Atikokan Health and Community Services

Financial Statements

March 31, 2026

Atikokan Health and Community Services

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For the year ended March 31, 2026

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Independent Auditor's Report

To the Board of Atikokan Health and Community Services:

Opinion

We have audited the financial statements of Atikokan Health and Community Services (the "Hospital"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets, remeasurement gains 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 the results of its operations, its remeasurement gains 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 report. We are independent of the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information contained in the schedules is presented for the purpose of additional analysis and is not part of the basic audited financial statements. The information in the schedules was derived from the accounting records tested in forming an opinion on the financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Thunder Bay, Ontario

Chartered Professional Accountants

June 17, 2026

Licensed Public Accountants

MNP

Atikokan Health and Community Services
Statement of Financial Position

As at March 31,	2026	2025
Current Assets		
Cash (Note 2)	$ 2,521,995	$ 1,892,729
Short-Term Investments (Note 3)	735,006	1,358,281
Accounts Receivable (Note 4)	460,232	1,056,103
Inventories (Note 5)	238,417	235,486
Prepaid Expenses	332,393	331,969
Total Current Assets	4,288,043	4,874,568
Non-Current Assets		
Long-Term Investments (Note 6)	1,007,153	307,644
Long-Term Prepaid (Note 7)	604,680	179,498
Capital Assets (Note 8)	17,018,876	17,241,853
Total Non-Current Assets	18,630,709	17,728,995
Total Assets	$ 22,918,752	$ 22,603,563
Current Liabilities		
Accounts Payable (Note 9)	$ 3,614,901	$ 3,202,871
Deferred Revenue (Note 10)	26,300	-
Total Current Liabilities	3,641,201	3,202,871
Long-Term Liabilities		
Capital Reserve Deferred Revenue	33,311	32,473
Long-Term Payable (Note 7)	597,354	179,498
Deferred Contributions (Note 11)	1,119,778	1,119,778
Deferred Capital Contributions (Note 12)	14,614,206	14,858,308
Post-Employment Benefits Liability (Note 15)	767,600	796,800
Total Long-Term Liabilities	17,132,249	16,986,857
Net Assets		
Invested in Capital Assets (Note 16)	2,404,670	2,383,545
Unrestricted	(457,916)	(106,277)
Accumulated Remeasurement Gains	198,548	136,567
Closing Net Assets Balance	2,145,302	2,413,835
Total Liabilities and Net Assets Balance	$ 22,918,752	$ 22,603,563

Approved on behalf of the Board:

Director

Director

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

Atikokan Health and Community Services
Statement of Operations

For the year ended March 31,	2026	2025
Revenue		
Ministry of Health Base Allocation	**$ 10,859,905**	$ 10,085,921
Ministry of Health One-Time Payments	**354,535**	1,381,559
Hospital On-Call Coverage	**115,118**	101,145
Visiting Specialist Funding	**24,081**	22,790
Other Revenue (Schedule 1)	**1,672,791**	1,597,170
Amortization of Equipment Grants/Donations	**188,418**	158,856
Provision for Recoveries	**(79,188)**	(244,346)
Total Revenue	**13,135,660**	13,103,095
Expenses		
Salaries and Wages (Schedule 2)	**8,163,677**	7,604,869
Employee Benefits (Schedule 3)	**1,885,322**	1,652,851
Employee Benefits Future Costs (Recovery) (Note 15)	**(29,200)**	(26,700)
Medical Staff Remuneration (Schedule 4)	**257,375**	570,516
Supplies and Other Expenses (Schedule 5)	**2,392,517**	2,150,685
Drugs and Medical Gases	**57,012**	54,043
Medical and Surgical Supplies	**293,914**	250,245
Bad Debts	**12,706**	963
Amortization of Software Licenses	**-**	76,319
Amortization of Equipment	**301,955**	275,613
Total Expenses	**13,335,278**	12,609,404
Excess (deficiency) of Revenue over Expenses from Hospital Operations	**(199,618)**	493,691
Other Items		
Amortization of Building Grants/Donations	**535,174**	527,524
Amortization of Land Improvements and Building	**(688,797)**	(619,336)
Loss on Disposal of Capital Asset	**(5,496)**	(3,111)
	(159,119)	(94,923)
Other Votes and Programs - Revenues (Schedule 6)	**2,928,010**	2,245,434
Other Votes and Programs - Expenses (Schedule 6)	**(2,328,618)**	(2,026,998)
Other Votes and Programs - Provisions for Recovery (Schedule 6)	**(571,169)**	(220,102)
	28,223	(1,666)
Excess (Deficiency) of Revenue over Expenses for the Year	**$ (330,514)**	$ 397,102

