
Financial statements of Runnymede Healthcare Centre

March 31, 2026

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Independent Auditor's Report

To the Board of Directors of
Runnymede Healthcare Centre

Opinion

We have audited the financial statements of Runnymede Healthcare Centre (the "Corporation"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, remeasurement gains and losses, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing the Corporation'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 GAAS 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 GAAS, we exercise professional judgement 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 Corporation'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 Corporation'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 Corporation 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of entities or business units within the Corporation as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP


Chartered Professional Accountants
Licensed Public Accountants
June 1, 2026

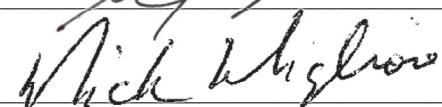
Runnymede Healthcare Centre
Statement of financial position
As at March 31, 2026

	Notes	2026 \$	2025 \$
Assets			
Current assets			
Cash	5	5,442,943	7,568,312
Short term investments	6	3,423,448	7,860,600
Patient and sundry accounts receivable, net		3,248,260	27,036,659
Current portion Due from RLTC	7	1,382,773	—
Harmonized Sales Tax rebate		178,909	416,522
Supplies and prepaid expenses		773,443	747,924
		14,449,776	43,630,017
Due from RLTC	7	59,653,293	—
Capital assets	8	84,158,996	164,516,721
		158,262,065	208,146,738
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		9,401,708	29,483,305
Current portion of long-term debt	10	1,367,219	—
Deferred revenue	9(a)	5,320,640	5,828,836
		16,089,567	35,312,141
Deferred capital contributions	9(b)	51,385,896	68,091,679
Long-term debt	10	58,380,082	70,042,658
Employee future benefits	12(c)	3,368,800	3,092,100
		129,224,345	176,538,578
Commitments and contingencies	13 and 14		
Net assets (deficiency)			
Invested in capital assets	11(a)	32,773,100	26,382,384
Internally restricted	15	23,529,073	23,529,073
Unrestricted		(27,049,030)	(18,072,774)
		29,253,143	31,838,683
Accumulated remeasurement (losses)		(215,424)	(230,523)
		29,037,720	31,608,160
		158,262,065	208,146,738

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

On behalf of the Board


_____, President & Chief Executive Officer


_____, Director

Runnymede Healthcare Centre

Statement of operations

Year ended March 31, 2026

	Notes	2026 \$	2025 \$
Revenue			
Ministry of Health		49,019,933	47,888,607
Co-payment and preferred accommodation income		2,563,271	2,208,455
Ancillary and other revenue		8,359,486	4,056,407
Investment income		446,967	5,598,083
Amortization of deferred capital equipment contributions	11(c)	125,973	109,426
		60,515,630	59,860,978
Expenses			
Salaries		34,276,407	33,500,806
Employee benefits		10,588,032	10,405,843
Contracted services		3,974,945	3,748,304
Building and equipment repairs and maintenance		1,434,292	1,353,024
Utilities		835,678	753,780
Food		1,123,555	1,289,368
Medical and surgical supplies		1,190,038	1,180,194
Drugs		686,879	688,494
Professional fees		2,511,836	4,489,461
Supplies and other		2,345,492	2,087,390
Amortization of capital equipment	11(c)	1,397,368	1,556,545
		60,364,522	61,053,209
Excess (deficiency) of revenue over expenses before the undernoted		151,108	(1,192,231)
Amortization of deferred capital building contributions	11(c)	1,819,867	1,967,251
Amortization of building	11(c)	(2,281,317)	(2,011,891)
Interest on long-term borrowing		(2,275,198)	—
		(2,736,648)	(44,640)
Deficiency of revenue over expenses for the year		(2,585,540)	(1,236,871)

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

Runnymede Healthcare Centre
Statement of remeasurement gains and losses
Year ended March 31, 2026

	2026	2025
	\$	\$
Accumulated remeasurement (losses)/gains, beginning of year	(230,523)	4,198,327
Unrealized remeasurement gains attributable to investments	322,710	730,198
Amounts reclassified to the statement of operations	(307,611)	(5,159,048)
Accumulated remeasurement (losses), end of year	(215,424)	(230,523)

