CENTRE DE SANTÉ COMMUNAUTAIRE
CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Financial Statements

Year Ended March 31, 2026

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
Index to Financial Statements
Year Ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Centre de santé communautaire Chigamik Community Health Centre Inc.

Opinion

We have audited the financial statements of Centre de santé communautaire Chigamik Community Health Centre Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Organization in accordance with 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

We draw attention to the fact that the budget figures are presented for informational purposes and do not form part of the financial statements. We have not audited or reviewed these budgeted figures and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on these budgeted figures.

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 accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Accelerating your success

Independent Auditor's Report to the Members of Centre de santé communautaire Chigamik Community Health Centre Inc. *(continued)*

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 Organization'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 Organization'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 Organization 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.

RH Partners LLP

Barrie, Ontario
June 26, 2026

RH PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Statement of Financial Position

March 31, 2026

		2026		2025
ASSETS				
CURRENT				
Cash	**$**	**783,171**	$	533,609
Guaranteed investment certificate *(Note 3)*		**-**		72,815
Accounts receivable *(Note 4)*		**443,167**		498,902
Prepaid expenses		**40,113**		46,651
		1,266,451		1,151,977
CAPITAL ASSETS *(Note 5)*		**4,716,586**		4,839,011
	$	**5,983,037**	$	5,990,988
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities *(Note 6)*	**$**	**752,969**	$	706,126
Due to OH and MOH *(Note 9)*		**244,100**		184,152
Deferred revenue		**84,536**		102,536
Current portion of long term debt *(Note 7)*		**13,047**		12,570
		1,094,652		1,005,384
LONG TERM DEBT *(Note 7)*		**488,491**		501,538
DEFERRED CAPITAL CONTRIBUTIONS *(Note 8)*		**4,181,101**		4,280,348
		5,764,244		5,787,270
NET ASSETS				
Unrestricted		**218,793**		203,718
	$	**5,983,037**	$	5,990,988

ON BEHALF OF THE BOARD

Karen Roberts
Director

Michael Raymond
Director

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Statement of Operations and Changes in Net Assets

Year Ended March 31, 2026

	Budget (Unaudited) 2026	**2026**	2025
REVENUES			
OH - base funding *(Note 9)*	$ 4,441,557	**$ 4,126,993**	$ 3,980,932
OH - one-time funding *(Note 9)*	109,303	**109,303**	70,000
CMHA funding *(Note 9)*	-	**111,767**	107,468
MOH - one-time funding *(Note 9)*	-	**262,550**	262,550
Amortization of deferred capital contributions *(Note 8)*	-	**177,242**	168,522
Locally Driven Population Health	-	**221,238**	-
Other revenues - funding type 2 *(Note 10)*	363,568	**181,514**	169,796
Other revenues - funding type 3 *(Note 10)*	10,000	**53,149**	79,159
Investment income	-	**929**	-
	4,924,428	**5,244,685**	4,838,427
EXPENSES			
Community Clinics/Programs			
Wages and benefits - excluding physicians	1,697,936	**1,575,420**	1,600,611
Wages and benefits - physician	826,455	**701,213**	745,695
Medical supplies	-	**17,428**	15,822
Supplies	50,000	**11,925**	24,211
Sundry	59,200	**75,244**	52,515
Minor equipment purchases / information management services	11,000	**10,523**	6,334
Contracted out	29,000	**250,339**	230,787
Amortization	-	**-**	308
	2,673,591	**2,642,092**	2,676,283
Health Promotion			
Wages and benefits	266,896	**249,058**	240,890
Supplies	11,800	**41,052**	6,987
Sundry	11,700	**9,804**	4,548
Contracted out	220,800	**184,832**	25,878
Minor equipment purchases	-	**26,827**	-
	511,196	**511,573**	278,303
Client Support Services			
Wages and benefits	38,272	**42,948**	26,955
Sundry	4,300	**2,894**	5,992
Medical supplies	-	**500**	38
	42,572	**46,342**	32,985
Strong Women Strong Nation			
Wages and benefits	127,242	**131,126**	105,917
Supplies	8,000	**10,363**	22,621
Sundry	4,264	**3,266**	1,025
Contracted out	32,300	**6,545**	16,250
	171,806	**151,300**	145,813

