Financial Statements of

WEENEEBAYKO AREA HEALTH AUTHORITY

And Independent Auditor's Report thereon

Year ended March 31, 2026

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Weeneebayko Area Health Authority

Opinion

We have audited the financial statements of Weeneebayko Area Health Authority (the Health Authority), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations and net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Health Authority as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Health Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Health Authority'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 Health Authority or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Authority'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 Health Authority'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 Health Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 10, 2026

WEENEEBAYKO AREA HEALTH AUTHORITY

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 4,580,372	$ 8,608,282
Restricted cash (note 2)	514,394	-
Short-term investments	-	280,741
Accounts receivable (note 3)	25,020,138	7,936,674
Inventories	1,823,362	2,648,354
Prepayments	1,201,114	830,418
	33,139,380	20,304,469
Capital assets (note 4)	635,446,555	203,128,792
Restricted investments (note 2)	24,937,149	-
	$ 693,523,084	$ 223,433,261
Liabilities and Net Debt		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 29,838,781	$ 22,598,715
Deferred contributions (note 6)	474,454	147,454
	30,313,235	22,746,169
Post-employment benefits obligation (note 7)	182,255	576,285
Deferred capital contributions (note 8)	678,815,814	208,199,185
	709,311,304	231,521,639
Net debt	(15,788,220)	(8,088,378)
Contingencies (note 10)		
Commitments (note 11)		
	$ 693,523,084	$ 223,433,261

See accompanying notes to the consolidated financial statements.

WEENEEBAYKO AREA HEALTH AUTHORITY

Statement of Operations and Net Debt

Year ended March 31, 2026, with comparative information for 2025

	General	Provincial Programs	Federal Programs (SET)	Federal Programs (Other)	WAHIFA Programs	2026 Total	2025 Total
Revenue:							
Ministry of Health	$ 69,229,742	28,215,151	-	-	-	$ 97,444,893	$ 87,991,025
Ontario Health	6,601,283	-	-	-	-	6,601,283	6,369,476
Indigenous Services Canada	-	-	21,328,402	5,363,892	12,000,000	38,692,294	40,021,928
Patient services	1,153,872	-	-	-	-	1,153,872	1,794,071
Rentals	1,097,876	-	-	-	-	1,097,876	1,174,112
Other recoveries	9,570,229	-	531,291	17,700	-	10,119,220	9,919,796
Amortization - deferred capital contributions for equipment	2,615,698	149,930	-	-	-	2,765,628	2,628,936
	90,268,700	28,365,081	21,859,693	5,381,592	12,000,000	157,875,066	149,899,344
Expenses:							
Salaries and wages	45,227,413	12,615,584	2,844,919	735,288	4,629,547	66,052,751	60,451,813
Isolated post allowance	4,094,175	1,392,358	536,476	72,921	1,215,684	7,311,614	5,188,719
Employee benefits	5,835,536	2,569,117	615,556	75,073	1,182,709	10,277,991	8,610,111
Medical staff remuneration	9,412,864	-	1,741,679	-	1,896,211	13,050,754	13,030,151
Professional fees	3,129,238	489,267	17,515	33	189,357	3,825,410	4,434,769
Administration	176,228	1,375,562	2,089,452	153,426	-	3,794,668	4,495,219
Travel and training	3,493,029	1,871,152	1,000,292	3,244,654	1,226,405	10,835,532	10,086,195
Patient transportation	-	-	13,274,469	-	-	13,274,469	13,744,814
Supplies and program costs	18,415,634	3,525,908	840,130	1,556,613	1,658,034	25,996,319	28,187,450
Bad debts	1,396,976	-	-	-	-	1,396,976	631,580
Fuel	2,512,394	52,468	-	16,343	2,053	2,583,258	2,301,270
Amortization - equipment	2,970,072	711,044	14,598	-	-	3,695,714	2,787,743
	96,663,559	24,602,460	22,975,086	5,854,351	12,000,000	162,095,456	153,949,834
Excess (deficiency) of revenue over expenses before the undernoted items	(6,394,859)	3,762,621	(1,115,393)	(472,759)	-	(4,220,390)	(4,050,490)
Surplus repayable	-	(3,297,899)	-	-	-	(3,297,899)	(1,803,631)
Excess (deficiency) of revenue over expenses before building amortization	(6,394,859)	464,722	(1,115,393)	(472,759)	-	(7,518,289)	(5,854,121)
Amortization:							
Amortization - buildings	(3,791,303)	(23,663)	-	-	-	(3,814,966)	(2,354,944)
Amortization - deferred capital contributions for buildings	3,633,413	-	-	-	-	3,633,413	2,312,462
	(157,890)	(23,663)	-	-	-	(181,553)	(42,482)
Excess (deficiency) of revenue over expenses	(6,552,749)	441,059	(1,115,393)	(472,759)	-	(7,699,842)	(5,896,603)
Net debt, beginning of year						(8,088,378)	(2,191,775)
Net debt, end of year						$ (15,788,220)	$ (8,088,378)

