

Trillium Health Partners

Financial Statements

March 31, 2026



Independent auditor's report

To the Board of Directors of Trillium Health Partners

Our opinion

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

What we have audited

The Hospital's financial statements comprise:

- the statement of financial position as at March 31, 2026;
- the statement of operations for the year then ended;
- the statement of remeasurement gains and losses for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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

Independence

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

Other information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Hospital'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 Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital'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 Hospital'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 Hospital'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 Hospital 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

June 4, 2026

Trillium Health Partners

Statement of Financial Position

As at March 31, 2026

(in thousands of dollars)

	2026 \$	2025 \$
Assets		
Current assets		
Cash	61,058	72,323
Restricted cash and cash equivalents (note 3)	20,928	4,236
Short-term investments (note 3)	1,464	1,116
Accounts receivable		
Ministry of Health and other ministries (note 4)	595,805	207,165
Other	46,618	74,531
Inventories	15,912	13,821
Prepaid expenses	22,877	15,018
	<hr/>	<hr/>
	764,662	388,210
Long-term accounts receivable – Ministry of Health (note 4)	811,028	264,216
Capital assets (note 5)	3,470,522	2,159,336
Other long-term assets	11,979	11,577
Long-term investments (note 3)	45,272	41,124
	<hr/>	<hr/>
	5,103,463	2,864,463
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	196,754	240,237
Deferred revenue and due to Ministry of Health and other ministries	36,274	31,308
Deferred contributions	12,921	10,286
Provincial capital grant	4,236	4,236
Current portion of long-term debt (note 8)	1,425	1,358
Current portion of obligation – building (note 15)	425,604	27,051
	<hr/>	<hr/>
	677,214	314,476
Long-term debt (note 8)	217,213	218,607
Asset retirement obligation (note 9)	36,456	36,417
Long-term obligation – building (note 15)	1,087,284	416,377
Employee future benefits (note 10)	35,683	36,190
Legal defense liability (note 12)	6,883	6,392
Deferred capital grants and contributions (note 7)	2,905,290	1,634,664
	<hr/>	<hr/>
	4,966,023	2,663,123

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

Trillium Health Partners
Statement of Financial Position ...*continued*
As at March 31, 2026

(in thousands of dollars)

	2026 \$	2025 \$
Net Assets		
Investment in capital assets (note 7)	425,752	384,403
Internally restricted – major initiatives	17,424	17,424
Internally restricted – other	45,848	45,848
Unrestricted	<u>(356,864)</u>	<u>(250,787)</u>
	<u>132,160</u>	<u>196,888</u>
Accumulated remeasurement gains	<u>5,280</u>	<u>4,452</u>
	<u>5,103,463</u>	<u>2,864,463</u>
Contingencies, guarantees and commitments (notes 12, 13, 14 and 15)		

Approved by the Board of Directors



Director



Director

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

Trillium Health Partners

Statement of Operations

For the year ended March 31, 2026

(in thousands of dollars)

	2026 \$	2025 \$
Revenue		
Ministry of Health and other ministries	1,437,005	1,362,615
Other agencies and patient revenue	130,941	125,359
Service recoveries, retail and ancillary revenues	165,700	176,243
Amortization of deferred capital grants and contributions – equipment	9,123	8,327
Investment income	5,133	4,617
Special programs – Ministries of Health and Community and Social Services	72,761	53,116
	<u>1,820,663</u>	<u>1,730,277</u>
Expenses		
Salaries, wages and employee benefits	1,204,664	1,128,684
Medical and surgical supplies	136,327	130,453
Drug supplies	115,417	107,225
Facilities, maintenance and other operating expenses	294,002	287,974
Amortization – equipment	37,994	38,317
Special programs – Ministries of Health and Community and Social Services	72,747	53,100
	<u>1,861,151</u>	<u>1,745,753</u>
Deficit of expenses over revenue before the undernoted	<u>(40,488)</u>	<u>(15,476)</u>
Amortization of deferred capital grants and contributions – building	33,204	32,203
Amortization – buildings and land improvements	(50,010)	(47,491)
Gain on settlement of asset retirement obligation	-	1,863
Interest on long-term debt (note 8)	(7,434)	(8,491)
	<u>(24,240)</u>	<u>(21,916)</u>
Deficit of expenses over revenue for the year	<u>(64,728)</u>	<u>(37,392)</u>

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

Trillium Health Partners

Statement of Remeasurement Gains and Losses

For the year ended March 31, 2026

(in thousands of dollars)

	2026 \$	2025 \$
Accumulated remeasurement gains – Beginning of year	4,452	3,682
Unrealized gains attributable to Long-term investments	1,480	1,424
Amounts reclassified to statement of operations Realized gains of long-term investments sold in the year	(652)	(654)
Net remeasurement gains for the year	828	770
Accumulated remeasurement gains – End of year	5,280	4,452

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

Trillium Health Partners
Statement of Changes in Net Assets
For the year ended March 31, 2026

(in thousands of dollars)

