LADY MINTO HOSPITAL

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lady Minto Hospital

Opinion
We have audited the financial statements of Lady Minto Hospital(the "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 Hospital 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 Hospital 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 Hospital'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 Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital'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 Hospital'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 Hospital'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 Hospital 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

LADY MINTO HOSPITAL

FINANCIAL STATEMENTS

MARCH 31, 2026

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LADY MINTO HOSPITAL

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2026

	2026	2025
REVENUES		
Ministry funding, schedule 1	$ 19,666,729	$ 18,956,719
Cancer Care Ontario	941,877	1,151,404
Ontario Health Insurance	352,463	218,562
Other patient care revenues	215,469	261,866
Recoveries and other revenues	920,961	863,279
Amortization of deferred capital contributions - equipment and software	100,385	4,510
Other votes	4,350	4,350
	22,202,234	21,460,690
EXPENSES		
Salaries and wages, schedule 2	7,365,905	6,687,467
Purchased services	1,994,322	1,632,384
Employee benefits	2,274,856	2,141,997
Medical staff remuneration	3,069,558	3,119,311
Supplies and other expenses, schedule 3	4,659,716	4,274,691
Medical and surgical	474,758	454,874
Drugs and medical gases	1,330,114	1,631,393
Amortization of equipment and software	366,960	365,767
Other votes	4,350	4,350
	21,540,539	20,312,234
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	661,695	1,148,456
AMORTIZATION OF BUILDINGS		
Amortization of deferred capital contributions - buildings	656,943	882,544
Amortization of capital assets - buildings	(1,248,856)	(1,223,843)
	(591,913)	(341,299)
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER PROGRAM	69,782	807,157
OTHER PROGRAM		
Villa Minto Nursing Home, schedule 4	(137,680)	(583,130)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ (67,898)	$ 224,027

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

LADY MINTO HOSPITAL

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2026

	Invested in Capital Assets (Note 12)	Unrestricted	Endowment (Note 6)	Total 2026	Total 2025
BALANCE, BEGINNING OF YEAR	$ 8,680,532	$ 565,512	$ 87,433	$ 9,333,477	$ 9,109,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-	(67,898)	-	(67,898)	224,027
NET CHANGE IN INVESTED IN CAPITAL ASSETS (Note 12)	(1,391,869)	1,391,869	-	-	-
BALANCE, END OF YEAR	$ 7,288,663	$ 1,889,483	$ 87,433	$ 9,265,579	$ 9,333,477

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

LADY MINTO HOSPITAL

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 1,145	$ 1,145
Accounts receivable (Note 4)	1,126,171	1,386,747
Prepaid expenses	179,281	164,860
Inventories	701,904	563,783
Due from MICs Group of Health Services (Note 5)	4,361,119	3,992,544
	6,369,620	6,109,079
LONG-TERM RECEIVABLES	-	68,870
RESTRICTED INVESTMENT (Note 6)	87,433	87,433
CAPITAL ASSETS (Note 7)	20,322,419	18,905,767
INTANGIBLE ASSET (Note 8)	154,266	192,834
	$ 26,933,738	$ 25,363,983
LIABILITIES		
CURRENT LIABILITY		
Accounts payable and accrued liabilities (Note 9)	$ 2,190,229	$ 2,889,695
POST-EMPLOYMENT BENEFITS (Note 10)	1,760,792	1,674,484
DEFERRED CAPITAL CONTRIBUTIONS (Note 11)	13,717,138	11,466,327
	17,668,159	16,030,506
NET ASSETS		
INVESTED IN CAPITAL ASSETS (Note 12)	7,288,663	8,680,532
UNRESTRICTED	1,889,483	565,512
ENDOWMENT (Note 6)	87,433	87,433
	9,265,579	9,333,477
	$ 26,933,738	$ 25,363,983

CONTINGENCIES AND COMMITMENTS (Note 15)

