Financial Statements of

RENFREW VICTORIA HOSPITAL

For the year ended March 31, 2026

RENFREW VICTORIA HOSPITAL

Index

For the year ended March 31, 2026

Page

KPMG LLP
150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

INDEPENDENT AUDITOR'S REPORT

To the Chair and Board of Directors of Renfrew Victoria Hospital

Opinion

We have audited the financial statements of the Renfrew Victoria Hospital (the Hospital), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

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 financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 auditor's 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, 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.

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 the 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 22, 2026

RENFREW VICTORIA HOSPITAL

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 10,277,350	$ 7,509,237
Investments (note 2)	6,598,348	4,505,456
Accounts receivable (note 3)	3,136,187	7,374,886
Inventory	1,321,100	1,067,775
Prepaid expenses	451,304	321,184
	21,784,289	20,778,538
Capital assets (note 4)	44,082,860	38,890,662
Strategic Investment Fund (note 2)	20,000,000	20,000,000
	$ 85,867,149	$ 79,669,200
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 8,562,321	$ 8,000,332
Deferred provincial grants	135,221	234,928
	8,697,542	8,235,260
Deferred capital grants (note 5)	24,875,684	25,617,900
Asset retirement obligation (note 6)	3,914,005	3,809,705
Employee future benefits (note 7)	1,224,700	1,246,200
	38,711,931	38,909,065
Net assets:		
Investment in capital assets (note 8)	14,878,785	9,463,057
Unrestricted	29,540,861	29,382,631
	44,419,646	38,845,688
Accumulated remeasurement gains	2,735,572	1,914,447
	47,155,218	40,760,135
Commitments and contingencies (note 9)		
	$ 85,867,149	$ 79,669,200

See accompanying notes to financial statements.

On behalf of the Board:

RENFREW VICTORIA HOSPITAL

Statement of Operations

For the year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
MOH Base allocations	$ 41,864,304	$ 40,308,701
MOH One-time payments	6,422,561	6,529,417
MOH Hospital On-call	853,962	664,182
AFA revenues	3,790,881	2,316,278
Patient revenues from other payers	5,810,736	5,912,840
Differential and co-payment revenue	109,364	158,128
Recoveries and other income	4,441,507	4,572,342
Investment and rental income	2,426,447	1,446,939
Amortization of grants and donations	1,792,466	1,699,579
	67,512,228	63,608,406
Expenses:		
Compensation - salaries, wages and benefits	35,155,955	32,715,698
Medical staff remuneration	7,132,107	6,024,094
Medical and surgical supplies	3,464,116	3,206,030
Drugs and medical gases	6,689,210	5,631,599
Other expenses	10,474,834	9,632,412
Amortization of equipment	2,503,809	2,429,994
	65,420,031	59,639,827
Operating surplus	2,092,197	3,968,579
Amortization of building grants and donations	710,729	701,522
Amortization of buildings and land improvements	(1,192,120)	(1,039,731)
	(481,391)	(338,209)
Contribution from Renfrew Health (note 11(c))	3,963,152	5,631,252
Other income (expenses) (Schedule A):		
Revenues	3,604,638	3,002,354
Salary and wages	(2,009,365)	(1,652,636)
Benefits	(681,738)	(825,275)
Supplies and other expenses	(903,461)	(516,138)
Amortization of equipment	(10,074)	(8,305)
	–	–
Excess of revenue over expenses	$ 5,573,958	$ 9,261,622

See accompanying notes to financial statements.

RENFREW VICTORIA HOSPITAL

Statement of Changes in Net Assets

For the year ended March 31, 2026, with comparative information for 2025

	Investment in capital assets	Unrestricted	2026 Total	2025 Total
Net assets, beginning of year	$ 9,463,057	$ 29,382,631	$ 38,845,688	$ 29,584,066
Excess of revenue over expenses	–	5,573,958	5,573,958	9,261,622
Net change of invested in capital assets (note 8)	5,415,728	(5,415,728)	–	–
Net assets, end of year	$ 14,878,785	$ 29,540,861	$ 44,419,646	$ 38,845,688

See accompanying notes to financial statements.

