

NIPIGON DISTRICT MEMORIAL HOSPITAL

FINANCIAL STATEMENTS

March 31, 2025

NIPIGON DISTRICT MEMORIAL HOSPITAL

FINANCIAL STATEMENTS

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of Nipigon District Memorial Hospital [the "Hospital"] are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. The preparation of the financial statements necessarily involves management's judgment and estimates of the expected outcomes of current events and transactions with appropriate consideration to materiality.

Nipigon District Memorial Hospital maintains systems of internal accounting and financial controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, accurate, and that assets are properly accounted for and safeguarded.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets with management and the external auditors to review any significant accounting and auditing matters, to discuss the results of audit examinations, and to review the financial statements and the external independent auditor's report before approving the financial statements.

The financial statements have been audited by Suraci & Olszewski LLP, the external auditors, in accordance with Canadian generally accepted auditing standards.



Shannon Cormier
Chief Executive Officer



Dino Armenti, CPA, CGA
Interim Chief Financial Officer



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Nipigon District Memorial Hospital

Opinion

We have audited the accompanying financial statements of Nipigon District Memorial Hospital (the "Hospital"), which comprise the statement of financial position as at March 31, 2025, 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, 2025**, and its results of operations 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 & 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.

Auditors' Responsibility 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 auditors' 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 Corporation'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 auditors' 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 auditors' 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 represents 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.



Chartered Professional Accountants
Licensed Public Accountants

Sault Ste. Marie, Canada
June 26, 2025

NIPIGON DISTRICT MEMORIAL HOSPITAL **STATEMENT OF FINANCIAL POSITION**

As at March 31


	2025 \$	2024 \$
ASSETS		
Current		
Cash	2,072,536	986,576
Term deposits [note 2]	-	100,000
Accounts receivable [note 3]	357,519	1,358,303
Inventory [note 4]	192,047	131,212
Prepaid expenses	407,099	286,635
	3,029,201	2,862,726
Restricted cash	59,306	57,000
Capital assets, net [note 5]	10,157,810	7,027,333
	13,246,317	9,947,059
LIABILITIES		
Current		
Accounts payable and accrued liabilities [note 7]	3,577,947	3,244,284
Current portion of long-term debt [note 6]	94,449	91,551
Deferred operating contributions	-	18,478
	3,672,396	3,354,313
Long-term		
Long-term debt [note 6]	1,520,181	449,247
Deferred capital contributions [note 8]	7,052,384	5,019,935
Employee future benefits [note 9]	475,800	462,100
	9,048,365	5,931,282
NET ASSETS		
Investment in capital assets [note 10]	2,151,378	1,945,263
Internally restricted	444,721	401,569
Externally restricted	59,306	57,000
Unrestricted	(2,129,849)	(1,742,368)
	525,556	661,464
	13,246,317	9,947,059

Commitments [note 11], Contingent liabilities [note 12]

Approved on behalf of the Board of Directors:



 Director



 Director

The accompanying notes are an integral part of these financial statements

NIPIGON DISTRICT MEMORIAL HOSPITAL **STATEMENT OF OPERATIONS**

Year ended March 31	2025	2024
	\$	\$
REVENUE		
Ministries of Health and Long-Term Care and Ontario Health North [note 13]	10,847,116	10,645,073
Patient services	221,681	192,958
Preferred accommodation and co-payments	591,054	569,585
Other revenue [note 14]	1,374,928	1,215,964
Beardmore Regional Health Centre [schedule 1]	313,633	313,616
Fundraising [schedule 2]	69	62
Assisted Living Program [schedule 3]	273,309	261,674
Opioid Addiction Program [schedule 4]	70,586	70,586
Meals on Wheels [schedule 5]	22,286	21,428
Hospital On-Call Coverage	119,048	112,734
Municipal taxes funding	2,775	2,775
	13,836,485	13,406,455
EXPENSES		
Salaries and wages	7,491,084	7,654,940
Medical staff remuneration	359,550	364,705
Employee benefits	2,147,138	1,677,866
Supplies and expenses	2,626,874	2,507,739
Medical and surgical supplies	104,282	102,085
Drugs and medical gases	65,181	103,739
Provision for bad debts	4,729	4,834
Amortization of major equipment and information systems	185,881	189,227
Beardmore Regional Health Centre [schedule 1]	313,633	330,578
Fundraising [schedule 2]	21,482	21,428
Assisted Living Program [schedule 3]	273,309	262,853
Opioid Addiction Program [schedule 4]	70,586	70,586
Meals on Wheels [schedule 5]	22,286	21,428
Hospital On-Call Coverage	119,048	112,734
Municipal taxes expense	2,775	2,775
	13,807,838	13,427,517
Excess (shortfall) of revenue over expenses before the following	28,647	(21,262)
Amortization of land improvements, buildings and building service equipment	(643,634)	(578,924)
Amortization of deferred capital contributions	479,079	479,079
SHORTFALL OF REVENUE OVER EXPENSES	(135,908)	(121,107)