On behalf of the board

Fern Marmette Director _____ Director

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

LADY MINTO HOSPITAL

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	$ (67,898)	$ 224,027
Items not involving cash:		
Amortization of capital assets - buildings	1,248,856	1,223,843
Amortization of capital assets - equipment and software	366,960	365,767
Amortization of capital assets - Villa Minto Nursing Home	141,563	133,870
Amortization of intangible asset - Villa Minto Nursing Home	38,568	38,568
Amortization of deferred capital contributions - buildings	(656,943)	(882,544)
Amortization of deferred capital contributions - equipment and software	(100,385)	(4,510)
Amortization of deferred capital contributions - Villa Minto Nursing Home	(50,166)	(41,156)
	920,555	1,057,865
Changes in:		
Accounts receivable	260,576	749,041
Prepaid expenses	(14,421)	(62,905)
Inventories	(138,121)	(4,999)
Accounts payable and accrued liabilities	(699,466)	688,908
Deferred revenue	-	(50,000)
Post-employment benefits	86,308	72,441
	415,431	2,450,351
INVESTING ACTIVITIES		
Net advances to MICs Group of Health Services	(368,575)	(2,749,201)
Long-term receivables	68,870	50,000
	(299,705)	(2,699,201)
CAPITAL ACTIVITIES		
Purchase of capital assets	(3,174,031)	(1,356,249)
Capital contributions received	3,058,305	1,605,099
	(115,726)	248,850
CHANGE IN CASH POSITION	-	-
CASH POSITION, BEGINNING OF YEAR	1,145	1,145
CASH POSITION, END OF YEAR	$ 1,145	$ 1,145

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

LADY MINTO 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.

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

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.

Restricted endowment donations are recognized as direct increases in net assets. Investment income earned on the restricted investments is recognized when earned.

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 / 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.

Amortized cost

This category includes accounts receivable, due from MICs Group of Health Services, long-term receivables, restricted investment and accounts payable and accrued liabilities. 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.

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

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	$ 1,145	$ -	$ 1,145
Accounts receivable	$ -	$ 1,126,171	$ 1,126,171
Due from MICs Group of Health Services	$ -	$ 4,361,119	$ 4,361,119
Restricted investment	$ -	$ 87,433	$ 87,433
Accounts payable and accrued liabilities	$ -	$ 2,190,229	$ 2,190,229

	2025		
	Fair Value	Amortized Cost	Total
Cash	$ 1,145	$ -	$ 1,145
Accounts receivable	$ -	$ 1,386,747	$ 1,386,747
Due from MICs Group of Health Services	$ -	$ 3,992,544	$ 3,992,544
Long-term receivables	$ -	$ 68,870	$ 68,870
Restricted investment	$ -	$ 87,433	$ 87,433
Accounts payable and accrued liabilities	$ -	$ 2,889,695	$ 2,889,695

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	$ 335,627	$ 423,849
Ministry of Health / Ontario Health North East	215,620	551,808
HST rebates receivable	581,957	426,608
	1,133,204	1,402,265
Less: Allowance for doubtful accounts	7,033	15,518
	$ 1,126,171	$ 1,386,747

5. DUE FROM MICS GROUP OF HEALTH SERVICES

The Hospital exercises significant influence over the MICs Group of Health Services (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 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	$ 4,361,119	$ 3,992,544

The Hospital's share of costs are as follows:

	2026	2025
Salaries, wages and employee benefits	$ 13,140,406	$ 12,374,687
Administration and support services	519,540	276,197
	$ 13,659,946	$ 12,650,884

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

6. RESTRICTED INVESTMENT

	2026		2025	
	Cost	Fair Market Value	Cost	Fair Market Value
BMO Exchange Traded Fund	$ 87,433	$ 129,719	$ 87,433	$ 96,844

The above restricted investment consist of the endowment donation received of $87,433. All of the net asset restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact in perpetuity and that the investment income earned be restricted for patient care services of the Hospital.

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	2026 Net	2025 Net
Land	$ 86,514	$ -	$ 86,514	$ 86,514
Land improvements	423,623	252,293	171,330	203,952
Buildings	36,488,738	18,983,876	17,504,862	16,684,515
Equipment and software	6,761,400	4,201,687	2,559,713	1,930,786
	$ 43,760,275	$ 23,437,856	$ 20,322,419	$ 18,905,767

As at March 31, 2026, there were no capital projects in progress (2025 - $312,675). These assets are not amortized.

