

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026**

NORTHERN NEIGHBOURS NURSE PRACTITIONER-LED CLINIC

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

	Page
Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11



SURACI & OLSZEWSKI
CHARTERED PROFESSIONAL ACCOUNTANTS

Suraci & Olszewski LLP
111 Elgin St, Suite 301
Sault Ste. Marie, ON
P6A 6L6
P: 705.253.0110
F: 705.253.1771
www.ssmcpas.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Northern Neighbours Nurse Practitioner-LED Clinic

Opinion

We have audited the accompanying financial statements of **Northern Neighbours Nurse Practitioner-LED Clinic** (the "Clinic"), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year ended March 31, 2026
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended March 31, 2026
- 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 Northern Neighbours Nurse Practitioner-LED Clinic as at March 31, 2026, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements.

We are independent of the Clinic in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 accounting standards for not-for-profits, 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 Clinic'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 Clinic or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibility 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 auditors' 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 Clinic'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 Clinic's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Clinic 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 represents 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.

Suraci & Olszewski LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
June 10, 2026

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC
STATEMENT OF FINANCIAL POSITION**

As at March 31,	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	\$ 165,239	\$ 155,242
Accounts receivable	330	1,664
HST receivable	10,671	9,657
Receivable from the Township of White River	15,854	7,927
Prepaid expenses	3,351	10,393
	195,445	184,883
CAPITAL ASSETS (note 8)	48,926	52,848
	\$ 244,371	\$ 237,731
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 63,304	\$ 46,938
Repayable to the Province of Ontario (note 5)	132,141	137,945
	195,445	184,883
DEFERRED CAPITAL CONTRIBUTIONS (note 3)	48,926	52,848
	244,371	237,731
COMMITMENTS (Note 7)		
NET ASSETS		
Investment in Capital Assets (note 4)	-	-
Unrestricted	-	-
	\$ 244,371	\$ 237,731

APPROVED ON BEHALF OF THE BOARD:

 Board Chair
Director

Director

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

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC**

STATEMENT OF OPERATIONS

For the year ended March 31,	2026	2025
REVENUE		
Province of Ontario	\$ 855,523	\$ 829,243
Province of Ontario - OTN	31,707	31,707
Other	30,604	-
TOTAL REVENUE	917,834	860,950
EXPENDITURES		
Advertising & Promotion	5,344	154
Audit and accounting services	14,455	14,939
Benefits	113,182	69,866
Computer Leasing	1,216	1,800
Fees & Memberships	23,716	31,831
General consulting	9,336	5,974
Health and wellness	14,696	-
Insurance	9,199	8,061
Interest & Bank Charges	640	737
IT Software/Hardware	15,435	8,695
Legal and advisory services	1,886	1,387
Medical supplies and clinical travel	20,286	12,151
Occupancy costs	20,480	10,920
Office supplies	6,960	18,607
Professional development	12,936	18,327
Recruitment and retention	-	2,929
Repairs and maintenance	43,105	30,081
Salaries - health providers	387,612	354,320
Salaries - management and administration	131,960	126,457
Salaries - OTN	31,707	31,707
Telephone	7,492	9,727
Travel and meetings	-	-
TOTAL EXPENDITURES	871,643	758,670
SURPLUS OF REVENUE OVER OPERATING EXPENDITURES	46,191	102,280
AMORTIZATION OF CAPITAL ASSETS	(12,467)	(44,395)
AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS	12,467	44,395
SETTLEMENT OF FUNDS FROM PROVINCE OF ONTARIO	(46,191)	(102,280)
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ -

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

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC
STATEMENT OF CHANGES IN NET ASSETS**

For the year ended March 31, 2026	Invested in Capital Assets	Unrestricted	2026 Total
BALANCE, BEGINNING OF YEAR	\$ -	\$ -	-
ANNUAL SURPLUS (DEFICIT)	-	-	-
BALANCE, END OF YEAR	\$ -	\$ -	-

For the year ended March 31, 2025	Invested in Capital Assets	Unrestricted	2025 Total
BALANCE, BEGINNING OF YEAR	\$ -	\$ -	-
ANNUAL SURPLUS (DEFICIT)	-	-	-
BALANCE, END OF YEAR	\$ -	\$ -	-

