The Board of Management for the District of Nipissing East

Financial Statements

For the year ended December 31, 2025

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For the year ended December 31, 2025

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The accompanying financial statements of The Board of Management for the District of Nipissing East are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is provided.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of The Board of Management for the District of Nipissing East and meet when required.

Signed by:
Angie Punnetta
550E15CD972643F...

Angie Punnett, Administrator

DocuSigned by:
433C14957B714DB...

William Brooks, Chief Financial Officer

June 30, 2026

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Independent Auditor's Report

To the Members of and the Board of Directors of The Board of Management for the District of Nipissing East

Opinion

We have audited the financial statements of The Board of Management for the District of Nipissing East, which comprise the financial position as at December 31, 2025, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Board of Management for the District of Nipissing East as at December 31, 2025, and its results of operations and 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 Board of Management for the District of Nipissing East 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2024 has been restated. Our opinion is not modified with respect of this matter.

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 Board of Management for the District of Nipissing East'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 Board of Management for the District of Nipissing East or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Board of Management for the District of Nipissing East'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 Board of Management for the District of Nipissing East'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 Board of Management for the District of Nipissing East'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 non-consolidated 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 Board of Management for the District of Nipissing East 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
June 30, 2026

The Board of Management for the District of Nipissing East
Statement of Financial Position

December 31	2025	2024 (Restated - See Note 2)
Assets		
Current		
Cash and cash equivalents (Note 4)	$ 12,136,812	$ 10,869,870
Accounts receivable (net of allowance of $77,570)	8,332,813	2,424,080
Prepaid expenses	20,315	52,247
	20,489,940	13,346,197
Restricted cash and cash equivalents (Notes 4 and 13)	5,218,190	4,573,416
Capital assets (Note 3)	76,201,467	66,007,240
	$ 101,909,597	$ 83,926,853
Liabilities and Net Assets		
Current		
Construction line of credit (Note 4)	$ 62,006,411	$ 51,706,717
Accounts payable and accrued liabilities (Notes 5 and 6)	23,703,955	17,932,680
Deferred revenue (Note 8)	547,904	941,291
	86,258,270	70,580,688
Deferred capital contributions (Note 9)	726,335	269,400
	86,984,605	70,850,088
Net Assets		
Externally restricted (Note 4)	81,600	-
Internally restricted (Note 13)	5,136,590	4,573,416
Internally restricted - invested in capital assets	5,283,364	5,831,280
Unrestricted	4,423,438	2,672,069
	14,924,992	13,076,765
	$ 101,909,597	$ 83,926,853

Commitments (Note 14)

On behalf of the Board:

Signed by:
Dave Mendicino
7D14607D3F45478...
Director

Signed by:
Jim Bruce
CCA7F70681834D8...
Director

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

The Board of Management for the District of Nipissing East
Statement of Operations

For the year ended December 31	2025 Budget	**2025 Actual**	2024 Actual
Revenues			
Province of Ontario grants			
- Long Term Care	$ 22,699,793	**$ 22,745,067**	$ 22,235,730
- Community Support Services	2,806,884	**2,792,170**	2,512,991
Residents	5,455,168	**5,606,560**	5,464,393
Municipal levies	3,343,402	**3,343,401**	3,343,403
Interest revenue	405,000	**467,726**	577,448
Grants and other	94,053	**285,667**	128,342
Meal services revenue	-	**180,228**	159,793
Tuck shop	55,000	**72,905**	70,056
Management fees	60,000	**60,000**	80,000
Donations	-	**51,303**	1,038,255
Amortization of deferred capital contributions	-	**19,400**	38,800
	34,919,300	**35,624,427**	35,649,211
Expenses (Note 15)			
Residents' medical and nursing	20,616,948	**19,795,878**	18,646,593
Community Support Services program	2,806,884	**2,792,154**	2,512,991
Dietary	2,461,688	**2,407,782**	2,370,399
Building and property	2,067,031	**2,299,793**	1,985,280
Housekeeping	1,436,410	**1,541,724**	1,432,466
General and administrative	1,960,638	**1,238,375**	1,734,643
Resident's food	1,169,112	**1,157,315**	1,153,463
Program support and services	1,193,834	**1,119,077**	1,254,208
Laundry and linen	643,581	**591,538**	588,962
Behavioural Supports Ontario	-	**314,145**	262,131
Catering and other	-	**209,400**	187,274
Tuck shop	-	**64,652**	62,216
Amortization	-	**244,367**	112,462
	34,356,126	**33,776,200**	32,303,088
Excess of revenues over expenses for the year	$ 563,174	**$ 1,848,227**	$ 3,346,123

