

Financial Statements of

**NORTH BAY PARRY SOUND
DISTRICT HEALTH UNIT**

Year ended December 31, 2025

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

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For the year ended December 31, 2025

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KPMG LLP
Times Square
1760 Regent Street, Unit 4
Sudbury, ON P3E 3Z8
Canada
Telephone 705 675 8500
Fax 705 675 7586

INDEPENDENT AUDITOR'S REPORT

To the Board Members of the North Bay Parry Sound District Health Unit

Opinion

We have audited the financial statements of the North Bay Parry Sound District Health Unit (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets 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 Entity as at December 31, 2025, and its results of operations, its changes in net financial assets 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity's internal control.



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- 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 Entity'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 Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

April 27, 2026

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 5,069,573	\$ 4,504,758
Accounts receivable (note 3)	841,376	903,266
	<u>5,910,949</u>	<u>5,408,024</u>
Financial liabilities		
Accounts payable and accrued liabilities (note 5)	985,420	1,278,586
Deferred revenue (note 6)	183,721	213,322
Payable to the Province of Ontario	2,046,818	1,553,426
Other employment liabilities (note 8)	391,147	381,726
	<u>3,607,106</u>	<u>3,427,060</u>
Net financial assets	2,303,843	1,980,964
Non-financial assets:		
Tangible capital assets (note 2)	16,212,703	16,644,591
Supplies inventory	126,069	128,482
Prepaid expenses	83,288	78,404
	<u>16,422,060</u>	<u>16,851,477</u>
Contingencies (note 12)		
Commitments (note 13)		
Accumulated surplus (note 4)	\$ 18,725,903	\$ 18,832,441

See accompanying notes to financial statements.

On behalf of the Board:


Rick Champagne (Apr 28, 2026 15:37:48 EDT) Chairperson


Sara Inchi (Apr 28, 2026 13:43:00 EDT) Vice Chairperson

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Statement of Operations and Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenues:			
Province of Ontario (note 9)			
Core	\$ 18,768,546	\$ 18,721,022	\$ 18,134,449
One-time funding	-	248,269	882,576
Member municipalities	4,007,509	4,007,509	3,816,675
Cost recoveries - other programs (note 10)	166,791	214,153	271,833
Program revenue	241,250	325,372	271,839
Other grant revenues	25,000	410,871	175,000
Interest and miscellaneous	73,000	199,013	331,029
Transfer from deferred revenue	-	29,601	286,969
	<u>23,282,096</u>	<u>24,155,810</u>	<u>24,170,370</u>
Expenses (note 16):			
Public Health Mandatory Programs	19,082,485	18,988,057	19,005,367
Ontario Seniors Dental Care	2,027,000	1,830,779	2,141,393
Healthy Babies, Healthy Children Programs	1,168,935	1,169,687	1,157,064
Infection Prevention and Control Hub	495,675	484,684	524,037
Miscellaneous grants	-	8,025	253,735
Adult Dental	142,777	149,034	65,271
Unorganized Territories/Indigenous Communities	168,316	88,296	73,347
Unorganized Territories/Northern Fruit and Vegetable	129,326	91,264	134,306
Falls Prevention	25,000	70,335	98,705
MOH/AMOH Compensation Initiative	42,582	85,354	46,545
Planet Youth Nipissing	-	342,376	35,472
One-time Programs	-	92,251	302,516
	<u>23,282,096</u>	<u>23,400,142</u>	<u>23,837,758</u>
Excess of revenue over expenses before items below	-	755,668	332,612
Province of Ontario Settlements (note 11)	-	(850,756)	(673,843)
Loss on disposal of tangible capital assets	-	(11,450)	(12,089)
Annual deficit	-	(106,538)	(353,320)
Accumulated surplus, beginning of year	18,832,441	18,832,441	19,185,761
Accumulated surplus, end of year	<u>\$ 18,832,441</u>	<u>\$ 18,725,903</u>	<u>\$ 18,832,441</u>

