

HÔPITAL MONTFORT
NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2026

HÔPITAL MONTFORT

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MANAGEMENT RESPONSIBILITIES

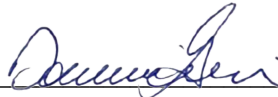
The Hospital's management is responsible for the non-consolidated financial statements, the notes and all other financial information contained in this financial report.

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, 2026, 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, 2026 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, 2026 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, 2026, 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.

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.

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

Marcil Lavallée

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Comptables professionnels agréés
Chartered Professional Accountants

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

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.

Marcil Lavallée

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 28, 2026

HÔPITAL MONTFORT

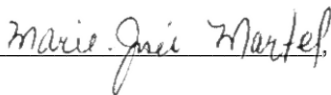
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

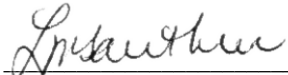
MARCH 31, 2026

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	Operating Fund	Contingency Fund	Reserve Fund for Capital Assets	2026 Total	2025 Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 16,621,252	\$ 8,656,655	\$ 24,850	\$ 25,302,757	\$ 35,701,950
Accounts receivable (Note 3)	27,695,147	12,793	297,223	28,005,163	21,179,351
Inventories	1,737,614	-	-	1,737,614	1,803,151
Prepaid expenses	4,552,270	-	-	4,552,270	4,691,708
Current portion of investments (Note 4)	-	-	1,694,800	1,694,800	6,315,460
Interfund advances, without interest	2,589,647	-	(2,589,647)	-	-
Restricted funds related to group insurance (Note 9)	8,672,348	-	-	8,672,348	1,413,261
	61,868,278	8,669,448	(572,774)	69,964,952	71,104,881
INVESTMENTS (Note 4)	-	-	32,406,983	32,406,983	29,695,777
CAPITAL ASSETS (Note 5)	242,893,343	-	-	242,893,343	243,788,059
INTANGIBLE ASSETS (Note 6)	12,747,653	-	-	12,747,653	5,143,314
	255,640,996	-	32,406,983	288,047,979	278,627,150
	\$ 317,509,274	\$ 8,669,448	\$ 31,834,209	\$ 358,012,931	\$ 349,732,031
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities (note 8)	\$ 38,902,250	\$ -	\$ -	\$ 38,902,250	\$ 38,436,768
Deferred revenue	65,243	-	-	65,243	99,203
Current portion of advance from Santé Montfort	666,974	-	-	666,974	-
Restricted funds related to group insurance (Note 9)	8,672,348	-	-	8,672,348	1,413,261
	48,306,815	-	-	48,306,815	39,949,232
EMPLOYEE FUTURE BENEFITS (Note 10)	14,810,838	-	-	14,810,838	14,091,630
ADVANCE FROM SANTÉ MONTFORT (Note 16)	6,669,739	-	-	6,669,739	-
ASSET RETIREMENT OBLIGATIONS (Note 11)	1,892,909	-	-	1,892,909	1,731,846
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 12)	185,520,147	-	-	185,520,147	192,706,313
ACCRUED LIABILITY FOR SOCIAL OBLIGATIONS	3,851,006	-	-	3,851,006	3,381,468
	212,744,639	-	-	212,744,639	211,911,257
	261,051,454	-	-	261,051,454	251,860,489
FUND BALANCES					
Operating Fund	56,269,661	-	-	56,269,661	45,353,401
Contingency Fund	-	8,669,448	-	8,669,448	21,670,281
Reserve Fund for Capital Assets	-	-	31,834,209	31,834,209	30,844,840
Life cycle of buildings – local share	-	-	-	-	-
	56,269,661	8,669,448	31,834,209	96,773,318	97,868,522
Accumulated remeasurement gains	188,159	-	-	188,159	3,020
	56,457,820	8,669,448	31,834,209	96,961,477	97,871,542
	\$ 317,509,274	\$ 8,669,448	\$ 31,834,209	\$ 358,012,931	\$ 349,732,031

