NIPIGON DISTRICT MEMORIAL HOSPITAL

FINANCIAL STATEMENTS

March 31, 2026

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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

Shannon Cormier
Chief Executive Officer

L. Gilbert

Lauren Gilbert, CPA
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, 2026, 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 Canaian 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.

Suraci & Olszewski LLP

Chartered Professional Accountants
Licensed Public Accountants

Sault Ste. Marie, Canada
June 25, 2026

NIPIGON DISTRICT MEMORIAL HOSPITAL
STATEMENT OF FINANCIAL POSITION

As at March 31, 2026	2026 $	2025 $
ASSETS		
Current		
Cash	**1,407,522**	2,072,536
Accounts receivable [note 3]	**300,973**	357,519
Inventory [note 4]	**179,337**	192,047
Prepaid expenses	**609,052**	407,099
	2,496,884	3,029,201
Restricted cash	**60,658**	59,306
Capital assets, net [note 5]	**10,152,829**	10,157,810
	12,710,371	13,246,317
LIABILITIES		
Current		
Accounts payable and accrued liabilities [note 7]	**2,897,055**	3,577,947
Current portion of long-term debt [note 6]	**176,263**	94,449
	3,073,318	3,672,396
Long-term		
Long-term debt [note 6]	**1,837,015**	1,520,181
Deferred capital contributions [note 8]	**6,780,149**	7,052,384
Employee future benefits [note 9]	**491,500**	475,800
	9,108,664	9,048,365
NET ASSETS		
Investment in capital assets [note 10]	**2,109,109**	2,151,378
Internally restricted	**484,810**	444,721
Externally restricted	**60,658**	59,306
Unrestricted	**(2,126,188)**	(2,129,849)
	528,389	525,556
	12,710,371	13,246,317

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

Approved on behalf of the Board of Directors:

Jay Lucas (Jun 25, 2026 16:35:51 EDT)

Director

Ashley Davis (Jun 25, 2026 19:10:51 EDT)

Director

The accompanying notes are an integral part of these financial statements

NIPIGON DISTRICT MEMORIAL HOSPITAL
STATEMENT OF OPERATIONS

Year ended March 31, 2026	**2026**	2025
	$	$
REVENUE		
Ministries of Health and Long-Term Care and Ontario Health North [note 13]	12,258,187	10,847,116
Patient services	232,846	221,681
Preferred accommodation and co-payments	696,730	591,054
Other revenue [note 14]	1,277,230	1,374,928
Beardmore Regional Health Centre [schedule 1]	326,449	313,633
Fundraising [schedule 2]	77	69
Assisted Living Program [schedule 3]	270,197	273,309
Opioid Addiction Program [schedule 4]	70,586	70,586
Meals on Wheels [schedule 5]	22,286	22,286
Hospital On-Call Coverage	135,493	119,048
Municipal taxes funding	2,775	2,775
	15,292,856	13,836,485
EXPENSES		
Salaries and wages	8,518,235	7,491,084
Medical staff remuneration	205,624	359,550
Employee benefits	2,067,760	2,147,138
Supplies and expenses	3,090,718	2,626,874
Medical and surgical supplies	92,157	104,282
Drugs and medical gases	70,000	65,181
Provision for bad debts	33,783	4,729
Amortization of major equipment and information systems	192,494	185,881
Beardmore Regional Health Centre [schedule 1]	326,485	313,633
Fundraising [schedule 2]	44,887	21,482
Assisted Living Program [schedule 3]	270,197	273,309
Opioid Addiction Program [schedule 4]	70,586	70,586
Meals on Wheels [schedule 5]	22,286	22,286
Hospital On-Call Coverage	135,493	119,048
Municipal taxes expense	2,775	2,775
	15,143,480	13,807,838
Excess of revenue over expenses before the following	149,376	28,647
Amortization of land improvements, buildings and building service equipment	(716,105)	(643,634)
Amortization of deferred capital contributions	569,562	479,079
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	2,833	(135,908)