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

Runnymede Healthcare Centre
Statement of changes in net assets
Year ended March 31, 2026

	Notes	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	2026 Total \$	2025 Total \$
		(Note 11)	(Note 15)			
Balance, beginning of year		26,382,384	23,529,073	(18,072,774)	31,838,683	33,075,554
Deficiency of revenue over expenses for the year	11(c)	(1,731,111)	—	(854,429)	(2,585,540)	(1,236,871)
Net change in net assets invested in capital assets	11(b)	8,121,827	—	(8,121,827)	—	—
Balance, end of year		32,773,100	23,529,073	(27,049,030)	29,253,143	31,838,683

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

Runnymede Healthcare Centre**Statement of cash flows**

Year ended March 31, 2026

	2026	2025
	\$	\$
Operating activities		
Deficiency excess of revenue over expenses for the year	(2,585,540)	(1,236,871)
Add (deduct) items not involving cash		
Amortization of capital assets	3,676,951	3,568,436
Non-pension post-employment benefits expense	337,700	306,000
Non-pension post-employment benefits paid	(61,000)	(59,500)
Amortization of deferred capital contributions	(1,945,840)	(2,076,677)
	(577,729)	501,388
Net change in non-cash working capital balances		
Patient and sundry receivable	23,788,399	(21,546,335)
Harmonized Sales Tax rebate	237,613	(75,217)
Supplies and prepaid expenses	(25,519)	27,578
Accrued interest on due from RLTC	(26,724)	
Accounts payable and accrued liabilities	(20,081,597)	14,625,103
Deferred operating revenue	(508,196)	1,383,563
	2,806,247	(5,083,920)
Capital activity		
Purchase of capital assets	(13,036,631)	(42,394,704)
	(13,036,631)	(42,394,704)
Investing activity		
Proceeds on disposition of investments, net	4,452,252	14,872,786
Financing activities		
Repayments from RLTC	10,363,160	—
Advances to RLTC	(1,600,000)	—
Repayment of long-term debt	(10,796,979)	—
New debt acquired	501,622	16,125,479
Deferred capital contributions received	5,184,960	20,680,394
	3,652,763	36,805,873
Net increase in cash during the year	(2,125,369)	4,200,035
Cash, beginning of year	7,568,312	3,368,277
Cash, end of year	5,442,943	7,568,312

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

1. Purpose of the organization

Runnymede Healthcare Centre (the "Corporation"), a corporation without share capital under the *Corporations Act* (Ontario), provides inpatient rehabilitative and complex continuing care to the residents of Toronto.

The Corporation is a charitable organization registered under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as an organization registered under the Act, the Corporation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Under the Local Health System Integration Act, 2006, the Ministry of Health ("MOH") assigned to the Toronto Central Local Health Integration Network ("LHIN"), all its rights, duties and obligations. The LHIN has full responsibility for planning, funding and integrating health services in their defined area. Funding is provided to the Corporation for defined health services and volumes formalized through the Hospital Service Accountability Agreement (HSAA), between the LHIN and the Corporation.

On November 1, 2016, the Corporation was notified that 70 complex continuing care beds were to be reclassified to 70 Rehabilitation beds effective April 1, 2017. The reclassification requires the Corporation to meet certain conditions including meeting HSAA obligations including the obligation for a balanced budget.

Effective April 1, 2021, Ontario Health ("OH") assumed all responsibilities of the LHIN as it relates to the Corporation. In addition, all agreements between the Corporation and the LHIN were transferred to OH.

2. Significant accounting policies

Financial statement presentation

These financial statements have been prepared by Management in accordance with Canadian Public Sector Accounting Standards ("PSAS") for government not-for-profit organizations. These financial statements do not include the assets, liabilities or operations of Runnymede Healthcare Centre Charitable Corporation (the "Foundation"), a related non-controlled organization (Note 13) nor do they include (as of October 1, 2025) the assets, liabilities or operations of Runnymede Long-Term Care (Note 3).