RENFREW VICTORIA HOSPITAL

Statement of Accumulated Remeasurement Gains and Losses

For the year ended March 31, 2026, with comparative information for 2025

	2026	2025
Accumulated remeasurement gains, beginning of year	$ 1,914,447	$ 1,302,242
Net unrealized gains attributable to investments	821,125	612,205
Accumulated remeasurement gains, end of year	$ 2,735,572	$ 1,914,447

See accompanying notes to financial statements.

RENFREW VICTORIA HOSPITAL

Statement of Cash Flows

For the year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses for the year	$ 5,573,958	$ 9,261,622
Items not involving cash:		
Amortization of buildings and equipment	3,706,003	3,478,029
Amortization of deferred capital grants	(2,503,195)	(2,401,101)
Decrease in employee future benefits	(21,500)	(31,900)
Increase in asset retirement obligation	104,300	77,509
Net change in non-cash operating working capital items:		
(Increase) decrease in accounts receivable	4,238,699	(890,918)
Increase in inventory	(253,325)	(206,269)
Increase in prepaid expenses	(130,120)	(46,590)
(Decrease) increase in accounts payable and accrued liabilities	561,989	(2,166,591)
Increase in deferred provincial grants	(99,707)	62,004
(Decrease) increase in deferred revenue	–	(729)
Cash flows from operating activities	11,177,102	7,135,066
Financing activities:		
Deferred grants for capital assets received	1,760,979	761,540
Repayment of capital lease	–	(63,684)
Cash flows from financing activities	1,760,979	697,856
Investing activities:		
Additions to capital assets	(8,898,201)	(2,014,996)
Net purchase of investments	(1,271,767)	(6,611,515)
Cash flows used for investing activities	(10,169,968)	(8,626,511)
Net increase (decrease) in cash during the year	2,768,113	(793,589)
Cash, beginning of the year	7,509,237	8,302,826
Cash, end of the year	$ 10,277,350	$ 7,509,237

See accompanying notes to financial statements.

General information:

The Renfrew Victoria Hospital is incorporated without share capital under the laws of the Province of Ontario. The Hospital is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

These financial statements reflect the assets, liabilities and operations of the Renfrew Victoria Hospital. They do not include the assets, liabilities or operations of its related entities which, although associated with the Hospital, are separately managed and report to a separate Board of Directors.

The Hospital is principally involved in providing health care services as a community hospital to the residents of the Town of Renfrew and surrounding area.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards for government not-for-profit organizations, including the 4200 series of the standards, as issued by the Public Sector Accounting Board.

(a) Revenue recognition:

The Hospital follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and regulations thereto, the Hospital is funded primarily by Ontario Health in accordance with budget arrangements established by the Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed funding arrangements approved by the Ministry with respect to the year ended March 31, 2026. Capital grants for acquisition of capital assets are recorded as deferred credits and amortized to income in future years at the same rate as the related capital assets are amortized.

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

Revenue from the Provincial Insurance Plan, preferred accommodation, and marketed services is recognized when the goods are sold or the service is provided.

(b) Contributed services:

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 financial statements.

Contributed capital assets are recorded at fair value at the date of contribution.

1. Significant accounting policies (continued):

(c) Inventory:

Inventory is valued at the lower of cost and net realizable value less a provision for any obsolete or unusable inventory on hand. Cost is determined on an average cost basis.

(d) Use of estimates:

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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include judgments as to the valuation of the employee future benefits liability. Actual results could differ from these estimates. These estimates are reviewed annually, and as adjustments become necessary, they are recorded in the financial statements in the period they become known.