The accompanying notes are an integral part of these financial statements

NIPIGON DISTRICT MEMORIAL HOSPITAL
STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

					2025	2024
	Investment in Capital Assets \$	Externally Restricted Fund \$	Internally Restricted Fund \$	Unrestricted \$	Total \$	Total \$
Balance at beginning of year	1,945,263	57,000	401,569	(1,742,368)	661,464	782,571
Shortfall of revenue over expenses [note 10 (a)]	(84,430)			(51,478)	(135,908)	(121,107)
Net change in externally restricted funds		2,306		(2,306)	-	-
Net change in internally restricted funds			43,152	(43,152)	-	-
Net change in investment in capital assets [note 10 (b)]	290,545			(290,545)	-	-
BALANCE AT END OF YEAR	2,151,378	59,306	444,721	(2,129,849)	525,556	661,464

The accompanying notes are an integral part of these financial statements

NIPIGON DISTRICT MEMORIAL HOSPITAL **STATEMENT OF CASH FLOWS**

Year ended March 31	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Shortfall of revenue over expenses for year	(135,908)	(121,107)
Add charges (deduct credits) to excess of revenue over expenses not involving a current payment (receipt) of cash		
Amortization of capital assets and deferred charges	830,467	769,104
Amortization of deferred capital contributions	(564,118)	(563,939)
Gain on disposal of capital assets	(45)	(436)
Employee future benefits	13,700	5,900
Changes in non-cash operational balances [note 15]	1,134,670	1,310,492
Net cash provided by operating activities	1,278,766	1,400,014
CAPITAL ACTIVITIES		
Purchase of capital assets	(3,960,944)	(118,529)
Proceeds from sale of capital assets	45	436
Net cash used in capital activities	(3,960,899)	(118,093)
FINANCING ACTIVITIES		
Deferred capital contributions received		
Ontario Ministries of Health and Long-Term Care	2,414,648	10,000
Private and other donations	181,919	90,951
Repayment of long-term debt	1,073,832	(88,742)
Net cash provided by financing activities	3,670,399	12,209
INCREASE IN CASH	1,088,266	1,294,130
Cash (bank indebtedness), beginning of year	1,043,576	(250,554)
CASH, END OF YEAR	2,131,842	1,043,576
Represented by		
Cash	2,072,536	986,576
Restricted cash	59,306	57,000
	2,131,842	1,043,576

The accompanying notes are an integral part of these financial statements

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

General

Nipigon District Memorial Hospital (the "Hospital") was incorporated under the Corporations Act in January, 1956. The Hospital is principally involved in providing health care services to the Nipigon-Red Rock region of Northwestern Ontario. The Hospital is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[a] Basis of presentation

The financial statements of the Hospital have been prepared by management 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 Standards Board ("PSAB for Government NPOs").

[b] Fund accounting

The funds of the Hospital are maintained in accordance with the principles of fund accounting whereby separate accounts are maintained for each fund, as explained below, to ensure observance of the limitations and restrictions placed on the use of particular assets.

Unrestricted fund

This fund is used to account for operational and administrative revenue and expenses.

Externally restricted fund

Restricted cash of \$59,306 [2024 - \$57,000] represents endowments where the principal contribution is restricted for various time intervals which upon expiry is to be used for capital purchases.