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

8. INTANGIBLE ASSET

	Cost	Accumulated Amortization	2026 Net	2025 Net
Nursing Home Licence	$ 771,354	$ 617,088	$ 154,266	$ 192,834

In 1998, the Hospital acquired a Nursing Home Licence to operate a 33 bed Nursing Home pursuant to the Nursing Home Act (Ontario). The Nursing Home Licence was recorded at cost and was not amortized considering that the licence was not issued for a specified period of time. Later, under the Long-Term Care Homes Act (Ontario) which became in effect July 1, 2010, a replacement licence for 33 beds was issued for a period of 20 years expiring June 30, 2030. The cost of licence is now being amortized on a straight-line basis over the term of this agreement.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trades payable and accrued liabilities	$ 900,998	$ 1,670,097
Ministry of Health / Ontario Health North East	1,289,231	1,219,598
	$ 2,190,229	$ 2,889,695

10. 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	$ 1,586,068	$ 122,011	$ 1,708,079	$ 1,599,521
Unamortized actuarial loss	37,489	15,224	52,713	74,963
Accrued benefit liability	$ 1,623,557	$ 137,235	$ 1,760,792	$ 1,674,484

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

BENEFIT EXPENSE

	Hospital	Share of MICS	2026 Total	2025 Total
Accrued benefit obligation, beginning of year	$ 1,476,598	$ 122,923	$ 1,599,521	$ 1,490,741
Unamortized actuarial loss	61,025	13,938	74,963	111,302
Accrued benefit liability, beginning of year	1,537,623	136,861	1,674,484	1,602,043
Current service cost	91,600	4,954	96,554	97,963
Interest on obligation	57,547	4,727	62,274	59,177
Amortization of actuarial loss	(6,492)	(1,483)	(7,975)	(11,611)
Benefit expense	142,655	8,198	150,853	145,529
Benefit payment	(56,721)	(7,824)	(64,545)	(73,088)
Accrued benefit liability, end of year	$ 1,623,557	$ 137,235	$ 1,760,792	$ 1,674,484

The above amounts exclude contributions to the Hospitals of Ontario Pension Plan, a multi-employer plan, described in Note 13.

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%).

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

11. DEFERRED CAPITAL CONTRIBUTIONS

	2026	2025
CAPITAL CONTRIBUTIONS		
Balance, beginning of year	$ 23,462,286	$ 21,857,187
Funding received during the year	3,058,305	1,605,099
Write-off of capital contributions	(8,248,090)	-
Balance, end of year	18,272,501	23,462,286
ACCUMULATED AMORTIZATION		
Balance, beginning of year	(11,995,959)	(11,067,749)
Amortization of deferred capital contributions - buildings	(656,943)	(882,544)
Amortization of deferred capital contributions - equipment and software	(100,385)	(4,510)
Amortization of deferred capital contributions - Villa Minto Nursing Home	(50,166)	(41,156)
Write-off of capital contributions	8,248,090	-
Balance, end of year	(4,555,363)	(11,995,959)
NET DEFERRED CAPITAL CONTRIBUTIONS	$ 13,717,138	$ 11,466,327

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 restricted for CT scan related costs	$ 432,471	$ 1,000,000
Other restricted donations	96,645	48,258
	$ 529,116	$ 1,048,258

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

12. INVESTED IN CAPITAL ASSETS

	2026	2025
Capital assets	$ 20,322,419	$ 18,905,767
Intangible assets	154,266	192,834
Deferred capital contributions	(13,717,138)	(11,466,327)
Unspent deferred capital contributions (Note 11)	529,116	1,048,258
	$ 7,288,663	$ 8,680,532

