

Atikokan Health and Community Services

Financial Statements

March 31, 2025

Atikokan Health and Community Services

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For the year ended March 31, 2025

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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, 2025, 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, 2025, 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.

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.

Thunder Bay, Ontario

June 18, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Atikokan Health and Community Services
Statement of Financial Position

As at March 31,	2025	2024
Current Assets		
Cash (Note 2)	\$ 1,892,729	\$ 2,873,614
Short-Term Investments (Note 3)	1,358,281	1,306,917
Accounts Receivable (Note 4)	1,056,103	1,158,890
Inventories (Note 5)	235,486	205,339
Prepaid Expenses	331,969	320,514
Total Current Assets	4,874,568	5,865,273
Non-Current Assets		
Long-Term Investments (Note 6)	307,644	278,987
Long-Term Prepaid (Note 7)	179,498	-
Capital Assets (Note 8)	17,241,853	16,404,768
Total Non-Current Assets	17,728,995	16,683,754
Total Assets	\$ 22,603,563	\$ 22,549,027
Current Liabilities		
Loans	\$ -	\$ 1,250,000
Accounts Payable (Note 9)	3,202,871	3,181,689
Total Current Liabilities	3,202,871	4,431,689
Long-Term Liabilities		
Capital Reserve Deferred Revenue	32,473	31,593
Long-Term Payable (Note 7)	179,498	-
Deferred Contributions (Note 10)	1,119,778	1,125,825
Deferred Capital Contributions (Note 11)	14,858,308	14,141,472
Post-Employment Benefits Liability (Note 14)	796,800	823,500
Total Long-Term Liabilities	16,986,857	16,122,390
Net Assets		
Invested in Capital Assets (Note 15)	2,383,545	2,413,359
Unrestricted	(106,277)	(533,193)
Accumulated Remeasurement Gains	136,567	114,782
Closing Net Assets Balance	2,413,835	1,994,948
Total Liabilities and Net Assets Balance	\$ 22,603,563	\$ 22,549,027

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,	2025	2024
Revenue		
Ministry of Health Base Allocation	\$ 10,085,921	\$ 8,880,835
Ministry of Health One-Time Payments	1,381,559	1,831,870
Hospital On-Call Coverage	101,145	95,781
Visiting Specialist Funding	22,790	21,512
Other Revenue (Schedule 1)	1,597,170	1,544,010
Amortization of Equipment Grants/Donations	158,856	129,150
Provision for Recoveries	(244,346)	(100,895)
Total Revenue	13,103,095	12,402,263
Expenses		
Salaries and Wages (Schedule 2)	7,604,869	7,603,155
Employee Benefits (Schedule 3)	1,652,851	1,700,665
Employee Benefits Future Costs (Recovery) (Note 14)	(26,700)	(24,000)
Medical Staff Remuneration (Schedule 4)	570,516	495,413
Supplies and Other Expenses (Schedule 5)	2,150,685	1,973,741
Drugs and Medical Gases	54,043	70,382
Medical and Surgical Supplies	250,245	318,894
Bad Debts	963	1,505
Amortization of Software Licenses	76,319	71,100
Amortization of Equipment	275,613	309,012
Total Expenses	12,609,404	12,519,867
Excess (deficiency) of Revenue over Expenses from Hospital Operations	493,691	(117,604)
Other Items		
Amortization of Building Grants/Donations	527,524	481,842
Amortization of Land Improvements and Building	(619,336)	(588,634)
Loss on Disposal of Capital Asset	(3,111)	(3,352)
	(94,923)	(110,144)
Other Votes and Programs - Revenues (Schedule 6)	2,245,434	2,061,107
Other Votes and Programs - Expenses (Schedule 6)	(2,026,998)	(1,886,439)
Other Votes and Programs - Provisions for Recovery (Schedule 6)	(220,102)	(156,569)
	(1,666)	18,099
Excess (deficiency) of Revenue over Expenses for the Year - Ordinary Business	397,102	(209,649)
Gain on Atikokan Family Health Team Amalgamation	-	237,347
Excess of Revenue over Expenses for the Year	\$ 397,102	\$ 27,698