(e) Capital assets:

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Construction in progress comprises construction, development costs and interest capitalized during the construction period. Amortization is not recognized until construction is complete and the assets are ready for productive use. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable

When a capital asset no longer contributes to the Hospital's ability to provide services its carrying amount is written down to its residual value. Amortization is provided on the straight-line basis using the following annual rates:

Asset	Rate
Buildings	2.5%
Equipment	5.0% -12.5%
Land improvements	2.5%
Information system	6.7%

Assets acquired during the year are not amortized until the following year.

1. Significant accounting policies (continued):

(f) Employee future benefits:

The Hospital accrues its obligations for benefit plans as the employees render the services necessary to earn these benefits. The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service, and management's best estimate of retirement ages of employees and expected health and dental care costs. The most recent actuarial valuation of the benefit plans was performed as at March 31, 2024 and extrapolated to March 31, 2025. The next required valuation will be as at March 31, 2027. Actuarial gains or losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains or losses over the accrued benefit obligation is amortized over the expected average remaining service period of active employees. The expected average remaining service period of the active employees covered by the benefit plans is 13 years (2025 - 13 years).

Adjustments arising from plan amendments are recognized immediately in the period of plan amendment.

The Hospital is an employer member of the Hospitals 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 insufficient information is available to apply defined benefit plan accounting principles.

(g) Financial instruments:

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

(i) Fair value:

This category includes equity instruments quoted in an active market.

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

Transaction costs related to the 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 recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains associated with that instrument is removed from net assets and recognized in the statements of operations.

1. Significant accounting policies (continued):

(g) Financial instruments (continued):

(ii) Amortized cost:

This category includes accounts receivable and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using 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 of the 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 statements of operations.

(h) Asset retirement obligation:

The Hospital recognizes the fair value of an Asset Retirement Obligation ("ARO") when all of the following criteria have been met:

- There is legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos-containing materials in certain hospital facilities has been recognized based on estimated future expenses. Actual remediation costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability recorded within the financial statements is recognized in the Statement of Operations at the time the remediation occurs.

(i) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is a non-monetary exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

2. Investments:

Investments consist of:

	2026 Fair value	2026 Cost
Fixed income	$ 19,853,390	$ 19,471,441
Common shares	6,676,964	4,332,301
Mutual funds and other	67,994	59,034
	26,598,348	23,862,776
Less: Strategic Investment Fund	(20,000,000)	–
	$ 6,598,348	$ 23,862,776

	2025 Fair value	2025 Cost
Fixed income	$ 18,663,493	$ 18,035,053
Common shares	5,777,620	4,490,514
Mutual funds and other	64,343	65,442
	24,505,456	22,591,009
Less: Strategic Investment Fund	(20,000,000)	–
	$ 4,505,456	$ 22,591,009

The investments are managed by investment managers who are under the direction of the Board of Directors. Market value is determined by reference to public markets as reported by the investment manager.

The Strategic Investment Fund was established in March 2025 by the Board of Directors for the purpose of funding strategic purchases or projects. The amounts will be drawn down as eligible costs are incurred relating to specific approved projects or purchases.

3. Accounts receivable:

Accounts receivable is comprised as follows:

	2026	2025
Services to patients	$ 2,436,050	$ 2,811,417
Due from Renfrew Health	–	1,841,307
Due from Foundation	–	2,187,375
Other	798,860	541,787
	3,234,910	7,381,886
Less allowance for doubtful accounts	(98,723)	(7,000)
	$ 3,136,187	$ 7,374,886

4. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 1,179,892	$ –	$ 1,179,892	$ 441,416
Land improvements	2,249,705	663,236	1,586,469	1,636,459
Buildings	47,318,703	20,769,691	26,549,012	21,782,911
Equipment	21,206,547	10,300,099	10,906,448	10,969,641
Hospital Information System	4,523,406	1,728,987	2,794,419	3,095,979
Construction in progress	1,066,620	–	1,066,620	964,256
	$ 77,544,873	$ 33,462,013	$ 44,082,860	$ 38,890,662

Cost and accumulated amortization as at March 31, 2025, amounted to $69,390,681 and $30,500,019, respectively.