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, 2026

					2026	2025
	Investment in Capital Assets	**Externally Restricted Fund**	**Internally Restricted Fund**	**Unrestricted**	**Total**	Total
	$	**$**	**$**	**$**	**$**	$
Balance at beginning of year	**2,151,378**	**59,306**	**444,721**	**(2,129,849)**	**525,556**	661,464
Excess (deficiency) of revenue over expenses [note 10 (a)]	**(199,066)**			**201,899**	**2,833**	(135,908)
Net change in externally restricted funds		**1,352**		**(1,352)**	**-**	-
Net change in internally restricted funds			**40,089**	**(40,089)**	**-**	-
Net change in investment in capital assets [note 10 (b)]	**156,797**			**(156,797)**	**-**	-
BALANCE AT END OF YEAR	**2,109,109**	**60,658**	**484,810**	**(2,126,188)**	**528,389**	525,556

The accompanying notes are an integral part of these financial statements

NIPIGON DISTRICT MEMORIAL HOSPITAL
STATEMENT OF CASH FLOWS

Year ended March 31, 2026	**2026**	2025
	$	$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for year	**2,833**	(135,908)
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	**909,551**	830,467
Amortization of deferred capital contributions	**(621,360)**	(564,118)
Gain on disposal of capital assets	**(51,103)**	(45)
Employee future benefits	**15,700**	13,700
Changes in non-cash operational balances [note 15]	**(813,589)**	1,134,670
Net cash provided by (used in) operating activities	**(557,968)**	1,278,766
CAPITAL ACTIVITIES		
Purchase of capital assets	**(945,343)**	(3,960,944)
Proceeds from sale of capital assets	**91,876**	45
Net cash used in capital activities	**(853,467)**	(3,960,899)
FINANCING ACTIVITIES		
Deferred capital contributions received		
Ontario Ministries of Health and Long-Term Care	**260,000**	2,414,648
Private and other donations	**89,125**	181,919
Proceeds from long-term debt	**543,131**	1,165,383
Repayment of long-term debt	**(144,483)**	(91,551)
Net cash provided by financing activities	**747,773**	3,670,399
INCREASE (DECREASE) IN CASH	**(663,662)**	1,088,266
Cash, beginning of year	**2,131,842**	1,043,576
CASH, END OF YEAR	**1,468,180**	2,131,842
Represented by		
Cash	**1,407,522**	2,072,536
Restricted cash	**60,658**	59,306
	1,468,180	2,131,842

The accompanying notes are an integral part of these financial statements

NIPIGON DISTRICT MEMORIAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS

March 31, 2026

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 $60,658 [2025 - $59,306] 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 Ministry of Health ("MOH"), the Ministry of 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, 2026.

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 measured at fair value are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until realized, at which time they are recognized in statement of operations. Transaction costs related to financial instruments measured at fair value are expensed as incurred.

The Hospital does not currently hold any financial instruments measured at fair value and, accordingly, has not presented a statement of remeasurement gains and losses.

ii) Amortized cost

Financial instruments measured at amortized cost include cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. These financial instruments are initially recognized at cost and subsequently carried at amortized cost using the effective interest method, less any impairment losses on financial assets.

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

Financial assets are assessed for impairment on an annual basis or when there are indicators that an impairment may exist. When a decline in value is determined to be other than temporary, the carrying amount of the financial asset is reduced to its net recoverable value and the impairment loss is recognized in the statement of operations.

A financial asset is derecognized when the contractual rights to receive cash flows have expired or have been transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

[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.

[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 the Hospital's tangible capital assets and potential legal obligations associated with the retirement of those assets in accordance with Public Sector Accounting Standard PS 3280, Asset Retirement Obligations. Based on the review performed, management has not identified any legal obligations requiring recognition of an asset retirement obligation as at March 31, 2026. Accordingly, no asset retirement obligation has been recognized in these financial statements. Management will continue to assess potential asset retirement obligations on an ongoing basis.

2. OPERATING LINE OF CREDIT

The Hospital has available an operating loan of $600,000 of which $NIL [2025- NIL] was borrowed at year-end. Interest on line of credit is calculated at Royal Bank Prime [4.45% at year end].