ON BEHALF OF THE BOARD

 Director

 Director

HÔPITAL MONTFORT

NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED MARCH 31, 2026

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	Operating Fund	Contingency Fund	Reserve Fund for Capital Assets <u>Life Cycle of Buildings – Local Share</u>	2026 Total	2025 Total
BALANCE, BEGINNING OF YEAR	\$ 45,353,401	\$ 21,670,281	\$ 30,844,840	\$ 97,868,522	\$ 99,227,013
Excess (deficiency) of revenues over expenses	(2,593,582)	509,009	989,369	(1,095,204)	(1,358,491)
Interfund transfer (Note 13)	13,509,842	(13,509,842)	-	-	-
BALANCE, END OF YEAR	\$ 56,269,661	\$ 8,669,448	\$ 31,834,209	\$ 96,773,318	\$ 97,868,522

HÔPITAL MONTFORT

NON-CONSOLIDATED STATEMENT OF ACCUMULATED REMEASUREMENT GAINS – OPERATING FUND FOR THE YEAR ENDED MARCH 31, 2026

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		2026		2025
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	\$	3,020	\$	28,397
Unrealized (losses) gains on exchange rate		185,139		(25,377)
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	\$	188,159	\$	3,020

HÔPITAL MONTFORT

NON-CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2026

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	Operating Fund	Contingency Fund	Reserve Fund for Capital Assets	2026 Total	2025 Total
REVENUES					
Ministry of Health of Ontario and Ontario Health allocations	\$ 247,112,174	\$ -	\$ -	\$ 247,112,174	\$ 239,451,086
Patient services	44,968,576	-	-	44,968,576	47,779,931
Ancillary services and other	7,272,109	-	-	7,272,109	6,337,759
Specifically funded programs	5,095,407	-	-	5,095,407	4,664,898
Room differential and patients' co-payment	2,793,629	-	-	2,793,629	2,640,273
Interest and other investment income	431,120	509,009	989,369	1,929,498	2,134,243
Amortization of deferred contributions related to capital assets (Note 12)	10,572,609	-	-	10,572,609	10,511,983
	318,245,624	509,009	989,369	319,744,002	313,520,173
EXPENSES					
Salaries	147,898,068	-	-	147,898,068	145,934,084
Employee benefits	46,229,915	-	-	46,229,915	44,642,723
Supplies and other expenses (Note 14)	57,360,347	-	-	57,360,347	56,604,576
Medical fees	26,575,187	-	-	26,575,187	24,737,465
Medical and surgical supplies	13,995,278	-	-	13,995,278	13,866,857
Drugs	4,434,730	-	-	4,434,730	4,504,792
Specifically funded programs	5,095,407	-	-	5,095,407	4,664,898
Amortization of capital assets	16,308,748	-	-	16,308,748	16,488,292
Amortization of intangible assets	2,941,526	-	-	2,941,526	3,434,977
	320,839,206	-	-	320,839,206	314,878,664
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	\$ (2,593,582)	\$ 509,009	\$ 989,369	\$ (1,095,204)	\$ (1,358,491)

HÔPITAL MONTFORT

NON-CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

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	2026	2025
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (1,095,204)	\$ (1,358,491)
Adjustments for:		
Amortization of capital assets	16,308,748	16,488,292
Amortization of intangible assets	2,941,526	3,434,977
Amortization of contributions related to capital assets	(10,572,609)	(10,511,983)
Amortization of premiums/discounts on investments	293,422	273,587
Loss on write-off of capital assets	268,028	3,725
Variation of asset retirement obligations	161,063	64,848
Variation of employee future benefits	719,208	895,298
	9,024,182	9,290,253
Net change in non-cash working capital items (Note 15)	(6,391,479)	(5,010,118)
	2,632,703	4,280,135
INVESTING ACTIVITIES		
Purchase of capital assets	(15,260,832)	(8,278,715)
Acquisition of intangible assets	(10,764,928)	(1,314,442)
Acquisition of investments	(17,800,292)	(20,996,132)
Disposal of investments	19,601,462	30,396,710
	(24,224,590)	(192,579)
FINANCING ACTIVITIES		
Increase in deferred contributions related to capital assets (Note 12)	3,386,443	1,551,458
Increase in accrued liability for social obligations	469,538	3,381,468
Increase in advances from Santé Montfort	7,336,713	-
	11,192,694	4,932,926
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	(10,399,193)	9,020,482
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	35,701,950	26,681,468
CASH AND CASH EQUIVALENT, END OF YEAR	\$ 25,302,757	\$ 35,701,950

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 *Not-for-Profit Corporations 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, 2026.

2. 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.

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.

