ANSON GENERAL HOSPITAL

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2026

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

T: 705.337.6411
F: 705.335.6563

kapuskasing@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Anson General Hospital

Opinion
We have audited the financial statements of Anson General Hospital, which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization 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 Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT, (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly HKC

Chartered Professional Accountants
Licensed Public Accountants
June 18, 2026

ANSON GENERAL HOSPITAL

FINANCIAL STATEMENTS

MARCH 31, 2026

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ANSON GENERAL HOSPITAL

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2026

	2026	2025
REVENUES		
Ministry funding, schedule 1	$ 15,160,338	$ 13,517,774
Ontario Health Insurance	226,651	235,196
Other patient care revenues	276,054	331,330
Recoveries and other revenues	799,084	616,443
Amortization of deferred capital contributions - equipment and software	56,482	52,762
Other votes	3,150	3,150
	16,521,759	14,756,655
EXPENSES		
Salaries and wages, schedule 2	5,675,570	4,993,912
Purchased services	1,786,626	2,135,964
Employee benefits	1,707,921	1,443,651
Medical staff remuneration	2,228,672	1,690,789
Supplies and other expenses, schedule 3	3,764,165	3,399,944
Medical and surgical	280,050	244,941
Drugs and medical gases	216,078	233,320
Amortization of equipment and software	304,436	317,246
Loss on disposition of capital assets	2,816	39,330
Other votes	3,150	3,150
	15,969,484	14,502,247
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	552,275	254,408
AMORTIZATION OF BUILDINGS		
Amortization of deferred capital contributions - buildings	659,085	587,081
Amortization of buildings	(993,448)	(890,359)
	(334,363)	(303,278)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER PROGRAM	217,912	(48,870)
OTHER PROGRAM		
South Centennial Manor, schedule 4	(1,226,029)	(1,174,313)
EXCESS OF EXPENSES OVER REVENUES	$ (1,008,117)	$ (1,223,183)

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

ANSON GENERAL HOSPITAL

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2026

	Invested in Capital Assets (Note 11)	Unrestricted	Total 2026	Total 2025
BALANCE, BEGINNING OF YEAR	$ 7,867,539	$ (3,535,770)	$ 4,331,769	$ 5,554,952
EXCESS OF EXPENSES OVER REVENUES	-	(1,008,117)	(1,008,117)	(1,223,183)
NET CHANGE IN INVESTED IN CAPITAL ASSETS (Note 11)	(339,989)	339,989	-	-
BALANCE, END OF YEAR	$ 7,527,550	$ (4,203,898)	$ 3,323,652	$ 4,331,769

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

ANSON GENERAL HOSPITAL

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 500	$ 500
Accounts receivable (Note 4)	799,662	830,330
Prepaid expenses	59,525	18,543
Inventories	299,689	253,468
Due from MICs Group of Health Services (Note 5)	-	610,699
	1,159,376	1,713,540
CAPITAL ASSETS (Note 6)	17,471,637	17,555,209
	$ 18,631,013	$ 19,268,749
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	$ 3,348,965	$ 3,563,321
Deferred revenue	-	12,634
Due to MICs Group of Health Services (Note 5)	310,252	-
Current portion of capital contribution repayable	12,000	12,000
	3,671,217	3,587,955
CAPITAL CONTRIBUTION REPAYABLE (Note 8)	96,000	108,000
POST-EMPLOYMENT BENEFITS (Note 9)	1,675,670	1,612,831
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	9,864,474	9,628,194
	15,307,361	14,936,980
NET ASSETS		
INVESTED IN CAPITAL ASSETS (Note 11)	7,527,550	7,867,539
UNRESTRICTED	(4,203,898)	(3,535,770)
	3,323,652	4,331,769
	$ 18,631,013	$ 19,268,749

CONTINGENCIES AND COMMITMENTS (Note 14)

