

Sinai Health System

Financial Statements

March 31, 2026



Independent auditor's report

To the Board of Directors of Sinai Health System

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sinai Health System (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 changes in net assets (deficit) for the year then ended;
- the statement of remeasurement gains (losses) 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.

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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 Report to Our Community.

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 17, 2026

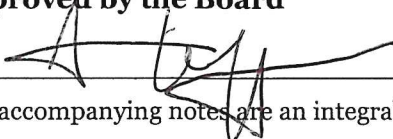
Sinai Health System
Statement of Financial Position
As at March 31, 2026

(in thousands of dollars)

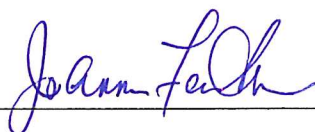
	2026 \$	2025 \$ (note 16)
Assets		
Current assets		
Cash	158,860	193,815
Short-term investments	71,071	27,736
Current portion of restricted cash and investments (note 3)	13,667	12,489
Accounts receivable (note 4)	80,195	79,636
Inventories	4,456	4,407
Prepaid deposits and sundry assets	15,465	13,453
	<u>343,714</u>	<u>331,536</u>
Restricted cash and investments (note 3)	97,137	140,219
Redevelopment receivable (note 5)	21,914	21,785
Investments	-	37,500
Other long-term assets	11,396	12,176
Capital and intangible assets (note 6)	<u>1,370,612</u>	<u>1,388,808</u>
	<u>1,844,773</u>	<u>1,932,024</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	204,563	214,603
Administered funds	13,667	12,489
Current portion of long-term debt (note 7)	1,145	2,106
Current portion of redevelopment obligation (note 9)	11,106	15,904
Current portion of deferred contributions (note 11)	91,201	97,163
	<u>321,682</u>	<u>342,265</u>
Long-term debt (note 7)	415,986	417,614
Redevelopment obligation (note 9)	278,800	289,906
Employee future benefits (note 10)	33,582	32,733
Other long-term liabilities (note 8)	19,152	19,037
Deferred contributions (note 11)	<u>807,849</u>	<u>834,806</u>
	<u>1,877,051</u>	<u>1,936,361</u>
Net Deficit		
Internally restricted	92,977	136,312
Unrestricted	<u>(125,706)</u>	<u>(140,588)</u>
	(32,729)	(4,276)
Accumulated remeasurement gain (loss)	<u>451</u>	<u>(61)</u>
	<u>(32,278)</u>	<u>(4,337)</u>
	<u>1,844,773</u>	<u>1,932,024</u>

Commitments and contingencies (note 14)

Approved by the Board



Director



Director

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

Sinai Health System
Statement of Operations
For the year ended March 31, 2026

(in thousands of dollars)

	2026	2025
	\$	\$
		(note 16)
Income		
Ministry of Health and Ontario Health	731,744	706,146
Patient revenue	28,147	27,553
Research funding	85,591	89,996
Other revenue and recoveries	61,372	54,914
Interest income	10,466	17,460
Amortization of deferred contributions	58,436	55,812
	<hr/>	<hr/>
	975,756	951,881
Expenses		
Salaries and benefits	640,998	603,261
Drugs and clinical supplies	103,903	103,744
Facilities operations and maintenance	67,323	66,483
General supplies and other	71,007	63,689
Amortization of property, plant and equipment	88,069	83,762
Interest expense	32,909	30,690
	<hr/>	<hr/>
	1,004,209	951,629
(Deficiency) excess of income over expenses for the year	<hr/>	<hr/>
	(28,453)	252

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

Sinai Health System

Statement of Changes in Net Assets (Deficit)

For the year ended March 31, 2026

(in thousands of dollars)

			2026	2025
	Internally restricted \$	Unrestricted \$	Total \$	Total \$
Net assets (deficit) – Beginning of year	136,312	(140,588)	(4,276)	(4,528)
Transfer from internally restricted investments for future capital investment to unrestricted (note 3)	(43,335)	43,335	-	-
(Deficiency) excess of income over expenses for the year	-	(28,453)	(28,453)	252
Net assets (deficit) – End of year	92,977	(125,706)	(32,729)	(4,276)