(continues)

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Statement of Operations and Changes in Net Assets *(continued)*

Year Ended March 31, 2026

	Budget (Unaudited) 2026	**2026**	2025
Administration			
Wages and benefits	292,114	**338,027**	230,172
Supplies (Schedule 1)	5,000	**8,661**	3,956
Sundry (Schedule 1)	177,301	**219,823**	222,178
Minor equipment purchases / information management services	8,000	**6,045**	28,417
Interest on long term debt	-	**18,937**	19,396
Contracted out	455,876	**187,046**	169,424
Building	477,669	**521,166**	479,164
Amortization	-	**200,421**	189,857
	1,415,960	**1,500,126**	1,342,564
One-Time Funding			
Wages and benefits - excluding physician	-	**-**	70,000
Contracted out	109,303	**371,853**	262,550
	109,303	**371,853**	332,550
Funding Type 3			
Supplies	-	**-**	500
Sundry	-	**6,324**	29
	-	**6,324**	529
	4,924,428	**5,229,610**	4,809,027
NET EXCESS OF REVENUES OVER EXPENSES	-	**15,075**	29,400
NET ASSETS - BEGINNING OF YEAR	-	**203,718**	174,318
NET ASSETS - END OF YEAR	$ -	**$ 218,793**	$ 203,718

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 15,075**	$ 29,400
Items not affecting cash:		
Amortization of capital assets	**200,421**	190,165
Amortization of deferred capital contributions	**(177,242)**	(168,522)
	38,254	51,043
Changes in non-cash working capital:		
Accounts receivable	**55,735**	120,065
Prepaid expenses	**6,538**	(342)
Accounts payable and accrued liabilities	**46,842**	(66,016)
Due to OH and MOH	**59,948**	(159,604)
Deferred revenue	**(18,000)**	(33,844)
	151,063	(139,741)
Cash flow (used by) from operating activities	**189,317**	(88,698)
INVESTING ACTIVITIES		
Purchase of capital assets	**(77,995)**	(27,113)
Investment in guaranteed investment certificates	**72,815**	(72,815)
Cash flow used by investing activities	**(5,180)**	(99,928)
FINANCING ACTIVITIES		
Deferred capital contributions	**77,995**	27,113
Repayment of long term debt	**(12,570)**	(12,111)
Cash flow from financing activities	**65,425**	15,002
INCREASE (DECREASE) IN CASH	**249,562**	(173,624)
CASH - BEGINNING OF YEAR	**533,609**	707,233
CASH - END OF YEAR	**$ 783,171**	$ 533,609

1. PURPOSE OF THE CENTRE

Centre de Santé Communautaire CHIGAMIK Community Health Centre Inc. (the "Centre") is a not-for-profit organization designed to equip, staff, maintain and operate a health facility for the purpose of providing primary care and public health education and research to the residents of the Towns of Midland and Penetanguishene, the Townships of Tiny and Tay, and Christian Island. The Centre was incorporated, without share capital, on August 22, 2007 under the laws of the Province of Ontario. The Centre is a registered charity and is exempt from income tax pursuant to paragraph 149(1)(l) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Revenue Recognition

The Centre follows the deferral method of accounting for externally restricted contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions received which are restricted for the purchase of capital assets are deferred and recognized as revenue in the statement of operations on the same basis as the amortization of the underlying capital assets.

Fund type 2 revenues include the Centre's OH funded and/or MOH funded programs. Fund type 3 revenues consist of funds received from government bodies outside of the OH and MOH. It also includes revenues generated internally, including community funded revenue.

Rental income and cost recoveries are recognized as they are earned.

Income earned on investments are recognized as they are earned.

Deferred capital contributions

Deferred capital contributions represent contributions relating to the purchase of capital assets. Bank interest, investment interest and HST rebates relating to expenditures for the new building were recorded as deferred capital contributions until completion of the building (see Note 7).

Capital assets and amortization

Capital assets are recorded at cost less accumulated amortization and impairment. Amortization, based on the estimated useful lives of the assets, is calculated using the following annual rates and methods:

Computer equipment and software	3 years	straight-line method
Medical and office equipment	5 years	straight-line method
Leasehold improvements	30 years	straight-line method

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing their net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported on the statement of operations. Any impairment recognized is not reversed.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets acquired during the year but not placed into use are not amortized until the year after they are placed in use.