					2026	2025
	Investment in capital assets \$ (note 7)	Internally restricted – major initiatives \$	Internally restricted – other \$	Unrestricted \$	Total \$	Total \$
Balance – Beginning of year	384,403	17,424	45,848	(250,787)	196,888	234,280
Deficit of expenses over revenue for the year	(45,708)	-	-	(19,020)	(64,728)	(37,392)
Investment in capital assets	1,400,104	-	-	(1,400,104)	-	-
Repayment of long-term debt	1,358	-	-	(1,358)	-	-
Capital assets acquired through long-term debt	(1,452)	-	-	1,452	-	-
Deferred capital grants and contributions received or receivable	(1,312,953)	-	-	1,312,953	-	-
Balance – End of year	425,752	17,424	45,848	(356,864)	132,160	196,888

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

Trillium Health Partners

Statement of Cash Flows

For the year ended March 31, 2026

(in thousands of dollars)

	2026 \$	2025 \$
Cash provided by (used in)		
Operating activities		
Deficit of expenses over revenue for the year	(64,728)	(37,392)
Items not affecting cash		
Amortization of capital assets	88,004	85,808
Amortization of deferred capital grants and contributions (note 7)	(42,327)	(40,530)
Amortization of debenture transaction fees	31	31
Employee future benefits	(507)	(649)
Legal defense liability	491	621
Gain on settlement of asset retirement obligation	-	(1,863)
Loss on disposal of capital assets	914	-
Reinvested investment income	(3,016)	(2,442)
Realized gains of long-term investments sold in the period	(652)	(654)
	<u>(21,790)</u>	<u>2,930</u>
Changes in non-cash working capital items		
Accounts receivable	34,359	(66,938)
Inventories	(2,091)	18
Prepaid expenses	(7,859)	51
Other long-term assets	-	129
Accounts payable and accrued liabilities	30,829	(71,647)
Asset retirement obligation	39	11
Deferred contributions	2,635	2,100
Deferred revenue and due to Ministry of Health and other ministries	4,966	(25,580)
	<u>41,088</u>	<u>(158,926)</u>
Investing activities		
Increase in other long-term assets	(402)	(395)
Increase in restricted cash and cash equivalents	(16,692)	-
	<u>(17,094)</u>	<u>(395)</u>
Capital activities		
Acquisition of capital assets	(404,956)	(217,482)
Settlement of asset retirement obligation	-	(561)
	<u>(404,956)</u>	<u>(218,043)</u>
Financing activities		
Deferred capital grants and contributions received	371,055	221,526
Repayment of long-term debt	(1,358)	(1,293)
	<u>369,697</u>	<u>220,233</u>
Decrease in cash during the year	(11,265)	(157,131)
Cash – Beginning of year	72,323	229,454
Cash – End of year	61,058	72,323
Non-cash transactions		
Changes in accounts receivable related to accrued deferred capital grants and contributions (note 4)	(941,898)	(232,645)
Changes in accounts payable and accrued liabilities related to additions of capital assets	(74,312)	51,945
Changes in long-term obligation – building related to additions of capital assets (note 15)	1,069,460	291,127

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

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

1 Operations

Trillium Health Partners (the Hospital) provides a broad array of healthcare services in the City of Mississauga and surrounding communities. These services are provided at the Credit Valley Hospital site, the Mississauga Hospital site, the Queensway Health Centre site as well as several other satellite sites. The Hospital is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

The Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health (the Ministry). The Hospital Service Accountability Agreement (HSAA) sets out the performance standards and obligations of the Hospital and establishes acceptable results for the Hospital's performance.

2 Summary of significant accounting policies

Financial statement presentation

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Public Sector Accounting (PSA) Handbook, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The Hospital has chosen to use the standards for not-for-profit organizations that include Sections PS 4200 to 4270. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements include the assets, liabilities and activities of the Hospital.

The financial statements do not include the assets, liabilities or operations of Trillium Health Partners Foundation (the Foundation) as this organization is not controlled by the Hospital (note 11).

Internally restricted – major initiatives

The Board of Directors of the Hospital internally restricts net assets for strategic initiatives such as replacement of the Hospital's information systems, advancing the Hospital's planning and redevelopment and funding the Hospital's share of Ministry-approved capital, research and innovation projects.

Internally restricted – other

The Hospital internally restricts net assets to be used for specific purposes including education and innovation.

Revenue recognition

The Hospital follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Under the Health Insurance Act (Ontario) and the regulations thereunder, the Hospital is funded primarily by the Province of Ontario in accordance with funding arrangements established by the Ministry. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of a period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in a subsequent period. These financial statements reflect management's best estimates of funding arrangements with the Ministry. The Hospital has entered into an accountability agreement with the Ministry, which requires the Hospital to meet certain financial and non-financial performance indicators.

All investment income that is unrestricted is recognized when earned.

Contributions received in the form of donations and grants for specific capital expenditures are initially deferred and recorded as deferred capital contributions. These deferred capital contributions are realized in revenue on the same basis as the amortization of the cost of the related capital assets.

Revenue from other agencies and patients relates to the provision of healthcare services to patients with Canadian federal and provincial health insurance plans, third party insurance health plans and patients not covered by a health insurance plan. The Hospital differentiates between revenue arising from transactions that include performance obligations and those that do not. Revenue from patient care and other ancillary services is recognized when services are performed or goods are delivered. Revenue from transactions with no performance obligations is recognized when the Hospital has the authority to claim or retain the revenue and an event has happened that gives the Hospital the right to the revenue. The amount of revenue from transactions with no performance obligations is recognized at its realizable value when received or receivable.