On behalf of the board

Fern Marmette Director

Director

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

ANSON GENERAL HOSPITAL

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of expenses over revenues	$ (1,008,117)	$ (1,223,183)
Items not involving cash:		
Amortization of capital assets - buildings	993,448	890,359
Amortization of capital assets - equipment and software	304,436	317,246
Amortization of capital assets - South Centennial Manor	282,695	271,797
Amortization of deferred capital contributions - buildings	(659,085)	(587,081)
Amortization of deferred capital contributions - equipment and software	(56,482)	(52,762)
Amortization of deferred capital contributions - South Centennial Manor	(126,740)	(116,538)
Loss on disposition of capital assets	2,816	39,330
Loss on disposition of capital assets - South Centennial Manor	929	-
Derecognition of deferred capital contribution - South Centennial Manor	(7,546)	(11,940)
	(273,646)	(472,772)
Changes in:		
Accounts receivable	30,668	220,365
Prepaid expenses	(40,982)	(18,543)
Inventories	(46,221)	23,398
Accounts payable and accrued liabilities	(214,356)	(107,863)
Deferred revenue	(12,634)	(59,950)
Post-employment benefits	62,839	58,409
	(494,332)	(356,956)
INVESTING ACTIVITY		
Net advances from MICs Group of Health Services	920,951	630,357
FINANCING ACTIVITY		
Repayment of capital contribution repayable	(12,000)	(12,000)
CAPITAL ACTIVITIES		
Purchase of capital assets	(1,500,752)	(950,748)
Capital contributions received	1,214,049	397,481
Transfer of deferred capital contributions from (to) accounts payable	(127,916)	291,866
	(414,619)	(261,401)
CHANGE IN CASH POSITION	-	-
CASH POSITION, BEGINNING OF YEAR	500	500
CASH POSITION, END OF YEAR	$ 500	$ 500

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

ANSON GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

1. STATUS AND NATURE OF OPERATIONS

The Hospital, incorporated under the Ontario Business Corporation Act, without share capital, operates a Hospital under the Charitable Institutions Act, at 58 Anson Drive, Iroquois Falls, Ontario. The Hospital is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for Profit Organizations including the 4200 series of standards as issued by the Public Sector Accounting Board and includes the following significant accounting policies:

BASIS OF PRESENTATION

The financial statements include the assets, liabilities and activities of the Hospital.

The notes to the financial statements include information on the following related parties:

The MICs Group of Health Services
MICs Healthcare Foundation
ONE Health Information Technology Services

The revenues, expenses, assets and liabilities with respect to the operations of the related parties are not reflected in these financial statements except to the extent that the funds have been received from or disbursed to them. The financial statements of the related parties are not consolidated in the financial statements of the Hospital.

REVENUE RECOGNITION

The financial statements have been prepared using the deferral method of accounting.

Under the Health Insurance Act and the regulations thereto, the Hospital is funded primarily by the Ministry of Health and Ontario Health North East in accordance with the terms and conditions in the Hospital Service Accountability Agreement.

Unrestricted contributions, including operating grants are recorded as revenue in the period to which they relate. Grants approved but not yet received at the end of the year are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

REVENUE RECOGNITION, (CONT'D)

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Grants, donations and other contributions received for the acquisition of specific capital assets are recorded as deferred capital contributions and recognized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Revenue from the provincial insurance plans, and uninsured patients, operational revenue and other services and recoveries are recognized as revenue when received or receivable if the amount to be recorded can be reasonably estimated and the collection is reasonably assured.

INVENTORIES

Inventories of all hospital supplies are valued at the lower of average cost and replacement value and include only those supplies located in central storage areas and not supplies that have been issued to departments for direct patient care.

CAPITAL ASSETS

The acquisition of capital assets are recorded at their historical cost less amortization. Contributed capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Hospital's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying amount is reduced to reflect the decline in the asset's value. The write-down is recorded in the statement of operations.

Amortization is calculated on a straight-line basis using rates as set out in the Ontario Health Care Reporting System Guidelines. The estimated useful lives of the assets are as follows:

Land improvements	20 years
Buildings	20-40 years
Equipment and software	3-20 years

The cost of capital projects in progress is recorded as capital assets and no amortization is taken until the project is substantially completed and the asset is ready for productive use. The Hospital allocates salary and benefit costs when personnel work directly in managing or implementing the capital project.