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

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC
STATEMENT OF CASH FLOWS**

For the year ended March 31,	2026	2025
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ -	\$ -
Add back items not requiring a payment of cash:		
Amortization of capital assets	12,467	44,395
Amortization of deferred capital contributions	(12,467)	(44,395)
	-	-
Changes in non-cash working capital items:		
Decrease in accounts receivable	1,334	6,890
Decrease (increase) in HST receivable	(1,014)	(395)
Decrease in receivable from the Township of White River	(7,927)	-
(Increase) decrease in prepaid expenses	7,042	(6,516)
Increase (decrease) in accounts payable and accrued liabilities	16,366	15,213
Increase in payable to the Province of Ontario	(5,804)	79,444
CASH PROVIDED BY OPERATING ACTIVITIES	9,997	94,636
INVESTING ACTIVITIES		
Purchase of capital assets	(8,545)	-
Increase in deferred capital contributions	8,545	-
	-	-
INCREASE IN CASH	9,997	94,636
CASH , BEGINNING OF YEAR	155,242	60,606
CASH, END OF YEAR	\$ 165,239	\$ 155,242

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

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2026

GENERAL

Northern Neighbours Nurse Practitioner-Led Clinic (the "Clinic") was incorporated on August 30, 2018, without share capital to create and operate an organization that will assist health service providers to function within a collaborate interdisciplinary setting in order to enhance their ability to deliver appropriate effective and quality primary health care services for patients within Ontario, primarily to those patients residing in and around the White River and Pic Mobert, Ontario.

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian not-for-profit accounting standards and include the following significant accounting policies:

a) Revenue Recognition

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

Under agreements with the Ministry of Health and Long Term Care, the Clinic is funded primarily by operating and development grants. 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 expenditures of a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed funding arrangements as approved by the Ministry of Health and Long-Term Care.

b) Capital Assets

Capital assets are reported at cost less accumulated amortization. Amortization is provided on a straight-line basis to amortize the assets over their estimated useful lives as follows:

Office furniture and equipment	10 years
Medical equipment	10 years
Computer equipment	3 years
Leasehold improvements	5 years

c) Use of Estimates

The preparation of these 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 revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable and HST receivable, the carrying value of capital assets and the amount due from (to) the Ministry of Health and Long-Term Care. Actual results could differ from these estimates.

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC**

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial Instruments

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Clinic has elected to carry any such financial instruments at fair value.

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.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Clinic determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Clinic expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The Clinic's financial instruments are generally classified and measured as follows:

Assets/liabilities	Measurement Category
Cash and cash equivalents	fair value
Accounts receivable/HST receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost

2. CREDIT FACILITIES

The Clinic has an operating line of credit to a maximum of \$50,000 with interest at prime plus 4.85% - effective rate 9.30%. March 31, 2026, no amount had been drawn on this line of credit.

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC**

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2026

3. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized portion of externally restricted funding received for the acquisition of capital assets. These contributions are recognized as revenue on the same basis and over the same periods as the related capital assets are amortized.

At March 31, 2026, deferred contributions related to capital assets consist of funding received from the Ministry of Health for computer and technology equipment, medical equipment, office equipment and furniture, and leasehold improvements.

	<u>2026</u>	<u>2025</u>
Deferred contributions, beginning	\$ 52,848	\$ 97,243
Add: Additional contributions	8,545	-
Less: Amounts amortized to revenue	<u>(12,467)</u>	<u>(44,395)</u>
Deferred contributions, ending	<u>\$ 48,926</u>	<u>\$ 52,848</u>

The ending balance of deferred contributions consists of the following:

	<u>2026</u>	<u>2025</u>
Ministry of Health (Province of Ontario)	<u>\$ 48,926</u>	<u>\$ 52,848</u>

4. INVESTMENT IN CAPITAL ASSETS

The investment in capital assets as calculated as follows:

	<u>2026</u>	<u>2025</u>
Capital assets	\$ 48,926	\$ 52,848
Amounts financed by deferred capital contributions	<u>(48,926)</u>	<u>(52,848)</u>
	<u>\$ -</u>	<u>\$ -</u>

The change in net assets invested in capital assets as calculated as follows:

	<u>2026</u>	<u>2025</u>
Amortization of capital assets	\$ (12,467)	\$ (44,395)
Amortization of deferred capital contributions	<u>12,467</u>	<u>44,395</u>
	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC****NOTES TO THE FINANCIAL STATEMENTS (continued)****March 31, 2026**

5. ECONOMIC DEPENDENCE AND FUNDING MANAGEMENT SYSTEM

The Clinic receives substantially all of its funding from the Ontario Ministry of Health and is economically dependent on this funding to continue providing services at its current level.