See accompanying notes to financial statements.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Statement of Changes in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Annual deficit	\$ (106,538)	\$ (353,320)
Purchase of tangible capital assets	(498,171)	(314,464)
Amortization of tangible capital assets	918,609	865,139
Loss on disposal of tangible capital assets	11,450	12,089
	325,350	209,444
Acquisition of prepaid expenses	(83,288)	(78,404)
Use of prepaid expenses	78,404	96,526
Acquisition of supplies inventory	(126,069)	(128,482)
Consumption of supplies inventory	128,482	147,117
	(2,471)	36,757
Changes in net financial assets	322,879	246,201
Net financial assets, beginning of year	1,980,964	1,734,763
Net financial assets, end of year	\$ 2,303,843	\$ 1,980,964

See accompanying notes to financial statements.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Cash flows from operating activities:		
Annual deficit	\$ (106,538)	\$ (353,320)
Adjustments for:		
Amortization of tangible capital assets	918,609	865,139
Loss on disposal of tangible capital assets	11,450	12,089
	<u>823,521</u>	<u>523,908</u>
Changes in non-cash working capital:		
Accounts receivable	61,890	748,664
Accounts payable and accrued liabilities	(293,166)	(866,856)
Due to Province of Ontario	493,392	526,931
Deferred revenue	(29,601)	(237,062)
Other employment liabilities	9,421	30,201
Supplies inventory	2,413	18,635
Prepaid expenses	(4,884)	18,122
	<u>1,062,986</u>	<u>762,543</u>
Cash flows from investing activity:		
Purchase of tangible capital assets	(498,171)	(314,464)
	<u>(498,171)</u>	<u>(314,464)</u>
Increase in cash	564,815	448,079
Cash and cash equivalents, beginning of year	4,504,758	4,056,679
Cash and cash equivalents, end of year	<u>\$ 5,069,573</u>	<u>\$ 4,504,758</u>

See accompanying notes to financial statements.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements

Year ended December 31, 2025

The North Bay Parry Sound District Health Unit (the "Health Unit") is incorporated without share capital under the Health Protection and Promotion Act and its principal activity is to provide mandatory public health programs. The Health Unit is a non-profit organization and a registered charity exempt from income taxes under the Income Tax Act.

1. Summary of significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board. The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Financial statement presentation:

The financial statements reflect the assets, liabilities, revenues and expenses of the North Bay Parry Sound District Health Unit. The following programs are funded through grants from the Province of Ontario and through transfer payments from member municipalities.

Program Name	% Funded Province of Ontario	% Funded Municipal
Public Health Cost shared Mandatory Programs	78%	22%
Healthy Babies, Healthy Children Program	100%	0%
MOH/AMOH Compensation Initiative	100%	0%
Unorganized Territories/Mandatory Program	100%	0%
Unorganized Territories/Northern Fruit and Vegetable Program	100%	0%
Unorganized Territories/Indigenous Community Partnerships	100%	0%
Ontario Seniors Dental Care	100%	0%
Infection Prevention and Control Hub	100%	0%

(b) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand, current bank accounts and short-term deposits, if any, with terms to maturity of less than 90 days.

(c) Revenue recognition:

Provincial funding revenues are recognized in the year to which the program relates. Municipal revenues are recognized in the year they are levied to member municipalities. Other revenues are recognized when services are provided and collection is reasonably assured. Investment revenue is recognized in the period earned.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Summary of significant accounting policies (continued):

(c) Revenue recognition (continued):

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and all eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(d) Retirement benefits:

The Health Unit's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

(e) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Asset	Basis	Term
Furniture	Straight-line	5 to 10 years
Equipment	Straight-line	5 to 8 years
Computer equipment and software	Straight-line	4 to 5 years
Portables	Straight-line	20 years
Building	Straight-line	40 years
Leaseholds	Straight-line	Over term of the lease
Trailers	Straight-line	5 years

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Summary of significant accounting policies (continued):

(f) Financial instruments (continued):

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market would be recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. As there have been no unrealized changes in fair value to note, a statement of remeasurement gains and losses has not been presented.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value 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 operation. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated remeasurement gains and recognized in the statement of operations.

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments are Level 1. The Health Unit has selected to account for transactions at the trade date.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Summary of significant accounting policies (continued):

(g) Economic dependence:

Substantially all of the Health Unit's revenue is received from the Province of Ontario and municipalities in its district. The continuation of the Health Unit is dependent on this funding.

Any adjustment to funding is recorded in the year it becomes known as an adjustment to net assets.