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The amount of identified impairment, if any, is recorded as a write-down and is recognized in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

CONTRIBUTED SERVICES AND MATERIALS

Volunteers contribute significant hours of their time each year to assist the Hospital in carrying out certain charitable activities. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements. Contributed materials are also not recognized in these financial statements.

FUNDING

Under the current funding policy, the Hospital is essentially funded by using a budget base approved by the Ministry of Health and Ontario Health North East. The Hospital is allowed to retain any excess of revenues over expenses derived from its operations and, conversely, retains responsibility for any deficit it may occur.

RETIREMENT AND POST-EMPLOYMENT BENEFIT PLANS

The Hospital provides defined retirement and post-employment benefits for certain employee groups. These benefits include pension, extended health care, dental and life insurance. The Hospital has adopted the following policies with respect to accounting for these employee benefits:

Multi-employer defined benefit pension

Substantially all of the employees of the Hospital are eligible to be members of the Hospitals of Ontario Pension Plan ("HOOPP"), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Defined contribution plan accounting is applied to HOOPP, whereby contributions are expensed when due, as the Hospital has insufficient information to apply defined benefit accounting.

Post-employment benefits

i) The costs of post-employment future benefits are actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages, health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.

ii) Past service costs (if any) arising from plan amendments are immediately recognized.

iii) The discount rate used in the determination of the above-mentioned liability is the discount rate recommended by the Ministry of Health and Long-Term Care.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS

The Hospital records its financial instruments at either fair value or amortized cost. The Hospital's accounting policy for each category is as follows:

Fair Value

This category includes derivatives and equity instruments quoted in an active market. The Hospital has designated its cash at fair value as it's managed and evaluated on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

The Hospital does not have any amounts to record on the statement of remeasurement gains and losses and therefore this statement has not been included in their financial statements.

Amortized cost

This category includes accounts receivable, accounts payable and accrued liabilities, due to MICs Group of Health Services and capital contribution repayable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: the revenue recognition of certain restricted contributions, the allowance for doubtful accounts receivable, valuation allowances for inventories, the useful life of capital assets and its carrying amount, accrued liabilities, the actuarial estimation of post-employment benefits and contingencies. Actual results may differ from management's best estimates as additional information becomes available in the future.

3. FINANCIAL INSTRUMENT CLASSIFICATION

The table below provides the cost and fair value information of financial instruments by category. The maximum exposure to credit risk and liquidity risk would be the carrying value as shown below:

	2026		
	Fair Value	Amortized Cost	Total
Cash	$ 500	$ -	$ 500
Accounts receivable	$ -	$ 799,662	$ 799,662
Accounts payable and accrued liabilities	$ -	$ 3,348,965	$ 3,348,965
Due to MICs Group of Health Services	$ -	$ 310,252	$ 310,252
Capital contribution payable	-	108,000	108,000

	2025		
	Fair Value	Amortized Cost	Total
Cash	$ 500	$ -	$ 500
Accounts receivable	$ -	$ 830,330	$ 830,330
Due from MICs Group of Health Services	$ -	$ 610,699	$ 610,699
Accounts payable and accrued liabilities	$ -	$ 3,563,321	$ 3,563,321
Capital contribution payable	$ -	$ 120,000	$ 120,000

3. FINANCIAL INSTRUMENT CLASSIFICATION, (CONT'D)

The following provides details of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities using the last bid price;

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Cash is considered Level 1 fair value.

There were no transfers between levels for the year ended March 31, 2026 and March 31, 2025.

4. ACCOUNTS RECEIVABLE

	2026	2025
Insurers and patients	$ 288,482	$ 271,485
Ministry of Health / Ontario Health North East	161,475	131,724
HST rebates receivable	369,055	449,656
	819,012	852,865
Less: Allowance for doubtful accounts	19,350	22,535
	$ 799,662	$ 830,330

5. DUE FROM/TO MICS GROUP OF HEALTH SERVICES

The Hospital exercises significant influence over the MICs Group of Health Services (the "MICs Partnership") by virtue of it being a member of the partnership and its ability to appoint some of the members of the Board of Directors. The MICs Partnership was established to increase opportunities for collaboration between its member hospitals (Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital) in the sharing of costs and provision of health services. The MICs Group of Health Services is a non-profit organization.