Funding received from the Ministry is subject to reconciliation and adjustment. Management has estimated that \$46,191 (2025 - \$102,280) is repayable to the Ministry in respect of the current year's operations, and this amount has been included in repayable to the Province of Ontario. Any differences between the estimated and actual settlement amounts determined upon completion of the Ministry's review will be recognized in the statement of operations in the year they become known.

6. FINANCIAL RISK**Risk and Concentration**

The Clinic is exposed to various risks through its financial instruments. The following analysis provides the measure of the company's risk exposure and concentration as of **March 31, 2026**.

Credit Risk

The Clinic's exposure to credit risk relates to its accounts and HST receivable and arises from the possibility that debtors will not fulfil their obligations under their service agreements. This risk is minimized through continuous monitoring of receivable balances, government service contracts and cash flows. There has been no change in credit risk from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that the Clinic will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Clinic manages its liquidity risk by monitoring its operating requirements. The Clinic prepares budget and monitors cash to ensure it has sufficient funds to fulfill its obligations. There has been no change in liquidity risk from that of the prior year.

Currency Risk

The Clinic's functional currency is the Canadian Dollar. The Clinic does not enter into foreign currency transactions and does not use foreign exchange forward contracts. At **March 31, 2026**, the Clinic had no investments exposed to currency risk. There has been no change in currency risk from that of the prior year.

7. COMMITMENTS

The Clinic occupied its operating facility pursuant to a lease agreement with the Township of White River. During the year, the Township elected to terminate the existing lease agreement. At year end, the parties were negotiating a new lease arrangement with a proposed effective date of November 1, 2025.

While a new lease agreement had not been executed as of the date of these financial statements, management expects the lease to be finalized and has accrued rent expense based on the proposed terms of the arrangement. The proposed lease provides for monthly rent of approximately \$900. Any difference between the accrued amount and the final executed agreement will be recognized in the period in which the agreement is finalized.

**NORTHERN NEIGHBOURS NURSE
PRACTITIONER-LED CLINIC**

NOTES FINANCIAL STATEMENTS (continued)

March 31, 2026

8. CAPITAL ASSETS

as at March 31, 2026	Cost - Beginning of Year	Additions During the Year	Cost - End of Year	Accumulated Amortization - Beginning of Year	Amortization During the Year	Accumulated Amortization - End of Year	2026 Net Book Value
Office furniture and equipment	\$ 60,611	\$	\$ 60,611	\$ 32,073	\$ 6,061	\$ 38,134	\$ 22,477
Computer equipment	41,213		41,213	41,213	-	41,213	-
Medical equipment	55,517	8,545	64,062	31,207	6,406	37,613	26,449
Leasehold improvements	389,892		389,892	389,892	-	389,892	-
	\$ 547,233	\$ 8,545	\$ 555,778	\$ 494,385	\$ 12,467	\$ 506,852	\$ 48,926

as at March 31, 2025	Cost - Beginning of Period	Additions During the Period	Cost - End of Period	Accumulated Amortization - Beginning of Period	Amortization During the Period	Accumulated Amortization - End of Period	2025 Net Book Value
Office furniture and equipment	\$ 60,611	\$	\$ 60,611	\$ 26,012	\$ 6,061	\$ 32,073	\$ 28,538
Computer equipment	50,815	(9,602)	41,213	50,815	(9,602)	41,213	-
Medical equipment	55,517		55,517	25,655	5,552	31,207	24,310
Leasehold improvements	389,892		389,892	357,110	32,782	389,892	-
	\$ 556,835	(9,602)	547,233	459,592	\$ 34,793	\$ 494,385	\$ 52,848

* Capital Assets are not amortized until the assets are put into service.