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

	2026	2025
CAPITAL ASSET ACTIVITIES		
Purchase of capital assets	$ 3,174,031	$ 1,356,249
Amortization of capital assets - buildings	(1,248,856)	(1,223,843)
Amortization of capital assets - equipment and software	(366,960)	(365,767)
Amortization of capital assets - Villa Minto Nursing Home	(141,563)	(133,870)
Amortization of intangible asset - Villa Minto Nursing Home	(38,568)	(38,568)
	1,378,084	(405,799)
DEFERRED CAPITAL CONTRIBUTION ACTIVITIES		
Capital contributions received	(3,058,305)	(1,605,099)
Change in unspent deferred capital contributions	(519,142)	987,178
Amortization of deferred capital contributions - buildings	656,943	882,544
Amortization of deferred capital contributions - equipment and software	100,385	4,510
Amortization of deferred capital contributions - Villa Minto Nursing Home	50,166	41,156
	$ (1,391,869)	$ (95,510)

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

13. 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 $785,593 (2025 - $753,299) 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.

14. 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 $610,347 (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.

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

15. 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.

16. 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.

17. 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 $1,126,171 (2025 - $1,386,747), its amounts due from MICs Group of Health Services of $4,361,119 (2025 - $3,992,544) and its long-term receivables of $0 (2025 - $68,870).

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:

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

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

	Total	Current	31-60 days	61-90 days	90+ days
Insurers and patients	$ 335,627	$ 183,914	$ 59,211	$ 12,012	$ 80,490
MOH / OHNE	215,620	215,620	-	-	-
HST rebates receivables	581,957	581,957	-	-	-
	1,133,204	981,491	59,211	12,012	80,490
Allowance	(7,033)	-	-	-	(7,033)
	$ 1,126,171	$ 981,491	$ 59,211	$ 12,012	$ 73,457

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 $2,190,229 (2025 - $2,889,695). The Hospital mitigates this risk by monitoring its operations and cash flows to ensure that current and future obligations will be met. The Hospital believes that its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. Market risk for the Hospital lies mostly in the potential loss related to the volatility of market price fluctuations of its equity instruments. The Hospital does not use derivative instruments to reduce its exposure market risk.

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.

18. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The change did not have an effect on the excess (deficiency) of revenues over expenses and net assets.

LADY MINTO HOSPITAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

19. 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.

LADY MINTO HOSPITAL

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

SCHEDULE OF MINISTRY FUNDING — Schedule 1

	2026	2025
Ontario Health North East - Base allocation	$ 15,509,806	$ 13,637,606
Ministry of Health / Ontario Health North East - Other	1,947,282	3,150,505
Ministry of Health - Physician specific	2,209,641	2,168,608
	$ 19,666,729	$ 18,956,719

SCHEDULE OF SALARIES AND WAGES — Schedule 2

	2026	2025
Nursing services	$ 3,145,891	$ 2,952,290
Diagnostic and therapeutic	1,664,857	1,551,624
Education	61,957	49,376
Administration and other	2,493,200	2,134,177
	$ 7,365,905	$ 6,687,467

SCHEDULE OF SUPPLIES AND OTHER EXPENSES — Schedule 3

	2026	2025
Nursing services	$ 399,290	$ 414,865
Diagnostic and therapeutic	1,370,216	1,195,750
Education	36,844	31,987
Administration and other	2,853,366	2,632,089
	$ 4,659,716	$ 4,274,691

LADY MINTO HOSPITAL

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

STATEMENT OF OPERATIONS - VILLA MINTO NURSING HOME — **Schedule 4**

	2026	2025
REVENUES		
Ministry of Health subsidies	$ 3,347,500	$ 2,963,336
Accommodation charges to residents	871,114	847,437
Other revenues	62,431	106,382
Amortization of deferred capital contributions	50,166	41,156
	4,331,211	3,958,311
EXPENSES		
Salaries and benefits	2,542,176	2,331,207
Purchased services	111,476	631,999
Employee benefits	798,767	741,850
Supplies and other expenses	836,341	663,947
Amortization of capital assets	141,563	133,870
Amortization of intangible asset - nursing home licence	38,568	38,568
	4,468,891	4,541,441
DEFICIENCY OF REVENUES OVER EXPENSES	$ (137,680)	$ (583,130)