Basis of presentation

The activities of the Corporation are reflected in the various funds:

- Invested in capital assets - Reflects the investment of the Corporation in capital assets net of external funding.
- Internally restricted - Reflects funds that have been designated by the Board of Directors for specific purposes.
- Unrestricted - Reflects the transactions of the Corporation that are not subject to any restrictions by the Board or from an external funding agency or donor.

Revenue recognition

The Corporation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

2. Significant accounting policies (continued)

Revenue recognition (continued)

The Corporation has entered into accountability agreements that set out the rights and obligations of the parties in respect of funding provided to the Corporation by OH, previously the LHIN, beginning for the year ended March 31, 2008, and for subsequent years. The accountability agreements set out certain performance standards and obligations that establish acceptable results for the Corporation's performance in a number of areas. If the Corporation does not meet its performance standards or obligations, the OH has the right to adjust funding received by the Corporation. The OH is not required to communicate funding adjustments until after submission of year end data. Since this data is not submitted until after the completion of the financial statements, the amount of the OH 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 that have been earned during the year.

Funding authorized by the MOH, and/or OH as of the end of the fiscal year, and for which a specific purpose or use has been identified, are recognized as revenue when there is reasonable assurance that the Corporation has complied with, and will continue to comply with, the conditions necessary to earn the funding. The recognition of revenue associated with this funding requires management to make estimates and assumptions based on the best information available at the time of the preparation of these financial statements. Final funding approved is subject to the funders' reconciliation process and could differ from these estimates.

Funding for which revenue has been earned but not received as at the end of the fiscal year is recognized as accounts receivable. Where a portion of funding relates to performance requirements in a future fiscal period, it is deferred and included as deferred revenue.

Revenue from transactions with performance obligations is recognized when the Corporation satisfies the performance obligations.

Financial instruments

The Corporation initially recognizes financial instruments at fair value and subsequently measures them at amortized cost, except for investments which are remeasured at fair value.

The carrying value of cash, patient and sundry accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The fair value of investments is based on quoted prices in an active market for identical financial assets. Transaction costs are expensed as incurred.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight-line basis over the estimated useful life of the assets as follows:

Building	40 years
Building service equipment	15 years
Equipment	3-15 years
Furniture and fixtures	10 years
Information technology equipment	5 years
Software	3 years

Construction in progress is recorded at cost and will be transferred to the appropriate capital asset category and amortized when the capital asset is put into use.

2. Significant accounting policies (continued)

Impairment of long-lived assets

When conditions indicate a tangible capital asset no longer contributes to the Corporation's ability to provide services or that the value of the future economic benefits associated with the tangible capital assets is less than its net book value, then the net book value of the tangible capital asset will be reduced to reflect the decline in the assets value.

Supplies

Supplies are valued at the lower of cost and current replacement cost.

Deferred contributions

Deferred restricted contributions represent restricted donations which are to be used for future capital or other areas of greatest need.

Deferred capital contributions represent capital grants, restricted capital donations or amounts designated for capital and are amortized over the life of the related capital asset.

Employee benefit plans

(a) Multi-employer plan

Substantially all of the employees of the Corporation are eligible to be members of the Healthcare of Ontario Pension Plan ("HOOPP" or the "Plan"), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Defined contribution plan accounting is applied to reflect the Corporation's contributions to HOOPP as the Corporation has insufficient information to apply defined benefit plan accounting.

(b) Accrued post-employment benefits

The Corporation accrues its obligations under non-pension employee benefit plans as employees render services and has adopted the following policies:

- (i) The cost of non-pension post-employment benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate assumptions.
- (ii) Past service costs from plan amendments are recognized immediately.
- (iii) The cumulative unamortized balance of the net actuarial gains (losses) are amortized over the expected average remaining service life to retirement of active employees. The expected average remaining service life of active employees to retirement is 18 years.
- (iv) Liabilities are discounted using the yield on Ontario Provincial bonds plus 60% of the spread between the Ontario provincial bond yields and AA corporate bond yields at March 31, 2026.