Amortization is not recorded until one year after acquisition and is recorded at one-half the normal rate in the first year of amortization.

Measurement uncertainty

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to the excess of revenue over expenses as appropriate in the year they become known.

Items subject to significant management estimate include the valuation of accounts receivable, useful lives of capital assets and accrued liabilities.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. The Centre accounts for the following as financial instruments:

- cash
- guaranteed investment certificates
- accounts receivable
- accounts payable and accrued liabilities
- due to OH and MOH
- deferred funding and capital contributions
- long term debt

A financial asset or liability is recognized when the Centre becomes party to contractual provisions of the instrument.

The Centre initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Centre is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Centre removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenues over expenses.

3. GUARANTEED INVESTMENT CERTIFICATE

	2026	2025
Investment in Meridian guaranteed investment certificate matured October 2025 and was fully redeemed during the year at an interest rate of 3.20%	**$ -**	$ 69,530
Accrued interest	**-**	3,285
	$ -	$ 72,815

4. ACCOUNTS RECEIVABLE

Included in accounts receivable is $122,850 (2025 - $117,559) receivable in respect to Harmonized Sales Tax rebates.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Medical and office equipment	$ 220,528	$ 192,831	**$ 27,697**	$ -
Computer software	154,818	86,435	**68,383**	27,113
Leasehold improvements	5,723,777	1,103,271	**4,620,506**	4,811,898
	$ 6,099,123	$ 1,382,537	**$ 4,716,586**	$ 4,839,011

During the year, $77,995 of funding received from Ontario Health under the Locally Driven Population Health program were used to purchase capital assets. The amount has been recorded as deferred capital contributions and will be recognized as revenue on the same basis as the assets are amortized.

6. GOVERNMENT REMITTANCES PAYABLE

Included in accounts payable and accrued liabilities is $Nil (2025 - $27,544) owing with respect to government liabilities.

7. LONG TERM DEBT

	2026	2025
Loan payable to Waypoint, bearing interest at 3.725%, repayable in blended monthly payments of $2,982, maturing May 1, 2050.	**$ 501,538**	$ 514,108
Amounts payable within one year	**(13,047)**	(12,570)
	$ 488,491	$ 501,538

Principal repayment terms are approximately:

2027	$ 13,047
2028	13,541
2029	14,054
2030	14,587
2031	15,139
Thereafter	431,170
	$ 501,538

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of government funding or donations received for the purchase of capital assets. The changes in the deferred capital contributions are as follows:

	2026	2025
Opening balance	**$ 4,280,348**	$ 4,421,757
Add: contributions restricted for capital asset purchases	**77,995**	27,113
Less: amortization of deferred capital contributions included in revenue	**(177,242)**	(168,522)
	$ 4,181,101	$ 4,280,348

9. GOVERNMENT FUNDING

The base operating funding received from Ontario Health ("OH") for the 2026 fiscal year was $4,203,226 (2025 - $3,980,932). The total of the OH funded revenues plus cost recoveries, amortization of deferred capital contributions and other revenue for the 2026 fiscal year came to $4,226,027 (2025 - $4,061,365). The Centre incurred eligible operating expenditures against this funding of $4,149,794 (2025 - $4,031,965) during the fiscal year. Unspent operational funds of $76,233 (2024 - $Nil) will be returned to OH and are included in Due to OH and MOH in the statement of financial position.

The Centre received one-time funding from OH in the fiscal year of $109,303 (2025 - $70,000). The Centre incurred eligible operating expenditures against this funding of $109,303 (2025 - $70,000) during the fiscal year. Unspent funds of $Nil (2024 - $Nil) will be returned to OH and are included in Due to OH and MOH in the statement of financial position.

The Centre received funding from the Canadian Mental Health Association ("CMHA") for the Opioid Treatment Program which is funded by OH. The Centre received $111,767 (2025 - $107,468) which was spent during the fiscal year and has been recognized as revenue.

