RURAL ONTARIO MEDICAL PROGRAM

FINANCIAL STATEMENTS

MARCH 31, 2026

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RURAL ONTARIO MEDICAL PROGRAM
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AS AT MARCH 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors, Rural Ontario Medical Program:

Opinion

We have audited the financial statements of the Rural Ontario Medical Program (the Organization), which comprise the statement of financial position as at March 31, 2026, and the statement of operations, changes in net assets and cash flow statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The Organization commenced operations December 1, 2025 during the period ended March 31, 2026. Accordingly, no comparative financial information has been presented. As disclosed in Note 2, these financial statements were prepared adopting the Canadian accounting standard for the first time.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SGB LLP

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
June 26, 2026

RURAL ONTARIO MEDICAL PROGRAM
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2026 $
Assets	
Current	
Cash	629,232
Accounts receivable	618
HST receivable	28,192
Prepaid expenses	17,170
	675,212
Liabilities	
Current	
Accounts payable and accruals	663,293
Due to related party (Note 5)	100
	663,393
Net assets	
Unrestricted net assets	11,819
	675,212

Approved on behalf of the board

Peter Wells ______________________ Director

P Campbell ______________________ Director

See accompanying notes to the financial statements

RURAL ONTARIO MEDICAL PROGRAM
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE PERIOD DECEMBER 1, 2025 TO MARCH 31, 2026

	2026 $
Revenue	
Ministry of Health	1,472,200
ROMP retreat	30,059
	1,502,259
Expenses	
Bank charges and interest	174
Conference and events	2,572
Employee benefits	18,061
Insurance	2,652
IT support	45,961
Office and supplies	13,136
Preceptors stipends	687,099
Professional fees	83,109
Rent	19,704
ROMP retreat	46,727
Support staff	149,143
Training and development	76,135
Travel	345,967
	1,490,440
Excess of revenue over expenses for the period and net assets at end of period	11,819

See accompanying notes to the financial statements

RURAL ONTARIO MEDICAL PROGRAM

CASH FLOW STATEMENT

FOR THE PERIOD DECEMBER 1, 2025 TO MARCH 31, 2026

	2026 $
Cash flows from (for):	
Operating activities	
Excess of expenses over revenue for the period	**11,819**
Changes in	
Accounts receivable	**(618)**
HST receivable	**(28,192)**
Prepaid expenses	**(17,170)**
Accounts payable and accruals	**663,293**
	629,132
Investing activities	
Due to related party	**100**
Change in cash and cash position at end of period	**629,232**

See accompanying notes to the financial statements

Purpose of the organization

Rural Ontario Medical Program is a not-for-profit organization incorporated under the Ontario Corporations Act in 2014. The mission of the Organization is to alleviate the burden on communities caused by the nation-wide physician distribution problem and create learning opportunities outside academic centres and into communities. The Organization addresses shortages of doctors in rural Ontario, coordinates clinical rotations in smaller communities and encourages learners to practice in rural areas. It is an exempt corporation under the Income Tax Act.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as "ASNPO") and are in accordance with Canadian generally accepted accounting principles.

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

(a) Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost includes cash and accounts receivable.

Financial liabilities measured at amortized cost includes accounts payable and due to related party..

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(c) Cash

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

(d) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Funding received from the Ministry of Health and other government sources is generally subject to externally imposed restrictions and is recognized as revenue in the period in which the related eligible expenditures are incurred. Amounts received but not yet expended are recorded as deferred revenue on the statement of financial position. Unrestricted contributions, if any, are recognized as revenue when received or receivable, provided collection is reasonably assured. Interest and other income are recognized as earned.

ROMP retreat revenue consists of fees paid by residents to attend,as well as booth space purchased by Community Health Networks. Revenue is recognized once the retreat has occurred.

1. Significant accounting policies (continued)

(e) Related party transactions

Related party transactions in the normal course of business are recorded at the exchange amount which is the amount of consideration exchanged in the transaction.

Related party transactions outside the normal course of business are recorded at the exchange amount or the carrying amount depending on the substance of the transaction.

Carrying amount is defined as the recorded amount of the item transferred.

For transactions with related parties involving financial instruments, they are recorded at cost unless the financial instrument is an equity instrument quoted in an active market or a derivative.

Cost is defined depending on the existence or absence of repayment terms then cost is determined to be either the exchange amount or the carrying amount depending on the substance of the transaction.

2. First time adoption of Canadian accounting standard

Effective July 1, 2025, the Organization adopted the requirements of the CPA Canada Handbook and has adopted Canadian Accounting Standards for not-for-profit organizations (ASNPO). This framework is in accordance with Canadian generally accepted accounting policies. These are the first financial statements prepared in accordance with this framework which has been applied retrospectively. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the period ended March 31, 2026.

3. Change in year end

During the year, the Organization changed its fiscal year end from June 30 to March 31. As a result, these financial statements cover the nine month period from July 1, 2025 to March 31, 2026. Active operations for the Organization began December 1, 2025. The Organization had no operating activity in the prior fiscal period; accordingly, no comparative figures are presented and comparability is not affected.

4. Financial instruments

The Organization's financial instruments consist of cash and accounts receivable, which will result in future cash receipts, as well as accounts payable and due to related party, which will result in future cash outlays.

The Organization is not exposed to significant credit risk, interest rate risk, market risk, currency risk nor other price risk. There has been no change to the risk exposure.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they come due.

The Organization manages its liquidity risk by monitoring cash flows and maintaining sufficient funding from the Ontario Ministry of Health to meet its obligations.

As at March 31, 2026, the Organization has a deficiency of net assets and a working capital deficiency. The Organization is dependent on continued funding from the Ministry of Health to meet its obligations and continue operations.

5. Due to related party

The balance due to the related party represents an initial deposit made to open the Organization's bank account by a member of the Board of Directors. The amount is non-interest bearing, unsecured and has no fixed terms of repayment.

6. Subsequent event

During the year, the Ministry of Health approved an increase in stipend payments to preceptors from $1,000 to $1,600, to be applied retroactively. The Organization estimates that it will be entitled to additional funding from the Ministry and will correspondingly owe additional amounts to preceptors totaling approximately $453,000.

At year end, no amounts have been recorded in the financial statements in respect of this matter. Although the increase was approved during the year, the criteria for liability recognition have not been met, as there was no present obligation to preceptors and the amount was not payable at year end. Similarly, the related funding has not been recognized as a receivable, as collection was not assured at that date.

The Organization expects to recognize both the funding and the related preceptors stipends expense in fiscal 2027, when the amounts become payable and collection from the Ministry is reasonably assured.