Use of estimates and assumptions

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include MOH, and/or OH revenue and deferred operating revenue, certain accrued liabilities, employee future benefits liability, harmonized sales tax rebate and the net book value of capital assets which is based on estimated useful lives of the various capital asset categories.

3. Change in Reporting Entity

During the year, the Hospital ceased to control Runnymede Long-Term Care effective October 1, 2025. The Subsidiary was consolidated up to the date control ceased. At that date, the Subsidiary's net assets consisted of capital assets, related deferred capital contributions and an amount due to the Hospital as follows:

	\$
Capital assets	89,717,405
Deferred capital contributions	19,944,903
Due to Hospital	69,772,502
	89,717,405
Net assets	—

Upon loss of control, these balances were derecognized and no gain or loss was recognized

4. Financial instruments and risk management

Fair value hierarchy

Subsequent to initial recognition financial instruments which are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the 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.

All of the Corporation's investments are valued using level 1 fair value measurements as at March 31, 2026 and 2025.

The Corporation, through its financial assets and liabilities has exposure to the following risks from its use of financial instruments: market risks and credit risk.

Market risks

Price risk

Price risk is the risk that changes in the prices of the Corporation's investments will affect the Corporation's income or value of its financial instruments. The value of an investment will fluctuate as a result of changes in market conditions, whether these changes are specific to an individual investment or factors affecting all securities traded in the market.

Foreign currency risk

Foreign currency exposure arises from holdings of foreign currency denominated investments. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value of these investments.

4. Financial instruments and risk management (continued)

Credit risk

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

The Corporation's credit risk is primarily attributable to its patient and sundry accounts receivables. The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by the management of the Corporation based on previous experience and its assessment of the current economic environment.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate due to changes in the market interest rates. The interest rate exposure of the Corporation arises from its interest-bearing assets, its post retirement benefit obligation and its long-term debt.

5. Restricted cash

Cash includes restricted cash of \$122,885(\$38,218 in 2025) relating to patient funds held in trust of \$666(\$646 in 2025) and volunteer funds of \$122,219 (\$37,572 in 2025).

6. Investments

Investments are comprised of the following:

	Cost	2026 Fair value	Cost	2025 Fair value
	\$	\$	\$	\$
Cash held by Custodian	1,268	1,268	7,808	7,808
Mutual funds	3,066,804	3,066,804	7,512,516	7,522,492
Canadian equities	570,800	355,375	570,800	330,300
	3,638,872	3,423,447	8,091,124	7,860,600

7. Due from related party

	Principal	Accrued Interest	Total
	\$	\$	
Construction loan	59,409,342	—	59,409,342
Working capital advance	1,600,000	26,724	1,626,724
	61,009,342	26,724	61,036,066
Less current portion	1,382,773	—	1,382,773
Long-term portion	59,626,569	26,724	59,653,293

7. Due from related party (continued)

Construction Loan

The Corporation has entered into an on-lending arrangement with RLTC, a related not-for-profit entity, pursuant to a loan agreement effective June 16, 2022. The Corporation obtained financing from the Ontario Financing Authority and on-lent such funds to RLTC to finance the construction of a 200-bed long-term care facility (the "Project"). The loan bears fixed interest at 4.55% per annum and is repayable in accordance with the terms of the agreement and the related amortization schedule.

Working capital advance

During the year the Corporation advanced RLTC a working capital loan of \$1,600,000. The loan bears interest at 4.55% per annum is unsecured and has a 5 year term. The balance owing at March 31, 2026, includes the principal plus accrued interest of 26,724. This balance is unsecured and bears interest at a rate of 4.55%

8. Capital assets

	Cost \$	Accumulated amortization \$	2026 Net book value \$	2025 Net book value \$
Land	5,426,129	—	5,426,129	5,426,129
Building	97,465,196	(31,654,838)	65,810,358	46,485,720
Building service equipment	1,280,737	(623,830)	656,907	332,190
Equipment	18,481,176	(14,198,486)	4,282,690	3,692,496
Furniture and fixtures	1,802,811	(1,754,695)	48,116	60,969
Information technology equipment and software	4,593,854	(4,319,693)	274,161	621,492
Construction in progress	7,660,635	—	7,660,635	107,897,726
	136,710,538	(52,551,542)	84,158,996	164,516,721