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

Atikokan Health and Community Services
Statement of Remeasurement Gains

For the year ended March 31,	2026	2025
Accumulated remeasurement gains at the beginning of the year	**$ 136,567**	$ 114,782
Change in fair value attributable to:		
Investments	**61,981**	21,785
Accumulated remeasurement gains at the end of the year	**$ 198,548**	$ 136,567

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

Atikokan Health and Community Services
Statement of Changes in Net Assets

For the year ended March 31, 2026

	Invested in Capital Assets	Unrestricted	2026 Total
Balance, beginning of year	**$ 2,383,545**	**$ (106,277)**	**$ 2,277,268**
Excess (deficiency) of revenue over expenses for the year (Note 16)	**(308,726)**	**(21,788)**	**(330,514)**
Net changes in investment in capital assets (Note 16)	**329,851**	**(329,851)**	**-**
Balance, end of year	**$ 2,404,670**	**$ (457,916)**	**$ 1,946,754**

For the year ended March 31, 2025

	Invested in Capital Assets	Unrestricted	2025 Total
Balance, beginning of year	$ 2,413,359	$ (533,193)	$ 1,880,166
Excess (deficiency) of revenue over expenses for the year (Note 16)	(287,999)	685,101	397,102
Net changes in investment in capital assets (Note 16)	258,185	(258,185)	-
Balance, end of year	$ 2,383,545	$ (106,277)	$ 2,277,268

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

Atikokan Health and Community Services
Statement of Cash Flows

For the year ended March 31,	2026	2025
Cash Provided By (Used In) Operating Activities		
Excess (deficiency) of Revenue over Expenses for the year	**$ (330,514)**	$ 397,102
Items not involving cash		
Amortization	**990,752**	971,268
Amortization Related to Other Votes	**36,070**	38,717
Amortization of Deferred Capital Contributions	**(723,592)**	(686,380)
Loss (Gain) on disposal of assets	**5,496**	3,111
	(21,788)	723,818
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	**595,871**	102,787
Inventory	**(2,931)**	(30,148)
Prepaid Expenses	**(424)**	(11,455)
Accounts Payable	**412,030**	21,182
Deferred Contributions	**-**	(6,047)
Post-employment Benefits	**(29,200)**	(26,700)
Deferred Revenue	**26,300**	-
	1,001,646	49,619
	979,858	773,437
Financing Activities		
Short-Term Borrowings	**-**	(1,250,000)
Investing Activities		
Increase in Investments	**(21,581)**	(58,237)
Capital Activities		
Purchase of Capital Assets (Note 8)	**(809,341)**	(1,850,181)
Contributions Received for Capital Activities (Note 16)	**479,490**	1,403,216
Contribution of reserve fund	**840**	880
	(329,011)	(446,085)
Increase (Decrease) in Cash and Equivalents	**629,266**	(980,885)
Cash, Beginning of year	**1,892,729**	2,873,614
Cash, End of year	**$ 2,521,995**	$ 1,892,729
Supplemental Disclosure		
Interest Received	**$ 32,191**	$ 52,286

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

1. Significant Accounting Policies

Nature and Purpose of Organization

Atikokan Health and Community Services ("the Hospital") provides health care services to the residents of the Municipality of Atikokan and surrounding areas. The Hospital, incorporated without share capital under the Corporations Act of Ontario, is a charitable organization within the meaning of the Income Tax Act and, as such, is exempt from Income Taxes under the Income Tax Act.

In addition to the Hospital's operating fund which reflects the activities of the day to day operations of the Hospital, the financial statements also include the activities of the following programs:

Ministry of Health
- Atikokan Family Health Team
- Community Mental Health Program
- Community Addictions Program
- Community Problem Gambling Program
- Rent Supplement Program
- Rapid Access to Addiction Medicine Clinic (RAAM Clinic)
- New Models of Care - Kinesiologist & Assistant
- Homecare Overflow Contract

The operating results of these programs are recorded in Schedule 6 to the financial statements and the assets and liabilities of these programs appear on the statement of financial position of the Hospital. Program surpluses and deficits are recorded as repayable or receivable in the year incurred and settlement adjustments by the Ministries or other funders are recorded when settled.

Basis of Accounting and Presentation

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

The Atikokan General Hospital Foundation is a separate entity whose financial information is reported separately from the Hospital.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated useful life of an asset are capitalized.

Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Land Improvements	10 years
Buildings	10 to 40 years
Building Service Equipment	10 years
Equipment	5 to 10 years
Information Systems Equipment	3 to 5 years

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Hospital’s capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

1. Significant Accounting Policies (continued)

Revenue Recognition

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

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with accountability arrangements established by the Ministry of Health ("MOH"), and the Ontario Health North ("OHN"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") and Multi-Sector Service Accountability Agreement (the "M-SAA") for fiscal 2023 with the MOH and OHN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the MOH/OHN. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas. These agreements have been extended for fiscal 2026.

If the Hospital does not meet its performance standards or obligations, the MOH/OHN has the right to adjust funding received by the Hospital. The MOH/OHN is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of MOH/OHN funding received by the Hospital during the year may be increased or decreased subsequent to year-end.

Contributions approved but not received at year-end are accrued. Where a portion of a contribution relates to a future period, it is deferred and recognized in that subsequent period.

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

Restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred.

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

Unrestricted investment income is recognized when earned. Restricted investment income is recognized in the year in which the related expenses are recognized.

Patient related revenues are recognized as revenue when services are rendered and the amount to be received can be reasonably estimated and collection is reasonably assured.

Recoveries are recognized as revenue when the amount of the recovery can be reasonably estimated and collection is reasonably assured.

Contributed Services

There are a substantial number of volunteers who contribute a significant amount of their time each year to Atikokan Health and Community Services. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include balances with a chartered bank and cash on hand. Cash subject to restrictions that prevent its use for current purposes is included in restricted.

Inventories

Inventories are stated at the lower of cost and net replacement value. Cost is determined on a First-In, First-Out basis. Inventories consist of medical and general supplies that are used in the Hospital's operations and not for resale purposes.

1. Significant Accounting Policies (continued)

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Hospital to incur retirement costs in relation to a capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2026. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Hospital reviews the carrying amount of the liability. The Hospital recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related capital asset.

The Hospital continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

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:

Fair Value
This category includes cash and investments. Financial instruments in this category 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 they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost
This category includes accounts receivable and accounts payable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Deferred Revenue

Deferred revenue is received from contributors who have restricted use of the funds for specific purposes. Recognition of these amounts as revenue is deferred to periods when the specific expenditures are made.

1. Significant Accounting Policies (continued)

Retirement and Post-employment Benefits

The Hospital provides defined retirement and post-employment benefits to certain employee groups. These benefits include pension and health and dental. The Hospital has adopted the following policies with respect to accounting for these employee benefits:

i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, 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.

ii) The costs of the multi-employer defined benefit pension plan are the employer's contributions due to the plan in the period.

iii) The discount rate used in the determination of the above mentioned liabilities is equal to the Hospital's internal rate of borrowing.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred contributions related to capital assets and capital asset amortization are based on the estimated useful lives of capital assets.

Employee future benefits are based on actuarial valuations.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

Long-lived Assets and Discontinued Operations

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. When the Hospital determines that a long-lived asset no longer has any long-term service potential to the Hospital, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

2. Cash

The Hospital has an overall credit facility of $1,000,000 (2025 - $1,000,000), including a revolving line of credit bearing interest at prime plus 0.00% (4.45% at year-end), repayable on demand, and corporate Visas repayable on demand and in accordance with standard terms and conditions. As at March 31, 2026, $Nil (2025 - $Nil) has been drawn upon this operating line of credit.

3. Short-Term Investments

	2026	2025
High Interest Savings Account	**$ 563,459**	$ 1,336,935
Guaranteed Investment Certificate (GIC) with an interest rate of 2.73%, with a maturity date of September 15, 2026.	**5,547**	-
Guaranteed Investment Certificate (GIC) with an interest rate of 3.10%, with a maturity date of Oct 30, 2026.	**66,000**	-
Guaranteed Investment Certificate (GIC) with an interest rate of 3.10%, with a maturity date of Oct 30, 2026.	**100,000**	-
Guaranteed Investment Certificate (GIC) with an interest rate of 2.72%, Matured during the year.	**-**	16,000
Guaranteed Investment Certificate (GIC) with an interest rate of 3.75%. Matured during the year.	**-**	5,346
	$ 735,006	$ 1,358,281

4. Accounts Receivable

	2026	2025
Ministry of Health	**$ -**	$ 171,927
Insurers and Patients	**122,910**	104,195
Community-Based Laboratory Services	**48,054**	152,190
HST Rebate	**164,108**	466,657
Other	**125,160**	161,134
	$ 460,232	$ 1,056,103

5. Inventories

	2026	2025
Opening Balance, April 1	**$ 235,486**	$ 205,339
Purchases	**379,277**	334,435
Expensed	**(376,346)**	(304,288)
Closing Balance, March 31	**$ 238,417**	$ 235,486

6. Long-Term Investments

	2026	2025
Pooled and mutual funds (cost - $488,950)	**673,153**	307,644
Guaranteed Investment Certificate (GIC)	**334,000**	-
	$ 1,007,153	$ 307,644

Guaranteed Investment Certificate (GIC) have interest rates between 3.2% and 3.25%. $266,000 matures in November 2027 with the remaining $68,000 maturing on October 30, 2028.