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

Sinai Health System

Statement of Remeasurement Gains (Losses)

For the year ended March 31, 2026

(in thousands of dollars)

	2026 \$	2025 \$
Accumulated remeasurement (loss) gain – Beginning of year	(61)	1,181
Unrealized gain (loss) attributable to interest rate swap (note 7(e))	512	(1,242)
Accumulated remeasurement gain (loss) – End of year	451	(61)

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

Sinai Health System
Statement of Cash Flows
For the year ended March 31, 2026

(in thousands of dollars)

	2026 \$	2025 \$
Cash provided by (used in)		
Operating activities		
(Deficiency) excess of income over expenses for the year	(28,453)	252
Items not affecting cash		
Amortization of property, plant and equipment	88,069	83,762
Amortization of deferred capital contributions (note 11)	(58,618)	(53,631)
Recognition of deferred designated and research contributions (note 11)	(83,397)	(83,259)
Allowance for potentially uncollectible amounts	658	(1,558)
Employee future benefits (note 10)	3,212	3,399
Loss on disposal of capital assets	115	220
Equity (income) loss from government business enterprises	(704)	1,030
Accretion of long-term debt financing costs	30	38
Deferred contributions received	77,435	89,002
Payment for employee future benefits	(2,363)	(2,484)
Decrease in other long-term assets	780	5,161
Increase in current portion of redevelopment receivable	(129)	(1,798)
Increase (decrease) in other long-term liabilities	819	(10,630)
	(2,546)	29,504
Net change in non-cash working capital (note 13(a))	(12,140)	(54,158)
	(14,686)	(24,654)
Financing activities		
Repayment of long-term debt	(1,112)	(1,077)
Payment of redevelopment obligation	(15,680)	(130,347)
Deferred capital contributions received (note 11)	31,661	39,022
Receipts from redevelopment receivables	-	110,523
Increase in restricted cash	(1,431)	(1,108)
	13,438	17,013
Investing activities		
Proceeds from sale of investments	160,000	375,194
Purchase of investments	(122,500)	(227,500)
	37,500	147,694
Capital activities		
Purchase of capital and intangible assets	(71,207)	(59,194)
(Decrease) increase in cash during the year	(34,955)	80,859
Cash – Beginning of year	193,815	112,956
Cash – End of year	158,860	193,815
Non-cash transactions (note 13(b))		

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

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

1 Organization

Sinai Health System (the Hospital) was formed in 2015 through the voluntary amalgamation of Mount Sinai Hospital (inclusive of the Lunenfeld-Tanenbaum Research Institute) and Hennick Bridgepoint Hospital. It is a public teaching and research hospital affiliated with the University of Toronto. The Hospital provides patient care, teaches healthcare professionals, conducts research and provides chronic care and rehabilitation services.

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 both the Ministry of Health (MOH or the Ministry) and Ontario Health (OH).

2 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS), including standards that apply to government not-for-profit organizations. A summary of the significant accounting policies is as follows.

Revenue recognition

The Hospital follows the deferral method of accounting for contributions, which includes 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 or activity are incurred.

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 MOH and OH.

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 MOH and OH.

All investment income is unrestricted and recognized as revenue 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 contributions are realized into revenue on the same basis as the amortization of the cost of the related capital and intangible assets. Funding for capital expenditures is recorded when there is an agreement with the ultimate donor and there is reasonable assurance the funding will be received in the near future.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Revenue generated from patient, preferred accommodation and commercial activities is recognized when the related performance obligation is satisfied, being when control of goods is transferred or as services are provided, the amounts can be reasonably estimated and collection is reasonably assured.

Other revenue and recoveries are primarily derived from various service level agreements with other institutions, and are recognized when the related performance obligation is satisfied, being when control of goods is transferred or as services are provided, the amounts can be reasonably estimated and collection is reasonably assured.

Cash, investments and restricted cash

Cash includes operating funds and cash held for research, capital and other designated purposes.

As at March 31, 2026, all cash was held with Canadian schedule 1 banks. Cash is classified as a current asset, unless it is externally restricted or internally restricted for future capital investment, in which case it is classified as a non-current asset.