Internally restricted fund

Each year the Hospital sets aside 25% of rental income to be used for capital equipment and repairs for the premises which the Hospital acts as a landlord.

[c] Revenue recognition

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministries of Health ("MOH") and Long-Term Care ("MLTC"), and Ontario Health North ("OHN"). Operating grants are recorded as revenue in the period to which they relate. Grants approved, but not received at the end of an 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 arrangements approved by the MOH, MLTC and OHN with respect to the year ended March 31, 2025.

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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.

Revenue from patient services is recognized when the services are provided.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate of for the related capital assets.

Externally restricted investment income is accounted for as a liability until the restrictions imposed on the income have been met by the Hospital. As these assets become unrestricted they may be used for such purposes that the Board approves including current operations and capital purchases. Unrestricted investment income is recognized as revenue when earned.

[d] Contributed services

Volunteers contribute numerous hours to assist the Hospital in carrying out certain charitable aspects of its service delivery activities. The Fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

[e] 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

Financial instruments are initially recognized at cost subsequently carried at fair value. 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. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met. 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 is removed from net assets and recognized in the statement of operations.

ii) Amortized cost

This category includes cash, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, and short-term borrowing. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on the financial assets. Transaction costs related to the financial instruments in 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 the 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.

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

[f] Inventory

Inventory of general, medical and surgical supplies is valued at the lower of average cost and replacement value, whereas drugs and medical gases are carried at cost on a first-in, first-out basis.

[g] Capital assets and amortization

Purchased capital assets are valued at cost and contributed assets are valued at their fair market value at the time of contribution. The cost of major replacements and improvements to capital assets are capitalized and the cost of maintenance and repairs are expensed when incurred.

The amortization of the capital assets is recorded annually with a corresponding reduction in investment in capital assets. All assets are amortized over their expected useful lives using the straight-line basis, at the following annual rates:

Buildings	20 to 40 years
Building service equipment	10 to 20 years
Computer software	3 years
Major equipment	5 to 20 years
Land improvements	10 to 20 years

[h] Employee future benefits

The Hospital provides extended health care, dental and life insurance benefits to substantially all employees and accrues its obligations under employee benefit plans and the related costs. The cost of retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service from management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

The cost of post-employment benefits future benefits are actuarially determined using management's best estimate of 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. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.

The Hospital is an employer member of the Health Care of Ontario Pension, 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. The Hospital records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

[i] Compensated absences

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the benefit plans of the Hospital.

[j] Management estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of allowance for doubtful accounts and actuarial estimation of post-employment benefits, estimated useful lives of capital assets and compensated absences.

[k] Related party transactions

Financial assets or liabilities obtained in related party transactions are measured at exchange, which is in accordance with the accounting policy for related party transactions.

[l] Asset Retirement Obligation

An Asset Retirement Obligation (ARO) is a legal obligation that is associated with the retirement of a tangible, long-term asset. It is generally applicable when a company is responsible for removing equipment or cleaning up hazardous materials at some agreed-upon future date. Management has reviewed its obligation and has determined that there is no impact to the financial statements.

2. TERM DEPOSITS

The term deposits consists of guaranteed investment certificates in the amount \$NIL [2024 - \$100,000]. The term deposit carried an interest rate of 4.75% and matured in March 2025.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:	2025 \$	2024 \$
Ontario Ministries of Health and Long-Term Care /		
Ontario Health North	-	1,029,275
Other non-patient accounts receivable	259,316	219,850
Patient accounts receivable	110,007	116,349
Provincial Insurance Plan	27,594	22,211
	396,917	1,387,685
Less allowance for doubtful accounts	39,398	29,382
	357,519	1,358,303

NIPIGON DISTRICT MEMORIAL HOSPITAL **NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

4. INVENTORY

	2025	2024
	\$	\$
Pharmacy inventory	32,550	12,363
Supplies inventory	159,497	118,849
	192,047	131,212

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2025 Net
	\$	\$	\$
Land	171,092	-	171,092
Land improvements	1,263,570	1,024,007	239,563
Buildings and building service equipment	21,105,493	12,520,003	8,585,490
Major equipment and computer systems	6,960,998	5,799,333	1,161,665
	29,501,153	19,343,343	10,157,810