(h) Budget information:

Budget information has been provided for comparison purposes and have been derived from the budget approved by the Board of Directors.

(i) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the determination of the estimated useful life of tangible capital assets. Actual results could differ from these estimates.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Tangible capital assets:

	Furniture	Equipment	Computer equipment & software	Leaseholds	Buildings	Land	Trailers	2025 Total
Cost:								
Balance, January 1, 2025	\$ 942,961	\$ 1,256,769	\$ 937,093	\$ 613,034	\$ 17,469,708	\$ 987,335	\$ 10,289	\$ 22,217,189
Additions	8,724	198,065	48,070	-	243,312	-	-	498,171
Disposals	(22,704)	(94,918)	(42,446)	-	-	-	-	(160,068)
Balance, December 31, 2025	\$ 928,981	\$ 1,359,916	\$ 942,717	\$ 613,034	\$ 17,713,020	\$ 987,335	\$ 10,289	\$ 22,555,292
Accumulated amortization:								
Balance, January 1, 2025	\$ 574,551	\$ 835,820	\$ 723,156	\$ 122,608	\$ 3,308,231	\$ -	\$ 8,232	\$ 5,572,598
Amortization	99,263	208,899	101,075	62,511	444,804	-	2,057	918,609
Disposals	(22,704)	(83,468)	(42,446)	-	-	-	-	(148,618)
Balance, December 31, 2025	\$ 651,110	\$ 961,251	\$ 781,785	\$ 185,119	\$ 3,753,035	\$ -	\$ 10,289	\$ 6,342,589
Net book value								
At December 31, 2025	\$ 277,871	\$ 398,665	\$ 160,932	\$ 427,915	\$ 13,959,985	\$ 987,335	\$ -	\$ 16,212,703

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Tangible capital assets:

	Furniture	Equipment	Computer equipment & software	Leaseholds	Buildings	Land	Trailers	2024 Total
Cost:								
Balance, January 1, 2024	\$ 937,641	\$ 1,294,762	\$ 2,706,087	\$ 617,206	\$ 17,469,708	\$ 987,335	\$ 10,289	\$ 24,023,028
Additions	5,320	263,019	46,125	-	-	-	-	314,464
Disposals	-	(301,012)	(1,815,119)	(4,172)	-	-	-	(2,120,303)
Balance, December 31, 2024	\$ 942,961	\$ 1,256,769	\$ 937,093	\$ 613,034	\$ 17,469,708	\$ 987,335	\$ 10,289	\$ 22,217,189
Accumulated amortization:								
Balance, January 1, 2024	\$ 482,304	\$ 948,188	\$ 2,445,238	\$ 62,974	\$ 2,870,796	\$ -	\$ 6,173	\$ 6,815,673
Amortization	92,247	188,749	83,346	61,303	437,435	-	2,059	865,139
Disposals	-	(301,117)	(1,805,428)	(1,669)	-	-	-	(2,108,214)
Balance, December 31, 2024	\$ 574,551	\$ 835,820	\$ 723,156	\$ 122,608	\$ 3,308,231	\$ -	\$ 8,232	\$ 5,572,598
Net book value								
At December 31, 2024	\$ 368,410	\$ 420,949	\$ 213,937	\$ 490,426	\$ 14,161,477	\$ 987,335	\$ 2,057	\$ 16,644,591

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

3. Accounts receivable:

	2025	2024
Government of Canada	\$ 336,455	\$ 198,683
Province of Ontario	399,598	635,641
Member municipalities	21,417	51,424
Other	83,906	17,518
	\$ 841,376	\$ 903,266

4. Accumulated surplus:

	2025	2024
Invested in tangible capital assets	\$ 16,212,703	\$ 16,644,591
Municipal reserve (i)	2,770,407	2,433,222
Amounts to be recovered (note 8)	(391,147)	(381,726)
Operating fund	133,940	136,354
	\$ 18,725,903	\$ 18,832,441

(i) Change in Municipal reserve:

Balance, beginning of year	\$ 2,433,222	\$ 2,174,943
Additions:		
Surplus	265,474	228,172
Interest	71,711	104,215
Less transfer for municipal levy	-	(74,108)
	\$ 2,770,407	\$ 2,433,222