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,	2025	2024
Accumulated remeasurement gains at the beginning of the year	\$ 114,782	\$ 83,559
Change in fair value attributable to:		
Investments	21,785	31,223
Accumulated remeasurement gains at the end of the year	\$ 136,567	\$ 114,782

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, 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 15)	(287,999)	685,101	397,102
Net changes in investment in capital assets (Note 15)	258,185	(258,185)	-
Balance, end of year	<u>\$ 2,383,545</u>	<u>\$ (106,277)</u>	<u>\$ 2,277,268</u>

For the year ended March 31, 2024

	Invested in Capital Assets	Unrestricted	2024 Total
Balance, beginning of year	\$ 2,406,330	\$ (553,863)	\$ 1,852,467
Deficiency of revenue over expenses for the year (Note 15)	(361,105)	388,804	27,698
Net changes in investment in capital assets (Note 15)	368,134	(368,134)	-
Balance, end of year	<u>\$ 2,413,359</u>	<u>\$ (533,193)</u>	<u>\$ 1,880,166</u>

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,	2025	2024
Cash Provided By (Used In) Operating Activities		
Excess of Revenue over Expenses for the year	\$ 397,102	\$ 27,698
Items not involving cash		
Amortization	971,268	968,746
Amortization Related to Other Votes	38,717	45,237
Adjustment for Accumulated Amortization for Amalgamation	-	100,991
Amortization of Deferred Capital Contributions	(686,380)	(610,993)
Loss (Gain) on disposal of assets	3,111	3,352
	<u>723,818</u>	<u>535,032</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	102,787	(320,482)
Inventory	(30,148)	24,737
Prepaid Expenses	(11,455)	(49,125)
Accounts Payable	21,182	1,251,472
Deferred Contributions	(6,047)	-
Post-employment Benefits	(26,700)	(24,000)
	<u>49,619</u>	<u>882,603</u>
	<u>773,437</u>	<u>1,417,635</u>
Financing Activities		
Short-Term Borrowings	<u>(1,250,000)</u>	<u>1,250,000</u>
Investing Activities		
Increase in Investments	<u>(58,237)</u>	<u>(75,838)</u>
Capital Activities		
Purchase of Capital Assets (Note 15)	(1,850,181)	(1,419,018)
Contributions Received for Capital Activities (Note 15)	1,403,216	1,050,884
Proceeds on disposal	-	3,835
Contribution of reserve fund	880	800
	<u>(446,085)</u>	<u>(363,499)</u>
Increase (Decrease) in Cash and Equivalents	(980,885)	2,228,298
Cash, Beginning of year	2,873,614	645,316
Cash, End of year	<u>\$ 1,892,729</u>	<u>\$ 2,873,614</u>
Supplemental Disclosure		
Interest Received	\$ 52,286	\$ 70,699

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

March 31, 2025

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
- 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.

March 31, 2025

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 2025.

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.

March 31, 2025

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, 2025. 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.

March 31, 2025

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 (2024 - \$400,000), including a revolving line of credit bearing interest at prime plus 0.00% (4.95% at year-end), repayable on demand, and corporate Visas repayable on demand and in accordance with standard terms and conditions. As at March 31, 2025, \$Nil (2024 - \$Nil) has been drawn upon this operating line of credit.

3. Short-Term Investments

	2025	2024
High Interest Savings Account	\$ 1,336,935	\$ 1,285,922
Guaranteed Investment Certificate (GIC) with an interest rate of 3.75%, with a maturity date of September 15, 2025.	5,346	-
Guaranteed Investment Certificate (GIC) with an interest rate of 4.05%. Matured during the year.	-	5,346
Guaranteed Investment Certificate (GIC) with an interest rate of 2.72%, with a maturity date of January 14, 2026.	16,000	-
Guaranteed Investment Certificate (GIC) with an interest rate of 2.25%. Matured during the year.	-	15,648
	<u>\$ 1,358,281</u>	<u>\$ 1,306,917</u>