Investments include guaranteed investment certificates (GICs) with major financial institutions. The GICs are redeemable at any time, maturing between April 9, 2026 and December 21, 2026 (2025 – June 19, 2025 and April 9, 2026). The interest rate on the GICs ranges from 3.05% to 4.38% (2025 – 3.53% to 5.57%) based on the length of the period held. Investments are recorded at amortized cost.

Inventories

Inventories consist primarily of hospital supplies held for patient care and are recorded at the lower of cost and replacement cost. Cost is determined by the first-in, first-out method.

Capital and intangible assets

Capital and intangible assets are stated at cost less accumulated amortization. Assets acquired under capital leases are amortized over the estimated lives of the assets or over the lease term, as appropriate.

Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets acquired are initially recorded at cost and are amortized over their expected useful lives, unless the life is determined to be indefinite, in which case no amortization expense is recognized.

Contributed capital and intangible assets are recorded at fair value at the date of contribution. Costs incurred for new facilities, or that substantially increase the useful lives of existing capital and intangible assets, are capitalized.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Capital and intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Land	not amortized
Artwork	not amortized
Building	7 to 40 years
Equipment	3 to 20 years
Software	3 to 5 years
Equipment under capital lease	3 to 20 years
Customer relationships	20 years
Lease agreement	7.5 years
Construction-in-progress	not amortized

Construction-in-progress comprises direct construction, development costs and capitalized interest. Interest costs, net of related interest income, are capitalized during the construction period. No amortization is recorded until construction is substantially complete and the assets are put in use.

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.

Contributed services

Certain ancillary services of the Hospital are voluntarily provided by the community. Since these services are not normally purchased by the Hospital and because of the difficulties in determining their fair value, these contributed services are not recognized in these financial statements.

Administered funds

Certain funds are administered by the Hospital on behalf of clinical groups. Transactions in the funds are not Hospital operating activities and do not flow through the statement of operations. Since these funds are held under administration, they are recorded as restricted cash on the statement of financial position with a corresponding liability.

Employee future benefit plans

- Pension

Employees of the Hospital are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP or the Plan), which is a multi-employer, defined benefit pension plan. Contributions made to HOOPP are expensed as funded, as the Plan is accounted for as a defined contribution plan.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

- Other than pension

Employees are also entitled to certain other non-pension, post-employment benefits. The Hospital accrues its obligations under non-pension employee benefit plans as employees render services, and has adopted the following policies:

- The cost of non-pension post-employment benefits earned by employees is determined by an actuary using the projected benefit method pro-rated on length of service and management estimated assumptions with regard to retirement age of employees and expected healthcare costs.
- The accrued benefit obligation related to employee benefits is discounted using current interest rates based on the Hospital's cost of borrowing.
- Past service costs arising from plan amendments are expensed when incurred.
- Actuarial gains and losses on the accrued benefit obligation arise from changes in the actuarial assumptions used to determine the accrued benefit obligations. The net accumulated actuarial gains or losses are amortized over the average remaining service period of active employees.

Public-private partnership

Public-private partnership (P3) is a financing and procurement model available to the Hospital to use private sector partners to design, build, acquire or better new or existing infrastructure. Assets procured via P3 arrangement are recognized as tangible capital assets and the related obligations are recognized as long-term redevelopment obligation. The tangible capital asset from the P3 arrangement is initially measured at cost, which represents fair value at the time of signing the P3 agreement. The tangible capital asset is amortized over its estimated useful life consistent with the Hospital's tangible capital asset policies. Amortization of the tangible capital asset commences when the tangible capital asset is put into use. The long-term redevelopment obligation is subsequently measured at amortized cost using the implicit contract rate at the time of signing of the P3 agreement.