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Carman Tozer, Board Chair

Pauline Sackaney, Vice Chair

WEENEEBAYKO AREA HEALTH AUTHORITY

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash flows from operating activities:		
Deficiency of revenue over expenses	$ (7,699,842)	$ (5,896,603)
Adjustments for:		
Amortization of capital assets	7,510,680	5,142,687
Amortization of deferred capital contributions	(6,399,041)	(4,941,398)
Decrease in accrued benefits obligation	(394,030)	(47,495)
	(6,982,233)	(5,742,809)
Changes in non-cash working capital:		
Accounts receivable	(17,083,464)	10,413,669
Inventories	824,992	(328,845)
Prepayments	(370,696)	139,387
Accounts payable and accrued liabilities	7,240,066	(3,847,495)
Deferred contributions	327,000	(2,146,855)
	(16,044,335)	(1,512,948)
Cash flows from capital activities:		
Additions to capital assets	(439,828,443)	(102,956,791)
Deferred capital contributions received	477,015,670	101,886,845
	37,187,227	(1,069,946)
Cash flows from investing activities:		
Net change in investments	(24,656,408)	12,858,890
Net increase (decrease) in cash	(3,513,516)	10,275,996
Cash (bank indebtedness), beginning of year	8,608,282	(1,667,714)
Cash, end of year	$ 5,094,766	$ 8,608,282
Made up of:		
Cash	4,580,372	8,608,282
Restricted cash (note 2)	514,394	-
	$ 5,094,766	$ 8,608,282

See accompanying notes to the consolidated financial statements.

The Weeneebayko Area Health Authority (the “Health Authority”) was incorporated on October 3, 2008 pursuant to subsection 4(1) of the Public Hospitals Act, R.S.O. 1990, chapter P.40.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations and reflect the following significant accounting policies.

(a) Revenue recognition:

The Health Authority accounts for contributions, which include donations and government grants, under the deferral method of accounting.

Under the Health Insurance Act and Regulations thereto, the Health Authority is funded by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health (“MOH”) and Ontario Health (“OH”). The Health Authority is also funded by the federal government in accordance with funding contribution arrangements established by Indigenous Services Canada (“ISC”). Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the straight-line basis, at rates corresponding to those of the related capital assets.

Revenue from patient and other services is recognized when the performance obligations are settled and when the service is provided.

(b) Inventories:

Inventories are stated at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs in bringing the inventories to their present location and condition.

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Health Authority's ability to provide services, its carrying amount is written down to its residual value.

Construction-in-progress is not amortized until construction is complete and the asset comes into use.

Amortization is provided on the straight-line basis over the estimated useful lives of the asset and is calculated as follows:

Asset	Estimated useful life
Buildings and land improvements	20 years
Furniture and equipment	5 to 20 years
Information technology	5 years

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Health Authority uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position.

1. Significant accounting policies (continued):

(d) Post-employment benefits:

The Health Authority accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care costs.

Actuarial gains (losses) on the accrued benefit obligation arise from the change in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the employee benefit plan is 17 years.

Past service costs arising from the plan amendments are recognized immediately in the period the plan amendments occur.

The Health Authority is an employer member of the Healthcare of Ontario Pension Plan (the "Plan") which is a multi-employer, defined benefit pension plan. The Health Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles and contributions to the benefit plan are determined by the plan administrator and are expensed when due. The most recent regulatory funding valuation of this multi-employer pension plan conducted as at December 31, 2025 disclosed actuarial assets of $131 billion (2025 - $123 billion) with accrued pension liabilities of $120 billion (2025 - $113 billion), resulting in a surplus of $11 billion (2025 - $10 billion). This filing valuation also confirmed that the plan was fully funded on a solvency basis as at December 31, 2025.

