFORT

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

22

### 13. INTERFUND TRANSFERS

During the year, no amount (2024: \$nil) was transferred from the Life Cycle of Buildings – Local Share Fund to replace major infrastructure equipment. The Board of Directors approved an internal allocation from the Operating Fund to the Contingency Fund in the amount of \$5,956,631 (2024: \$15,000,000).

### 14. SUPPLIES AND OTHER EXPENSES

	2025	2024
Supplies	\$ 10,892,738	\$ 9,944,684
Professional fees	1,955,708	1,897,529
Purchased services	21,531,462	20,846,696
Expenses related to buildings and lots	1,337,048	1,579,759
Expenses related to equipment	11,394,599	9,211,098
Various expenses	9,493,021	9,827,544
	\$ 56,604,576	\$ 53,307,310

### 15. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2025	2024 (restated) (note 2)
Accounts receivable	\$ 4,026,485	\$ (1,510,831)
Inventories	42,780	58,962
Prepaid expenses	(7,806)	(188,033)
Long-term receivable	-	500,000
Accounts payable and accrued liabilities	(7,019,204)	(6,571,897)
Deferred revenue	(215,954)	(344,422)
	\$ (3,173,699)	\$ (8,056,221)



## 16. PRESENTATION OF CONTROLLED ENTITIES AND RELATED PARTY TRANSACTIONS

The Hospital deals with several related parties, which are presented below.

All transactions between related parties are carried out in the normal course of operations and are recorded at the exchange value which is the amount of consideration established and agreed to by the related parties.

### **Santé Montfort**

Santé Montfort is a not-for-profit organization incorporated without share capital under the Ontario Not-for-Profit Corporations Act, 2010. Its purpose is to manage a long-term care centre in Eastern Ontario, to manage food services and to manage a contract with the Department of National Defence to provide health services. The Hospital exercises control over Santé Montfort as the majority of Santé Montfort's Board of Directors are also members of the Hospital's Board of Directors.

During the year, the Hospital provided patient services as well as administrative and operational services to Santé Montfort for an exchange value of \$11,678,661 (2024: \$8,742,843), which was established by the related parties. This amount is included under "Patient services" in the non-consolidated statement of operations.

The Hospital also provided general services and rental space for food services to Santé Montfort, with an exchange value established between related parties at \$550,723 (2024: \$553,748). This amount is included under the "Ancillary Services and Other" category in the non-consolidated statement of operations.

The Hospital purchased food services from Santé Montfort, with an exchange value established between related parties at \$222,694 (2024: \$196,402). This amount is included under the "Supplies and Other Expenses" category in the non-consolidated statement of operations.

In addition, the Hospital is committed to lease a portion of its land to Santé Montfort under a long-term lease agreement. This land was used to build a long-term care centre owned by Santé Montfort. The lease was renewed in 2025 for an amount of \$1 annually, over a period of 10 years.

The Hospital is committed to lease land to Santé Montfort, where the Aline-Chrétien Health Hub is currently located, under a long-term lease agreement, for an amount of \$1 annually, over a period of 50 years ending in June 2068.

Finally, during the fiscal year ended March 31, 2025, Santé Montfort committed to lending the Hospital an amount of \$8,100,000, without interest. Disbursements will take place between April 2025 and September 2026, based on the Hospital's needs. This loan will be used to cover capital expenditures for the "Electronic Health Record" project. Repayment of the loan will begin in October 2026 and will conclude in March 2032. Monthly repayments will be made in the amount of \$122,000.

### **Institut du savoir Montfort**

Institut du savoir Montfort (the "Institute") is a registered charity incorporated under the *Canada Not-for-profit Corporations Act* as an institution dedicated to the creation and transmission of knowledge, while promoting the objectives of the Hospital. The Hospital is the only member of the Institute and thus exercises control over the activities of the Institute.

#### 16. PRESENTATION OF CONTROLLED ENTITIES AND RELATED PARTY TRANSACTIONS (continued)

##### Institut du savoir Montfort (continued)

The Institute is committed under a service agreement with the Hospital for the reciprocal provision of consulting and outsourced services. Under this agreement, the Institute is committed to provide scientific services, services related to education, continuing professional development and a library to the Hospital. The Hospital is committed to provide to the Institute services related to human resources, accounting services, deployment and management of IT solutions, communications, ethics, maintenance, designation, procurement, juridical services and other services, without cost. The exchange value of the services provided to the Hospital by the Institute during the year, which was established by the related parties, amounts to \$4,326,706 (2024: \$4,066,004). This amount is included under "Supplies and other expenses" in the non-consolidated statement of operations.