	Cost	Accumulated Amortization	2024 Net
	\$	\$	\$
Land	171,092	-	171,092
Land improvements	1,263,570	993,789	269,781
Buildings and building service equipment	17,522,764	11,906,586	5,616,178
Major equipment and computer systems	6,582,782	5,612,500	970,282
	25,540,208	18,512,875	7,027,333

6. LONG-TERM DEBT

The Hospital has a loan outstanding with RBC equal to \$449,247 at March 31, 2025 [2024 - \$540,798], of which \$94,449 represents the current portion and \$354,798 represents the long-term portion. This loan was used to finance an energy retrofit project relating to Hospital facilities. The unsecured loan is repayable to RBC in monthly installments of \$8,927, including interest of at 3.12%, maturing in December 2029. The five year repayment schedule is as follows:

Year	Principal
2026	94,449
2027	97,438
2028	100,522
2029	103,703
2030	53,135
	449,247

During the year, the Hospital entered into a loan agreement to finance several new retrofit projects that will result in future energy savings. The loan is interest only at Royal Bank Prime until August 31, 2025 after which it will be converted to a term loan. At year-end, the balance of the loan drawn amounted to \$1,165,383.

The Hospital has available an operating loan of \$600,000 of which \$NIL [2024- NIL] was borrowed at year-end. Interest on line of credit is calculated at Royal Bank Prime [4.95% at year end].

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable consist of the following:

	2025	2024
	\$	\$
Accounts payable and accrued liabilities	1,667,059	2,265,137
Accrued salaries and wages	595,666	738,405
Ontario Ministries of Health and Long-Term Care / Ontario Health North	1,264,801	238,671
Government remittances payable	50,421	2,075
	3,577,947	3,244,288

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent current and prior fiscal years' funding expended for the purchase of capital assets.

	2025	2024
	\$	\$
Balance, beginning of year	5,019,935	5,482,923
Receipts	2,596,567	100,951
Amortization	(564,118)	(563,939)
	7,052,384	5,019,935
Represented by		
Unamortized portion	6,391,802	4,541,272
Unexpended portion	660,582	478,663
	7,052,384	5,019,935

9. EMPLOYEE FUTURE BENEFITS

The Hospital provides extended health care, dental and life insurance benefits to substantially all full-time employees. Under the terms of employee contracts, some employee groups, who elect to retire early, are entitled to continue to receive health and dental benefits from the date of early retirement until they reach the age 65. The Hospital is required to fund either 50% or 75% of the costs of these post employment benefits on behalf of the retired employee groups.

At March 31, 2025, the Hospital's total accrued benefit obligation related to post-employment benefit plans (other than pension) is \$475,800 [2024 - \$462,100]. The most recent actuarial estimate was provided as at March 31, 2024 along with estimates for 2025 and 2026. The significant actuarial assumptions adopted in estimating the Hospital's accrued benefit obligation are as follows:

Discount rate	3.95%
Dental benefits cost escalation	4.00%
Medical benefits cost escalation – extended health care	5.50%

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

9. EMPLOYEE FUTURE BENEFITS (CONTINUED)

Included in employee benefits on the statement of operations is an amount of \$13,700 [2024 – \$5,900] regarding employee future benefits. This amount is comprised of:

	2025 \$	2024 \$
Additional benefit expense	58,500	37,100
Estimated payments made by the Hospital during the year	(44,800)	(31,200)
	13,700	5,900

10. INVESTMENT IN CAPITAL ASSETS

(a) Investment in capital assets is calculated as follows:

	2025 \$	2024 \$
Capital assets at net book value	10,157,810	7,027,333
Amounts financed by deferred capital contributions	(6,391,802)	(4,541,272)
Long-term debt	(1,614,630)	(540,798)
	2,151,378	1,945,263

(b) Change in net assets invested in capital assets is calculated as follows:

	2025 \$	2024 \$
Shortfall of revenue over expenses		
Amortization of deferred capital contributions	564,118	563,939
Amortization of capital assets	(830,467)	(769,104)
Donation funding designated for capital	181,919	90,951
	(84,430)	(114,214)
Net change in capital assets		
Purchase of capital assets	3,960,944	118,529
Deferred capital contributions applied	(2,596,567)	(100,951)
Repayment of long-term debt	(1,073,832)	88,742
	290,545	106,320
Change in investment in capital assets	206,115	(7,894)

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

11. COMMITMENTS

Under the terms of equipment leases, the Hospital is committed to the following lease payments:

2026	46,723
2027	24,423
2028	1,211

The lease expiry dates are between January 2026 - October 2027

12. CONTINGENT LIABILITIES

Insurance

A group of hospitals, including Nipigon District Memorial Hospital, have formed the Healthcare Insurance Reciprocal of Canada (HIROC). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they were members, and these losses could be material. No reassessments have been made to March 31, 2025.

Employee benefits

The Hospital, together with five other regional hospitals, has entered into a self insured employee benefit plan for semi-private, dental and extended health care benefits. Under the terms of the plan, the Hospital will pay for certain employee benefit claims not exceeding \$10,000 per employee per year. Any excess claims would be insured.

13. ONTARIO MINISTRIES OF HEALTH AND LONG-TERM CARE AND ONTARIO HEALTH NORTH

Under the Health Insurance Act, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministries of Health ("MOH") and Long-Term Care ("MLTC") and Ontario Health North ("OHN").

During the year, the Hospital was approved for \$2,414,648 (2024 - \$10,000) one-time funding by MOH for the Health Infrastructure Renewal Fund (HIRF). The funding was primarily used to replace the Hospital's roof.

NIPIGON DISTRICT MEMORIAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS

March 31, 2025

14. OTHER REVENUE

	2025	2024
	\$	\$
Amortization of deferred capital contributions for major equipment	85,039	84,860
Donations - other	3,298	9,892
Gain on disposal of capital assets	45	436
Interest	79,292	26,731
Recoveries:		
Administrative and support services	830,565	769,684
Diagnostic and therapeutic services	16,343	19,995
Food services	55,609	55,966
Meals	51,997	40,080
Patient service	884	636
Residences	4,200	5,520
Television	3,840	4,195
Union secondment	71,207	31,342
Rentals	172,609	166,627
	1,374,928	1,215,964

15. CHANGES IN NON-CASH OPERATIONAL BALANCES

	2025	2024
	\$	\$
Accounts receivable	1,000,784	(123,201)
Inventory	(60,835)	48,486
Prepaid expenses	(120,464)	(28,661)
Accounts payable and accrued liabilities	333,663	1,395,390
Deferred operating contributions	(18,478)	18,478
	1,134,670	1,310,492

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

16. PENSION PLAN

Most of the employees of the Hospital are members of the Healthcare 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 of 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 Plan management’s best estimates, in consultation with its actuaries, of the amount require to provide a high level of assurance that benefits will be fully represented by fund assets at retirements, as provided by the Plan. On January 1, 2024 the contribution rates were 6.9% [2024 – 6.9%] up to the year’s maximum pensionable earnings (YMPE) and 9.2% [2024 – 9.2%] above the YMPE. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees’ contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of the Plan as at December 31, 2024 indicates the Plan is 111% funded. Contributions to the Plan made during the year by the Hospital on behalf of its employees amounted to \$556,342 [2024 - \$493,909] and are included in the statement of operations.

17. FINANCIAL INSTRUMENT RISK MANAGEMENT

The Hospital’s main financial instrument risk exposure is detailed as follows:

Credit Risk

Credit risk is the risk of financial loss to the Hospital if a debtor fails to make payments of interest and principal when due. Hospital is exposed to this risk relating to its cash, investments, and accounts receivable.

Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are primarily due from OHIP, the Ministries of Health and Long-Term Care and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population. An allowance for doubtful patient accounts is set up based on historical experience regarding collections.

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

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 equity risk. The Hospital is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

Investments consist of guaranteed investment certificates (“GICs”).

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flow of financial instruments because of changes in market interest rates. Currently, there is minimal interest rate risk for investments as the majority of them are held at fixed rates. There is minor interest rate risk on short term borrowings as the interest rate contains a floating component.