Related entities

Investments in Mount Sinai Fertility Corp., Mount Sinai Services Inc. and 2234998 Ontario Inc. have been determined to be Government Business Enterprises and, therefore, are accounted for using the modified equity method. Income is recorded in other revenue and recoveries in the statement of operations. The investments are initially recorded at cost and adjusted thereafter to recognize the Hospital's share of the entity's net surplus or deficit. Any distributions received are accounted for as a reduction in the investment. The Centre for Phenogenomics is a joint venture and is accounted for using the modified equity method. All other related entities and transactions described in note 12 are disclosed.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Financial instruments

The Hospital's financial assets consist of cash, investments, restricted cash, accounts receivable and redevelopment receivable. Its financial liabilities consist of accounts payable and accrued liabilities, administered funds, long-term debt (including the related interest rate swap) and redevelopment obligation.

Financial instruments, except for long-term debt, are initially recorded at fair value. Long-term debt is initially recorded at cost. The Hospital's financial instruments are subsequently measured as follows:

Assets/liabilities	Measurement category
Cash	amortized cost
Short-term investments	amortized cost
Restricted cash	amortized cost
Accounts receivable	amortized cost
Redevelopment receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost
Administered funds	amortized cost
Long-term debt	amortized cost
Redevelopment obligation	amortized cost
Interest rate swap on long-term debt	fair value

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest income or expense.

Unrealized changes in fair value are recognized in the statement of remeasurement gains (losses) until they are realized, when they are transferred to the statement of operations. When a financial asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains (losses) are reversed and recognized in the statement of operations.

All financial assets, except interest rate swaps, are assessed for impairment on an annual basis. When a decline in value is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain or loss is removed from the statement of remeasurement gains (losses).

Derivatives

Interest rate swap agreements are used as part of the Hospital's program to eliminate variability in future interest cash flows. Interest to be paid or received under such swap agreements is recognized as adjustments to interest expense.

Fair value measurement

The Hospital classifies fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – unadjusted quoted market prices in active markets;

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

- Level 2 – observable or corroborated inputs, other than Level 1, such as quoted prices for similar assets or liabilities in inactive markets, or market data for substantially the full term of the assets or liabilities; and
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Interest rate swaps are measured as Level 2 fair value instruments.

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 and OH requires estimation. The Hospital has entered into accountability agreements with OH that set out the rights and obligations of the parties in respect of funding provided to the Hospital by OH 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, OH has the right to adjust funding received by the Hospital. OH 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 and 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 relating to funding that are reasonably assured of being received.

Accounts requiring significant estimates include collectibility of accounts receivable, accrued and contingent liabilities, employment contract accruals, deferred revenue and employee future benefits. Employee future benefits liabilities (note 10) 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 healthcare cost trend rates for retiree benefits may be significant. Actual results could differ from those estimates.

Future accounting standards

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

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

In October 2023, the PSAB issued PS 1202, Financial Statement Presentation, along with certain other consequential amendments that replace Section PS 1201, Financial Statement Presentation. The new standard includes changes to the presentation of financial statements, such as:

- changes in the statement of financial position;
- adding a new statement of net financial assets or net financial liabilities;
- providing the option to present the change in net financial assets or net financial liabilities on the statement of net financial assets or net financial liabilities;
- adding a new statement of changes in net assets or net liabilities; and
- new budget requirements in order to present an amended budget.

The new standard is 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.

Management expects that the adoption of the Conceptual Framework and PS 1202 will result in presentation and disclosure changes only and will not affect the recognition or measurement of the Hospital's assets, liabilities, revenue or expenses.

In March 2026, the PSAB issued PS 3251, Employee Benefits, which consolidates and replaces current sections 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.

In May 2025, the PSAB issued amendments to PS 3150, Tangible Capital Assets. The amendments are effective for fiscal years beginning on or after April 1, 2030.

Key changes include:

- derecognition of works of art, historical treasures and collections and instead, they are disclosed in the note, provided certain criteria are met;
- derecognition of intangible properties from capital assets, with the exception of software and purchased intangible assets, as they are no longer included in the definition of capital assets;
- removal of exemption from recognizing capital assets when certain revenue threshold is met; and
- additional guidance on write-downs including conditions to consider.