During the year ended March 31, 2026, the hospital disposed of full amortized capital assets with a cost of $744,009 and an accumulated amortization of $744,009 for proceeds of $Nil, resulting in a loss of $Nil.

5. Deferred capital grants:

	2026	2025
Balance, beginning of year	$ 25,617,900	$ 27,257,461
Add: Contributions during the year (net)	1,760,979	761,540
Less: Amortization of deferred contributions during the year	(2,503,195)	(2,401,101)
Balance, end of year	$ 24,875,684	$ 25,617,900

6. Asset retirement obligation:

The Hospital has accrued for asset retirement obligation related to the legal requirement for the removal of remediation of asbestos-containing materials in the building owned by the Hospital. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos-containing materials in accordance with current legislation.

The change in the estimated obligation during the year consists of the following:

	2026	2025
Balance, beginning of year	$ 3,809,705	$ 3,732,196
Cost escalation	159,626	97,410
Opening balance, as restated	3,969,331	3,829,606
Less: costs incurred	(55,326)	(19,901)
Balance, end of year	$ 3,914,005	$ 3,809,705

7. Employee future benefits:

The Hospital provides extended health and dental to certain employees. An independent actuarial study of the post-retirement and post-employment benefits has been undertaken. The most recent valuation of employee future benefits was completed as at March 31, 2024 and was extrapolated for as at March 31, 2025 and March 31, 2026.

7. Employee future benefits (continued):

The significant actuarial assumptions adopted in estimating the Hospital's accrued benefit obligation are as follows:

	2026	2025
Discount rate for calculation of net benefit costs	3.89%	3.95%
Discount rate for calculation of accrued benefit obligation	3.88%	3.89%
Dental costs rate increase	5.00%	5.00%
Extended health care costs rate increase	5.97%	5.97%
Expected average remaining service life of employees	13 years	13 years

Information with respect to the Hospital's employee future benefit obligations is as follows:

Employee future benefit liabilities:

	2026	2025
Accrued benefit obligation	$ 1,055,600	$ 1,014,500
Unamortized actuarial gain	169,100	231,700
Accrued employee benefit obligation	$ 1,224,700	$ 1,246,200

Employee future benefit expense:

	2026	2025
Current year benefit cost	$ 102,000	$ 97,600
Interest on accrued benefit obligation	41,400	40,400
Amortized actuarial gains	(61,700)	(62,200)
Employee future benefit expense	$ 81,700	$ 75,800

8. Investment in capital assets:

Investment in capital assets is comprised as follows:

	2026	2025
Capital assets	$ $43,668,474	$ 38,890,662
Less amounts financed by:		
Deferred contributions	(24,875,684)	(25,617,900)
Asset retirement obligation	(3,914,005)	(3,809,705)
	$ 14,878,785	$ 9,463,057

Net transfer between investment in capital assets and unrestricted is calculated as follows:

	2026	2025
Amortization of deferred capital grants related to capital assets	$ 2,503,195	$ 2,401,101
Purchase of capital assets	8,483,815	2,014,996
Amortization of capital assets	(3,706,003)	(3,478,029)
Capital lease payment	–	63,684
Amounts funded by deferred capital grants	(1,760,979)	(761,540)
Asset retirement obligation costs	(104,300)	(77,509)
	$ 5,415,728	$ 162,703

9. Commitments and contingencies:

(a) Legal matters and 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 coverages 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.

9. Commitments and contingencies (continued):

(b) Healthcare Insurance Reciprocal of Canada:

The Hospital is a member of 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 were required during the year ended March 31, 2026.

10. Pension plan:

Substantially all of the employees of the Hospital 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. Plan members will receive benefits based on the length of service and on the average annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing Plan assets in trust and through the Plan investment policy.

Pension expense is based on management's best estimate, in consultation with its actuaries, of the amount, together with employee contributions, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employee contributions.

Variances between actuarial funding estimates and actual experiences may be material and any differences are generally to be funded by the participating members. Contributions made during the year by the Hospital, amounted to $2,438,582 (2025 - $2,329,200) and are included in salaries, wages and benefits in the statements of operations.