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

The Board of Management for the District of Nipissing East
Statement of Changes in Net Assets

For the year ended December 31 | **2025** | 2024

	Invested in capital assets	Internally Restricted	Externally Restricted	Unrestricted	Total (2025)	Total (2024)
Balance, beginning of year, as previously reported	**$ 7,051,998**	**$ 4,573,416**	**$ -**	**$ 1,451,351**	**$ 13,076,765**	$ 9,730,642
Prior period adjustment (Note 2)	**(1,220,718)**	**-**	**-**	**1,220,718**	**-**	-
Balance, beginning of year, restated	**5,831,280**	**4,573,416**	**-**	**2,672,069**	**13,076,765**	9,730,642
Excess (deficiency) of revenues over expenses for the year	**(224,967)**	**-**	**-**	**2,073,194**	**1,848,227**	3,346,123
Interfund transfers	**(322,949)**	**563,174**	**81,600**	**(321,825)**	**-**	-
Balance, end of year	**$ 5,283,364**	**$ 5,136,590**	**$ 81,600**	**$ 4,423,438**	**$ 14,924,992**	$ 13,076,765

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

The Board of Management for the District of Nipissing East
Statement of Cash Flows

For the year ended December 31	2025	2024 (Restated - See Note 2)
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	**$ 1,848,227**	$ 3,346,123
Items not involving cash		
Amortization of capital assets	**244,367**	112,462
Amortization of deferred capital contribution	**(19,400)**	(38,800)
	2,073,194	3,419,785
Changes in non-cash working capital balances		
Accounts receivable	**(5,908,733)**	(1,390,694)
Prepaid expenses	**31,932**	40,460
Accounts payable and accrued liabilities	**5,771,275**	10,084,202
Deferred revenue	**(393,387)**	613,656
	1,574,281	12,767,409
Investing activities		
Purchase of assets under construction	**(10,434,529)**	(29,070,080)
Purchase of furniture and equipment	**(4,065)**	(21,953)
Increase in restricted cash and cash equivalents	**(644,774)**	(573,416)
	(11,083,368)	(29,665,449)
Financing activities		
Proceeds from construction line of credit	**10,299,694**	21,953,976
Increase in deferred capital contributions	**476,335**	-
	10,776,029	21,953,976
Increase in cash and cash equivalents during the year	**1,266,942**	5,055,936
Cash and cash equivalents, beginning of year	**10,869,870**	5,813,934
Cash and cash equivalents, end of year	**$ 12,136,812**	$ 10,869,870

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

December 31, 2025

1. Summary of Significant Accounting Policies

Nature of Organization

The Board of Management for the District of Nipissing East (the "Board") is a non-profit organization incorporated in the Province of Ontario under the Homes for the Aged and Rest Homes Act and provides accommodation, activity programs and medical services for elderly from participating municipalities. The Board is a registered charity and therefore exempt from income taxes under the Canadian Income Tax Act.

Participating Municipalities

The participating municipalities are:

The Corporation of the City of North Bay
The Corporation of the Municipality of Calvin
The Corporation of the Township of Bonfield
The Corporation of the Township of Chisholm
The Corporation of the Township of South Algonquin
The Corporation of the Town of Mattawa
The Corporation of the Township of East Ferris
The Corporation of the Township of Mattawan
The Corporation of the Township of Papineau-Cameron

Basis of Accounting

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

December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, construction, development, or betterment of the tangible capital assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition, construction or development of the assets.

Amortization is provided for on a straight-line basis over the estimated useful lives of the tangible capital assets as follows:

Buildings	30 - 50 years
Furniture and fixtures	5 - 10 years
Machinery and equipment	5 - 10 years

Assets under construction are capitalized as expenditures are incurred and no amortization is recorded until assets are ready for use.

Revenue Recognition

The Board follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses 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 restricted for the purchase of the capital assets are deferred and amortized to revenue at the rates corresponding to the related capital assets.

Residents, catering, tuck shop, management fees and interest revenue is recognized when earned, and collection is reasonably assured.

Municipal levies are recognized as revenue in the period they are levied.