7. Medical Record System Upgrade

Through a collaboration with twelve (12) hospitals in the north west region, the Hospitals initiated a project to upgrade the primary electronic medical record. This project is being led by Thunder Bay Regional Health Sciences Centre (TBRHSC). As the project lead, TBRHSC has legal ownership of the capital assets associated with the project. All remaining participating hospitals have entered into a contract with TBRHSC which obligates each respective hospital to pay for the unfunded share of the project. The Hospital's share of the project is approximately 1.5% of total project costs. It is estimated that this project will take two years to complete with an estimated total cost to Atikokan Health and Community Services of $1,607,959. As of March 31, 2026, the Hospital's share of the unfunded project costs, which is reported as a long-term payable, is $597,354 (March 31, 2025 - $179,498).

To fund the project, TBRHSC has entered into interim financing which is repayable at interest only. On completion of the project, this will be converted to permanent financing with fixed payments over a term of 15 - 20 years. During the interim financing period, the Hospital is obligated to pay on its amount due to the TBRHSC at amounts equal to its share of the monthly interest payments incurred by TBRHSC. On conversion of the financing to permanent financing, the Hospital will be obligated to pay down its due to the TBRHSC at amounts equal to their proportionate share of the fixed monthly payment of the TBRHSC's loan.

As the project is under development, costs are being accumlated as prepaid EMR system costs on the statement of financial position. Once the electronic medical record is operational, these costs will be amortized over the life of the service contract, which is anticipated to be 10 years.

8. Capital Assets

	2026		2025	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 25,234**	**$ -**	$ 25,234	$ -
Land Improvements	**325,118**	**301,421**	325,118	290,177
Buildings	**18,323,632**	**7,074,957**	18,323,632	6,693,289
Building Service Equipment	**5,937,838**	**1,675,895**	4,418,675	1,380,011
Work-in-Progress	**300,652**	**-**	1,356,774	-
Equipment	**5,134,693**	**3,976,018**	4,971,022	3,815,125
Information Systems Equipment	**602,419**	**602,419**	602,419	602,419
	$ 30,649,586	**$ 13,630,710**	$ 30,022,874	$ 12,781,021
Net Book Value		**$ 17,018,876**		$ 17,241,853

During the year, capital assets were acquired with an aggregate cost of $809,341 (2025 - $1,850,181) using government grant and funding of $419,978 (2025 - $1,240,597), donations of $102,755 (2025 - 162,619), and operating cash of $286,608 (2025 - $446,965).

9. Accounts Payable

	2026	2025
Trade	**$ 791,395**	$ 1,048,498
Accrued Salaries and Benefits	**1,272,703**	1,009,875
Other	**45,307**	47,834
Ministry of Health		
Community Counselling Services	**106,817**	53,901
RAAM Clinic	**328,687**	-
Visiting Specialist Program	**24,081**	22,790
Episode of Care	**63,446**	233,592
Family Health Team	**491,660**	500,233
Other	**490,805**	286,148
	$ 3,614,901	$ 3,202,871

10. Deferred Revenue

Deferred revenue represents unspent externally restricted funding that has been received and relates to subsequent year. Changes in revenue deferred to future periods are as follows:

	2026	2025
Balance, beginning of year	**$ -**	-
Contributions received during the year	**26,300**	-
Contributions recognized during the year	-	-
Balance, end of year	**$ 26,300**	-

11. Deferred Contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2026	2025
Balance, beginning of year	**$ 1,119,778**	$ 1,125,825
Contributions received during the year	**-**	-
Contributions recognized during the year	**-**	(6,047)
Balance, end of year	**$ 1,119,778**	1,119,778

Deferred contributions are comprised of:	**2026**	2025
General Donations	**$ 10,129**	10,129
Contributions for Health Professional Recruitment	**16,187**	16,187
Deferred provincial grants	**32,039**	32,039
Rainycrest Long-Term Care	**1,061,423**	1,061,423
	$ 1,119,778	1,119,778

12. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. Changes in the contributions capital deferred to future periods are as follows:

	2026	**2025**
Balance, beginning of year	**$ 14,858,308**	$ 14,141,472
Grants received during the year	**479,490**	1,403,216
Amortization	**(723,592)**	(686,380)
Balance, end of year	**$ 14,614,206**	$ 14,858,308

As at March 31, 2026 there was $205,000 (2025 - $205,000) of deferred capital contributions received which were not yet utilized.