11. Related entities:

(a) Renfrew Victoria Hospital Foundation:

The Hospital has an economic interest in the Renfrew Victoria Hospital Foundation. The Foundation is a separate legal entity and reports to its own Board. Incorporated without share capital under the laws of Ontario, it is a registered charity under the Income Tax Act and was established in 1988 to raise funds for the use of the Hospital. Included in accounts receivable is an amount of $Nil (2025 - $2,187,375) due from the Foundation. This represents the net of salaries, employee benefits and supplies paid by the Hospital on behalf of the Foundation during the fiscal year and amounts pledged by the Foundation for capital purchases.

(b) Eastern Ontario Regional Laboratory Association Inc.:

The Hospital is an owner/member of Eastern Ontario Regional Laboratory Association Inc. ("EORLA"). EORLA was established to provide an integration of laboratory and pathology services to the 16 member Hospitals on a cost of service basis. Effective 1 April 2012, a number of non-medical laboratory employees became employees of EORLA. The initial contract was for 10 years, but has been extended by all members to 31 March 2024. A new 10 year contract signed by all members will come into effect 1 April 2024. EORLA has assumed all liabilities related to lab and pathology services and charge all member Hospitals on a semi-monthly basis for their share of lab costs based on usage. Included in other supplies and expenses is an amount of $2,357,640 (2025 - $2,165,316) for the provision of laboratory and pathology services paid to EORLA. As an owner, the Hospital would be responsible for a portion of any operating losses, liabilities or significant capital requirements agreed to by the EORLA Board of Directors.

11. Related entities (continued):

(c) Renfrew Health:

The Hospital has an economic interest in Renfrew Health through common members of the Boards and Directors that are current or past key management personnel of the Hospital. Renfrew Health is a separate legal entity and reports to its own Board. Incorporated without share capital under the laws of Canada, it is a Not-for-Profit Organization and is not subject to income taxes. Renfrew Health was created to support the operations of the Hospital and advance the goals and objectives of such Hospital. Renfrew Health manages through leases; rental buildings owned by Renfrew Victoria Hospital and provides management services to retail operations owned by Renfrew Victoria Hospital. Renfrew Victoria Hospital provides back-office services for Renfrew Health with transactions flowing through due to/from accounts. Transactions are in the normal course of business and are measured at the exchange amount, which is considered to be the approximate market value. Included in accounts receivable is an amount of $Nil (2025 - $1,841,307) due from Renfrew Health.

During the year, Renfrew Health transferred assets with a fair value of $3,963,152 (2025 $5,631,252) to the Hospital (note 12).

(d) St. Francis Memorial Hospital:

The Hospital and St. Francis Memorial Hospital Association are related by virtue of having an integrated executive management team. The two hospitals operate as individual corporations under the Public Hospitals Act of Ontario, receive their own funding from the Government and are separate employers. Transactions are in the normal course of business and are measured at the exchange amount, which is considered to be the approximate market value. Included in accounts receivable is an amount of $85,437 (2025 - $68,306) due from St. Francis Memorial Hospital Association.

12. Integration of Renfrew Health:

On May 22, 2025, the Hospital received confirmation from the Ministry of Health indicating their support of the voluntary integration of the Hospital and Renfrew Health, resulting in integration and reunification of the Hospital's assets. Accordingly, in fiscal year 2026, the Hospital transferred all assets and operations from Renfrew Health. As at March 31, 2026, the Hospital received the fair value of $3,963,152 of investments (2025 - $5,631,252) that are included in the March 31, 2026 financial statements of the Hospital.

13. Hospital Information System:

On 1 June 2019, Renfrew Victoria Hospital along with the Ottawa Hospital, The University of Ottawa Heart Institute, Hawkesbury General Hospital and St. Francis Memorial Hospital went live with a shared Hospital Information System (HIS), EPIC. Each partner hospital is responsible for their respective on- site support costs as well as a percentage of the shared HIS costs. The Ottawa Hospital is the lead hospital for the partnership providing support and maintenance for the group and acting as paymaster for shared HIS operating costs.