(e) Funding adjustments:

The Health Authority receives grants from MOH, OH, ISC, and the Ministry of Children, Community and Social Services ("MCCSS") for specific services. Pursuant to the related agreements, if the Health Authority does not meet specified levels of activity, MOH, OH, ISC, and MCCSS may be entitled to seek refunds. Should any amounts become refundable, the refunds would be charged to operations in the period in which the refund is determined to be payable. Should programs and activities incur a deficit, the Health Authority records any recoveries thereon in the period in which collection is received.

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of the financial statements 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 periods specified. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for receivables and inventories; valuation of financial instruments; and assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Health Authority has not elected to carry any such financial instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations and changes in net debt.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and net debt and any unrealized gain is adjusted through the statement of remeasurement gains and losses. On sale, remeasurement gains and losses associated with that instrument are reversed and recognized in the statement of operations. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(h) Economic interests and related entities:

The Health Authority reports related entities and those for which an economic interest exists, which include Weeneebayko Foundation and ONE Health Information Technology Services, through disclosure in these financial statements.

2. Restricted cash and investments:

The Health Authority maintains a separate bank and investment account, in connection with the development of a new hospital. In accordance with the related funding agreement with the MOH, all funding received for the new hospital development is deposited, and all related expenditures are disbursed from the bank account. Funds held in these accounts are externally restricted and may only be used for eligible project expenditures as defined by the MOH funding agreement. As a result, these funds are not available for general operating purposes.

Interest earned on funds held prior to disbursements is payable to the MOH.

The investment account includes a restricted investment in the form of a guaranteed investment certificate ("GIC"). The GIC has a maturity date of April 13, 2026 and earns interest at a rate of 2.48%.

In addition to the restricted cash and investments, approximately $7.3 million of funding for the capital redevelopment project has been deposited into the Health Authority's general bank account and as such, is not currently held in the Health Authority's restricted cash and investments. The Health Authority intends to transfer funds to restricted cash and investments subsequent to year-end.

3. Accounts receivable:

	2026	2025
MOH	$ 3,333,476	$ 80,000
Patients and other	1,787,269	1,481,545
ISC	1,713,872	6,375,129
HST recoverable	18,689,897	–
	25,524,514	7,936,674
Less: allowance for doubtful accounts	(504,376)	–
	$ 25,020,138	$ 7,936,674

4. Capital assets:

2026	Cost	Accumulated amortization	Net book value
Property and land improvements	$ 1,070,186	$ 388,163	$ 682,023
Buildings	103,727,267	55,990,686	47,736,581
Furniture and equipment	52,048,361	41,578,680	10,469,681
Information technology	5,952,814	3,394,836	2,557,978
Construction in progress	574,000,292	–	574,000,292
	$ 736,798,920	$ 101,352,365	$ 635,446,555

2025	Cost	Accumulated amortization	Net book value
Property and land improvements	$ 1,070,186	$ 377,291	$ 692,895
Buildings	70,189,515	52,186,594	18,002,921
Furniture and equipment	45,942,160	38,244,964	7,697,196
Information technology	5,952,813	3,032,836	2,919,977
Construction in progress	173,815,803	–	173,815,803
	$ 296,970,477	$ 93,841,685	$ 203,128,792

5. Accounts payable and accrued liabilities:

	2026	2025
Trade payables	$ 14,999,359	$ 12,016,326
Repayable to funders	6,933,425	4,956,337
Accrued wages and benefits	7,905,997	5,626,052
	$ 29,838,781	$ 22,598,715

Included in accounts payable and accrued liabilities are government remittances payable of $1,152,993 (2025 - $921,282), which include amounts for payroll related matters.

6. Deferred contributions:

Deferred contributions represent externally restricted contributions which are unspent at year-end and which relate to expenses of future periods.

	2026	2025
Ontario Health	$ 315,000	$ –
Other	159,454	147,454
	$ 474,454	$ 147,454

7. Post-employment benefits obligation:

The Health Authority sponsors a post-retirement defined benefit plan for medical, life insurance and dental benefits for employees with various cost-sharing arrangements as determined by their collective agreements and conditions of employment. The most recent valuation of the employee future benefits was completed as at March 31, 2026.

The accrued benefit obligation is recorded in the financial statements as follows:

	2026
Balance, beginning of year	$ 576,285
Change in estimate	(446,584)
Add: benefit costs	52,554
Balance, end of year	$ 182,255

Similar to most post-employment benefit plans (other than pension) in Canada, the Health Authority's plan is not pre-funded, resulting in the plan deficit equal to the accrued benefit obligation.