Construction in progress

Construction in progress (CIP) represents costs incurred to date for capital projects that have not yet been placed into service. As at March 31, 2026, the Corporation's CIP consists of the following:

	2026 \$	2025 \$
Runnymede long term care facility	—	102,953,473
First responder wellness and rehabilitation services	7,521,825	4,771,181
Other capital projects	138,810	173,072
Total construction in progress	7,660,635	107,897,726

8. Capital assets (continued)

During the current fiscal year \$13,236,068 of construction in process related to a portion of the long-term care facility retained by the Hospital was transferred to capital assets when the long-term care facility reached substantial completion at which time amortization commenced. An amount of \$89,717,405 representing the asset owned by RLTC is no longer included (Note 3).

The Corporation has commenced a major capital initiative: the *First Responder Wellness and Rehabilitation Services* project. This initiative will provide comprehensive post-traumatic stress injury (PTSI) support to first responders through the development of two purpose-built facilities:

- *Caledon Recovery Centre*: A 40-bed residential facility for clients requiring extended support
- *Station N° 3434*: A six-story outpatient clinic serving as the central hub for PTSI and occupational stress injury treatment.

The Ministry of Health, through Infrastructure Ontario, has earmarked \$10.7 million for this project. As at March 31, 2026, \$2,537,418 of these funds are included in accounts receivable.

Project completion is currently anticipated for 2030. Costs capitalized to date includes primarily the pre-planning, preliminary design, site preparation and professional fees.

9. Deferred contributions

(a) Restricted

Deferred revenue represents unspent externally restricted contributions. Funds received for capital additions are transferred and accounted for as a deferred capital contributions when the related capital expenditures are incurred. Funds designated for non-capital items are recognized as revenue in the year the related expenditures are incurred.

(b) Capital

Deferred capital contributions represent the unamortized amounts of grants received or receivable and other capital donations for the purchase or development of capital assets. Amortization of deferred capital contributions of \$1,945,840 (\$2,076,677 in 2025) is recorded as revenue in the statement of operations. The changes in the deferred capital contributions are as follows:

	2026 \$	2025 \$
Deferred capital contributions, beginning of year	68,091,679	49,487,962
Contributions received during the year	5,184,960	20,680,394
	73,276,639	70,168,356
Derecognition of RLTC (Note 3)	(19,944,903)	—
	53,331,736	70,168,356
Less: amortization of deferred contributions - capital	(1,945,840)	(2,076,677)
Deferred capital contributions, end of year	51,385,896	68,091,679

10. Long-term debt

The Corporation has a loan through the Ontario Financing Authority (OFA) as follows:

	2026	2025
	\$	\$
Facility 1 - implementation variable rate loan	—	70,042,658
Facility 2 -fixed rate loan	59,747,301	—
	59,747,301	70,042,658
Less current portion	1,367,219	—
Long-term portion	58,380,082	70,042,658

The loan agreement with OFA allowed for maximum principle draws of up to \$65,000,000 and provided for two facilities. Facility 1, an implementation loan, allowed for draws against the facility on request during the period of construction of RLTC. Interest rates were reset and compounded quarterly. As at March 31, 2025, the facility 1 loan balance is was \$70,042,658 which was made up of \$65,000,000 of advances and accrued interest of \$ 5,042,658. During 2026 and additional \$501,622 of interest was accrued on this facility. Upon completion of construction on June 30, 2025 the cumulative balance of facility 1 of \$70,544,280 was converted to Facility 2, an amortizing fixed rate loan at 4.55% with repayments over a 25-year term.