The HIS partnership approves an annual budget for provision of services to support and maintain the single instance of EPIC. Each partner is responsible for shared HIS costs as determined using an agreed upon cost allocation methodology.

As a partner of the shared HIS, Renfrew Victoria Hospital is responsible for shared HIS operating costs of $861,605 (2025 - $740,720) for the period April 1, 2025 to March 31, 2026. The actual shared HIS cost amount is determined based on actual HIS shared operating costs incurred by the partnership. A reconciliation at year end of actual HIS operating costs incurred will determine if a partner is required to contribute additional funds or be provided a refund.

Included in long term liabilities are capital payments payable to the Ottawa Hospital for EPIC software. The terms of payment for the software was spread over a seven year period with no interest accruing. As the Ottawa Hospital is the lead agency, Renfrew Victoria Hospital is committed to pay to the Ottawa Hospital their proportionate share of the outstanding balance.

14. Financial instrument risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to this risk relating to its cash, investments, and accounts receivable. The Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

The Hospital's receivables are with governments, government funding agencies and patients. The Hospital believes that these receivables do not have significant credit risk in excess of allowances for doubtful accounts that have been established.

(b) Liquidity risk:

Liquidity risk is the risk that the Hospital will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital manages its liquidity risk by monitoring its operating requirements. The Hospital prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

14. Financial instrument risk management (continued):

(b) Liquidity risk (continued):

The Hospital's liquidity risk has increased in the year due to the effect of on-going operating losses, payments made related to Bill 124, and payments made on long-term debt on its overall liquidity. The Hospital will require sufficient and timely funding from the Ministry of Health to fulfil its obligations on a timely basis and at a reasonable cost.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and other price risk. The Hospital monitors market risk by reviewing investment portfolios for performance on a monthly basis.

(i) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuation in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Hospital is exposed to this risk through its interest bearing investments.

The Hospital's bond portfolio has interest rates ranging from 2.135% to 5.500% with maturities ranging from June 1, 2025 to July 14, 2042.

(ii) Currency and other price risk:

The Hospital believes it is not subject to significant currency or other price risk from its financial instruments as it holds insignificant amounts in foreign currencies and does not hold investments traded in an active market.

Other than liquidity risk disclosed above, the Hospital's financial risks arising from its financial instruments have not changed significantly in the year. Management believes that its financial risks are appropriately mitigated and do not pose a significant risk to the Hospital's on-going operations. There have been no significant changes in the policies, procedures and methods used to manage these risks in the year.

15. Comparative information:

Certain comparative information has been reclassified from that previously presented to conform to the current year's financial statement presentation.

RENFREW VICTORIA HOSPITAL

Schedule A - Program Revenue and Expenses

For the year ended March 31, 2026, with comparative information for 2025

	Revenue	Salaries	Supplies	2026 Net	Revenue	Salaries	Supplies	2025 Net
Substance Abuse Program	$ 1,231,598	$ 954,574	$ 277,024	$ –	$ 1,104,130	$ 889,994	$ 214,136	$ –
Problem Gambling	78,540	78,540	–	–	75,519	47,368	28,151	–
Assisted Living	1,019,791	948,483	71,308	–	933,322	879,774	53,548	–
Youth Wellness Hub of Ontario (YWHO)	1,102,272	566,961	535,311	–	676,693	478,573	198,120	–
Elder Abuse	92,455	75,259	17,196	–	121,834	98,280	23,554	–
Palliative Care	68,523	67,286	1,237	–	44,181	41,930	2,251	–
Grief and Bereavement	11,459	–	11,459	–	46,675	41,992	4,683	–
Total Programs	$ 3,604,638	$ 2,691,103	$ 913,535	$ –	$ 3,002,354	$ 2,477,911	$ 524,443	$ –