The significant actuarial assumptions adopted in measuring the Health Authority's accrued benefit obligation are as follows:

	2026
Discount rate	3.88%
Initial health care cost trend rate	8.00%
Initial dental care cost trend rate	4.00%
Health care cost trend rate decreasing to	4.50%
Dental care cost trend rate decreasing to	4.00%

7. Post-employment benefits obligation (continued):

Included in salaries and wages on the statement of operations and net debt, is an amount of $52,554 regarding employee future benefits and is comprised of:

		2026
Current service cost	$	46,602
Interest cost		5,952
	$	52,554

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent balances of donations and grants restricted for capital asset acquisitions. Details of the continuity of these funds are as follows:

	2026	2025
Balance, beginning of year	$ 208,199,185	$ 111,253,738
Add: contributions received	477,015,670	101,886,845
Less: amounts amortized to revenue	(6,399,041)	(4,941,398)
Balance, end of year	$ 678,815,814	$ 208,199,185

The balance of unamortized and unspent funds consists of the following:

	2026	2025
Unamortized	$ 618,330,991	$ 195,478,852
Unspent	60,484,823	12,720,333
	$ 678,815,814	$ 208,199,185

9. Demand line of credit:

Pursuant to an agreement, the Health Authority's primary banker has provided the Health Authority with a demand credit facility for operating purposes. The credit facility, authorized to a maximum of $15,000,000, is payable on demand with no fixed terms of repayment and bears interest at the rate of prime less 0.5%, payable monthly.

The credit facility is secured by a general security agreement. As at March 31, 2026, there was $Nil (2025 - $Nil) drawn on this credit facility.

10. Contingencies:

(a) Legal matters and litigation:

The Health Authority is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

(b) Employment matters:

During the normal course of operation, the Health Authority is involved in certain employment related negotiations and has recorded accruals based on management's estimate of potential settlement amounts where these amounts are reasonably determinable.

(c) Letters of credit:

As part of its credit facility, the Health Authority has access to an additional $268,000 in the form of letters of credit, for which interest is payable at a rate of 1% per annum. As at March 31, 2026, the $189,994 (2025 - $189,994) in letters of credit issued represent a contingent liability to the Health Authority.

(d) HealthCare Insurance Reciprocal of Canada:

On July 1, 1987, a group of health care organizations, ("subscribers"), formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a Reciprocal pursuant to Provincial Insurance Acts, which permits persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage of health care organizations in the provinces of Ontario, Manitoba, Saskatchewan and Newfoundland. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2026.

10. Contingencies (continued):

(d) HealthCare Insurance Reciprocal of Canada (continued):

Since its inception in 1987, HIROC has accumulated an un-appropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Each subscriber which has an excess of premium plus investment income over the obligation for their allocation of claims reserves and expenses and operating expenses may be entitled to receive distributions of their share of the un-appropriated surplus at the time such distributions are declared by the Board of Directors of HIROC. There are no distributions receivables from HIROC as of March 31, 2026.

(e) CRA source deductions:

The Health Authority is subject to an ongoing matter with the Canada Revenue Agency (“CRA”) related to prior period source deductions. Correspondence has been submitted disputing the assessed balance and interest, and management expects a portion may be reduced or resolved. An accrual has been recorded based on management’s best estimate of the likely amount to be settled at the reporting date. The final outcome remains uncertain, and any additional amounts will be recognized in the period in which the matter is resolved.

11. Commitments:

The Health Authority has entered into various contracts relating to a project to construct a new hospital. The project commenced in October 2024 with a targeted completion date of August 2030.

The contractual commitments as at March 31, 2026 relating to this project amount to $1.47 billion.

12. Pension plan:

Substantially all of the full-time employees of the Health Authority are members of the Healthcare of Ontario Pension Plan (the “Plan”), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Contributions to the Plan made during the year by the Health Authority on behalf of its employees amounted to $3,724,395 (2025 - $3,755,531) and are included in the employee benefits in the consolidated statement of operations.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

12. Pension plan (continued):

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The Plan's 2025 Annual Report indicates the plan is fully funded at 109%.

13. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Health Authority is exposed to credit risk with respect to accounts receivable.

The Health Authority assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Health Authority at March 31, 2026 is the carrying value of these assets.