The financial statements of the Hospital's related parties are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial summaries for Institut du savoir Montfort and Santé Montfort for March 31, 2025, and 2024 are disclosed as follows:

	Santé Montfort		Institut du savoir Montfort	
	2025	2024 (restated)	2025	2024
<b>Statement of Financial Position</b>				
Assets	\$ 39,613,083	\$ 40,548,989	\$ 11,257,250	\$ 10,871,025
Liabilities	25,657,850	26,878,841	8,460,707	8,770,157
Net assets	\$ 13,955,233	\$ 13,670,148	\$ 2,796,543	\$ 2,100,868
<b>Statement of Operations</b>				
Revenues	\$ 17,927,300	\$ 8,509,722	\$ 10,590,571	\$ 8,888,399
Expenses	17,642,215	7,203,245	9,985,896	8,362,321
Excess of revenues over expenses	\$ 285,085	\$ 1,306,477	\$ 604,675	\$ 526,078
<b>Statement of Cash Flows</b>				
Operating Activities	\$ 1,663,570	\$ 5,718,343	\$ (4,326,671)	\$ (1,495,987)
Investing Activities	\$ 93,685	\$ 2,198,351	\$ (128,268)	\$ (127,311)
Financing Activities	\$ (2,691,909)	\$ (2,547,436)	\$ 4,367,961	\$ 3,039,267

##### Fondation de l'Hôpital Montfort

Fondation de l'Hôpital Montfort is incorporated as a charitable organization under the Canada Not-for-Profit Corporations Act. Its purpose is to raise, receive, maintain and manage funds and to apply all or part of them and the income derived from them for the development and promotion of the Hospital, Institut du savoir Montfort and the well-being of patients. The Hospital has an economic interest in Fondation de l'Hôpital Montfort through Fondation de l'Hôpital Montfort's donations to the Hospital. For the year ended March 31, 2025, donations of \$2,327,104 were made to the Hospital by Fondation de l'Hôpital Montfort (2024: \$372,622).

#### 16. PRESENTATION OF CONTROLLED ENTITIES AND RELATED PARTY TRANSACTIONS (continued)

##### Fondation de l'Hôpital Montfort (continued)

As at March 31, 2025, the fund balances of the Fondation de l'Hôpital Montfort was \$13,476,758 (2024: \$12,326,693).

Fondation de l'Hôpital Montfort operates the Hospital's parking lots and holds a license for its use with a net book value of \$410,439 as at March 31, 2025 (2024: \$957,691).

##### L'Association des bénévoles de l'Hôpital Montfort

L'Association des bénévoles de l'Hôpital Montfort is an registered charity incorporated under the *Canada Not-for-profit Corporations Act*. Its purpose is to collect, receive and administer funds, and to apply these same funds and their proceeds to promote the development and advancement of the Hospital as well as the well-being of its patients. L'Hôpital Montfort has an intangible economic interest in the Association as it provides services to patients through its human capital, which is in line with the Hospital's mission.

As of March 31, 2025, the balance of fund of L'Association des bénévoles de l'Hôpital Montfort was \$380,169 (2024: \$430,215).

##### Other economic interests

###### *Ottawa Regional Hospital Linen Services Incorporated*

The Hospital is a founding member of Ottawa Regional Hospital Linen Services Incorporated ("ORHLS"). ORHLS was created to provide laundry services to member hospitals on a cost-for-service basis. The Corporation is a not-for-profit organization incorporated without share capital under the *Ontario Corporations Act*.

As at March 31, 2025, the Hospital has an economic interest of \$2,590,416 (2024: \$2,266,259) in ORHLS' net assets of \$26,225,678 (2024: \$23,320,365). This amount is not included in the Hospital's non-consolidated financial statements.

During the year, the Hospital paid an amount of \$2,243,212 (2024: \$2,071,332) to ORHLS for laundry services in the normal course of its operations. This amount is included under Supplies and other expenses in the non-consolidated statements of operations.