Atikokan Health and Community Services
Notes to Financial Statements

March 31, 2025

4. Accounts Receivable

	2025	2024
Ministry of Health	\$ 171,927	\$ 467,573
Insurers and Patients	104,195	59,080
Community-Based Laboratory Services	152,190	191,573
HST Rebate	466,657	369,145
Other	161,134	71,519
	<u>\$ 1,056,103</u>	<u>\$ 1,158,890</u>

5. Inventories

	2025	2024
Opening Balance, April 1	\$ 205,339	\$ 230,076
Purchases	334,435	364,539
Expensed	(304,288)	(389,277)
Closing Balance, March 31	<u>\$ 235,486</u>	<u>\$ 205,339</u>

6. Long-Term Investments

	2025	2024
Pooled and mutual funds (cost - \$166,614)	<u>\$ 307,644</u>	<u>\$ 278,987</u>

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, 2025, the Hospital's share of the unfunded project costs, which is reported as a long-term payable, is \$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 accumulated 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

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 25,234	\$ -	\$ 25,234	\$ -
Land Improvements	325,118	290,177	325,118	278,932
Buildings	18,323,632	6,693,289	18,323,632	6,311,621
Building Service Equipment	4,418,675	1,380,011	3,807,039	1,153,587
Work-in-Progress	1,356,774	-	498,695	-
Equipment	4,971,022	3,815,125	4,948,980	3,781,133
Information Systems Equipment	602,419	602,419	527,444	526,100
	<u>\$ 30,022,874</u>	<u>\$ 12,781,021</u>	<u>\$ 28,456,141</u>	<u>\$ 12,051,374</u>
Net Book Value	<u>\$ 17,241,853</u>		<u>\$ 16,404,768</u>	

During the year, capital assets were acquired with an aggregate cost of \$1,850,181 (2024 - \$1,419,018) using government grant and funding of \$1,240,597, donations of \$162,619 and operating cash of \$446,965.

Atikokan Health and Community Services
Notes to Financial Statements

March 31, 2025

9. Accounts Payable

	2025	2024
Trade	\$ 1,048,498	\$ 1,105,968
Accrued Salaries and Benefits	1,009,875	1,026,803
Other	47,834	47,961
Ministry of Health		
Community Counselling Services	53,901	175,499
Visiting Specialist Program	22,790	43,024
Episode of Care	233,592	214,308
Family Health Team	500,233	343,506
Other	286,148	224,620
	\$ 3,202,871	\$ 3,181,689

10. 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:

	2025	2024
Balance, beginning of year	\$ 1,125,825	\$ 1,125,825
Contributions received during the year	-	-
Amounts recognized as revenue	(6,047)	-
Balance, end of year	\$ 1,119,778	1,125,825

Deferred contributions are comprised of:

	2025	2024
General Donations	\$ 10,129	10,129
Contributions for Health Professional Recruitment	16,187	22,234
Deferred provincial grants	32,039	32,039
Rainycrest Long-Term Care	1,061,423	1,061,423
	\$ 1,119,778	1,125,825

11. 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:

	2025	2024
Balance, beginning of year	\$ 14,141,472	\$ 13,701,580
Grants received during the year	1,403,216	1,050,884
Amortization	(686,380)	(610,993)
Balance, end of year	\$ 14,858,308	\$ 14,141,472

As at March 31, 2025 there was \$205,000 (2024 - \$369,240) of deferred capital contributions received which were not yet utilized.

12. 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, 2025.

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

March 31, 2025

13. Economic Dependence

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

14. Post-Employment Benefits Liability

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

	2025	2024
Accrued benefit obligation	\$ 622,000	\$ 559,900
Unamortized actuarial gain	174,800	263,600
Total Liability	<u>\$ 796,800</u>	<u>\$ 823,500</u>

	2025	2024
Current year benefits costs	\$ 35,700	\$ 33,600
Amortized actuarial (gains) losses	(35,000)	(31,400)
Interest on accrued benefit obligation	27,800	27,700
Reconciliation of plan funds (benefit payments)	(55,200)	(53,900)
	<u>\$ (26,700)</u>	<u>\$ (24,000)</u>

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 \$670,468 (2024 - \$658,770).