Management considers credit risk to be minimal as the accounts receivable balance is historically collected on a timely basis.

There have been no significant changes to the credit risk exposure from the prior year.

(b) Liquidity risk:

Liquidity risk is the risk that the Health Authority will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Health Authority manages its liquidity risk by monitoring its operating requirements. The Health Authority prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of the date of an invoice.

There have been no significant changes to the liquidity risk exposure from the prior year.

(c) Currency risk:

There have been no significant changes to the currency risk exposure from 2025.

14. Economic interests and related entities:

This section addresses disclosure requirements regarding the Health Authority's relationships with related entities, and entities in which the Health Authority has an economic interest.

14. Economic interests and related entities (continued:

(a) Weeneebayko Foundation:

The Health Authority has an economic interest in the Weeneebayko Foundation (the "Foundation"). The Foundation was created for the purposes of supporting the Health Authority's facilities along the James and Hudson Bay coast by raising funds for medical equipment, beyond funding available from government sources. Guided by the values of gratitude, accountability and respect, the Foundation is committed to ensuring that the Health Authority has the resources required to provide medical care to patients close to home.

(b) ONE Health Information Technology Services:

ONE Health Information Technology Services ("ONE HITS") is a shared service organization established for the purposes of providing technology, information systems and related capital implementation and support services to participating hospitals in Northeastern Ontario on a full cost recovery basis. The Health Authority has an economic interest in ONE HITS, with a 2.71% (2025 - 2.71%) proportionate share of voting rights and financing requirements.

The financial information for ONE HITS is prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations; accordingly, there are no significant differences in accounting policies from those followed by the Health Authority.

During the year, the Health Authority contributed a total of $671,664 (2025 - $434,844) to ONE HITS, in the form of membership fees which are included in supplies and program costs on the statement of operations and net debt.

14. Controlled and related entities (continued):

(b) ONE Health Information Technology Services (continued):

A summary of the reported total assets, liabilities, net assets, revenues, expenses and cash flows of ONE HITS is presented below.

	2026	2025
Financial position:		
Current assets	$ 10,946,404	$ 19,884,611
Non-current assets	28,652,169	30,617,479
Total assets	39,598,573	50,502,090
Current liabilities	5,053,087	13,498,496
Non-current liabilities	34,545,486	37,003,594
Total liabilities	39,598,573	50,502,090
Net assets	$ –	$ –
Results of operations:		
Total revenue	$ 19,737,503	$ 16,087,528
Total expenses	19,737,503	16,087,528
Excess of revenue over expenses	$ –	$ –
Cash flows:		
Cash flows from operating activities	$ (1,910,714)	$ (1,846,396)
Cash flows from capital activities	–	5,000,000
Net increase (decrease) in cash	$ (1,910,714)	$ 3,153,604

15. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year deficiency of revenue over expenses.