Contributed materials and services

A substantial number of volunteers contribute a significant amount of time each year to the Hospital.

Due to the difficulty in determining the fair value of these contributed services received directly by the Hospital, these volunteered/contributed services are not recognized or disclosed in the financial statements.

Financial instruments

Financial instruments are financial assets or liabilities of the Hospital that, in general, provide the Hospital the right to receive cash or another financial asset from another party or require the Hospital to pay another party cash or other financial assets.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

All financial instruments reported on the statement of financial position of the Hospital are classified as follows:

Cash	amortized cost
Restricted cash and cash equivalents	amortized cost
Short-term investments	fair value
Accounts receivable	amortized cost
Long-term investments	fair value
Accounts payable and accrued liabilities	amortized cost
Due to/from the Ministry and other ministries	amortized cost
Long-term debt	amortized cost
Provincial capital grant	amortized cost
Obligation – building	amortized cost

Transaction costs on assets measured at fair value are expensed as incurred. Transaction costs incurred in relation to the issuance of long-term debt are netted against the amortized cost.

Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. The Hospital's fair values are management's estimates and are generally determined using market conditions at a specific point in time. The determinations are subjective in nature, involving uncertainties and the exercise of significant judgment.

The Hospital does not hold or issue derivative financial instruments for trading or speculative purposes.

Inventories

Inventories are recorded at the lower of average cost or net replacement value.

Capital assets

Capital assets are recorded at cost. Betterments that extend the estimated life of an asset are capitalized. Contributed capital assets are recorded at fair value at the date of contribution. Maintenance, renovations, repairs and minor replacements to maintain normal operating efficiency are expensed as incurred. Amortization is recorded on a straight-line basis at the following annual rates based on the estimated useful lives of the assets:

Land improvements	2% – 20%
Buildings	2% – 10%
Equipment and information systems	5% – 33%

Construction-in-progress is comprised of direct construction and development costs. No amortization is recorded until construction is substantially complete and the assets are ready for productive use.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Impairment of long-lived assets

An impairment charge is recorded for long-lived assets when a capital asset no longer has any long-term service potential. The impairment loss is calculated as the difference between the net carrying value of the asset over any residual value.

Capital leases

Leases that transfer substantially all of the benefits and risks of ownership are classified as capital leases. Related items are recognized as capital assets at the lower of the present value of the minimum lease payments and the fair value of the leased asset. The discount rate used to determine the present value of the lease payments is the lower of the Hospital's rate of incremental borrowing and the interest rate implicit in the lease. These capital assets are amortized over the shorter of the lease term and the asset's estimated useful life, unless ownership is expected to transfer to the Hospital. All other leases are classified as operating leases and expensed over the lease term.

Short-term investments

Short-term investments comprise short-term deposits or guaranteed investment certificates that are non-redeemable.

Long-term investments

Equity and fixed income securities are carried at fair value. The fair value of securities that are actively traded is valued at the closing bid price on the recognized stock exchange on which the securities are listed or principally traded. Unrealized gains and losses are recorded in the statement of remeasurement gains and losses.

Joint venture

Investments in jointly controlled entities are accounted for using the modified equity method, whereby the investment is initially recorded at cost and adjusted thereafter to recognize the Hospital's share of the jointly controlled entity's net surplus or deficit for its fiscal year ending within the Hospital's fiscal year. Any distributions received are accounted for as a reduction in the investment.

Pension plan

Employees of the Hospital are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer best five consecutive year average pay defined benefit pension plan. Defined contribution accounting is applied to HOOPP since it is a multi-employer defined benefit pension plan and, therefore, the Hospital expenses contributions to the plan in the year the contributions are due.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Employee future benefits

For other non-pension defined benefit plans, the cost of post-employment benefits earned by employees is actuarially determined using the accrued benefit method, pro-rated on service, and management's best estimate of salary escalation (where applicable), retirement ages of employees and expected health-care costs. The discount rate used to determine the accrued benefit obligation is determined by reference to the rate of return on provincial government and corporate bonds for varying durations based on the cash flows expected from the post-employment benefit obligations. Actuarial gains and losses are amortized over the remaining service lives of the employees. Past service costs relating to plan amendments are expensed when incurred.

Asset retirement obligation

The Hospital has legal obligations associated with the retirement from service of buildings and equipment. The Hospital recognizes obligations in relation to retiring tangible capital assets from service in the period in which the obligation arises, which is typically upon acquisition or development of the asset if a reasonable estimate of the obligation can be made.

Asset retirement obligations are measured based on the best estimate of directly attributable expenditures required to settle the obligation. These costs include post-retirement operation, maintenance and monitoring costs that are required after the asset has been removed from service. The amount of the obligation is added to the carrying amount of the associated asset and amortized on a straight-line basis over the estimated remaining useful life of the asset. Asset retirement obligations are reviewed at each statement of financial position date and adjusted based on the facts and circumstances available at that time. Changes to the estimated timing or amount of future asset retirement obligation costs are recognized in the statement of financial position. Once the related tangible capital asset is no longer in productive use, all the subsequent changes in the estimate of the liability for asset retirement obligations and any new obligation that arises in respect of the asset's disposal are recognized as an expense or a gain in the period in which the changes occur.