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments

Investments are measured at amortized cost of the premium or discount, if applicable. Investments fair value is presented in Note 4. 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.

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 and intangible 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.

2. ACCOUNTING POLICIES (continued)

Use of estimates (continued)

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, 2026, and 2025. 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.

Revenue recognition

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

As provided under the *Local Health System 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.

2. ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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.

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.

2. ACCOUNTING POLICIES (continued)

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 complete 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 (EARSLS).

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.

3. ACCOUNTS RECEIVABLE

	0-30 days	31-90 days	91 days +	2026 Total
Allocations from the Ministry of Health of Ontario and Ontario Health	\$ 7,501,185	\$ 229,166	\$ 1,363,082	\$ 9,093,433
Patient Services	2,716,565	3,135,929	3,723,563	9,576,057
Santé Montfort, without interest	2,040,853	1,950,431	4,028,733	8,020,017
Fondation de l'Hôpital Montfort, without interest	652,873	-	-	652,873
Eastern Ontario Regional Laboratory Association, without interest	7,451	25,946	(22,858)	10,539
Other	1,569,779	156,215	2,816,114	4,542,108
	14,488,706	5,497,687	11,908,634	31,895,027
Allowance for doubtful accounts – patient services and other	(241,914)	(538,396)	(3,109,554)	(3,889,864)
	\$ 14,246,792	\$ 4,959,291	\$ 8,799,080	\$ 28,005,163

HÔPITAL MONTFORT

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2026

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3. ACCOUNTS RECEIVABLE (continued)

	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	1,513,342	840,304	3,147,586	5,501,232
	8,141,102	4,825,952	13,232,241	26,199,295
Allowance for doubtful accounts – patient services and other	(261,189)	(190,839)	(4,567,916)	(5,019,944)
	\$ 7,879,913	\$ 4,635,113	\$ 8,664,325	\$ 21,179,351

4. INVESTMENTS

	2026	2025
Operating Fund		
<i>Investments measured at amortized cost</i>		
Guaranteed investment certificates		
Financial institutions – fair value: \$nil (2025: \$2,153,269)	\$ -	\$ 2,111,460
	-	2,185,460
Short-term investments	-	2,111,460
	\$ -	\$ -
Contingency Fund		
Bonds		
Financial institutions – fair value: \$nil (2025: \$1,733,598)	\$ -	\$ 1,692,309
Federal, provincial and municipal – fair value: \$nil (2025: \$989,999)	-	987,063
	-	2,679,372
Short-term investments	-	990,000
	\$ -	\$ 1,689,372

4. INVESTMENTS (continued)

	2026	2025
Reserve Fund for Capital Assets		
Guaranteed investment certificates		
Financial institutions – fair value: \$nil (2025: \$1,500,000)	\$ -	\$ 1,500,000
Bonds		
Financial institutions – fair value: \$15,272,576 (2025: \$11,644,679)	15,248,430	11,575,964
Federal, provincial and municipal – fair value: \$16,870,036 (2025: \$16,347,886)	17,155,053	16,440,374
Companies – fair value: \$1,721,413 (2025: \$1,735,979)	1,698,300	1,704,067
	34,101,783	31,220,405
Short-term investments	1,694,800	3,214,000
	\$ 32,406,983	\$ 28,006,405

Bonds of the Reserve Fund for Capital Assets mature between September 2026 and December 2056, have a rate of return varying from 1.50% to 5.47% (2025: maturities between April 2025 and December 2051, with a rate of return ranging from 1.05% to 5.21%).

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	\$ 5,948,341	\$ -	\$ 5,948,341	\$ 1,636,611
Buildings	321,080,799	135,949,951	185,130,848	190,462,336
Equipment for building operations	76,564,688	42,101,559	34,463,129	32,584,754
Equipment	81,938,600	64,621,698	17,316,902	18,455,707
Projects in progress	34,123	-	34,123	648,651
	\$485,566,551	\$ 242,673,208	\$ 242,893,343	\$ 243,788,059

During the year, the Hospital purchased capital assets for \$16,077,523 (2025: \$8,687,718) and disposed of capital assets for a cost of \$48,964 and a net book value of \$48,964 (2025: cost of \$10,906 and net book value of \$3,725).

Non-monetary transactions

As at March 31, 2026, there is \$2,128,978 (2025: \$1,926,814) 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.