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule 1

Schedule of Revenues and Expenses - Hospital Operations

Year ended March 31, 2026, with comparative information for 2025

	Hopistal - Corp	Hospital - Moosonee	Hospital - Fort Albany	Hospital - Attawapiskat	Foundation	2026 Total	2025 Total
Revenue:							
Ministry of Health	$ 68,685,129	-	386	544,227	-	$ 69,229,742	$ 63,988,087
Ontario Health	6,601,283	-	-	-	-	6,601,283	6,369,476
Patient services	1,102,929	26,262	10,934	13,747	-	1,153,872	1,576,512
Rental	492,440	454,136	64,900	86,400	-	1,097,876	1,174,112
Other recoveries	9,144,504	1,419	96,319	125,477	202,510	9,570,229	9,306,513
Amortization - deferred capital contributions for equipment	2,615,698	-	-	-	-	2,615,698	2,397,366
	88,641,983	481,817	172,539	769,851	202,510	90,268,700	84,812,066
Expenses:							
Salaries and wages	31,388,191	5,077,758	4,258,274	4,409,831	93,359	45,227,413	40,506,116
Isolated post allowance	3,313,162	534,231	119,586	123,081	4,115	4,094,175	2,812,595
Employee benefits	4,927,190	552,994	184,131	159,073	12,148	5,835,536	4,740,060
Medical staff remuneration	9,412,864	-	-	-	-	9,412,864	9,638,313
Professional fees	3,116,957	5,989	348	-	5,944	3,129,238	3,281,344
Administration	176,228	-	-	-	-	176,228	34,972
Travel and training	3,207,263	74,197	110,607	86,314	14,648	3,493,029	3,523,812
Supplies and program costs	14,879,582	1,804,783	659,343	979,912	92,014	18,415,634	19,547,177
Bad debts	1,396,976	-	-	-	-	1,396,976	631,580
Fuel	379,159	1,464,459	486,322	182,454	-	2,512,394	2,171,964
Amortization - equipment	2,053,401	680,161	137,698	98,812	-	2,970,072	2,285,868
	74,250,973	10,194,572	5,956,309	6,039,477	222,228	96,663,559	89,173,801
Excess (deficiency) of revenue over expenses before the undernoted	14,391,010	(9,712,755)	(5,783,770)	(5,269,626)	(19,718)	(6,394,859)	(4,361,735)
Amortization:							
Amortization - buildings	(3,791,303)	-	-	-	-	(3,791,303)	(2,331,281)
Amortization - deferred capital contributions for buildings	3,633,413	-	-	-	-	3,633,413	2,312,462
	(157,890)	-	-	-	-	(157,890)	(18,819)
Excess (deficiency) of revenue over expenses before capital adjustments	14,233,120	(9,712,755)	(5,783,770)	(5,269,626)	(19,718)	(6,552,749)	(4,380,554)
Capital adjustments:							
Investment in tangible capital assets	(437,916,691)	-	-	-	-	(437,916,691)	(101,196,406)
Deferred capital contributions received	476,811,182	-	-	-	-	476,811,182	101,151,043
Amortization of tangible capital assets	5,844,704	680,161	137,698	98,812	-	6,761,375	4,617,149
Amortization of deferred capital contributions	(6,249,111)	-	-	-	-	(6,249,111)	(4,709,828)
	38,490,084	680,161	137,698	98,812	-	39,406,755	(138,042)
Change in program balance	$ 52,723,204	(9,032,594)	(5,646,072)	(5,170,814)	(19,718)	$ 32,854,006	$ (4,518,596)