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:	**2026**	2025
	$	$
Other non-patient accounts receivable	**194,747**	259,316
Patient accounts receivable	**95,859**	110,007
Provincial Insurance Plan	**22,756**	27,594
	313,362	396,917
Less allowance for doubtful accounts	**12,389**	39,398
	300,973	357,519

4. INVENTORY

	2026	2025
	$	$
Pharmacy inventory	**38,088**	32,550
Supplies inventory	**141,249**	159,497
	179,337	192,047

5. CAPITAL ASSETS

	Cost	**Accumulated Amortization**	**2026 Net**
	$	**$**	**$**
Land	**152,592**	**-**	**152,592**
Land improvements	**1,263,570**	**1,052,352**	**211,218**
Buildings and building service equipment	**21,928,856**	**13,147,845**	**8,781,011**
Major equipment and computer systems	**7,000,788**	**5,992,780**	**1,008,008**
	30,345,806	**20,192,977**	**10,152,829**

	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

6. LONG-TERM DEBT

	2026	2025
	$	$
RBC term loan bearing interest at 3.12%, repayable in monthly installments of $8,927 including principal and interest, maturing December 2029. The loan was obtained to finance an energy retrofit project relating to Hospital facilities.	**354,798**	449,247
RBC term loan bearing interest at 5.27%, repayable in monthly installments of $13,707 including principal and interest, maturing August 2030. The loan was established during the year upon conversion of the Hospital's construction financing related to the completion of the energy retrofit project.	**1,658,480**	1,579,655
	2,013,278	2,028,902
Less: current portion	**(176,263)**	(94,449)
	1,837,015	1,934,453

6. LONG-TERM DEBT (CONTINUED)

Principal repayments due over the next five years and thereafter are as follows:

Year	Principal ($)
2027	176,263
2028	183,750
2029	191,424
2030	145,593
2031	97,449
Thereafter	1,218,799
	2,013,278

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
	$	$
Accounts payable and accrued liabilities	**2,036,336**	1,667,059
Accrued salaries and wages	**717,883**	595,666
Ontario Ministries of Health and Long-Term Care / Ontario Health North	**83,015**	1,264,801
Government remittances payable	**59,821**	50,421
	2,897,055	3,577,947

8. DEFERRED CAPITAL CONTRIBUTIONS

	2026	2025
	$	$
Balance, beginning of year	**7,052,384**	5,019,935
Receipts	**349,125**	2,596,567
Amortization	**(621,360)**	(564,118)
	6,780,149	7,052,384
Represented by		
Unamortized portion	**6,030,442**	6,391,802
Unexpended portion	**749,707**	660,582
	6,780,149	7,052,384

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, 2026, the Hospital's total accrued benefit obligation related to post-employment benefit plans (other than pension) is $491,500 [2025 - $475,800]. The most recent actuarial estimate was provided as at March 31, 2026 along with estimates for 2027.

9. EMPLOYEE FUTURE BENEFITS (CONTINUED)

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%

Included in employee benefits on the statement of operations is an amount of $15,700 [2025 – $13,700] regarding employee future benefits. This amount is comprised of:

	2026	2025
	$	$
Additional benefit expense	**60,200**	58,500
Estimated payments made by the Hospital during the year	**(44,500)**	(44,800)
	15,700	13,700

10. INVESTMENT IN CAPITAL ASSETS

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

	2026	2025
	$	$
Capital assets at net book value	**10,152,829**	10,157,810
Amounts financed by deferred capital contributions	**(6,030,442)**	(6,391,802)
Long-term debt	**(2,013,278)**	(1,614,630)
	2,109,109	2,151,378

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

	2026	2025
	$	$
Shortfall of revenue over expenses		
Amortization of deferred capital contributions	**621,360**	564,118
Amortization of capital assets	**(909,551)**	(830,467)
Donation funding designated for capital	**89,125**	181,919
	(199,066)	(84,430)
Net change in capital assets		
Purchase of capital assets	**945,343**	3,960,944
Disposal of land and building	**(40,773)**	-
Deferred capital contributions applied	**(349,125)**	(2,596,567)
Proceeds from long-term debt	**(543,131)**	(1,165,383)
Repayment of long-term debt	**144,483**	91,551
	156,797	290,545
Change in investment in capital assets	**(42,269)**	206,115

11. COMMITMENTS

The Hospital has entered into various equipment lease agreements with expiry dates ranging from January 2027 to March 2030. Future minimum lease payments are as follows:

Year	Payment ($)
2027	48,976
2028	24,261
2029	23,050
2030	23,050
	119,337

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, 2026.

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.

Legal matters

The Hospital is involved in certain legal matters arising in the normal course of operations as at March 31, 2026. Management has obtained external legal advice in assessing these matters and has recorded provisions where losses are considered likely and reasonably estimable.

The ultimate resolution of these matters cannot presently be determined and may differ from the amounts accrued in the financial statements.