Public-private partnerships

Public-private partnership infrastructure is procured by the Hospital through contractual arrangements with a private-sector partner to design, build, acquire or improve infrastructure; to provide financing beyond the point at which the infrastructure is ready for use; and to operate or maintain the infrastructure over the contract term.

The Hospital assesses, through the terms and economic substance of the public-private partnership arrangement, whether it controls the infrastructure, or a betterment to infrastructure. Control exists when the Hospital controls (a) the purpose and use of the infrastructure; (b) access to the future economic benefits and exposure to the risks of the infrastructure asset; and (c) any significant residual interest in the infrastructure at the end of the public-private partnership's term. Infrastructure that meets these criteria is recognized as a tangible capital asset.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

The infrastructure asset is initially measured at fair value. If fair value cannot be determined, it is estimated. If fair value cannot be reliably measured, the asset is recognized at the present value of the capital portion of the contract payments, discounted using the implicit contract rate or an appropriate substitute. Total consideration under the arrangement is allocated between infrastructure asset and service components based on their relative fair values, where available, or otherwise using a residual value approach.

When the Hospital recognizes an infrastructure asset arising from a public-private partnership arrangement and is obligated to provide consideration to the private-sector partner, a corresponding financial liability is recognized. The liability is initially measured at the same amount as the related infrastructure asset, net of any consideration provided by the Hospital at the date of recognition. The liability is subsequently measured at amortized cost using the effective interest method.

Measurement uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

A portion of the revenue recognized from the Ministry requires estimation. The Hospital has entered into accountability agreements that set out the rights and obligations of the parties in respect of funding provided to the Hospital by the Ministry for the year ended March 31, 2026. The accountability agreements set out certain performance standards and obligations that establish acceptable results for the Hospital's performance in a number of areas.

If the Hospital does not meet its performance standards or obligations as set out in the agreements or in specific funding letters, the Ministry has the right to adjust funding received by the Hospital. The Ministry is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of the Ministry funding received during a year may be increased or decreased subsequent to year-end. The amount of revenue recognized in these financial statements represents management's best estimates of amounts relating to funding that are reasonably assured of being received and approved.

Actual results could differ from those estimates. Accounts requiring significant estimates include collectibility of accounts receivable, accrued and contingent liabilities, deferred revenue, recoverability and useful lives of capital assets, asset retirement obligations, assets and liabilities arising from public-private partnerships, deferred capital grants and contributions, and employee future benefits. Employee future benefits liabilities are subject to measurement uncertainty because actual results may differ significantly from the Hospital's best long-term estimate of expected results. For example, the difference between actual results and actuarial assumptions regarding health-care cost trend rates for retiree benefits may be significant.

Future accounting standards

In December 2022, the Public Sector Accounting Board (PSAB) issued The Conceptual Framework for Financial Reporting in the Public Sector, which replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

considerations fundamental for the consistent application of accounting issues in the absence of specific standards. The Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026, with early application permitted. The Hospital is currently assessing the impact of this new standard.

In October 2023, PSAB issued PS 1202, Financial Statement Presentation, along with certain other consequential amendments that replaces Section PS 1201, Financial Statement Presentation. The new and amended standards include changes to the presentation of financial statements. The new standards are effective for fiscal years beginning on or after April 1, 2026, with early application permitted if the Conceptual Framework is adopted at the same time. The Hospital is currently assessing the impact of this new standard.

In March 2026, PSAB issued PS 3251, Employee Benefits, which consolidates and replaces current sections of PS 3250 Retirement Benefits and PS 3255 Post-Employment Benefits, Compensated Absences and Termination Benefits. The new standard provides congruent guidance on the recognition, measurement and disclosure of employee benefit obligations in public sector financial statements. PS 3251 is effective for fiscal years beginning on or after April 1, 2029, with early adoption permitted. The Hospital is currently assessing the impact of adopting this new standard.

3 Investments, restricted cash and cash equivalents

	2026 \$	2025 \$
Short-term investments and cash equivalents	1,464	1,116
Restricted cash and cash equivalents	20,928	4,236
	<hr/> 22,392	<hr/> 5,352
Investment in Credit Valley Trillium ProResp Inc.	242	198
Fixed income securities	22,786	20,123
Equity securities	22,244	20,803
	<hr/> 45,272	<hr/> 41,124
Long-term investments	67,664	46,476
	<hr/> 67,664	<hr/> 46,476

Restricted cash and cash equivalents represent Ministry funding received in advance of, or in excess of, expenditures for redevelopment projects, in accordance with the terms and conditions of the applicable funding agreements.

The Hospital has a joint venture agreement with Professional Respiratory Home Care Service Corp., contributing \$0.1 for a 50% interest in Credit Valley Trillium ProResp Inc. As at March 31, 2026, the investment was \$242 (2025 – \$198). The Hospital has a management services agreement with Credit Valley Trillium ProResp Inc. to provide supervisory and management services in return for a management fee. Management fee income of \$235 (2025 – \$350) has been included in the statement of operations as other income.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

The Hospital invested \$45,030 (2025 – \$40,926) in equity and fixed income security investments. These funds are internally restricted for the repayment of the unsecured series A debentures and have been classified as long-term investments accordingly.