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule 2

Schedule of Revenues and Expenses - Specifically-Funded Provincial Programs

Year ended March 31, 2026, with comparative information for 2025

	Paramedic Services	Paramedic Services Constance Lake	Community Para-medicine	Community Mental Health	Mino-mathasowin	Mamow Ahyamowen	IHR (IAO)	In Home Support	Locally-Driven Population Health Models	Indigenous PCT	Preventative Care Program	Non-LTC Homes LPF and BTD	PCP LLP	Mobile Maternal Care	2026 Total	2025 Total
Revenue:																
Ministry of Health	$ 13,356,245	1,448,982	1,575,334	2,867,471	1,600,000	849,000	1,000,000	154,883	430,000	2,266,600	150,000	660,000	110,000	1,746,636	$ 28,215,151	$ 23,705,012
Amortization - deferred capital contributions for equipment	149,930	-	-	-	-	-	-	-	-	-	-	-	-	-	149,930	231,570
	13,506,175	1,448,982	1,575,334	2,867,471	1,600,000	849,000	1,000,000	154,883	430,000	2,266,600	150,000	660,000	110,000	1,746,636	28,365,081	23,936,582
Expenses:																
Salaries and wages	6,467,093	929,908	243,994	1,729,441	610,108	270,019	496,265	65,712	236,137	686,178	111,212	585,000	-	184,517	12,615,584	11,233,429
Isolated post allowance	707,798	13,126	77,117	280,155	89,705	-	9,854	-	50,681	10,887	-	-	-	153,035	1,392,358	929,582
Employee benefits	1,382,920	164,656	95,819	398,480	128,187	59,411	78,881	-	52,865	156,715	23,763	-	-	27,420	2,569,117	2,053,860
Professional fees	2,878	-	-	269,966	161,799	12,302	21,630	-	674	20,018	-	-	-	-	489,267	407,046
Administration	466,450	9,000	157,534	-	134,500	75,124	100,000	25,960	43,000	226,660	-	-	-	137,334	1,375,562	2,434,618
Travel and training	1,109,027	1,575	11,804	100,054	206,677	82,309	83,387	-	23,746	180,830	21,322	-	-	50,421	1,871,152	1,544,438
Supplies and program costs	1,568,041	218,894	201,206	81,736	269,024	328,797	135,377	63,211	43,882	390,548	5,787	55,720	106,084	57,601	3,525,908	3,862,155
Fuel	52,468	-	-	-	-	-	-	-	-	-	-	-	-	-	52,468	64,025
Amortization - equipment	457,382	37,482	-	110,406	-	-	-	-	69,907	8,694	13,944	-	-	13,229	711,044	472,415
	12,214,057	1,374,641	787,474	2,970,238	1,600,000	827,962	925,394	154,883	520,892	1,680,530	176,028	640,720	106,084	623,557	24,602,460	23,001,568
Excess (deficiency) of revenue over expenses before the undernoted	1,292,118	74,341	787,860	(102,767)	-	21,038	74,606	-	(90,892)	586,070	(26,028)	19,280	3,916	1,123,079	3,762,621	935,014
Surplus repayable	(920,995)	-	-	(770,576)	-	(23,349)	(74,606)	-	-	(505,081)	-	(19,280)	(3,916)	(980,096)	(3,297,899)	(1,803,631)
Excess (deficiency) of revenue over expenses before the building amortization	371,123	74,341	787,860	(873,343)	-	(2,311)	-	-	(90,892)	80,989	(26,028)	-	-	142,983	464,722	(868,617)
Amortization:																
Amortization - buildings	-	-	-	(23,663)	-	-	-	-	-	-	-	-	-	-	(23,663)	(23,663)
Excess (deficiency) of revenue over expenses before capital adjustments	371,123	74,341	787,860	(897,006)	-	(2,311)	-	-	(90,892)	80,989	(26,028)	-	-	142,983	441,059	(892,280)
Capital adjustments:																
Investment in tangible capital assets	(678,575)	(159,618)	(793,892)	-	-	-	-	-	-	(89,683)	-	-	-	(156,212)	(1,877,980)	(1,589,285)
Deferred capital contributions received	-	-	-	-	-	-	-	204,488	-	-	-	-	-	-	204,488	735,802
Amortization of tangible capital assets	457,382	37,482	-	134,069	-	-	-	-	69,907	8,694	13,944	-	-	13,229	734,707	496,078
Amortization of deferred capital contributions	(149,930)	-	-	-	-	-	-	-	-	-	-	-	-	-	(149,930)	(231,570)
	(371,123)	(122,136)	(793,892)	134,069	-	-	-	204,488	69,907	(80,989)	13,944	-	-	(142,983)	(1,088,715)	(588,975)
Change in program balance	$ -	(47,795)	(6,032)	(762,937)	-	(2,311)	-	204,488	(20,985)	-	(12,084)	-	-	-	$ (647,656)	$ (1,481,255)

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule 3

Schedule of Revenue and Expenses - Specifically-Funded SET Federal Programs

Year ended March 31, 2026, with comparative information for 2025

	Medical Transport	Medical Transport Admin	Timmins Translator	NIHB Dental	Visiting Specialist Travel	Audiology	ISC TB	2026 Total	2025 Total
Revenue:									
Ministry of Health	$ -	-	-	-	-	-	-	$ -	$ 297,926
Indigenous Services Canada	14,853,386	2,938,593	131,341	2,003,005	1,054,421	47,656	300,000	21,328,402	21,677,415
Patient services	-	-	-	-	-	-	-	-	217,559
Other recoveries	539,373	-	-	-	-	(8,082)	-	531,291	407,011
	15,392,759	2,938,593	131,341	2,003,005	1,054,421	39,574	300,000	21,859,693	22,599,911
Expenses:									
Salaries and wages	932,592	1,162,245	89,320	633,523	-	27,239	-	2,844,919	3,057,281
Isolated post allowance	81,993	319,154	-	135,329	-	-	-	536,476	372,536
Employee benefits	178,782	285,449	20,263	122,913	-	8,149	-	615,556	559,890
Medical staff remuneration	-	-	-	531,782	909,897	-	300,000	1,741,679	1,705,563
Professional fees	492	11,070	-	3,839	-	2,114	-	17,515	15,066
Administration	1,485,339	293,604	-	200,301	105,442	4,766	-	2,089,452	1,921,790
Travel and training	4,225	804,270	4,812	147,903	39,082	-	-	1,000,292	398,174
Patient transportation	13,274,469	-	-	-	-	-	-	13,274,469	13,744,814
Supplies and program costs	561,019	62,801	16,946	193,643	-	5,721	-	840,130	1,406,551
Amortization - equipment	9,532	-	-	5,066	-	-	-	14,598	17,412
	16,528,443	2,938,593	131,341	1,974,299	1,054,421	47,989	300,000	22,975,086	23,199,077
Excess (deficiency) of revenue over expenses before capital adjustments	(1,135,684)	-	-	28,706	-	(8,415)	-	(1,115,393)	(599,166)
Capital adjustments:									
Investment in tangible capital assets	-	-	-	(33,772)	-	-	-	(33,772)	(171,100)
Amortization of tangible capital assets	9,532	-	-	5,066	-	-	-	14,598	17,412
	9,532	-	-	(28,706)	-	-	-	(19,174)	(153,688)
Change in program balance	$ (1,126,152)	-	-	-	-	(8,415)	-	$ (1,134,567)	$ (752,854)