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6. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Software – EHR	\$ 30,670,376	\$ 28,307,535	\$ 2,362,841	\$ 4,434,467
Software in development	10,375,837	-	10,375,837	663,973
Website	214,894	205,919	8,975	44,874
	\$ 41,261,107	\$ 28,513,454	\$ 12,747,653	\$ 5,143,314

During the year, the Hospital acquired intangible assets valued at \$10,764,928 (2025: \$1,314,443) and disposed of intangible assets with a cost of \$219,064 and a net carrying amount of \$219,064 (2025: no disposals of intangible assets).

7. LINE OF CREDIT

The Hospital has an authorized line of credit of \$3,000,000 (2025: \$3,000,000). This line of credit bears interest at the prime rate plus 0% (2025: 0.%). As at March 31, 2026 and 2025, this line of credit was not in use.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Salaries, employee benefits and source deductions	\$ 21,538,417	\$ 20,998,103
Payable to vendors	10,726,864	11,284,746
Refundable to Ontario Health and the other Ontario Government agencies	6,540,347	5,652,367
Centre de planification des services de santé en français, without interest	10,376	-
Eastern Ontario Regional Laboratory Association, without interest	-	124,851
Institut du savoir Montfort, without interest	3,712	289,402
Fondation de l'Hôpital Montfort, without interest	82,534	87,299
	\$ 38,902,250	\$ 38,436,768

9. RESTRICTED FUNDS RELATED TO GROUP INSURANCE

The Hospital offers its employees a supplementary benefits plan that includes health and dental care, as well as life and disability insurance, and continues to provide these benefits after retirement.

As of February 1, 2025, the Hospital implemented a change in the model related to this supplementary benefits plan and entered into an agreement with a new provincial provider. Under this agreement, amounts collected are recorded as a current asset in the non-consolidated statement of financial position under "Restricted funds related to group insurance" and are remitted to the provincial provider based on the invoices received. A corresponding current liability is also recorded, as the amounts must be used solely for their intended purposes and are not available for the Hospital's current operations.

9. RESTRICTED FUNDS RELATED TO GROUP INSURANCE (continued)

As of March 31, 2026, the balances of the assets and liabilities of the “Restricted funds related to group insurance” consist of the following:

	2026	2025
ASSETS		
Restricted cash	\$ 6,344,113	\$ -
Cash set aside from operating account	1,068,295	1,413,261
Restricted receivables	1,259,940	-
	\$ 8,672,348	\$ 1,413,261
LIABILITIES		
Restricted funds related to group insurance	\$ 8,672,348	\$ 1,413,261

The obligation related to these benefits is based on an actuarial valuation, the main assumptions and terms of which are described in Note 10. The accrued benefit liability is recorded as a long-term liability in the non-consolidated statement of financial position in the amount of \$14,810,838 (2025: \$14,091,630).

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, 2026, amounts to \$12,048,326 (2025: \$11,720,167). The most recent audited financial statements of the Plan as at December 31, 2025 indicate HOOPP is fully funded.

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, 2026 (the 2026 accrued benefit obligation is based on the actuarial valuation of March 31, 2025). The information regarding these benefits is as follows:

	2026	2025
Plan status		
Accrued benefit obligation at the beginning	\$ 9,808,058	\$ 11,356,883
Current service cost	878,846	815,933
Actuarial gain for the year	(499,069)	(2,575,522)
Interest on accrued benefit obligation	392,900	459,800
Hospital’s contribution	292,937	(249,036)
Accrued benefit obligation at the year-end	10,287,798	9,808,058
Unamortized actuarial gain	4,523,040	4,283,572
Accrued benefit liability	\$ 14,810,838	\$ 14,091,630

10. EMPLOYEE FUTURE BENEFITS (continued)

Post-retirement benefits (continued)

	2026	2025
Reconciliation of the unamortized actuarial gain		
Opening actuarial gain	\$ 4,283,572	\$ 1,839,449
Amortization of actuarial gain	(259,601)	(131,400)
Actuarial gain for the year	499,069	2,575,523
	\$ 4,523,040	\$ 4,283,572

	2026	2025
Actuarial assumptions		
Discount rate on liabilities	3.88%	3.89%
Dental cost increases	4.00%	4.00%
Extended health care increase (reduction of 0.5% per year until the minimum rate of 5.0%)	5.00%	5.00%
Amortization period of actuarial loss (gain) (EARSL)	16.5 years	14.00 years

The expense for the year is detailed as follows:

	2026	2025
Current service costs	\$ 878,848	\$ 815,933
Interest on accrued benefit obligation	392,900	459,800
Amortization of actuarial gain	(259,600)	(131,400)
	\$ 1,012,148	\$ 1,144,333

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.