Repayments due in each of the next 5 years and thereafter are as follows:

	<u>\$</u>
2027	1,367,221
2028	1,430,137
2029	1,495,948
2030	1,529,981
2031	1,636,796
Thereafter	52,287,218

11. Net assets invested in capital assets

(a) Net assets invested in capital assets is calculated as follows:

	2026	2025
	\$	\$
Capital assets	84,158,996	164,516,721
Less: amounts financed by		
Deferred capital contributions	51,385,896	68,091,679
Long-term loan	—	70,042,658
Amounts invested in capital assets	32,773,100	26,382,384

11. Net assets invested in capital assets (continued)

(b) The net change in net assets invested in capital assets is determined as follows:

	2026	2025
	\$	\$
Purchase of capital assets	13,036,632	42,394,704
Less amounts funded by		
Deferred capital contributions received	(5,184,960)	(20,680,394)
Proceeds of long-term debt	(501,622)	(16,125,479)
Debt repayment	771,777	—
Change in investment in capital assets	8,121,827	5,588,831

(c) Excess of expenses over revenues:

	2026	2025
	\$	\$
Amortization of capital equipment	(1,397,368)	(1,556,545)
Amortization of building	(2,281,317)	(2,011,891)
Amortization of deferred capital equipment contributions	127,707	109,426
Amortization of deferred capital building contributions	1,819,867	1,967,251
Excess of expenses over revenues	(1,731,111)	(1,491,759)

12. Pension and other post-employment benefit plans

(a) *Pension plan*

Substantially all of the employees of the Corporation are members of the Healthcare of Ontario Pension Plan ("HOOPP" or the "Plan"), which is a multi-employer defined benefit, final average earnings, and contributory pension plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, which provide the highest earnings.

Contributions to the Plan made during the year by the Corporation on behalf of its employees amounted to \$2,839,446 (\$2,736,460 in 2025) and are included in employee benefits expense in the statement of operations.

The most recent actuarial valuation of the plan as December 31, 2025, indicates the Plan is 109% funded. Because the plan is a multiemployer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Hospital Association members and their employees. As a result, the Corporation does not recognize any share of the Plan surplus or deficit.

(b) *Accrued post-employment benefits*

The Corporation's non-pension post-employment benefit plans are comprised of medical, dental and life insurance coverage for certain groups of employees who have retired from the Corporation and are between the ages 61 and 65. Spouses of eligible retirees are also covered by the Plans. The most recent actuarial valuation of the Plan was performed as at March 31, 2023, and the results of this valuation was extrapolated to March 31, 2026.

12. Pension and other post-employment benefit plans (continued)

(b) Accrued post-employment benefits (continued)

Information for the Corporation's non-pension post-employment benefit plans and reconciliations to the accrued benefit liability is as follows:

	2026	2025
	%	%
Discount rate used to determine the obligation	4.60	4.70
Discount rate used to calculate the net benefit costs	4.60	4.60
Expected annual increase in dental care costs	5.00	5.00
Expected annual increase in extended health care costs	see (i)	see (i)

(i) 5.60% per annum; for the first 5 years, reaching 3.57% in 2043.

	2026	2025
Average remaining service period of active employees to retirement who are expected to receive benefits under the benefit plan (years)	17	17

(c) Accrued benefit liability

	2026	2025
	\$	\$
Accrued benefit obligation		
Accrued benefit obligation	2,493,800	2,394,400
Unamortized actuarial experience gains	875,000	697,700
Accrued benefit liability on the statement of financial position	3,368,800	3,092,100

The Corporation's non-pension post-employment benefit expense is comprised as follows:

	2026	2025
	\$	\$
Net benefit costs recognized		
Current service costs	251,700	235,700
Amortization of actuarial losses and (gains)	(34,300)	(36,700)
Interest expense	120,300	107,000
	337,700	306,000

12. Pension and other post-employment benefit plans (continued)

(c) *Accrued benefit liability (continued)*

	2026	2025
	\$	\$
Accrued benefit liability		
Beginning of year	3,092,100	2,845,600
Expense	337,700	306,000
Benefit paid	(61,000)	(59,500)
Accrued benefit liability on the statement of financial position	3,368,800	3,092,100

13. Contingencies and guarantees

The nature of the Corporation's activities is such that there is usual potential for litigation or in prospect at any time. With respect to claims at March 31, 2026, management believes the Corporation has valid defenses and an appropriate insurance coverage in place to mitigate the potential risk. Management believes in the event any claims are successful, that such claims are not expected to have a material effect on the Corporation's financial position.