The historical cost of equity securities amounted to \$18,029 (2025 – \$17,733) and the historical cost of fixed income securities was \$22,581 (2025 – \$19,518).

4 Accounts receivable – Ministry of Health and other ministries

Included in Ministry of Health and other ministries accounts receivable are amounts related to capital grants and contributions under executed funding agreements for the Trillium HealthWorks projects (note 13).

	2026 \$	2025 \$
Gilgan Family Queensway Health Centre site	455,111	368,503
Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children site	896,535	41,245
Other current accounts receivable – Ministry of Health and other ministries	55,187	61,633
	<u>1,406,833</u>	<u>471,381</u>
Less: Current portion	595,805	207,165
	<u>811,028</u>	<u>264,216</u>

5 Capital assets

	2026		
	Cost \$	Accumulated amortization \$	Net \$
Land	42,154	-	42,154
Buildings and land improvements	1,640,701	676,732	963,969
Equipment and information systems	795,316	606,553	188,763
Construction-in-progress			
Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children site	1,461,696	-	1,461,696
Gilgan Family Queensway Health Centre site	797,345	-	797,345
Other construction-in-progress	13,702	-	13,702
	<u>2,272,743</u>	<u>-</u>	<u>2,272,743</u>
Other	2,893	-	2,893
	<u>4,753,807</u>	<u>1,283,285</u>	<u>3,470,522</u>

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

	2025		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Land	42,154	-	42,154
Buildings and land improvements	1,614,562	626,740	987,822
Equipment and information systems	755,855	569,846	186,009
Construction-in-progress			
Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children site	378,203	-	378,203
Gilgan Family Queensway Health Centre site	542,927	-	542,927
Other construction-in-progress	19,328	-	19,328
	940,458	-	940,458
Other	2,893	-	2,893
	<u>3,355,922</u>	<u>1,196,586</u>	<u>2,159,336</u>

Construction-in-progress includes direct construction and development costs, including capitalized interest, incurred under Trillium HealthWorks project agreements (note 13) and other ancillary project costs.

6 Credit facilities

The Hospital has an available line of credit of \$200,000 (2025 – \$100,000) at the Royal Bank of Canada at prime rate minus 1.15%. As at March 31, 2026, \$5,263 (2025 – \$5,401) was utilized for letters of credit. The Hospital also has an available undrawn line of credit for leases of \$30,000 (2025 – \$30,000).

7 Deferred capital grants and contributions

Deferred capital grants and contributions include the unamortized balance of funding received from the Ministry for approved capital construction projects and the unamortized and unspent amounts of restricted donations from the Foundation and other sources, which were specified for and will be used for future capital asset acquisitions and development.

The changes for the year in the deferred balance reported in these funds are as follows:

	2026	2025
	\$	\$
Balance – Beginning of year	1,634,664	1,221,023
Amortized to revenue during the year	(42,327)	(40,530)
Amount received or receivable	1,312,953	454,171
	<u>2,905,290</u>	<u>1,634,664</u>

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

The investment in capital assets comprises the following:

	2026 \$	2025 \$
Capital assets (note 5)	3,470,522	2,159,336
Amounts financed by deferred capital grants and contributions	(2,905,290)	(1,634,664)
Amounts financed by long-term debt	(139,480)	(140,269)
	<u>425,752</u>	<u>384,403</u>

8 Long-term debt

	2026 \$	2025 \$
Loan due on December 1, 2036, interest at 4.87%, requiring monthly principal and interest payments of \$195, unsecured	19,636	20,995
Senior unsecured series A debentures at par value of \$200,000, net of unamortized transaction costs of \$998, due on December 20, 2058, interest at 3.702%, requiring principal repayment at maturity date	<u>199,002</u>	<u>198,970</u>
	218,638	219,965
Less: Current portion	<u>1,425</u>	<u>1,358</u>
	<u>217,213</u>	<u>218,607</u>

On December 1, 2006, the Hospital entered into a fixed rate unsecured loan agreement in the amount of \$30,000 for a term of 30 years.

On December 20, 2018, the Hospital issued unsecured debentures through a private placement, primarily to fund the development and implementation of the new hospital information system. Interest is payable semi-annually on June 20 and December 20.

Total interest paid on long-term debt in the current year was \$7,434 (2025 – \$8,491).

Required principal repayments on the long-term debt are as follows:

	\$
2027	1,425
2028	1,496
2029	1,571
2030	1,649
2031	1,731
Thereafter	<u>210,766</u>
	<u>218,638</u>

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

9 Asset retirement obligation

The Hospital's asset retirement obligations include estimates of costs associated with post-asset retirement activities, post-asset retirement operations, maintenance and monitoring costs that are required after the asset has been removed from service.

The Hospital recognized a liability estimated as the present value of the future cash flows required to settle these asset retirement obligations.

A reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation is as follows:

	2026 \$	2025 \$
Balance – Beginning of year	36,417	38,830
Accretion expense	39	11
Settlement of asset retirement obligation	-	(561)
Gain on settlement of asset retirement obligation	-	(1,863)
	<hr/>	<hr/>
Balance – End of year	36,456	36,417

10 Employee future benefits

Pension plan

HOOPP is a multi-employer best five consecutive year average pay defined benefit pension plan. Enrolment in HOOPP is mandatory for full-time staff on the hire date. Part-time employees may qualify for optional membership. During the year, contributions made to the plan by the Hospital amounted to \$72,028 (2025 – \$70,402) and are included in salaries, wages and employee benefits in the statement of operations.