	2026	2025
Balance, beginning of year	\$ 1,731,846	\$ 1,666,999
Discount	161,063	64,847
	\$ 1,892,909	\$ 1,731,846

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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.

	2026	2025
BALANCE, BEGINNING OF YEAR	\$ 192,706,313	\$ 201,666,838
Contribution granted during the year *	3,386,443	1,551,458
Amortization of contributions related to capital assets		
Amortization of contributions related to buildings	(8,546,840)	(8,506,767)
Amortization of contributions related to equipment	(2,025,769)	(2,005,216)
BALANCE, END OF YEAR	\$ 185,520,147	\$ 192,706,313

* 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, 2026 as well as revenue recognized during fiscal year 2026 related to these accounts receivable:

	2026		
	Contributions granted	Accounts receivable	Revenue recognized
Fondation de l'Hôpital Montfort			
Capital assets	\$ 496,205	\$ 496,205	\$ 15,623
Ontario Ministry of Health			
Aline-Chrétien Health Hub	876,894	876,894	104,131
HIRF	1,617,082	-	-
	\$ 2,990,181	\$ 1,373,099	\$ 119,754
	2025		
	Contributions granted	Accounts receivable	Revenue recognized
Fondation de l'Hôpital Montfort			
Aline-Chrétien Health Hub	\$ 1,705,126	\$ -	\$ -
Ministère de la Santé de l'Ontario			
HIRF	103,477	-	-
	\$ 1,808,603	\$ -	\$ -

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13. INTERFUND TRANSFERS

During the year, no amount (2025: \$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 Contingency Fund to the Operating Fund in the amount of \$13,509,842 (2025: internal transfer from the Operating Fund to the Contingency Fund in the amount of \$5,956,631).

14. SUPPLIES AND OTHER EXPENSES

	2026	2025
Supplies	\$ 10,281,235	\$ 10,892,738
Professional fees	1,709,938	1,955,708
Purchased services	21,955,259	21,531,462
Expenses related to buildings and lots	2,968,013	1,337,048
Expenses related to equipment	9,944,434	11,394,599
Various expenses	10,501,468	9,493,021
	\$ 57,360,347	\$ 56,604,576

15. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2026	2025
Accounts receivable	\$ (6,825,812)	\$ 3,603,327
Inventories	65,537	42,780
Prepaid expenses	139,438	(7,806)
Asset – Restricted fund related to group insurance	(7,259,087)	(1,413,261)
Accounts payable and accrued liabilities	263,318	(8,432,465)
Deferred revenue	(33,960)	(215,954)
Liability – Restricted fund related to group insurance	7,259,087	1,413,261
	\$ (6,391,479)	\$ (5,010,118)

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.

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

Santé Montfort (continued)

During the year, the Hospital provided patient services as well as administrative and operational services to Santé Montfort for an exchange value of \$10,551,159 (2025: \$11,678,661), 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 \$1,089,010 (2025: \$550,723). 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 \$267,560 (2025: \$222,694). 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 2026 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.

Santé Montfort has committed to lending the Hospital an interest-free loan of \$8,100,000. As of March 31, 2026, an amount of \$7,336,713 had been advanced, and the remaining disbursements will continue between April and September 2026, based on the Hospital's needs. This loan will be used to fund capital expenditures related to the replacement of the "Electronic Health Record" project. Repayment of the loan will begin in October 2026 and end in March 2032. Monthly repayments will be made in the amount of \$122,000. This loan is presented as a liability in the non-consolidated statement of financial position as follows:

	2026	2025
Advance to Santé Montfort, without interest	\$ 7,336,713	\$ -
Less: Current portion of the advance	(666,974)	-
	\$ 6,669,739	\$ -

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

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.