Included in the Hospital's expenses for the year is the Hospital's share of various cost functions primarily salaries and benefits and administration and support services. Information systems network, software and hardware, as well as office equipment shared by the three participating hospitals are recorded as capital assets and the respective Hospital's share of the related costs are recorded when the capital assets are amortized. Any capital contributions, grants or donations received for the acquisition of capital assets are deferred and the respective Hospital's share of the related revenue is recorded when the contribution is amortized. The share of costs to participating hospitals are set by a methodology agreed to by the Board on a cost recovery basis.

The financial statements of the MICs Group of Health Services are not consolidated in the financial statements of the Hospital. Separate audited financial statements are prepared and are available from management.

The balance due represents the excess between the amounts received and paid by the MICs Partnership. The balance due from the MICs Group of Health Services is unsecured, non-interest bearing with no specific terms of repayment.

	2026	2025
Due from MICS Group of Health Services	$ -	$ 610,699

	2026	2025
Due to MICS Group of Health Services	$ 310,252	$ -

The Hospital's share of costs are as follows:

	2026	2025
Salaries, wages and employee benefits	$ 14,875,294	$ 12,822,359
Administration and support services	643,531	460,705
	$ 15,518,825	$ 13,283,064

ANSON GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2026 Net	2025 Net
Land	$ 72,707	$ -	$ 72,707	$ 72,707
Land improvements	74,960	54,740	20,220	23,968
Buildings	34,894,293	19,352,002	15,542,291	15,445,338
Equipment and software	6,526,291	4,689,872	1,836,419	2,013,196
	$ 41,568,251	$ 24,096,614	$ 17,471,637	$ 17,555,209

As at March 31, 2026, there was $2,853,000 (2025 - $2,280,814) of capital projects in progress. These assets were not amortized.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trades payable and accrued liabilities	$ 430,848	$ 1,426,102
Ministry of Health / Ontario Health North East	2,618,626	1,938,039
Iroquois Falls Family Health Team	299,491	199,180
	$ 3,348,965	$ 3,563,321

8. CAPITAL CONTRIBUTION REPAYABLE

	2026	2025
Capital contribution repayable, bearing no interest, unsecured, repayable at $12,000 per year, due in 2035	$ 108,000	$ 120,000
Less: current portion	12,000	12,000
	$ 96,000	$ 108,000

8. CAPITAL CONTRIBUTION REPAYABLE, (CONT'D)

The principal installments to be paid over the next five fiscal years are as follows:

2027	$ 12,000
2028	12,000
2029	12,000
2030	12,000
2031	12,000
Subsequent years	48,000
	$ 108,000

In 2007, the Hospital entered into an agreement with the Ministry of Health and Long-Term Care for a contribution to the capital cost of the Family Health Team facility. The Ministry's contribution was in the amount of $2,000,000 with the understanding that $300,000 will be paid to or recovered by the Ministry at $12,000 per year for 25 years starting in April 2010. The remaining balance of $1,700,000 is included in deferred capital contributions and is being amortized over the useful life of the facility.

On April 1, 2014, the Family Health Team funding agreement and operations were transferred to a new not-for-profit corporation operating under the Iroquois Falls Family Health Team. Accordingly, the Iroquois Falls Family Health Team assumed the capital contribution repayable to the Ministry. At the same time, the Hospital agreed to contribute $12,000 per year to the Iroquois Falls Family Health Team for the purpose of the repayment of the capital contribution repayable to the Ministry since ownership of the facility was not transferred.