The most recent actuarial valuation as at December 31, 2025 indicated the plan is funded at 109%.

Employee future benefits

Certain employees of the Hospital are entitled to post-employment benefits. These include dental, extended healthcare and life insurance post-retirement. The Hospital recognizes the present value of its obligation from these benefits as they are earned. The date of the last actuarial valuation was March 31, 2026.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

The annual cost of employee future benefits is included in salaries, wages and employee benefits in the statement of operations.

	2026	2025
	\$	\$
Accrued benefit obligation – Beginning of year	24,556	23,779
Interest on accrued benefits	1,118	1,127
Current period benefit cost	1,282	1,229
Benefit payments	(1,971)	(2,074)
Actuarial (gains) losses	(9,194)	495
	<hr/>	<hr/>
Accrued benefit obligation – End of year	15,791	24,556
Unamortized actuarial gains	19,892	11,634
	<hr/>	<hr/>
Liability for post-retirement benefits – End of year	<u>35,683</u>	<u>36,190</u>
Expense recorded in the statement of operations		
Current period benefit cost	1,282	1,229
Amortization of actuarial gains – net	(936)	(931)
Interest expense	1,118	1,127
	<hr/>	<hr/>
	1,464	1,425
	<hr/>	<hr/>
	2026	2025
Significant assumptions		
Discount rate – accrued benefit obligation (%)	4.8	4.5
Expected average remaining service years to retirement	16	16
Dental cost trend rates	4% per annum in 2027 – 2030, decreasing to an ultimate rate of 3.57% per annum	5% per annum in 2023 – 2027, decreasing to an ultimate rate of 3.57% per annum
Extended health-care trend rates	6.6% per annum in 2027 – 2030, decreasing to an ultimate rate of 3.57% per annum	5.6% per annum in 2023 – 2027, decreasing to an ultimate rate of 3.57% per annum

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

11 Related party transactions and balances

The Hospital has an economic interest in the Foundation. The Foundation raises funds to support operating initiatives and capital projects of the Hospital. The Hospital does not exercise control or significant influence over the Foundation; consequently, the financial statements do not include the assets, liabilities and activities of the Foundation.

During the year, related party transactions with the Foundation include the following:

	2026 \$	2025 \$
Capital grants and contributions received	52,193	2,001
Operating contributions	10,172	11,013
	<u>62,365</u>	<u>13,014</u>

The Hospital provides the Foundation with information technology support and payroll administration services at no cost. Salaries, benefits and certain miscellaneous expenses are paid by the Hospital and are reimbursed by the Foundation. During the year, reimbursements made by the Foundation for these expenses were \$8,449 (2025 – \$7,760).

During the year, the Foundation provided the Hospital with a \$50,000 contribution towards the Trillium HealthWorks Local Share Plan (note 13), which has been recorded as a deferred capital grant in the statement of financial position.

Any accounts receivable with the Foundation are settled monthly through the collection of monies from the Foundation. As at March 31, 2026, there was \$949 (2025 – \$2,137) outstanding and recorded in other accounts receivable in the statement of financial position.

The Hospital leases the long-term care home on Speakman Drive in Mississauga to Partners Community Health (PCH). PCH is a not-for-profit charitable corporation, whose mandate is to bring seniors' health-care services to the people living in Mississauga and West Toronto. The Hospital is the sole voting member of PCH.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

The summary of financial statement balances for this non-consolidated entity as at March 31 is as follows:

	2026 \$	2025 \$
Financial position		
Total assets	28,109	25,352
Total liabilities	(27,935)	(27,916)
	<hr/>	<hr/>
Net assets	174	(2,564)
	<hr/>	<hr/>
Results of operations		
Total revenue	85,743	79,525
Total expenses	(83,005)	(77,835)
	<hr/>	<hr/>
Surplus for the year	2,738	1,690
	<hr/>	<hr/>

There were cash inflows of \$4,994 (2025 – \$654) from operating activities, outflows of \$nil (2025 – \$147) from capital activities and outflows of \$1,327 (2025 – \$250) from financing activities.

As at March 31, 2026, PCH owed the Hospital \$1,568 (2025 – \$3,918).

12 Contingencies and guarantees

The Hospital is a member of the Healthcare Insurance Reciprocal of Canada (HIROC) and, therefore, has an economic interest in HIROC. HIROC is a not-for-profit insurance reciprocal. All members of the reciprocal pay annual premiums, which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the reciprocal for the years in which they are members, and these losses could be material. No reassessments have been made to March 31, 2026.

Since its inception in 1987, HIROC has accumulated an unappropriated 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 who 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 unappropriated surplus at the time such distributions are declared by the Board of Directors of HIROC.