In the normal course of business, the Corporation enters into agreements that meet the definition of a guarantee. The Corporation's primary guarantees are as follows:

- (a) Indemnity has been provided to all directors and or officers of the Corporation for various items including, but not limited to, all costs to settle suits or actions due to association with the Corporation, subject to certain restrictions. The Corporation has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Corporation. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) In the normal course of business, the Corporation has entered into agreements that include indemnities to protect the Corporation from any claims or potential claims brought on by third party contractors. The Corporation requests proof of insurance certificate and/or to be added onto the third-party insurance policy as additionally insured. These indemnification agreements may require the Corporation to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined, and the maximum amount of any potential reimbursement cannot be reasonably estimated.
- (c) The Corporation is a member of the Healthcare Insurance Reciprocal of Canada (HIROC). HIROC is a pooling of liability insurance risks of its members. All members of the pool pay annual premiums, which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they are members. No negative reassessments have been made to March 31, 2026.
- (d) 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 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 at HIROC. There is no distributions receivable from HIROC as at March 31, 2026.

13. Contingencies and guarantees (continued)

The nature of these indemnification agreements prevents the Corporation from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Corporation has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

14. Commitments

The Corporation's future operating commitments expiring at various dates up to 2030 related to capital asset construction; service and maintenance of equipment; managed services for supply chain processes and information technology infrastructure and support are as follows:

	\$
2027	6,920,188
2028	5,976,267
2029	2,077,293
2030	2,036,346
	<u>17,010,094</u>

15. Internally restricted net assets

Internally restricted net assets include funds committed to support patient programs and services and allow the Corporation to continue to provide leading edge, patient-centred care.

16. Related party transactions

Runnymede Healthcare Centre Charitable Corporation – "Foundation"

The Corporation is related to the Foundation as the Corporation has an economic interest in the net assets of the Foundation. However, the Corporation does not exercise control or significant influence over the Foundation; consequently, these consolidated statements do not include the assets, liabilities and activities of the Foundation.

During the year, the Corporation received contributions of \$940,000 (\$272,884 in 2025) from the Foundation. As at March 31, 2026, the Foundation owed the Corporation \$Nil (\$219,873 as at March 31, 2025).

Runnymede Long Term Care

The Corporation is related to Runnymede Long-Term Care (RLTC) by virtue of common board members. RLTC is a non-share capital charitable organization incorporated under the Canada Corporations Act and is non-profit organization exempt for the Income Tax Act. RLTC was established to develop and operate a 200-bed long-term care facility.

The Corporation entered into a ground lease agreement with Runnymede Long Term Care (RLTC), effective March 1, 2021. Under the terms of the agreement, the Corporation leases certain lands to RLTC for the development and operation of a long-term care facility for a term of 25 years. The lease provides for nominal annual base rent of \$1 and is structured as a net lease, whereby the Tenant is responsible for substantially all costs associated with the leased premises, including realty taxes, utilities, development charges, insurance, maintenance and repairs. Improvements constructed on the leased lands are owned by the Tenant during the term of the lease.

16. Related party transactions (continued)

Runnymede Long Term Care (continued)

The Corporation entered into a long-term related party sublease agreement with Runnymede Long Term Care, effective March 1, 2021, to access and operate all underground parking facilities within the long-term care development. Under the terms of the agreement, the Corporation does not pay ongoing rent but instead reimbursed RLTC for the construction cost of the parking facilities. The Corporation is responsible for the ongoing maintenance, repair, insurance, and operation of the parking premises and retains all parking-related revenues, with full discretion to operate directly or through a third-party provider. The agreement also transfers substantially all risks and obligations related to the parking facility from the RLTC to the Corporation, including compliance with the head lease terms applicable to the premises.

During the current fiscal year, the long-term facility reached substantial completion and was officially opened in Fall 2025. At that time responsibility for operations of RLTC shifted from the Corporation to RLTC and the Corporation was determined to no longer control RLTC (see note 3).

RLTC has not been consolidated in the Corporation's financial statements.