5. Accounts payable and accrued liabilities:

	2025	2024
Trade payables and other accruals	\$ 941,944	\$ 578,889
Accrued salaries and benefits	37,095	698,447
Due to member municipalities	6,381	1,250
	\$ 985,420	\$ 1,278,586

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

6. Deferred revenue:

	2025	2024
Deferred revenue, beginning of year	\$ 213,322	\$ 450,384
Add: amount received during the year	73,759	800,235
Less: amount recognized as revenue during the year	(103,360)	(915,332)
Less: payable to Province of Ontario	-	(121,965)
Deferred revenue, end of year	\$ 183,721	\$ 213,322

Included in cash and cash equivalents is restricted amounts of \$183,721 (2024 - \$213,322) with respect to the above.

The ending balance is comprised of:

	2025	2024
Planet Youth Nipissing	\$ 30,000	\$ 45,000
Genetics Program	49,906	49,906
Adult Dental Preventative	12,500	12,500
Falls Prevention	-	8,253
Other Grants	91,315	97,663
	\$ 183,721	\$ 213,322

7. Credit facility:

The Health Unit has authorized line of credit under a credit facility agreement with a Canadian chartered bank. The maximum draw permitted under this agreement is \$2,000,000 at prime less 0.25%. The amount drawn on this facility at year end was \$Nil (2024 - \$Nil).

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. Other employment liabilities:

The Health Unit provides certain employee benefits which will require funding in future periods.

	2025	2024
Vacation and compensation time	\$ 391,147	\$ 381,726

9. Province of Ontario funding:

The revenue from the Province of Ontario consists of the following grants:

	2025 Budget	2025 Actual	2024 Actual
Core:			
Public Health Mandatory programs	\$ 13,701,054	\$ 13,701,100	\$ 13,565,400
Unorganized Territories	1,035,658	1,145,889	1,125,647
Healthy Babies, Healthy Children	1,168,935	1,168,935	1,150,302
Ontario Seniors Dental Care	2,027,000	2,027,000	2,027,003
Infection Prevention and Control Hub	495,675	430,782	-
Unorganized Territories/Northern Fruit and Vegetable program	129,326	91,264	134,306
Unorganized Territories/Indigenous Communities	168,316	96,147	73,347
MOH/AMOH Compensation Initiative	42,582	59,905	58,444
Subtotal	18,768,546	18,721,022	18,134,449
One time funding:			
Public Health - COVID-19: Vaccine program	-	107,853	170,038
Ontario Seniors Dental Care	-	-	22,813
MOH/AMOH Compensation Initiative	-	38,800	-
Needle Syringe program	-	-	5,005
Vaccine Fridge	-	30,900	110,000
Public Health Inspector Practicum	-	5,130	14,869
RSV	-	-	70,000
Infection Prevention and Control Hub	-	65,586	489,851
Subtotal	-	248,269	882,576
	\$ 18,768,546	\$ 18,969,291	\$ 19,017,025

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

10. Cost recoveries:

The Health Unit is responsible for the delivery of various mandated public health and other health programs which are funded 100% by the Province of Ontario. Some expenditures related to the delivery of these programs are initially incurred by the Health Unit and are subsequently recovered from these provincial programs. These amounts recovered are recorded as cost recoveries in the Health Unit's statement of operations and accumulated surplus.

11. Province of Ontario Settlements:

The Province of Ontario settlements for the year consists of the following:

	2025	2024
Infection Prevention and Control Hub	\$ (9,916)	\$ (114,477)
Public Health	(606,117)	(474,205)
One-time programs	(26,912)	(73,262)
MOH/AMOH Compensation Initiative	(13,351)	(11,899)
Ontario Seniors Dental Care	(194,460)	-
	<u>\$ (850,756)</u>	<u>\$ (673,843)</u>

12. Contingencies:

On July 1, 1987, a group of health care organizations, ("subscribers"), formed 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 years in which they were a subscriber. No such assessments have been made to current date.

Since its inception in 1987, HIROC has accumulated an unappropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Each subscriber that has an excess of premium plus investment income over the obligation for their allocation of claims reserves and expenses and operating expenses may be entitled to receive distributions of their share of the unappropriated surplus at the time such distributions are declared by the Board of Directors of HIROC.