Effective January 1, 2015, the Hospital entered into an agreement with HIROC Management Limited whereby HIROC will continue to provide indemnity insurance to the Hospital; however, the cost of investigating and defending any litigation claim will be paid by the Hospital. The Hospital has appointed HIROC Management Limited to act as agent for the Hospital for such claims, in accordance with an agency agreement. Costs associated with claims arising prior to January 1, 2015 will be borne by HIROC. As at March 31, 2026, a liability for estimated legal defence costs and related agent fees of \$7,799 (2025 – \$7,237) has been recognized in the statement of financial position. Of this amount, \$916 (2025 – \$845) is expected to be settled within the next fiscal year and is included in accounts payable and accrued liabilities. During fiscal 2026, claims defence costs of \$2,098 (2025 – \$1,658) were recognized in the statement of operations within facilities, maintenance and other operating expenses.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Effective April 1, 2024, the Hospital entered into a service agreement with Mohawk Medbuy Corporation for the provision of supply chain solutions in strategic sourcing, purchasing, logistics, contract management, legislative compliance and data management services. As a participating member alongside other hospitals, the Hospital leverages regional and provincial-scale procurements for goods, services, equipment and IT solutions, enabling more favourable pricing and operational efficiencies through shared service delivery.

Indemnity has been provided to all directors and officers of the Hospital for various items including, but not limited to, all costs to settle suits or actions due to association with the Hospital, subject to certain restrictions. The Hospital has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of indemnification is not explicitly defined but is limited to the period over which the indemnified party served as a director or officer of the Hospital. The maximum amount of any potential future payment cannot be reasonably estimated.

13 Trillium HealthWorks

The Hospital is undertaking a broader redevelopment project encompassing the Mississauga and Queensway sites, which will include the future Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children, and the Gilgan Family Queensway Health Centre (collectively, Trillium HealthWorks).

Under the related funding agreements, the Ministry is funding a substantial portion of the construction and financing costs associated with these projects (note 4). The Hospital is responsible for funding the remaining share of these costs through its Local Share Plan, which includes Foundation and municipal grants, investment income and other sources.

Operating funding from the Ministry related to incremental operating costs of the new facilities is expected to commence following their substantial completion. The capital and operating grants from the Ministry do not reduce the Hospital's contractual payment obligations under the agreements described below.

(a) Gilgan Family Queensway Health Centre

Effective February 8, 2024, the Hospital entered into a fixed-price project agreement with a private-sector partner for the design, construction and construction-phase financing of the Gilgan Family Queensway Health Centre in Etobicoke. Construction of the nine-storey, 600,000-square-foot facility commenced in February 2024, with substantial completion expected in early 2029, at which time ownership of the facility will transfer to the Hospital. The agreement does not include service or lifecycle maintenance obligations of the private-sector partner beyond the construction phase.

The Hospital is responsible for construction and financing payments during construction. Payments are subject to variability due to timing of milestone achievement and agreed-upon variations.

The project agreement includes provisions for early termination options, available to both parties if either is in default of the agreement, due to relief event or due to force majeure. The Hospital has the option to terminate for convenience with prior consent from the Ministry.

The Hospital's capital commitments related to this project are disclosed in note 15.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

(b) Managed Equipment Services Agreement

Effective October 31, 2024, the Hospital entered into a Managed Equipment Services Agreement with a private-sector partner for the procurement, financing, maintenance and replacement of medical, clinical and diagnostic equipment across the Hospital's three main sites. Services and related annual service payments are expected to commence in April 2028, beginning with the Gilgan Family Queensway Health Centre, followed by the Credit Valley Hospital, and subsequently the Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children. The agreement term is up to fifteen years at each site, with an optional additional term of ten years.

Under the arrangement, the private-sector partner is responsible for equipment procurement, financing, equipment availability and lifecycle maintenance. Ownership of the equipment transfers to the Hospital at the end of each asset's lifecycle. Payments under the agreement consist of capital lease payments and ongoing lifecycle maintenance payments over the term of the arrangement. Payments are subject to variability due to performance-based deductions, inflation indexation and agreed-upon variations.

The agreement includes provisions for early termination options, available to both parties if either is in default of the agreement, due to relief event or due to force majeure. The Hospital has the option to terminate for convenience at its own discretion.

As equipment is acquired, the Hospital recognizes a capital asset and a corresponding capital lease obligation in accordance with its policy on the capitalization of leased tangible assets. Procurement, maintenance and support services are expensed as incurred in the statement of operations based on their relative fair value at the time the services are provided, as determined by contractual pricing. Differences in the timing of activities and related cash flows may result in the recognition of a deferred liability or a prepaid asset on the statement of financial position.

The Hospital's related operating and capital commitments are disclosed in notes 14 and 15, respectively.

(c) Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children

Effective July 10, 2025, the Hospital entered into a fixed-price public-private partnership project agreement with a private-sector partner to design, build, finance and maintain the Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children. Construction of the 22-storey, 2,800,000-square-foot facility commenced in July 2025, with substantial completion expected in the spring of 2033, at which time ownership of the infrastructure asset will transfer to the Hospital. The private-sector partner is responsible for financing and providing building maintenance and lifecycle services over a thirty-year period through to March 2064.

Under the agreement, the private-sector partner bears construction, financing and lifecycle maintenance risks, while the Hospital retains responsibility for clinical operations and service delivery. The Hospital is responsible for construction and financing-related payments during and following construction, and ongoing lifecycle and building maintenance payments over the term of the arrangement. Payments are subject to variability due to milestone achievement, performance-based deductions, as well as adjustments for inflation, labour costs, insurance costs and agreed-upon variations.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

The project agreement includes provisions for early termination options, available to both parties if either is in default of the agreement, due to relief event or due to force majeure. The Hospital has the option to terminate for convenience with prior consent from the Ministry.