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 \$4,813,490 (2025: \$4,326,706). 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, 2026, and 2025 are disclosed as follows:

	Santé Montfort		Institut du savoir Montfort	
	2026	2025	2026	2025
Statement of Financial Position				
Assets	\$ 39,829,714	\$ 39,613,083	\$ 10,673,922	\$ 11,257,250
Liabilities	24,969,750	25,657,850	7,748,949	8,460,707
Net assets	\$ 14,859,964	\$ 13,955,233	\$ 2,924,973	\$ 2,796,543
Statement of Operations				
Revenues	\$ 18,985,602	\$ 17,994,901	\$ 11,617,092	\$ 10,590,571
Expenses	18,080,871	17,709,816	11,497,762	9,985,896
Excess of revenues over expenses	\$ 904,731	\$ 285,085	\$ 119,330	\$ 604,675
Statement of Cash Flows				
Operating Activities	\$ 3,392,809	\$ 1,663,570	\$ (4,595,556)	\$ (4,450,504)
Investing Activities	\$ 4,151,794	\$ 93,685	\$ 2,187,557	\$ (128,268)
Financing Activities	\$ (2,669,781)	\$ (2,691,909)	\$ 4,012,881	\$ 4,367,961

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

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, 2026, donations of \$1,089,433 were made to the Hospital by Fondation de l'Hôpital Montfort (2025: \$2,327,104).

As at March 31, 2026, the fund balance of the Fondation de l'Hôpital Montfort was \$16,701,019 (2025: \$13,476,758).

Fondation de l'Hôpital Montfort operates the Hospital's parking lots and holds a license for its use with a net book value of \$nil as at March 31, 2026 (2025: \$410,439).

L'Association des bénévoles de l'Hôpital Montfort

L'Association des bénévoles de l'Hôpital Montfort is a 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, 2026, the fund balance of L'Association des bénévoles de l'Hôpital Montfort was \$380,393 (2025: \$380,169).

French Language Health Planning Centre (FLHPC)

The FLHPC is a non-profit organization without share capital incorporated under the *Ontario Not-for-Profit Corporations Act, 2010*. Its mission is to ensure that the needs of Ontario's Francophone communities are proactively considered in all decisions regarding planning, policy, programming, funding and resource allocation in health care, long-term care, health care research, and health and education promotion. Montfort Hospital exercises significant influence over the FLHPC, as certain members of its Board of Directors also serve on the FLHPC's Board. During the year, salary cost recoveries in the amount of \$370,781 were received from the FLHPC (2025: \$nil).

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 established with the objective of providing laundry services to member hospitals on a cost-of-service basis. The entity, a not-for-profit organization, is incorporated without share capital under the *Ontario Not-for-Profit Corporations Act, 2010*.

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

Other economic interests (continued)

As at March 31, 2026, the Hospital has an economic interest of \$2,856,830 (2025: \$2,590,416) in ORHLS' net assets of \$28,629,478 (2025: \$26,225,678). This amount is not included in the Hospital's non-consolidated financial statements.

During the year, the Hospital paid an amount of \$2,298,498 (2025: \$2,243,212) to ORHLS for laundry services in the normal course of its operations. These amounts are included under "Supplies and other expenses" in the non-consolidated statement of operations. These transactions were recorded at their exchange value.

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 *Not-for-Profit Corporations Act, 2010*.

During the year, the Hospital paid an amount of \$204,413 (2025: \$194,285) to CHSS to be a member of its purchasing group and an amount of \$12,008,845 (2025: \$12,071,106) to EORLA for laboratory services. These amounts are included under "Supplies and other expenses" in the non-consolidated statement of operations. These transactions were recorded at their exchange value.

As at March 31, 2026, the amounts to be paid to CHSS total \$36,000 (2025: \$35,000) 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 total accounts receivable from patient services is due from a provincial health insurance plan and from patients. The latter comply with standard 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, 2026.

17. FINANCIAL RISK MANAGEMENT (continued)

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 \$38,902,250 as of March 31, 2026 (2025: \$39,850,029), 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, 2026, the remaining value of this commitment totals \$11,986,505 (2025: \$20,051,271).

Project for the replacement of the accounting software

As part of this project, the Hospital has entered into a contract with a supplier valued at \$1,822,000, with completion expected in the 2026–2027 fiscal year. As at March 31, 2026, the remaining value of this commitment totals \$1,247,882 (2025: \$nil).

19. CONTINGENCIES

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, 2026, 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, 2026.

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 2026 fiscal year.