13. Contingent Liabilities and Commitments

Atikokan Health and Community Services is a member of Health Care 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 are members and losses could be material. The Hospital joined HIROC in 1998 and no reassessments have been made to March 31, 2026.

The outcome of claims now pending is not determinable and is not expected to be material.

14. Economic Dependence

The Hospital receives the majority of its funding from the Ministry of Health and is therefore economically dependent on its government department.

15. Post-Employment Benefits Liability

The following tables outline the components of the Hospital's post-employment benefits and the related expenses.

	2026	2025
Accrued benefit obligation	**$ 608,100**	$ 622,000
Unamortized actuarial gain	**159,500**	174,800
Total Liability	**$ 767,600**	$ 796,800

	2026	2025
Current year benefits costs	**$ 51,100**	$ 35,700
Amortized actuarial (gains) losses	**(38,000)**	(35,000)
Interest on accrued benefit obligation	**28,700**	27,800
Reconciliation of plan funds (benefit payments)	**(71,000)**	(55,200)
	$ (29,200)	$ (26,700)

Above amounts exclude pension contributions to the Hospitals of Ontario Pension Plan ("HOOPP"), a multi-employer plan, described below.

Retirement Benefits

Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Hospital amounted to $714,588 (2025 - $670,468).

Post-employment Benefits

The Hospital extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The Hospital recognizes these benefits as they are earned during the employee's tenure of service. The related benefit liability was determined by an actuarial valuation study.

The major assumptions employed for the valuations are as follows:

a) Discount Rate

The present value as at March 31, 2026 of the future benefits was determined using a discount rate of 4.9% (2025 - 4.5%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 5.5% in 2026 and decrease by 0.1% per annum thereafter to an ultimate rate of 4.0%.

c) Dental Costs

Dental costs were assumed to increase at 4.0% per annum.

16. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2026	2025
Capital Assets	**$ 17,018,876**	$ 17,241,853
Amounts financed by Deferred Contributions	**(14,614,206)**	(14,858,308)
	$ 2,404,670	$ 2,383,545

b) The change in net assets invested in capital assets is calculated as follows:

Excess (deficiency) of revenue over expenses:	2026	2025
Amortization of Deferred Grants and Donations related to:		
Equipment/Software Licenses	**$ 188,418**	$ 158,856
Buildings	**535,174**	527,524
Amortization related to:		
Equipment/Software Licenses	**(301,955)**	(351,932)
Buildings	**(688,797)**	(619,336)
Other Votes Equipment	**(36,070)**	-
Gain/Loss on Disposal of Capital Assets	**(5,496)**	(3,111)
	$ (308,726)	$ (287,999)

Net change in investment in capital assets:	2026	2025
Purchase of Capital Assets	**$ 809,341**	$ 1,850,181
Amounts funded by Deferred Grants and Donations	**(479,490)**	(1,403,216)
Amalgamation Adjustment	**-**	(188,780)
	$ 329,851	$ 258,185
	$ 21,125	$ (29,814)

17. Related Entity

Atikokan General Hospital Foundation is an independent corporation incorporated without share capital which has its own independent Board of Directors and is a registered charity under the Income Tax Act. The Foundation receives and maintains funds for charitable purposes, which it donates to the Hospital for use in operations, renovations, maintenance and equipment purchases of the Hospital.

The Foundation holds funds of approximately $444,896, the benefit of which is to be used for capital projects or capital asset purchases of the Hospital. During the year, the Foundation contributed $102,755 to the Hospital.

18. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

			2026
	Fair Value	**Amortized Cost**	**Total**
Cash	**$ 2,521,995**	**$ -**	**$ 2,521,995**
Accounts Receivable	**-**	**460,232**	**460,232**
Investments	**1,742,159**	**-**	**1,742,159**
Accounts Payable	**-**	**(3,614,901)**	**(3,614,901)**
	$ 4,264,154	**$ (3,154,669)**	**$ 1,109,485**

			2025
	Fair Value	Amortized Cost	Total
Cash	$ 1,892,729	$ -	$ 1,892,729
Accounts Receivable	-	1,056,103	1,056,103
Investments	1,665,925	-	1,665,925
Accounts Payable	-	(3,202,871)	(3,202,871)
	$ 3,558,654	$ (2,146,768)	$ 1,411,886

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset 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).