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, 2025 of the future benefits was determined using a discount rate of 4.5% (2024 - 4.9%).

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.

March 31, 2025

15. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2025	2024
Capital Assets	\$ 17,241,853	\$ 16,404,768
Amounts financed by Deferred Contributions	(14,858,308)	(14,141,472)
Adjustment for Other Votes and Amalgamation	-	150,064
	<u>\$ 2,383,545</u>	<u>\$ 2,413,359</u>

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

Excess (deficiency) of revenue over expenses:

Amortization of Deferred Grants and Donations related to:

Equipment/Software Licenses

Buildings

Amortization related to:

Equipment/Software Licenses

Buildings

Gain/Loss on Disposal of Capital Assets

	2025	2024
	\$ 158,856	\$ 129,150
	527,524	481,842
	(351,932)	(380,112)
	(619,336)	(588,634)
	(3,111)	(3,352)
	<u>\$ (287,999)</u>	<u>\$ (361,105)</u>

Net change in investment in capital assets:

Purchase of Capital Assets

Amounts funded by Deferred Grants and Donations

Amalgamation Adjustment

	2025	2024
	\$ 1,850,181	\$ 1,419,018
	(1,403,216)	(1,050,884)
	(188,780)	-
	<u>\$ 258,185</u>	<u>\$ 368,134</u>
	<u>\$ (29,814)</u>	<u>\$ 7,029</u>

16. 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 \$543,492, the benefit of which is to be used for capital projects or capital asset purchases of the Hospital. During the year, the Foundation contributed \$163,979 to the Hospital.

March 31, 2025

17. 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.

	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
Bank Loans	-	-	-
Accounts Payable	-	(3,202,871)	(3,202,871)
	<u>\$ 3,558,654</u>	<u>\$ (2,146,768)</u>	<u>\$ 1,411,886</u>

	2024		
	Fair Value	Amortized Cost	Total
Cash	\$ 2,873,614	\$ -	\$ 2,873,614
Accounts Receivable	-	1,158,890	1,158,890
Investments	1,585,904	-	1,585,904
Bank Loans	-	(1,250,000)	(1,250,000)
Accounts Payable	-	(3,181,689)	(3,181,689)
	<u>\$ 4,459,518</u>	<u>\$ (3,272,799)</u>	<u>\$ 1,186,719</u>

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).

	2025			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,892,729	\$ -	\$ -	\$ 1,892,729
Investments	1,665,925	-	-	1,665,925
Total	<u>\$ 3,558,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,558,654</u>

	2024			
	Level 1	Level 2	Level 3	Total
Cash	\$ 2,873,614	\$ -	\$ -	\$ 2,873,614
Investments	1,585,904	-	-	1,585,904
Total	<u>\$ 4,459,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,459,518</u>

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2025 and 2024. There were also no transfers in or out of Level 3.

March 31, 2025

18. 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 to \$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 17.

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:

2025		Past Due					
	Total	Current	1-30	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	\$ 788,441	\$ 69,775	\$ 44,902	\$ 16,441	\$ 136,544	

2024		Past Due					
	Total	Current	1-30	31-60	61-90	91 +	
MOH/OHN	\$ 467,573	\$ 467,573	\$ -	\$ -	\$ -	\$ -	
Insurers and Patients	59,080	-	57,460	180	180	1,260	
Other	632,237	469,116	19,348	-	93	143,679	
Total	\$ 1,158,890	\$ 936,689	\$ 76,808	\$ 180	\$ 273	\$ 144,939	

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.

March 31, 2025

18. 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):

	2025			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable & Loans	\$ 3,202,871	\$ -	\$ -	\$ -
	2024			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable & Loans	\$ 4,431,689	\$ -	\$ -	\$ -

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.