1. Summary of Significant Accounting Policies (continued)

Pension Plans

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

Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and guaranteed investment certificates with a duration of less than three months from the date of acquisition.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 dates of the non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Accounts receivable are reported based on amounts expected to be recovered and reflect an appropriate allowance for unrecoverable amounts based on management's estimates. Actual results could differ from those estimates.

December 31, 2025

2. Prior Period Adjustment

The comparative figures included in these financial statements have been restated to reflect an understatement of accounts payable and understatement of capital assets at December 31, 2024. The adjustment was as a result of not recognizing the legislated construction holdbacks related to the Redevelopment project in 2024. In addition, the invested in capital assets was overstated and unrestricted net assets were understated by the amount in accounts payable at December 31, 2024 relating to the Redevelopment project. There is no adjustment to the fiscal 2024 excess of revenues over expenses for the year as reported on the Statement of Operations. The result of the restatement on the December 31, 2024 balances is as follows:

	December 31, 2024
Increase in accounts payable	$ 6,979,125
Increase in capital assets	$ 6,979,125
Decrease in invested in capital assets	$ 1,220,718
Increase in unrestricted net assets	$ 1,220,718

3. Capital Assets

	2025			2024 (Restated - See Note 2)
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land	**$ 966,801**	**$ 966,801**	**$ -**	$ -
Buildings (i)	**78,757,976**	**12,061,018**	**66,696,958**	-
Machinery and equipment	**678,580**	**678,580**	**-**	25,473
Furniture and fixtures	**404,388**	**337,078**	**67,310**	96,355
Redevelopment assets under construction (see Note 14)	**9,437,199**	**-**	**9,437,199**	65,885,412
	$ 90,244,944	**$ 14,043,477**	**$ 76,201,467**	$ 66,007,240

(i) In December 2025, the Board finalized Phase One of the redevelopment project and moved residents into the new five storey building for occupancy. To reflect this milestone $66,882,743 in Redevelopment assets under construction were moved into the Buildings category and amortization commenced effective December 1, 2025. The remaining Redevelopment assets under construction represents costs related to Phase Two of the redevelopment project expected to be completed in fiscal 2028.

The total cost of borrowing to date that has been capitalized in Redevelopment assets under construction and Buildings is $3,953,831 (2024 - $2,084,017).

December 31, 2025

4. Credit Facilities

Operating facilities:

The Board has an authorized operating line of credit with a limit of $750,000. The operating line of credit is unsecured and bears interest at the bank's prime rate less 0.5%. At year end, the line of credit was unused.

Capital facilities:

The Board has an authorized construction line of credit with Infrastructure Ontario for up to $120 million, with a floating monthly interest rate 2.75% at December 2025 (2024 - 4.20%), monthly interest-only payments until April 2026, due on demand. At year end, $62,006,411 (2024 - $51,706,717) of the line of credit was in use.

As part of the Financing Agreement with Infrastructure Ontario, as long as amounts remain outstanding on this line of credit, the Board is required to maintain a minimum Debt Service Coverage ratio, "DSC" of 1.0. As at December 31, 2025, the Board is in compliance with the DSC.

Upon occupancy of Phase One of the Redevelopment, the Board is required to establish a Capital Expenditure Reserve Account ("CapEx") and deposit annually $600 per Project bed for future capital expenditures relating to the property. At December 31, 2025, $81,600 was transferred to a separate bank account and is included in Restricted cash and cash equivalents on the Statement of Financial Position.

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following balances:

	2025	2024 (Restated - See Note 2)
Trade payables	**$ 8,836,877**	$ 9,265,015
Federal sales taxes	**7,783,107**	934,007
Ontario Health Team - Nipissing Wellness (Note 12)	**742,058**	2,287,786
Due to Local Health Integration Network	**1,833,791**	744,716
Vacation and sick time	**970,860**	1,013,797
Ministry of Long-Term Care	**1,560,375**	2,925,167
Accrued liabilities	**1,976,887**	762,192
	$ 23,703,955	$ 17,932,680

Included in accounts payable and accrued liabilities is $8,185,360 (2024 - $8,199,843) relating to the Redevelopment project including $7,860,992 in statutory holdbacks (2024 - $6,979,125).

December 31, 2025

6. Employee Future Benefits

Accounts payable and accrued liabilities includes employee future benefits such as accrued vacation pay as well as accrued but not taken sick leave time for certain employee groups. Under the accumulated sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment on retirement.