The Health Unit became a member of HIROC in January 2013 and is subject to any assessment on a proportionate basis.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

13. Commitments:

The Health Unit has the following commitments:

- a. The Health Unit rents office premises in Sturgeon Falls and Mattawa on a month-to-month agreement, total was \$6,706 and \$1,800 for the year respectively. The Health Units lease office premises in Parry Sound under lease expiring on August 31, 2038 at \$272,166 per year.
- b. The Health Unit rents equipment under various long-term leases, the longest of which expires in 2030. The annual lease payments amount to \$27,792 (2024 - \$24,244).

The minimum annual lease payments for the next five years are as follows:

2026	\$	257,800
2027		258,489
2028		249,907
2029		241,752
2030		243,562

14. Pension agreement:

The Health Unit is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Health Unit has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Health Unit records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employment contributions to the Plan for past employee service.

OMERS provides pension services to almost half a million active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of \$151,365 million (2024 - \$142,489 million) in respect of benefits accrued for service with actuarial assets at that date of \$149,575 (2024 - \$139,576 million) indicating a going concern actuarial deficit of \$1,322 million (2024 - \$2,913 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Health Unit does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2025 was \$1,404,450 (2024 - \$1,381,083) for current service.

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Notes to Financial Statements (continued)

Year ended December 31, 2025

15. Segmented reporting:

The Canadian Chartered Public Accountants Public Sector Accounting Handbook Section PS 2700, Segment Disclosures, establishes standards on defining and disclosing segments in a government's financial statements. Government organizations that apply these standards are encouraged to provide the disclosures established by this section when their operations are diverse enough to warrant such disclosures. The Health Unit has only one identifiable segment, considered to be public health, as presented in these financial statements.

16. Expenditures by object:

	2025	2024
Salaries	\$ 14,159,439	\$ 14,368,735
Employee benefits	3,933,842	4,195,173
Professional and purchase services	1,630,269	1,720,781
Materials and supplies	959,835	1,074,302
Amortization of tangible capital assets	918,609	865,139
Occupancy	572,957	584,045
Information technology	375,329	304,657
Communication costs	134,542	133,975
Travel	225,247	238,315
Professional development	253,268	262,678
Equipment	236,805	89,958
	<hr/>	<hr/>
	\$ 23,400,142	\$ 23,837,758

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 1 - Public Health Mandatory Programs

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Ontario			
Core	\$ 14,736,712	\$ 14,846,989	\$ 14,691,047
Member municipalities	3,909,232	3,909,232	3,721,261
Program revenue	196,750	175,321	191,394
Cost recoveries - other programs	166,791	214,153	271,833
Other grant revenues	-	20,000	-
Interest and miscellaneous	73,000	198,749	250,557
	<u>19,082,485</u>	<u>19,364,444</u>	<u>19,126,092</u>
Expenses:			
Salaries	12,307,857	11,747,269	11,836,835
Employee benefits	3,608,584	3,297,034	3,545,309
Professional and purchased services	712,733	875,060	712,663
Program material and supplies	567,884	498,826	582,568
Occupancy	625,525	572,957	584,045
Information technology	312,620	370,931	301,315
Communication costs	168,024	130,832	130,180
Travel	218,368	182,360	190,139
Professional development	337,234	237,181	249,475
Office supplies	86,700	71,632	75,516
Equipment	136,956	203,740	16,871
Amortization of tangible capital assets	-	800,235	780,451
	<u>19,082,485</u>	<u>18,988,057</u>	<u>19,005,367</u>
Excess of revenue over expenses before items below	-	376,387	120,725
Capital expenditures	-	(337,647)	(312,942)
Province of Ontario settlement for the year	-	(606,117)	(474,205)
Loss on disposal of tangible capital assets	-	(11,450)	(12,089)
Member Municipality surplus to be transferred to municipal reserves	-	(172,982)	(132,758)
Annual deficit	<u>\$ -</u>	<u>\$ (751,809)</u>	<u>\$ (811,269)</u>

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 2 - Healthy Babies, Healthy Children Program