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule 4

Schedule of Revenue and Expenses - Specifically-Funded Other Federal Programs

Year ended March 31, 2026, with comparative information for 2025

	Traditional Healing	Zone Operations	Zone Clinical Admin	Zone Maintenance	Prenatal	Child Oral Health	E-Health	Jordan's Principle (ICEE)	IRS	Queen's Partnership	2026 Total	2025 Total
Revenue:												
Indigenous Services Canada	$ 228,384	703,218	135,349	677,935	128,268	205,430	266,757	11,607	3,006,944	-	$ 5,363,892	$ 6,344,513
Other recoveries	-	-	-	-	-	-	-	-	-	17,700	17,700	206,272
	228,384	703,218	135,349	677,935	128,268	205,430	266,757	11,607	3,006,944	17,700	5,381,592	6,550,785
Expenses:												
Salaries and wages	3,266	80,039	58,296	153,096	45,314	47,130	81,270	-	184,440	82,437	735,288	750,010
Isolated post allowance	-	-	-	-	-	11,226	-	-	50,808	10,887	72,921	64,760
Employee benefits	507	-	-	-	-	12,300	-	-	41,918	20,348	75,073	87,464
Professional fees	-	-	-	-	-	-	-	-	-	33	33	617,124
Administration	22,838	38,134	27,774	35,976	6,889	20,543	1,272	-	-	-	153,426	103,839
Travel and training	193,411	28,268	-	139,691	75,865	3,569	-	7,461	2,795,163	1,226	3,244,654	3,543,736
Supplies and program costs	8,362	716,794	49,279	348,991	200	110,662	184,215	4,146	131,448	2,516	1,556,613	1,371,031
Fuel	-	16,162	-	181	-	-	-	-	-	-	16,343	37,424
	228,384	879,397	135,349	677,935	128,268	205,430	266,757	11,607	3,203,777	117,447	5,854,351	6,575,388
Deficiency of revenue of expenses	$ -	(176,179)	-	-	-	-	-	-	(196,833)	(99,747)	$ (472,759)	$ (24,603)

WEENEEBAYKO AREA HEALTH AUTHORITY

Schedule 5

Schedule of Revenues and Expenses - Specifically-Funded WAHIFA Programs

Year ended March 31, 2026, with comparative information for 2025

	Primary Care Nursing	Ancillary Physician Services	Enhanced Community Health	2026 Total	2025 Total
Revenue:					
Indigenous Services Canada	$ 9,000,000	1,500,000	1,500,000	$ 12,000,000	$ 12,000,000
Expenses:					
Salaries and wages	4,458,705	170,842	-	4,629,547	4,904,977
Isolated post allowance	1,179,393	36,291	-	1,215,684	1,009,246
Employee benefits	1,145,251	37,458	-	1,182,709	1,168,837
Medical staff remuneration	-	1,896,211	-	1,896,211	1,686,275
Professional fees	24,599	164,758	-	189,357	114,189
Travel and training	610,291	616,114	-	1,226,405	1,076,035
Supplies and program costs	1,579,708	78,326	-	1,658,034	2,000,536
Fuel	2,053	-	-	2,053	27,857
Amortization - equipment	-	-	-	-	12,048
	9,000,000	3,000,000	-	12,000,000	12,000,000
Excess (deficiency) of revenue over expenses before the undernoted	-	(1,500,000)	1,500,000	-	-
Inter-agreement reallocation	-	1,500,000	(1,500,000)	-	-
Capital adjustments:					
Amortization of tangible capital assets	-	-	-	-	12,048
Change in program balance	$ -	-	-	$ -	$ 12,048