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 $10,000 (2025 - $2,414,648) one-time funding by MOH for the Health Infrastructure Renewal Fund (HIRF). The funding was primarily used to repair the exterior of the clinic.

14. OTHER REVENUE

	2026 $	2025 $
Amortization of deferred capital contributions for major equipment	**51,798**	85,039
Donations - other	**3,071**	3,298
Gain on disposal of capital assets	**51,103**	45
Interest	**26,202**	79,292
Recoveries:		
Administrative and support services	**774,384**	830,565
Diagnostic and therapeutic services	**27,101**	16,343
Food services	**57,501**	55,609
Meals	**45,477**	51,997
Patient service	**1,665**	884
Residences	**10,560**	4,200
Television	**4,044**	3,840
Union secondment	**63,970**	71,207
Rentals	**160,354**	172,609
	1,277,230	1,374,928

15. CHANGES IN NON-CASH OPERATIONAL BALANCES

	2026 $	2025 $
Accounts receivable	**56,546**	1,000,784
Inventory	**12,710**	(60,835)
Prepaid expenses	**(201,953)**	(120,464)
Accounts payable and accrued liabilities	**(680,892)**	333,663
Deferred operating contributions	**-**	(18,478)
	(813,589)	1,134,670

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.

16. PENSION PLAN (CONTINUED)

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, 2026 the contribution rates were 6.9% [2025 – 6.9%] up to the year's maximum pensionable earnings (YMPE) and 9.2% [2025 – 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, 2025 indicates the Plan is 109% funded. Contributions to the Plan made during the year by the Hospital on behalf of its employees amounted to $574,131 [2025 - $556,342] 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.

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 transect materially in foreign currency or hold equity financial instruments.

Interest rate risk

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
BEARDMORE REGIONAL HEALTH CENTRE

Schedule 1

Year ended March 31, 2026	**2026**	2025
	$	$
REVENUE		
Ministries of Health and Long-Term Care	**326,094**	313,394
Other revenue and recoveries	**355**	239
	326,449	313,633
EXPENSES		
Salaries and employee benefits	**268,049**	258,209
Supplies and expenses	**49,920**	47,108
Medical supplies and drugs	**8,421**	8,221
Amortization of major equipment and information systems	**95**	95
	326,485	313,633
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**(36)**	-

NIPIGON DISTRICT MEMORIAL HOSPITAL
FUNDRAISING

Schedule 2

Year ended March 31, 2026	**2026**	2025
	$	$
REVENUE		
Donations	**89,125**	181,919
Transferred to deferred capital contributions	**(89,125)**	(181,919)
Other revenue and recoveries	**77**	69
	77	69
EXPENSES		
Salaries and employee benefits	**43,554**	20,625
Supplies and expenses	**476**	-
Amortization of major equipment and information systems	**857**	857
	44,887	21,482
DEFICIENCY OF REVENUE OVER EXPENSES	**(44,810)**	(21,413)

NIPIGON DISTRICT MEMORIAL HOSPITAL
ASSISTED LIVING PROGRAM

Schedule 3

Year ended March 31, 2026	**2026**	2025
	$	$
REVENUE		
Ontario Health North	**256,428**	256,428
Patient services	**13,769**	16,881
	270,197	273,309
EXPENSES		
Salaries and employee benefits	**251,313**	248,263
Supplies and expenses	**18,884**	25,046
	270,197	273,309
EXCESS OF REVENUE OVER EXPENSES	**-**	-

NIPIGON DISTRICT MEMORIAL HOSPITAL
OPIOID ADDICTION PROGRAM

Schedule 4

Year ended March 31, 2026	**2026**	2025
	$	$
REVENUE		
Ontario Health North	**70,586**	70,586
	70,586	70,586
EXPENSES		
Salaries and employee benefits	**70,586**	70,586
	70,586	70,586
EXCESS OF REVENUE OVER EXPENSES	**-**	-

NIPIGON DISTRICT MEMORIAL HOSPITAL
MEALS ON WHEELS

Schedule 5

Year ended March 31, 2026	**2026**	2025
	$	$
REVENUE		
Ontario Health North	**22,286**	22,286
	22,286	22,286
EXPENSES		
Salaries and employee benefits	**17,781**	17,961
Supplies and expenses	**4,505**	4,325
	22,286	22,286
EXCESS OF REVENUE OVER EXPENSES	**-**	-

NDMH-Financial Statements-2026

Final Audit Report 2026-06-25

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