9. POST-EMPLOYMENT BENEFITS PAYABLE

The Hospital extends post employment extended health coverage, dental benefits and life insurance to certain employee groups subsequent to their retirement. The Hospital recognizes these benefits as they are earned during the employees' tenure of service. The related liability was determined by an actuarial valuation. The following tables outlines the components of the Hospital's accrued post-employment benefit liability and benefit expense:

ACCRUED BENEFIT LIABILITY

	Hospital	Share of MICS	2026 Total	2025 Total
Accrued benefit obligation	$ 1,656,179	$ 122,011	$ 1,778,190	$ 1,541,173
Unamortized actuarial loss (gain)	(117,744)	15,224	(102,520)	71,658
Accrued benefit liability	$ 1,538,435	$ 137,235	$ 1,675,670	$ 1,612,831

9. POST-EMPLOYMENT BENEFITS PAYABLE, (CONT'D)

BENEFIT EXPENSE

	Hospital	Share of MICS	2026 Total	2025 Total
Accrued benefit obligation, beginning of year	$ 1,418,250	$ 122,923	$ 1,541,173	$ 1,572,430
Unamortized actuarial loss (gain)	57,720	13,938	71,658	(18,008)
Accrued benefit liability, beginning of year	1,475,970	136,861	1,612,831	1,554,422
Current service cost	83,804	4,954	88,758	99,651
Interest on obligation	55,188	4,727	59,915	62,351
Amortization of actuarial loss (gain)	(6,141)	(1,483)	(7,624)	1,859
Benefit expense	132,851	8,198	141,049	163,861
Benefit payment	(70,386)	(7,824)	(78,210)	(105,452)
Accrued benefit liability, end of year	$ 1,538,435	$ 137,235	$ 1,675,670	$ 1,612,831

The above amounts exclude contributions to the Hospitals of Ontario Pension Plan, a multi-employer plan, described in Note 12.

The major actuarial assumptions employed for the valuations are as follows:

Discount rate

The present value of the future benefits was determined using a discount rate of 3.88% (2025 - 3.89%) which is the discount rate recommended by the Ministry of Health.

Extended Health Coverage

Extended Health Coverage is assumed to increase at a rate of 8% per annum (2025 - 8%) and decrease proportionately thereafter by 0.5% per year to an ultimate rate of 4.5% (2025 - 4.5%).

Dental costs

Dental costs is assumed to increase at 4% per annum (2025 - 4%).

ANSON GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

10. DEFERRED CAPITAL CONTRIBUTIONS

	2026	2025
CAPITAL CONTRIBUTIONS		
Balance, beginning of year	$ 25,766,297	$ 25,088,890
Funding received during the year	1,214,049	397,481
Transfer of capital contributions from (to) accounts payable	(127,916)	291,866
Derecognition of deferred capital contribution - South Centennial Manor	(7,546)	(11,940)
Write-off of capital contributions	(3,485,436)	-
Balance, end of year	23,359,448	25,766,297
ACCUMULATED AMORTIZATION		
Balance, beginning of year	(16,138,103)	(15,381,722)
Amortization of deferred capital contributions - buildings	(659,085)	(587,081)
Amortization of deferred capital contributions - equipment and software	(56,482)	(52,762)
Amortization of deferred capital contributions - South Centennial Manor	(126,740)	(116,538)
Write-off of capital contributions	3,485,436	-
Balance, end of year	(13,494,974)	(16,138,103)
NET DEFERRED CAPITAL CONTRIBUTIONS	$ 9,864,474	$ 9,628,194

Included in deferred capital contributions are donations and grants reserved for the purchase of capital assets that are unspent. Unspent contributions are subject to recovery by the funder. These contributions are comprised of:

	2026	2025
Donations	$ 28,387	$ 60,524

ANSON GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

11. INVESTED IN CAPITAL ASSETS

	2026	2025
Capital assets	$ 17,471,637	$ 17,555,209
Deferred capital contributions	(9,864,474)	(9,628,194)
Unspent deferred capital contributions (Note 10)	28,387	60,524
Capital contribution repayable	(108,000)	(120,000)
	$ 7,527,550	$ 7,867,539

The interfund transfer and the change in invested in capital assets is calculated as follows:

	2026	2025
CAPITAL ASSET ACTIVITIES		
Purchase of capital assets	$ 1,500,752	$ 950,748
Amortization of capital assets - buildings	(993,448)	(890,359)
Amortization of capital assets - equipment and software	(304,436)	(317,246)
Amortization of capital assets - South Centennial Manor	(282,695)	(271,797)
Loss on disposition of capital assets	(2,816)	(39,330)
Loss on disposition of capital assets - South Centennial Manor	(929)	-
	(83,572)	(567,984)
DEFERRED CAPITAL CONTRIBUTION ACTIVITIES		
Capital contributions received	(1,214,049)	(397,481)
Repayment of capital contribution repayable	12,000	12,000
Transfer unspent to deferred capital contributions	(32,137)	-
Transfer of capital contributions to (from) accounts payable	127,916	(291,866)
Derecognition of deferred capital contribution - South Centennial Manor	7,546	11,940
Amortization of deferred capital contributions - buildings	659,085	587,081
Amortization of deferred capital contributions - equipment and software	56,482	52,762
Amortization of deferred capital contributions - South Centennial Manor	126,740	116,538
	$ (339,989)	$ (477,010)

12. RETIREMENT BENEFITS

Substantially all of the Hospital's employees are members of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association.

Contributions to the plan made during the year by the Hospital on behalf of its employees amounted to $849,131 (2025 - $755,736) and are included in the statement of operations.

As this is a multi-employer pension plan, these contributions are the Hospital's pension benefit expenses. Any pension plan surpluses or deficits are a joint responsibility of member organizations and their employees. As a result, the organization does not recognize any share of the Plan's surplus or deficit. No contributing employer or employee has any liability, directly or indirectly, to provide the benefits established by this plan beyond the obligation to make contributions pursuant to the Plan policies. The most recent actuarial valuation of the Plan at December 31, 2025 indicated that the Plan is fully funded on a solvency basis.

13. OTHER RELATED PARTIES

MICs Healthcare Foundation

MICs Healthcare Foundation (the "Foundation") was incorporated primarily for the purpose of raising funds for the use by the three hospitals under the MICS Partnership (Bingham Memorial Hospital, Anson General Hospital and Lady Minto Hospital). During the year, the Hospital received $10,347 (2025 - $20,308) from the Foundation for the purchase of equipment.

ONE Health Information Technology Services

ONE Health Information Technology Services ("ONE HITS") is a shared service organization established for the purposes of providing technology, information systems and related support services on a non-profit basis to participating hospitals in Northeastern Ontario on a full cost recovery basis. As such, ONE Health Information Technology Services' net assets and surplus for the year are nil. The MICS Group of Health Services partnership has a 1.50% proportionate share in the organization. All operating and capital costs incurred in the year have been expensed or capitalized according to the allocation provided.

Transactions are valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

14. CONTINGENCIES AND COMMITMENTS

a) The nature of the Hospital's activities are such that there is usually litigation pending or in progress at any one time. With respect to claims as at March 31, 2026, it is management's position that the Hospital has valid defences and appropriate insurance coverage in place. No provision has been made in these financial statements to reflect any of these claims. Any settlements which may arise will be reflected in the financial statements in the year the amount is determined.

b) The Hospital participates in the Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the public liability insurance risks of its hospital members. All members of the HIROC pool pay actuarially determined annual premiums. All members are subject to assessment for losses, if any, experienced by the pool for the years in which they were members. No assessments have been made for the year ended March 31, 2026.

c) As at March 31, 2026, the Hospital has a further commitment of $953,880 in relation to current capital projects in progress.

15. ECONOMIC DEPENDENCE

The Hospital receives the majority of its revenue through a funding agreement with the Ministry of Health and Ontario Health North East. The Hospital's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

16. FINANCIAL INSTRUMENTS RISK MANAGEMENT

CREDIT RISK

The Hospital is exposed to credit risk in the event of non-payment by their debtors. Credit risk arises from the possibility that these individuals may experience financial difficulty and be unable to fulfil their obligations. The Hospital is exposed to this risk relating to its accounts receivable of $799,662 (2025 - $830,330) and its amounts due from MICs Group of Health Services of $0 (2025 - $610,699).