			2026	
	Level 1	**Level 2**	**Level 3**	**Total**
Cash	**$ 2,521,995**	**$ -**	**$ -**	**$ 2,521,995**
Investments	**1,742,159**	**-**	**-**	**1,742,159**
Total	**$ 4,264,154**	**$ -**	**$ -**	**$ 4,264,154**

			2025	
	Level 1	Level 2	Level 3	Total
Cash	$ 1,892,729	$ -	$ -	$ 1,892,729
Investments	1,665,925	-	-	1,665,925
Total	$ 3,558,654	$ -	$ -	$ 3,558,654

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2026 and 2025. There were also no transfers in or out of Level 3.

19. Financial Instrument Risk

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. The Hospital is exposed to this risk relating to its cash, debt holdings in its investment portfolio and accounts receivable. The Hospital holds its cash accounts with a federally regulated chartered bank which is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Hospital's cash accounts are insured up $100,000.

The Hospital's investment policy operates within the constraints of the investment guidelines issued by the MOH in relation to the funding agreements and puts limits on the investment portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure.

The maximum exposure to investment credit risk is outlined in Notes 4 and 18.

Accounts receivable are primarily due from OHIP, the Ministry of Health and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population.

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. Accounts received that are not considered to be collectible are written off at year-end based on the Hospital's historical experience regarding collections. The amounts outstanding at year-end were as follows:

2026			**Past Due**		
	Total	**Current**	**31-60**	**61-90**	**91 +**
MOH/OHN	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Insurers and Patients	**122,910**	**64,610**	**23,152**	**4,988**	**30,160**
Other	**337,322**	**325,407**	**11,867**	**-**	**48**
Total	**$ 460,232**	**$ 390,017**	**$ 35,019**	**$ 4,988**	**$ 30,208**

2025			Past Due		
	Total	Current	31-60	61-90	91 +
MOH/OHN	$ 171,927	$ 167,127	$ -	$ -	$ 4,800
Insurers and Patients	104,195	69,775	13,050	6,441	14,929
Other	779,981	621,314	31,852	10,000	116,815
Total	$ 1,056,103	$ 858,216	$ 44,902	$ 16,441	$ 136,544

The amounts aged greater than 90 days owing from patients that have not had a corresponding impairment allowance setup against them are collectible based on the Hospital's past experience. Management has reviewed the individual balances and based on the credit quality of the debtors and their past history of payment. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the 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: interest rate risk, currency risk and equity risk. The Hospital is not exposed to significant currency risk as it does not transact materially in foreign currency. The Hospital is exposed to equity risks with regards to its investments in pooled and mutual funds and interest risk with its investments in bonds.

19. Financial Instrument Risk (continued)

Market Risk (continued)

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

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Hospital is exposed to this risk through its interest bearing investments included in long term investments.

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

Liquidity Risk

Liquidity risk is the risk that the 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. The follow table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

	2026			
	Within 6 months	**6 months to 1 year**	**1-5 years**	**> 5 years**
Accounts payable & Loans	**$ 3,614,901**	**$ -**	**$ -**	**$ -**

	2025			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable & Loans	$ 3,202,871	$ -	$ -	$ -

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

20. Comparative Figures

Certain of the prior year comparative figures have been changed to conform to the current year presentation.

Atikokan Health and Community Services
Schedule 1 - Other Revenue
(Unaudited)

For the year ended March 31,	2026	2025
Outpatient Revenue		
Ontario Health Insurance Plan	**$ 149,335**	$ 135,907
Non-Residents of the Province and Canada	**68,474**	45,948
Workplace Safety & Insurance Board	**31,834**	16,877
Ambulance	**11,235**	7,545
	$ 260,878	$ 206,277
Co-Payment Revenue		
ALC Patients	**$ 41,563**	$ 44,275
Extended Care Patients	**580,632**	600,450
	$ 622,195	$ 644,725
Differential Revenue		
Acute Care Patients	**$ 11,840**	$ 24,228
Extended Care Patients	**97,319**	72,667
	$ 109,159	$ 96,895
Recoveries		
Non-Patient Food Services	**$ 30,264**	$ 29,142
CCAC Recoveries	**1,950**	4,733
Compensation and Services	**538,357**	474,388
Municipal Government	**10,476**	476
Materials	**7,736**	18,560
Rentals	**57,995**	59,085
Miscellaneous	**33,781**	62,889
	$ 680,559	$ 649,273
Total Other Revenue	**$ 1,672,791**	$ 1,597,170