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Ontario			
Core	\$ 1,168,935	\$ 1,168,935	\$ 1,150,302
Expenses:			
Salaries	862,716	849,283	852,362
Employee benefits	258,968	266,556	262,862
Travel	28,966	27,201	23,230
Communication costs	5,500	3,477	3,531
Professional and purchased services	6,336	6,575	5,269
Office supplies	-	406	48
Program material and supplies	-	4,831	-
Equipment	-	2,895	-
Professional development	3,279	3,453	-
Information technology	-	258	-
Amortization of tangible capital assets	-	752	6,762
Allocated costs	3,170	4,000	3,000
	1,168,935	1,169,687	1,157,064
Annual deficit	\$ -	\$ (752)	\$ (6,762)

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 3 - Ontario Seniors Dental Care

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Ontario			
Core	\$ 2,027,000	\$ 2,027,000	\$ 2,027,003
One-time funding	-	-	22,813
Program revenue	-	6,802	15,174
	2,027,000	2,033,802	2,064,990
Expenses:			
Salaries	767,262	654,024	576,091
Employee benefits	202,041	197,513	185,131
Professional and purchased services	777,652	576,700	881,898
Program material and supplies	93,184	89,475	168,668
Equipment	9,900	26,068	70,338
Office supplies	550	263	492
Professional development	4,500	3,851	5,208
Travel	2,620	1,827	5,508
Information technology	2,500	4,140	3,342
Amortization of tangible capital assets	-	110,127	77,926
Allocated costs	166,791	166,791	166,791
	2,027,000	1,830,779	2,141,393
Excess (deficiency) of revenue over expenses before item below	-	203,023	(76,403)
Capital expenditures	-	(118,690)	(1,523)
Province of Ontario settlement for the year	-	(194,460)	-
Annual deficit	\$ -	\$ (110,127)	\$ (77,926)

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 4 - Unorganized Territories/Northern Fruit and Vegetable Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Ontario			
Core	\$ 129,326	\$ 91,264	\$ 134,306
Expenses:			
Salaries	64,619	36,785	61,772
Employee benefits	19,881	9,854	18,169
Program material and supplies	43,826	44,472	46,587
Office supplies	1,000	153	143
Professional and purchased services	-	-	135
Allocated costs	-	-	7,500
	129,326	91,264	134,306
Annual surplus	\$ -	\$ -	\$ -

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 5 - Unorganized Territories/Indigenous Communities

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Ontario			
Core	\$ 168,316	\$ 96,147	\$ 73,347
Expenses:			
Salaries	102,607	29,353	29,973
Employee benefits	29,218	6,340	9,959
Program material and supplies	22,291	48,358	25,415
Professional development	13,000	1,882	-
Travel	1,200	1,490	-
Amortization of tangible capital assets		873	
Allocated costs	-	-	8,000
	168,316	88,296	73,347
Excess of revenue over expenses before items below			
	-	7,851	-
Capital expenditures			
	-	(8,724)	-
Annual surplus			
	\$ -	\$ (873)	\$ -

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 6 - MOH/AMOH Compensation Initiative

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Ontario			
Core	\$ 42,582	\$ 59,905	\$ 58,444
One-time funding	-	38,800	-
	42,582	98,705	58,444
Expenses:			
Salaries	35,359	70,592	38,839
Employee benefits	7,223	14,762	7,706
	42,582	85,354	46,545
Excess of revenue over expenses before item below	-	13,351	11,899
Province of Ontario settlement for the year	-	(13,351)	(11,899)
Annual surplus	\$ -	\$ -	\$ -

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 7 - One-Time Programs

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	Vaccine Fridge		Public Health Inspector Practicum		COVID Vaccine Program		Total		Total
	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2024 Actual
Revenue:									
Province of Ontario									
One-time funding	\$ -	\$ 30,900	\$ -	\$ 5,130	\$ -	\$ 107,853	\$ -	\$ 143,883	\$ 369,912
Transfer from deferred revenue	-	-	-	-	-	-	-	-	5,866
	-	30,900	-	5,130	-	107,853	-	143,883	375,778
Expenses:									
Salaries	-	-	-	-	-	54,060	-	54,060	162,257
Employee benefits	-	-	-	-	-	8,137	-	8,137	31,470
Communication costs	-	-	-	-	-	233	-	233	264
Professional and purchased services	-	-	-	-	-	131	-	131	65,753
Program material and supplies	-	-	-	-	-	15,069	-	15,069	28,112
Travel	-	-	-	-	-	8,441	-	8,441	14,660
Amortization of tangible capital assets	-	6,180	-	-	-	-	-	6,180	-
	-	6,180	-	-	-	86,071	-	92,251	302,516
Excess of revenue over expenses before item below	-	24,720	-	5,130	-	21,782	-	51,632	73,262
Province of Ontario settlement	-	-	-	(5,130)	-	(21,782)	-	(26,912)	(73,262)
Capital expenditures	-	(30,900)	-	-	-	-	-	(30,900)	-
Annual deficit	\$ -	\$ (6,180)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,180)	\$ -