The Hospital recognizes the constructed asset at cost, measured as the present value of contractual payments associated with the infrastructure, including construction-period and future capital payments, discounted to the date of substantial completion using a rate that reflects the financing of the arrangement. A corresponding building obligation is recognized in the statement of financial position and is subsequently reduced by payments allocated to the obligation. Future lifecycle payments will be assessed to determine whether they represent betterments or operating and maintenance expenses. Where lifecycle expenditures meet the definition of betterments and the Hospital controls the related future economic benefits, such amounts will be capitalized to the carrying amount of the asset. Other lifecycle and maintenance service payments will be expensed as operating and maintenance expenses, allocated based on their relative fair value at the time of service provision, as determined from the contractual pricing.

The Hospital's related operating and capital commitments are disclosed in notes 14 and 15, respectively.

14 Operating commitments

Operating commitments include equipment lifecycle maintenance payments under the Managed Equipment Services Agreement, and building lifecycle maintenance payments related to the Peter Gilgan Mississauga Hospital and Shah Family Hospital for Women and Children public-private partnership (note 13), and other operating lease commitments.

	\$
2027	3,671
2028	3,297
2029	4,567
2030	4,765
2031	7,915
Thereafter	<u>3,726,570</u>
	<u>3,750,785</u>

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

15 Capital commitments

Due to the timing of payments under the Trillium HealthWorks project agreements (note 13), the Hospital has recorded a building obligation reflecting scheduled payments in accordance with the contractual terms, as follows:

	\$
2027	425,604
2028	1,037,728
2029	<u>49,556</u>
	1,512,888
Less: Current portion	<u>425,604</u>
	<u>1,087,284</u>

Future commitments not included in the building obligation are as follows:

	\$
2028	204,332
2029	2,059,307
2030	1,783,330
2031	1,109,451
Thereafter	<u>5,313,983</u>
	10,470,403
Amount representing non-capitalized interest	<u>(2,091,517)</u>
	<u>8,378,886</u>

Future minimum equipment capital lease payments under Trillium HealthWorks project agreements (note 13) are as follows:

	\$
2029	912
2030	5,247
2031	6,827
Thereafter	<u>454,302</u>
	467,288
Amount representing interest	<u>(83,530)</u>
	<u>383,758</u>

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

16 Financial instruments

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair value measurements are those derived from 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); and
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Hospital's financial assets measured at fair value, which include short-term investments and long-term investments are grouped into Level 1.

Risks arising from financial instruments and risk management

The Hospital is exposed to a variety of financial risks including credit risk, liquidity risk and market risk. The Hospital's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Hospital's financial performance.

- Credit risk

The Hospital's principal financial assets are cash, restricted cash and cash equivalents, short-term investments, accounts receivable and long-term investments, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent the Hospital's maximum credit exposure as at the statement of financial position date.

The Hospital's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the statement of financial position are net of an allowance for doubtful accounts, estimated by management of the Hospital based on previous experience and its assessment of the current economic environment. The Hospital does not have any significant past due accounts receivable that are not provided for. The Hospital is exposed to credit risk in the event of non-payment by patients for non-insured services and services provided to non-resident patients. The risk is common to hospitals as they are required to provide care to patients regardless of their ability to pay for the services provided.

Trillium Health Partners

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

As at March 31, 2026, the following patient accounts receivable were past due but not impaired, partly due to timing of insurance claims for services to patients provided under the Ontario Health Insurance Plan:

	30 days \$	60 days \$	90 days \$	120 days \$
Accounts receivable	11,573	3,203	981	5,986

The credit risk on cash and restricted cash and cash equivalents is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies. The Hospital's investments in short and long-term investments are exposed to credit risk. Risk arising from investment activities is managed by the Hospital through its Statement of Investment Policies and Procedures that establishes criteria for the selection of investments, including benchmarks for the creditworthiness of entities.

- Liquidity risk

Liquidity risk results from the Hospital's potential inability to meet its obligations associated with the financial liabilities as they come due. The Hospital monitors its operations and cash flows to ensure current and future obligations will be met. The Hospital believes its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

The maturity analysis of the Hospital's long-term debt is described in note 8. The maturity of the building obligation is described in note 15. Actual payments may differ from scheduled amounts due to construction progress or timing of milestone achievement, with the overall exposure constrained by contractual caps and defined payment schedules. The majority of the accounts payable and accrued liabilities are expected to be settled in the next fiscal year.

- Market risk

The Hospital is exposed to interest rate risk and price risk with regard to its short and long-term investments and interest rate risk on its long-term debt, all of which are regularly monitored. The Hospital's Statement of Investment Policies and Procedures is designed to mitigate the impact of interest rate risk and price risk on investments. The interest rate risk on long-term debt is managed by entering into long maturity fixed rate borrowings (note 8).

17 Ministry of Health and other ministries

Included in Ministry of Health and other ministries revenue on the statement of operations is \$1,394 (2025 – \$1,394) related to the funding of the Centre for Complex Diabetes Care Program.