Atikokan Health and Community Services

Schedule 2 - Salaries and Wages

(Unaudited)

For the year ended March 31,	2026	2025
Patient Care		
Inpatient Wards	**$ 1,806,449**	$ 1,772,013
Extended Care	**1,547,971**	1,361,186
Diabetes Education	**8,678**	8,261
Ambulatory Care	**787,063**	720,058
Laboratory	**547,294**	588,119
Diagnostic Imaging	**284,437**	278,499
Pharmacy	**91,107**	85,470
Clinical Nutrition	**57,405**	28,803
Therapeutic Services	**350,769**	334,861
Total Patient Care	**$ 5,481,173**	$ 5,177,270
Support Services		
General Administration	**$ 880,945**	$ 786,979
Information System Support	**129,452**	62,262
Human Resources and Recruitment	**146,464**	127,150
Physical Plant	**277,774**	258,842
Environmental Services	**420,278**	404,048
Food Services	**473,087**	460,187
Patient Information	**180,455**	158,820
Marketed Services	**58,385**	56,783
Materials Management and Reprocessing	**115,664**	112,528
Total Support Services	**$ 2,682,504**	$ 2,427,599
Total Salaries and Wages	**$ 8,163,677**	$ 7,604,869

Atikokan Health and Community Services
Schedule 3 - Employee Benefits
(Unaudited)

For the year ended March 31,	2026	2025
Canada Pension Plan	**$ 379,468**	$ 318,837
Hospital Pension Plan	**593,768**	553,833
Employment Insurance	**128,329**	108,713
Workplace Safety & Insurance Board	**103,855**	63,952
Long-Term Disability Insurance	**83,235**	70,560
Employer Health Tax	**154,936**	138,565
Extended Health Care Insurance	**128,109**	125,891
Dental Insurance	**96,349**	87,082
Group Life and Accidental Death & Dismemberment	**24,595**	22,572
Benefit and Vacation % in Lieu	**192,678**	162,846
Total Employee Benefits	**$ 1,885,322**	$ 1,652,851

Atikokan Health and Community Services
Schedule 4 - Medical Staff Remuneration
(Unaudited)

For the year ended March 31,	2026	2025
Honorariums	**$ 35,000**	$ 35,000
Hospital On Call Coverage	**115,118**	101,145
Clinical Laboratory	**52,053**	66,013
Imaging	**55,204**	50,107
Other COVID Locum Program	**-**	318,251
Total Medical Staff Remuneration	**$ 257,375**	$ 570,516

Atikokan Health and Community Services
Schedule 5 - Supplies and Other Expenses
(Unaudited)

For the year ended March 31,	2026	2025
Patient Care		
Inpatient Wards	**$ 43,531**	$ 50,628
Extended Care	**142,158**	115,974
Diabetes Education	**-**	8,120
Ambulatory Care	**18,432**	17,029
Laboratory	**208,361**	175,525
Diagnostic Imaging	**38,367**	68,623
Pharmacy	**27,557**	23,590
Clinical Nutrition	**-**	425
Therapeutic Services	**16,222**	10,180
Total Patient Care	**$ 494,628**	$ 470,094
Support Services		
General Administration	**$ 331,331**	$ 296,488
Information System Support	**456,442**	353,333
Human Resources and Recruitment	**16,576**	13,121
Physical Plant	**538,374**	506,681
Environmental Services	**55,142**	53,306
Food Services	**240,473**	213,980
Patient Information	**11,746**	9,561
Health System Development	**151,792**	154,567
Marketed Services	**96,013**	79,554
Total Support Services	**$ 1,897,889**	$ 1,680,591
Total Supplies and Other Expenses	**$ 2,392,517**	$ 2,150,685

Atikokan Health and Community Services
Schedule 6 - Other Votes and Programs
(Unaudited)