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

Liquidity risk

Liquidity risk is the risk that Hospital will not be able to meet all cash outflow obligations as they come due. The Hospital mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near term if unexpected cash outflows arise.

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

18. CAPITAL MANAGEMENT

In managing capital, the Hospital considers its capital to be its net assets, consisting of investment in property and equipment, unrestricted, and capital expenditure reserve funds. The amounts invested in property and equipment ensure that the physical facility is able to provide services. The Hospital's objectives when managing its property and equipment are to safeguard its ability to continue as a going concern so it can continue to provide services and to allow for future expansion. Annual budgets are developed and monitored to ensure the Hospital's capital is maintained to meet these objectives.

NIPIGON DISTRICT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

19. IMPACT OF INTERNATIONAL TARIFFS

In response to the imposition of new international tariffs and with changes in the global economic environment, the Government of Ontario has implemented restrictions that are applicable to all broader public sector procurement practices. The Hospital has updated its procurement practices to comply with the new restrictions.

The Hospital continues to monitor the effects of tariffs and market volatility on its operations and believes there are no significant financial issues that will compromise its ongoing operations. It is not possible to reliably estimate the duration and severity of consequences from the introduction of international tariffs, as well as the impact on the Hospital's financial position and its results for future periods.

20. SUBSEQUENT EVENT

During the year, the Hospital negotiated the sale of one of its property located in Red Rock, Ontario. The purchaser will take possession of the property and the sale will be finalized on April 1, 2025. As a result, the proceeds less any related disbursements will be recorded in the following fiscal year.

**NIPIGON DISTRICT MEMORIAL HOSPITAL
BEARDMORE REGIONAL HEALTH CENTRE**

Schedule 1

Year ended March 31	2025	2024
	\$	\$
REVENUE		
Ministries of Health and Long-Term Care	313,394	313,394
Other revenue and recoveries	239	222
	313,633	313,616
EXPENSES		
Salaries and employee benefits	258,209	273,293
Supplies and expenses	47,108	47,453
Medical supplies and drugs	8,221	9,737
Amortization of major equipment and information systems	95	95
	313,633	330,578
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	-	(16,962)

**NIPIGON DISTRICT MEMORIAL HOSPITAL
FUNDRAISING**

Schedule 2

Year ended March 31	2025	2024
	\$	\$
REVENUE		
Donations	181,919	90,951
Transferred to deferred capital contributions	(181,919)	(90,951)
Other revenue and recoveries	69	62
	69	62
EXPENSES		
Salaries and employee benefits	20,625	20,770
Amortization of major equipment and information systems	857	858
	21,482	21,628
SHORTFALL OF REVENUE OVER EXPENSES	(21,413)	(21,566)

**NIPIGON DISTRICT MEMORIAL HOSPITAL
ASSISTED LIVING PROGRAM**

Schedule 3

Year ended March 31	2025	2024
	\$	\$
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REVENUE		
Ontario Health North	256,428	251,299
Patient services	16,881	10,375
	273,309	261,674
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EXPENSES		
Salaries and employee benefits	248,263	219,591
Supplies and expenses	25,046	43,262
	273,309	262,853
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	-	(1,179)
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**NIPIGON DISTRICT MEMORIAL HOSPITAL
OPIOID ADDICTION PROGRAM**

Schedule 4

Year ended March 31	2025	2024
	\$	\$
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REVENUE		
Ontario Health North	70,586	70,586
	70,586	70,586
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EXPENSES		
Salaries and employee benefits	70,586	70,586
	70,586	70,586
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EXCESS OF REVENUE OVER EXPENSES	-	-
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**NIPIGON DISTRICT MEMORIAL HOSPITAL
MEALS ON WHEELS**

Schedule 5

Year ended March 31	2025	2024
	\$	\$
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REVENUE		
Ontario Health North	22,286	21,428
	22,286	21,428
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EXPENSES		
Salaries and employee benefits	17,961	15,694
Supplies and expenses	4,325	5,734
	22,286	21,428
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EXCESS OF REVENUE OVER EXPENSES	-	-
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