###### *Champlain Health Supply Services (CHSS) and Eastern Ontario Regional Laboratory Association (EORLA)*

The Hospital is a founding member of Champlain Health Supply Services (CHSS) and Eastern Ontario Regional Laboratory Association (EORLA). These corporations were created to respectively act as a purchasing group and to provide laboratory services. These corporations are not-for-profit organizations incorporated without share capital under the *Ontario Corporations Act*.

During the year, the Hospital paid an amount of \$194,285 (2024: \$155,167) to CHSS to be a member of its purchasing group and an amount of \$12,071,106 (2024: \$10,486,150) to EORLA for laboratory services. These amounts are included under "Supplies and other expenses" in the non-consolidated statements of operations. Transactions between related parties were recorded at their exchange value.

#### 16. PRESENTATION OF CONTROLLED ENTITIES AND RELATED PARTY TRANSACTIONS (continued)

##### Other economic interests (continued)

As at March 31, 2025, the amounts to be paid to CHSS total \$35,000 (2024: \$36,000) and are included under Accounts payable and accrued liabilities”.

#### 17. FINANCIAL RISK MANAGEMENT

##### Credit risk

Credit risk arises from the potential that a counter party or lender fails to meet its contractual obligations, whether these obligations are disclosed in the non-consolidated statement of financial position or not.

The Hospital takes measures to manage the credit risk associated with patient services and establishes allowances for doubtful accounts while keeping in mind the historic tendencies of clients and the economic situation.

A large portion of the accounts receivable from patient services are receivable from the Ontario Health Insurance Plan, from private insurance companies and from Workplace Safety and Insurance Board. The aforementioned entities are in compliance with the usual payment terms. The Hospital considers that there is no significant credit risk arising from this situation.

The Hospital's estimated maximum exposure to credit risk corresponds to the amounts presented in “Accounts receivable” in the non-consolidated statement of financial position as of March 31, 2025.

##### Market risk

Market risk arises from the fluctuation in the fair value of the financial instruments affecting this value, such as interest rates and their volatility.

Conservative management is exercised to minimize the impact of any eventual fluctuation of interest rates.

##### Liquidity risk

Liquidity risk is related to the Hospital's capacity to accumulate the necessary funds to meet a financial obligation, whether it figures on the statement of non-consolidated financial position or not.

The objective of liquidity management is to guarantee access to necessary funds in a financially viable and timely manner, in order to meet financial obligations when they become due. For the managed assets as a whole, this risk can result in the incapacity of liquidating or releasing a market position at a fair price.

Management regularly reviews its liquidity position in order to ensure to hold an acceptable level of liquidity while minimizing all eventual risk. Presently, the Hospital holds sufficient liquidities to minimize its liquidity risk.

Accounts payable and accrued liabilities, totaling \$39,850,029 as of March 31, 2025 (2024: \$46,532,911), have contractual maturities of less than 365 days.

## 18. CONTRACTUAL COMMITMENTS

### Project for the Replacement of the Healthcare Software

As part of this project, the Hospital has committed to a supplier under a contract valued at \$20,051,271, which will be completed in the 2026-2027 fiscal year. As of March 31, 2025, the remaining value of this commitment totals \$20,051,271 (2024: \$0).

## 19. CONTINGENCIES

### Guarantee

The Hospital is the guarantor of the repayment of a long-term loan taken by Santé Montfort for an amount of \$3,655,000 (2024: \$7,197,000), and of hedge-based risk management by way of an interest rate agreement for an amount of \$11,366 (2024: \$185,927).

The Hospital believes that the risk of having to incur significant costs as a result of this guarantee is low.

### Litigation

The nature of the Hospital's activities is such that there is usually litigation pending or in prospect at any time. With respect to claims at March 31, 2025, management believes the Hospital has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Hospital's financial position.

A group of hospitals, including the Hospital, have formed the Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a Reciprocal pursuant to provincial Insurance Acts which permit persons to exchange with other persons' reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage to health care organizations in the provinces and territories where it is licensed. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the year in which they were a subscriber. No such assessments have been made to March 31, 2025.

### Other

In the normal course of operations, the Hospital is involved in certain employment-related negotiations and other matters. It has recorded provisions based on management's estimation of potential settlement amounts when these amounts are reasonably determinable and considered likely to occur.

## 20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to align their presentation with that of the 2025 fiscal year.