Employees in a specific union are credited with 144 hours per year for use as paid absences in the year, due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to a maximum of 2,400 hours. Accumulated credits may be used in future years if the employee's illness or injury exceeds the annual allocation of credits. 50% of hours accumulated, up to 6 months equivalent of salary must be paid upon employee retirement when the employee has 7 years of service to the Board.

7. Pension Plans

The Board makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of full-time members of staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 639,765 active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total going concern actuarial liabilities of $151,365 million (2024 - $142,489 million) in respect of benefits accrued for service with actuarial assets at that date of $150,043 million (2024 - $139,576 million) indicating a going concern actuarial deficit of $1,322 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Board to OMERS for the year were $1,460,834 (2024 - $1,383,890).

December 31, 2025

8. Deferred Revenue

The Board receives funding from the Province of Ontario and others during the year and in some cases the funding or donations are allocated for specific expenditures which are expected to be incurred in the upcoming fiscal year. The following table breaks down the nature of these deferred revenues:

	2025	2024
Community Support Services unspent funding	$ 140,685	$ 413,119
Programs/wages funding and other	407,219	528,172
	$ 547,904	$ 941,291

Included in cash and cash equivalents at year end is $407,219 in unspent contributions of the above.

9. Deferred Capital Contributions

Deferred capital contributions represent restricted contributions towards the purchase of buildings, equipment and vehicles, which are recognized as revenue to the same extent that the related capital asset is amortized.

	2025	2024
Balance at beginning of year	$ 269,400	$ 308,200
Add: Capital contributions received during the year **(i)**	476,335	-
Less: Amounts amortized to revenue	(19,400)	(38,800)
Balance at end of year	$ 726,335	$ 269,400

(i) The above noted capital contributions received were from the nine participating municipalities in the form of capital levies for the municipal portion of the redevelopment project for the last quarter of 2025. These levies will be charged each year on a quarterly basis to the nine participating municipalities starting on substantial completion of the construction phases.

December 31, 2025

10. Financial Instrument Risk

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1 to 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** - 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)
- **Level 3** - 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 and cash equivalents	**$17,355,002**	**$ -**	**$ -**	**$17,355,002**

	2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 15,443,286	$ -	$ -	$ 15,443,286

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

Financial Instrument Risk Management

The Board is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. This note describes the Board's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

10. Financial Instrument Risk (continued)

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 Board is exposed to credit risk through its cash and cash equivalents and accounts receivable. The Board maintains cash and cash equivalents with its financial institution in excess of federally insured limits and is therefore exposed to risk from the concentration of cash and cash equivalents.

The Board measures its exposure to credit risk based on the amount of cash and cash equivalents held at financial institutions over the federally insured amount, and the balance of long outstanding accounts receivables.

The Board's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and cash receivable and accounts receivable as presented on the statement of financial position.

There have not been any changes from the prior year in the Board's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.

	0-30 days	31-90 days	91-365 days	1 to 2 years
Cash and cash equivalents	$ 17,355,002	$ -	$ -	$ -
Accounts receivable	8,033,626	122,527	176,660	-
Total	$ 25,388,628	$ 122,527	$ 176,660	$ -

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and equity risk.

Currency Risk

Current risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Board is not exposed to currency risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Board is not exposed to this risk.

December 31, 2025

10. Financial Instrument Risk (continued)

Liquidity Risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Board will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Board is exposed to this risk mainly in respect of accounts payable and accrued liabilities and long-term debt. The Board's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. There have not been any changes to these risks from the prior year. Unless otherwise noted, the expected cash outflows are within one year. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	2025			
	Within 6 months	**6 months to 1 year**	**1 to 5 years**	**over 5 year**
Accounts payable and accrued liabilities	**$22,733,095**	**$ 970,860**	**$ -**	**$ -**
Construction line of credit	**62,006,411**	**-**	**-**	**-**
Total financial liabilities	**$84,739,506**	**$ 970,860**	**$ -**	**$ -**

	2024			
	Within 6 months	6 months to 1 year	1 to 5 years	over 5 year
Accounts payable and accrued liabilities	$ 16,918,879	$ 1,013,801	$ -	$ -
Construction Line of Credit	51,706,717	-	-	-
Total financial liabilities	$ 68,625,596	$ 1,013,801	$ -	$ -

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10. Financial Instrument Risk (continued)

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 Board is exposed to this risk through its long term debt.