19. 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,	2025	2024
Outpatient Revenue		
Ontario Health Insurance Plan	\$ 135,907	\$ 143,025
Non-Residents of the Province and Canada	45,948	27,762
Workplace Safety & Insurance Board	16,877	11,647
Ambulance	7,545	7,905
	<u>\$ 206,277</u>	<u>\$ 190,339</u>
Co-Payment Revenue		
ALC Patients	\$ 44,275	\$ 61,854
Extended Care Patients	600,450	580,523
	<u>\$ 644,725</u>	<u>\$ 642,377</u>
Differential Revenue		
Acute Care Patients	\$ 24,228	\$ 12,750
Extended Care Patients	72,667	61,068
	<u>\$ 96,895</u>	<u>\$ 73,818</u>
Recoveries		
Non-Patient Food Services	\$ 29,142	\$ 26,255
CCAC Recoveries	4,733	17,770
Compensation and Services	474,388	470,330
Municipal Government	476	504
Materials	18,560	11,910
Rentals	59,085	37,693
Miscellaneous	62,889	73,015
	<u>\$ 649,273</u>	<u>\$ 637,477</u>
Total Other Revenue	<u><u>\$ 1,597,170</u></u>	<u><u>\$ 1,544,010</u></u>

Atikokan Health and Community Services
Schedule 2 - Salaries and Wages
(Unaudited)

For the year ended March 31,	2025	2024
Patient Care		
Inpatient Wards	\$ 1,772,013	\$ 1,869,404
Extended Care	1,361,186	1,291,256
Diabetes Education	8,261	18,247
Ambulatory Care	720,058	718,742
Laboratory	588,119	458,918
Diagnostic Imaging	278,499	231,622
Pharmacy	85,470	106,154
Clinical Nutrition	28,803	61,690
Therapeutic Services	334,861	404,838
Total Patient Care	\$ 5,177,270	\$ 5,160,870
Support Services		
General Administration	\$ 786,979	\$ 817,253
Information System Support	62,262	64,009
Human Resources and Recruitment	127,150	80,034
Physical Plant	258,842	257,808
Environmental Services	404,048	433,800
Food Services	460,187	438,211
Patient Information	158,820	143,297
Marketed Services	56,783	49,937
Materials Management and Reprocessing	112,528	157,936
Total Support Services	\$ 2,427,599	\$ 2,442,285
Total Salaries and Wages	\$ 7,604,869	\$ 7,603,155

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

For the year ended March 31,	2025	2024
Canada Pension Plan	\$ 318,837	\$ 334,218
Hospital Pension Plan	553,833	552,763
Employment Insurance	108,713	116,428
Workplace Safety & Insurance Board	63,952	102,106
Long-Term Disability Insurance	70,560	81,056
Employer Health Tax	138,565	140,313
Extended Health Care Insurance	125,891	118,421
Dental Insurance	87,082	82,971
Group Life and Accidental Death & Dismemberment	22,572	29,218
Benefit and Vacation % in Lieu	162,846	143,172
Total Employee Benefits	\$ 1,652,851	\$ 1,700,665

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

For the year ended March 31,	2025	2024
Honorariums	\$ 35,000	\$ 23,074
Hospital On Call Coverage	101,145	95,781
Clinical Laboratory	66,013	9,623
Imaging	50,107	47,813
Other COVID Locum Program	318,251	319,123
Total Medical Staff Remuneration	\$ 570,516	\$ 495,413

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

For the year ended March 31,	2025	2024
Patient Care		
Inpatient Wards	\$ 50,628	\$ 66,620
Extended Care	115,974	113,281
Diabetes Education	8,120	7,709
Ambulatory Care	17,029	27,513
Laboratory	175,525	176,014
Diagnostic Imaging	68,623	61,464
Pharmacy	23,590	22,970
Clinical Nutrition	425	-
Therapeutic Services	10,180	13,331
Total Patient Care	\$ 470,094	\$ 488,904
Support Services		
General Administration	\$ 296,488	\$ 240,566
Information System Support	353,333	300,273
Human Resources and Recruitment	13,121	15,384
Physical Plant	506,681	468,081
Environmental Services	53,306	39,023
Food Services	213,980	206,422
Patient Information	9,561	5,856
Health System Development	154,567	144,273
Marketed Services	79,554	64,959
Total Support Services	\$ 1,680,591	\$ 1,484,837
Total Supplies and Other Expenses	\$ 2,150,685	\$ 1,973,741