Accounts receivable are generally due from government agencies, insurers and patients and other. The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is recorded based on the Hospital's historical experience regarding collections. The amounts outstanding as at March 31, 2026 are as follows:

ANSON GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

16. FINANCIAL INSTRUMENTS RISK MANAGEMENT, (CONT'D)

	Total	Current	31-60 days	61-90 days	90+ days
Insurers and patients	$ 288,482	$ 196,794	$ 40,450	$ 24,034	$ 27,504
MOH / OHNE	161,475	161,475	-	-	-
HST rebates receivables	369,055	369,055	-	-	-
	819,012	727,324	40,450	24,034	27,504
Allowance	(19,350)	-	-	-	(19,350)
	$ 799,662	$ 727,324	$ 40,450	$ 24,034	$ 8,154

LIQUIDITY RISK

Liquidity risk results from the Hospital's potential inability to meet its obligations associated with the financial liabilities as they become due. The Hospital is exposed to this risk relating to its accounts payable and accrued liabilities of $3,348,965 (2025 - $3,563,321), its amounts due to MICs Group of Health Services of $310,252 (2025 - $0) and its capital contribution repayable of $108,000 (2025 - $120,000). The Hospital mitigates this risk by monitoring its operations and cash flows to ensure that current and future obligations will be met. However, for the three past years, short-term liquidity has been in a deficit position. The Hospital believes that with the continued financial support of Ontario Health North East, its current sources of liquidity will be sufficient to cover its short-term cash obligations. Management also believes that long-term cash obligations will be covered by funders in the future.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the above risks.

ANSON GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

17. FUTURE ACCOUNTING PRONOUNCEMENTS

The Public Sector Accounting Board (PSAB) issued Section PS 1202, Financial Statement Presentation, which establishes a revised financial reporting model for public sector entities. This Section replaces the existing Section PS 1201 and is to be applied in conjunction with PSAB's revised Conceptual Framework.

Section PS 1202 is effective for fiscal years beginning on or after April 1, 2026. Accordingly, the standard will be applicable to the Hospital for its year ending March 31, 2027. The Hospital has not early adopted this standard in the current year.

The adoption of Section PS 1202 will require restatement of comparative information to conform to the new presentation requirements.

The Hospital is currently assessing the impact of adopting Section PS 1202, including changes to financial statement presentation, supporting systems, and disclosures. At this time, the Hospital expects that the standard will have a significant impact on the presentation and classification of amounts reported in the financial statements; however, no material impact on the underlying recognition or measurement of assets, liabilities, revenues, or expenses is anticipated.

ANSON GENERAL HOSPITAL

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

SCHEDULE OF MINISTRY FUNDING — Schedule 1

	2026	2025
Ontario Health North East - Base allocation	$ 12,659,745	$ 11,419,245
Ministry of Health / Ontario Health North East - Other	512,150	782,448
Ministry of Health - Physician specific	1,988,443	1,316,081
	$ 15,160,338	$ 13,517,774

SCHEDULE OF SALARIES AND WAGES — Schedule 2

	2026	2025
Nursing services	$ 2,762,460	$ 2,210,237
Diagnostic and therapeutic	958,724	900,076
Education	79,002	45,881
Administration and other	1,875,384	1,837,718
	$ 5,675,570	$ 4,993,912

SCHEDULE OF SUPPLIES AND OTHER EXPENSES — Schedule 3

	2026	2025
Nursing services	$ 384,395	$ 279,179
Diagnostic and therapeutic	1,023,180	1,146,556
Education	31,146	26,127
Administration and other	2,325,444	1,948,082
	$ 3,764,165	$ 3,399,944

ANSON GENERAL HOSPITAL

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

STATEMENT OF OPERATIONS - SOUTH CENTENNIAL MANOR — **Schedule 4**

	2026	2025
REVENUES		
Ministry of Health subsidies	$ 6,753,694	$ 6,141,766
Accommodation charges to residents	1,679,112	1,648,012
Other revenues	65,915	191,393
Amortization of deferred capital contributions	126,740	116,538
Derecognition of deferred capital contribution	7,546	11,940
	8,633,007	8,109,649
EXPENSES		
Salaries and wages	5,794,972	4,942,328
Purchased services	645,897	1,086,593
Employee benefits	1,726,057	1,472,632
Supplies and other expenses	1,408,486	1,510,612
Amortization of capital assets	282,695	271,797
Loss on disposition of capital assets	929	-
	9,859,036	9,283,962
EXCESS OF EXPENSES OVER REVENUES	$ (1,226,029)	$ (1,174,313)