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 8 - Adult Dental

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Member municipalities	\$ 98,277	\$ 98,277	\$ 95,414
Program revenue	44,500	143,249	65,271
	<u>142,777</u>	<u>241,526</u>	<u>160,685</u>
Expenses:			
Salaries	106,895	24,294	38,144
Employee benefits	25,792	2,254	2,661
Program material and supplies	5,327	3,778	1,515
Professional development	1,950	1,460	514
Professional and purchased services	2,713	117,129	22,244
Office supplies	100	-	-
Travel	-	119	193
	<u>142,777</u>	<u>149,034</u>	<u>65,271</u>
Excess of revenue over expenses before item below	-	92,492	95,414
Member Municipality surplus to be transferred to municipal reserves	-	(92,492)	(95,414)
Annual surplus	\$ -	\$ -	\$ -

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 9 - Infection Prevention and Control Hub Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Ontario			
Core	\$ 495,675	\$ 430,782	\$ -
One-time funding	-	65,586	489,851
Transfer from deferred revenue	-	-	148,663
	495,675	496,368	638,514
Expenses:			
Salaries	332,778	332,734	328,454
Employee benefits	100,534	101,310	94,142
Professional development	4,100	3,807	6,960
Travel	2,790	1,099	1,369
Program material and supplies	2,415	-	3,821
Professional and purchased services	1,001	-	-
Equipment	8,695	1,930	2,749
Amortization of tangible capital assets	-	442	-
Allocated costs	43,362	43,362	86,542
	495,675	484,684	524,037
Excess of revenue over expenses before item below	-	11,684	114,477
Capital expenditures		(2,210)	-
Province of Ontario settlement	-	(9,916)	(114,477)
Annual deficit	\$ -	\$ (442)	\$ -

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 10 - Falls Prevention

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025		2025		2024
	Budget		Actual		Actual
Revenue:					
Other grant revenues	\$ 25,000	\$	62,082	\$	100,000
Transfer from deferred revenue	-		8,253		6,958
Transfer to deferred revenue	-		-		(8,253)
	25,000		70,335		98,705
Expenses:					
Salaries	17,308		47,437		68,186
Employee benefits	3,235		9,534		14,106
Program material and supplies	3,832		11,922		13,435
Office supplies	125		667		740
Professional development	250		-		521
Travel	250		775		1,717
	25,000		70,335		98,705
Annual surplus	\$ -	\$	-	\$	-

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 11 - Miscellaneous Grants

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Other grant revenues	\$ -	\$ 1,413	\$ 75,000
Miscellaneous income	-	264	-
Transfer from deferred revenue	-	97,663	276,398
Transfer to deferred revenue	-	(91,315)	(97,663)
	-	8,025	253,735
Expenses:			
Salaries	-	4,701	85,691
Employee benefits	-	1,594	19,998
Professional and purchased services	-	-	21,366
Program material and supplies	-	1,730	125,212
Travel	-	-	1,468
	-	8,025	253,735
Annual surplus	\$ -	\$ -	\$ -

NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT

Schedule 12 - Planet Youth Nipissing

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Other grant revenues	\$ -	\$ 327,376	\$ 80,472
Transfer from deferred revenue	-	45,000	-
Transfer to deferred revenue	-	(30,000)	(45,000)
	-	342,376	35,472
Expenses:			
Salaries	-	94,754	18,298
Employee benefits	-	18,954	3,660
Professional and purchased services	-	54,674	11,453
Professional development	-	1,634	-
Program material and supplies	-	168,135	2,030
Travel	-	1,935	31
Office supplies	-	118	-
Equipment	-	2,172	-
	-	342,376	35,472
Annual surplus	\$ -	\$ -	\$ -