The Centre received $262,550 (2025 - $262,550) of funding from the Ministry of Health ("MOH") for which was spent during the fiscal year and has been recognized as revenue. The funding was spent by way of a transfer payment agreement with Midland Midwives by the Bay.

The Centre has been approved for a capital grant up to the amount of $4,894,384 (2025 - $4,894,384) from the Ministry of Health for the construction of a building where the Centre leases space for its clinic and offices. As of March 31, 2026, $4,649,680 (2025 - $4,649,680) has been received and $244,704 (2025 - $244,704) has been accrued in accounts receivable. These amounts have been recorded as deferred capital contributions. The deferred capital contribution is being recognized into income on the same basis as the amortization of the leasehold improvements.

The Centre received $389,786 (2025 - $Nil) of funding from the Ontario Health for the Locally Driven Population Health program for which $299,233 was spent during the fiscal year and has been recognized as revenue. $77,995 of the funds were used towards capital purchases and will be brought into revenues over the life of the assets. Unspent funds of $90,533 will be returned and are included in Due to OH and MOH in the statement of financial position.

It is management's opinion that the Centre has met all conditions attached to the government funding received during the year.

10. OTHER REVENUES

		2026		2025
Funding Type 3:				
Canadian Association of Community Health Centres	**$**	**20,000**	$	32,000
Metis Nation of Ontario		**5,376**		5,474
Indigenous Perinatal Programs		**-**		6,386
Government of Quebec		**-**		10,000
FNIMUI Communities		**-**		5,615
Donations		**27,773**		19,684
Total Other revenues - funding type 3	**$**	**53,149**	$	79,159
Funding Type 2:				
Rent recovery	**$**	**16,046**	$	24,966
Cost recovery		**165,468**		144,830
Total Other revenues - funding type 2	**$**	**181,514**	$	169,796

11. LEASE COMMITMENTS

The Centre entered into a 30-year lease agreement on May 31, 2018 with Waypoint Centre for Mental Health Care. The minimum annual lease payments for each of the next 5 years is $486,056.

12. ECONOMIC DEPENDENCE

The operations of the Centre are funded 93% (2025 - 92%) by Ontario Health which is normal for the Centre and the industry in which it operates.

13. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to credit risk primarily with respect to its receivables. It is management's opinion that the Centre is not exposed to significant credit risk due to the nature of its receivables and policies implemented by management to reduce the risk of non-collection. As at March 31, 2026, the Centre has recorded an allowance for doubtful accounts of $Nil (2025 - $Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk on its fixed interest rate financial instruments. Given the current composition of long term debt and short term investments, fixed-rate instruments subject the Centre to a fair value risk. There was no significant change in exposure from prior year.

Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting the obligations associated with its financial liabilities. The Centre is therefore exposed to liquidity risk with respect to its accounts payable and accrued liabilities and amounts due to the OH and MOH. The Centre reduces its exposure to liquidity risk by ensuring that it has sufficient cash and investments to meet its obligations when due.

There have been no changes in risk exposure from the previous period.

CENTRE DE SANTÉ COMMUNAUTAIRE CHIGAMIK COMMUNITY HEALTH CENTRE INC.

Administration - Supplies and Sundry
(Schedule 1)

Year Ended March 31, 2026

	Budget (Unaudited) 2026	**2026**	2025
SUPPLIES			
Office supplies	$ 5,000	**$ 8,661**	$ 3,956
SUNDRY			
Advertising	$ 3,000	**$ 3,053**	$ 7,669
Bank service charges	2,500	**3,459**	3,239
Board travel	2,000	**4,162**	5,095
Course registration fees	10,000	**366**	102
Data communication charges	24,000	**9,531**	24,038
Insurance	25,000	**29,026**	23,632
Meeting expense	3,500	**3,894**	443
Membership fees	21,500	**19,055**	15,482
Other sundry	6,000	**18,408**	8,153
Postage	800	**106**	209
Professional fees - audit	34,000	**27,512**	41,775
Professional fees - legal	5,000	**168**	3,709
Professional fees - other	11,000	**59,940**	75,785
Software license fees	10,000	**29,974**	3,103
Staff travel	5,000	**4,963**	2,251
Telephone	9,000	**6,206**	7,493
	$ 172,300	**$ 219,823**	$ 222,178