	Substance Abuse	Problem Gambling	Community Mental Health Program	Administration	Rent Supplement	RAAM Clinic	For the Year ended March 31, 2026	For the year ended March 31, 2025
Revenue								
MOH/OHN Funding	$ 72,921	$ 73,249	$ 505,675	$ -	$ 20,343	$ 665,000	$ 1,337,188	$ 690,104
Other Revenue and Recoveries	-	-	2,055	-	-	-	2,055	39,731
Total Revenue	$ 72,921	$ 73,249	$ 507,730	$ -	$ 20,343	$ 665,000	$ 1,339,243	$ 729,835
Operating Expenses								
Salaries and Wages	$ 31,789	$ -	$ 261,116	$ 75,121	$ -	$ 194,854	562,880	$ 488,236
Employee Benefits	21,528	-	84,552	37,438	-	31,794	175,312	111,996
Purchased Services	-	-	-	-	-	-	-	31
Medical Staff Remuneration	-	-	-	-	-	7,500	7,500	2,363
Supplies and Other Expenses	572	163	27,020	65,143	13,134	53,492	159,524	98,657
Drugs & Medical Gases	-	-	-	-		332	332	-
Medical & Surgical Supplies	-	-	-	-		7,190	7,190	-
Buildings & Grounds	-	-	-	-	-	22,416	22,416	-
Amortization	-	-	-	1,056	-	2,535	3,591	499
Total Operating Expenses	$ 53,889	$ 163	$ 372,688	$ 178,758	$ 13,134	$ 320,113	$ 938,745	$ 701,782
Net Revenue (Expense)	$ 19,032	$ 73,086	$ 135,042	$ (178,758)	$ 7,209	$ 344,887	$ 400,498	$ 28,053
Adjustment for Capital & Equipment Purchase	-	-	-	(2,785)	-	(16,201)	(18,986)	-
Administration Allocation	(19,032)	(53,061)	(109,450)	181,543	-	-	-	-
Net Revenue Before Amount Repayable	-	20,025	25,592	-	7,209	328,686	381,512	28,053
Amount Repayable to Ministry of Health	-	(20,025)	(25,592)	-	(7,209)	(328,686)	(381,512)	(28,053)
Net Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Atikokan Health and Community Services
Schedule 6 - Other Votes and Programs Cont.
(Unaudited)

Family Health Team

For the year ended March 31,	2026	2025
Revenue		
Ministry of Health Base Allocation	**$ 1,349,107**	$ 1,301,354
Ministry of Health - One Time Funding	**33,800**	24,000
Other Revenue	**9,040**	14,109
Total Revenue	**$ 1,391,947**	$ 1,339,463
Operating Expenses		
Salaries and Benefits	**$ 1,076,322**	$ 1,048,087
Supplies and Other Expenses	**153,550**	153,954
Total Expenses	**$ 1,229,872**	$ 1,202,041
Net Revenue Before Amount Repayable	**$ 162,075**	137,422
Amount Repayable to Ministry of Health	**$ (189,657)**	(156,727)
Net Expense	**$ (27,582)**	$ (19,305)

Homecare

For the year ended March 31,	2026	2025
Revenue		
Other Revenue	**$ 71,810**	$ 53,062
Total Revenue	**$ 71,810**	$ 53,062
Operating Expenses		
Salaries and Benefits	**$ 32,657**	$ 27,659
Supplies and Other Expenses	**2,334**	2,835
Total Expenses	**$ 34,991**	$ 30,494
Net Revenue	**$ 36,820**	$ 22,568

Municipal Taxes

For the year ended March 31,	2026	2025
Revenue		
MOH/OHN Funding	**$ 3,075**	$ 3,075
Total Revenue	**$ 3,075**	$ 3,075
Operating Expenses		
Buildings & Grounds	**3,075**	3,075
Total Expenses	**$ 3,075**	$ 3,075
Net Revenue	**-**	**-**

Atikokan Health and Community Services
Schedule 6 - Other Votes and Programs Cont.
(Unaudited)

New Models of Care - Kinesiologist & Assistant

For the year ended March 31,		**2026**		2025
Revenue				
Other Revenue	**$**	**121,935**	$	120,000
Total Revenue	**$**	**121,935**	$	120,000
Operating Expenses				
Salaries and Benefits	**$**	**121,935**	$	89,607
Supplies and Other Expenses		**-**		-
Total Expenses	**$**	**121,935**	$	89,607
Net Revenue Before Amount Repayable	**$**	**-**		30,393
Amount Repayable to Ministry of Health		**-**		(30,393)
Net Revenue	**$**	**-**	$	-

Other Votes and Programs - Total

For the year ended March 31,		**2026**	2025
Other Provision adjustments		**-**	(4,929)
Total: Other Votes and Programs - Revenues	**$**	**2,928,010**	2,245,435
Total: Other Votes and Programs - Expenses	**$**	**2,328,618**	2,026,999
Total: Other Votes and Programs - Provisions for Recovery	**$**	**(571,169)**	(220,102)