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

	Substance Abuse	Problem Gambling	Community Mental Health Program	Administration	Rent Supplement	Municipal Taxes	For the Year ended March 31, 2025	For the year ended March 31, 2024
Revenue								
MOH/OHN Funding	\$ 72,921	\$ 97,663	\$ 502,177	\$ -	\$ 17,343	\$ 3,075	\$ 693,179	\$ 689,017
MOH/OHN One Time Funding	-	-	-	-	-	-	-	23,990
Other Revenue and Recoveries	17,682	-	22,049	-	-	-	39,731	6,152
Total Revenue	\$ 90,603	\$ 97,663	\$ 524,226	\$ -	\$ 17,343	\$ 3,075	\$ 732,910	\$ 719,159
Operating Expenses								
Salaries and Wages	\$ 60,670	\$ 59,689	\$ 292,713	\$ 75,164	\$ -	\$ -	\$ 488,237	\$ 492,188
Employee Benefits	8,483	13,143	61,955	28,415	-	-	111,996	115,921
Purchased Services	-	-	31	-	-	-	31	580
Medical Staff Remuneration	-	-	2,363	-	-	-	2,363	1,863
Supplies and Other Expenses	4,257	-	14,500	63,577	16,323	-	98,657	90,958
Buildings & Grounds	-	-	-	-	-	3,075	3,075	3,075
Amortization	-	-	-	499	-	-	499	499
Total Operating Expenses	\$ 73,410	\$ 72,832	\$ 371,562	\$ 167,655	\$ 16,323	\$ 3,075	\$ 704,857	\$ 705,084
Net Revenue (Expense)	\$ 17,193	\$ 24,831	\$ 152,664	\$ (167,655)	\$ 1,020	\$ -	\$ 28,053	\$ 14,074
Administration Allocation	(17,193)	(22,980)	(127,482)	167,655	-	-	-	-
Net Revenue (Expense) Before Amount Repayable	-	1,851	25,182	-	1,020	-	28,053	14,075
Amount Repayable to Ministry of Health	-	(1,851)	(25,182)	-	(1,020)	-	(28,053)	(14,075)
Net Revenue (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Family Health Team
For the year ended March 31,

2025 2024

Revenue

Ministry of Health Base Allocation	\$ 1,301,354	\$ 1,297,614
Ministry of Health - One Time Funding	24,000	24,000
Other Revenue	14,109	1,879

Total Revenue

\$ 1,339,463	\$ 1,323,493
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Operating Expenses

Salaries and Benefits	\$ 1,048,087	\$ 955,255
Supplies and Other Expenses	153,954	214,378

Total Expenses

\$ 1,202,041	\$ 1,169,633
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Net Revenue (expense) Before Amount Repayable	\$ 137,422	153,860
Amount Repayable to Ministry of Health	\$ (156,727)	(145,275)

Net Revenue (Expense)

\$ (19,305)	\$ 8,585
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Homecare

For the year ended March 31,

2025 2024

Revenue

Other Revenue	\$ 53,062	\$ 18,454
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Total Revenue

\$ 53,062	\$ 18,454
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Operating Expenses

Salaries and Benefits	\$ 27,659	\$ 10,673
Supplies and Other Expenses	2,835	1,049

Total Expenses

\$ 30,494	\$ 11,722
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Net Revenue (expense) Before Amount Repayable	\$ 22,568	6,733
Amount Repayable to Ministry of Health	-	-

Net Revenue

\$ 22,568	\$ 6,733
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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,

2025 2024

Revenue

Other Revenue	\$ 120,000	\$ -
Total Revenue	\$ 120,000	\$ -

Operating Expenses

Salaries and Benefits	\$ 89,607	\$ -
Supplies and Other Expenses	-	-
Total Expenses	\$ 89,607	\$ -

Net Revenue (expense) 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,

2025 2024

Other Provision adjustments	(4,929)	2,781
Total: Other Votes and Programs - Revenues	\$ 2,245,434	2,061,107
Total: Other Votes and Programs - Expenses	\$ 2,026,998	1,886,439
Total: Other Votes and Programs- Provisions for Recovery	\$ (220,102)	(156,569)