The Board holds long-term debt with variable interest rates which involve risks of default on interest and principal and price changes due to, without limitation, such factors as interest rate changes and general economic conditions.

The Board structures its finances so as to stagger the maturities of debt, thereby minimizing exposure to interest rate fluctuations.

There have been no changes to the organization's financial instrument risk exposure from the prior year.

11. Economic Dependence

The Board is economically dependent upon the Province of Ontario funding through the Ministry of Long-Term Care, as 72% of its revenue originates from this source (2024 - 71%).

12. Nipissing Wellness Ontario Health Team (North)

The Nipissing Wellness Ontario Health Team (North), an unincorporated body charged with establishing and developing networking relationships and delivery of health care ideas with all significant stakeholders in the District of Nipissing. During the year, the Board received $4,194,966 (2024 - $4,262,153) in funding from the Province of Ontario/Ontario Health Team to act as paymaster of these government funds for this unincorporated body.

Of the amount received, $5,740,694 (2024 - $1,974,367) was disbursed to this unincorporated body to fund its' expenditures in 2025 and clawbacks from previous periods. The Nipissing Wellness Ontario Health Team (North) has a fiscal year that goes from April 1 to March 31.

The Board's financial statements do not recognize the revenues and expenses referred to above, being the paymaster of funds only and at year end is $742,058 (2024 - $2,287,786) is included on the statement of financial position in accounts payable and accrued liabilities as unspent funding based on the 2025 calendar year, recoverable by the Province of Ontario.

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13. Internally Restricted Net Assets

	2025	2024
General Operating Reserve fund	**$ 2,636,590**	$ 2,073,416
Redevelopment Stability fund	**2,000,000**	2,000,000
Staffing Stability fund	**500,000**	500,000
	$ 5,136,590	$ 4,573,416

14. Commitments - Redevelopment Project

Redevelopment assets under construction in Note 3 to the financial statements consist of planning, architecture, design and construction costs incurred to date for the redevelopment of the existing building into a 264-bed long-term care home. Under this redevelopment project, the existing building will undergo a significant transformation to include up-to-date design standards. This project is expected to be done over two phases of construction over a four- to five-year period commencing in fiscal 2022. The estimated cost of the project is $122 million. During the 2022 fiscal year the Board entered into an agreement with a general contractor related to the redevelopment of the long-term care facilities, with a contract value of $101,580,600.

Financing has been secured with Infrastructure Ontario in the amount of $120 million which will be amortized over a 30 year period. Construction period costs are being financed by Infrastructure Ontario under a Construction line of credit facility which bears interest at a floating rate of interest which was 2.75% at year end (see Note 4). As part of the financing agreement with Infrastructure Ontario financial guarantees were put in place with the Board's member municipalities.

In order to finance the repayment of the above noted obligation the Board has in place a commitment from the Ontario Ministry of Long-Term Care for 25 years from the date of financial close as defined in the development agreements. In addition, the Board will levy its participating municipalities capital levies over and above annual operating levies for the unfunded portion received from the Ontario Ministry of Long-Term Care. At this time, the anticipated provincial portion versus municipal portion of funding this obligation over the 30 years is 30% to 70% respectively.

The total redevelopment assets under construction costs at December 31, 2025 were $9,437,199 (2024 - $65,885,412), which reflects the completion of Phase One of the redevelopment project in 2025 and the costs to date for Phase Two.

The expected municipal levies for this redevelopment capital project, that will be levied to the nine participating municipalities on substantial completion of the construction phases is $4,908,163 (2024 - $4,489,729) annually. As of December 31 the estimated percentage of completion of the project is 60% (2024 - 52%).

December 31, 2025

15. Expenses by Object

The expenses by object for the year are as follows:

	2025	2024
Wages and benefits	**$ 28,103,377**	$ 26,513,581
Contract services, office, minor equipment and other	**1,628,716**	2,236,478
Food costs	**1,269,464**	1,263,126
Supplies	**1,031,443**	904,469
Utilities	**775,946**	580,396
Professional fees	**291,493**	330,926
Insurance	**242,393**	199,102
Repairs and maintenance	**189,001**	167,548
Amortization	**244,367**	112,462
	$ 33,776,200	$ 32,308,088

16. Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.