The Hospital is currently assessing the impact of adoption of these amendments.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

3 Restricted cash and investments

	2026 \$	2025 \$
Restricted cash held for redevelopment (a)	8,208	7,955
Restricted cash under administration (b)	13,667	12,489
Restricted investments for future capital investment (c)	88,929	132,264
	<u>110,804</u>	<u>152,708</u>
Externally restricted cash	21,875	20,444
Internally restricted investments	88,929	132,264
	<u>110,804</u>	<u>152,708</u>
Less: Restricted cash – current	13,667	12,489
Restricted cash and investments – long-term	<u>97,137</u>	<u>140,219</u>

- a) Restricted cash held for redevelopment consists of funds received from the MOH, under the terms of the Development Accountability Agreement with the MOH related to the Hennick Bridgepoint Hospital (HBH) redevelopment project that are restricted in use. The unspent portion of these funds as at March 31, 2026 was \$8,208 (2025 – \$7,955), which is held in a sinking fund trust account.
- b) Restricted cash under administration consists of cash held and administered by the Hospital on behalf of clinical groups, and cannot be used for Hospital operations.
- c) Restricted investments for future capital investment consist of internally restricted funds for the purpose of investing in capital and equipment.

4 Accounts receivable

	2026 \$	2025 \$
Research grants	9,040	9,798
MOH and OH	18,872	17,544
Commodity tax receivable	4,983	5,563
Patient services	7,950	8,444
Due from related entities (note 12)	18,731	22,775
Other	20,619	15,512
	<u>80,195</u>	<u>79,636</u>

Patient accounts receivable are shown net of an allowance for potentially uncollectible amounts of \$3,663 (2025 – \$3,000). Other accounts receivable are shown net of an allowance for potentially uncollectible amounts of \$398 (2025 – \$403).

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

5 Redevelopment receivable

The following are amounts due from the MOH related to the following capital projects:

	2026 \$	2025 \$
Renew Sinai, Phase 2	3,620	3,620
Renew Sinai, Phase 3A (note 9(b))	18,294	18,165
	<u>21,914</u>	<u>21,785</u>

6 Capital and intangible assets

	2026		
	Cost \$	Accumulated amortization \$	Net \$
Land	64,388	-	64,388
Artwork	4,101	-	4,101
Building	1,875,330	735,626	1,139,704
Equipment	554,409	424,513	129,896
Equipment under capital lease	310	193	117
Software	5,233	5,082	151
Customer relationships	8,922	2,230	6,692
Lease agreement	8,328	5,552	2,776
Construction-in-progress	22,787	-	22,787
	<u>2,543,808</u>	<u>1,173,196</u>	<u>1,370,612</u>
	2025		
	Cost \$	Accumulated amortization \$	Net \$
Land	64,388	-	64,388
Artwork	4,101	-	4,101
Building	1,819,556	680,051	1,139,505
Equipment	534,563	400,011	134,552
Equipment under capital lease	310	172	138
Software	5,563	5,335	228
Customer relationships	8,922	1,784	7,138
Lease agreement	8,328	4,442	3,886
Construction-in-progress	34,872	-	34,872
	<u>2,480,603</u>	<u>1,091,795</u>	<u>1,388,808</u>

Construction-in-progress reflects expenditures on assets not yet in use.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

7 Long-term debt

	2026 \$	2025 \$
Series A senior unsecured debentures (b)	198,499	198,469
Series B senior unsecured debentures (c)	199,825	199,825
Capital loan (d)	19,258	20,370
Capital equipment financing	-	995
Fair value adjustment in respect of interest rate swap agreements (e)	(451)	61
	<hr/>	<hr/>
	417,131	419,720
Less: Current portion of long-term debt	1,145	2,106
	<hr/>	<hr/>
Long-term portion	415,986	417,614
	<hr/>	<hr/>

- a) The Hospital has the following operating credit facilities available to draw upon:
- i) An unsecured revolving term credit facility of \$36,500, available by way of advances at the bank's prime lending rate less 0.85% and bankers' acceptance fee. As at March 31, 2026 and 2025, no funds had been drawn on this term credit facility. The facility expired on April 15, 2026 and was renewed on an annual basis under the same terms and conditions.
 - ii) An unsecured revolving credit facility of \$10,000, available by way of advances at the bank's prime lending rate and bankers' acceptance fee. As at March 31, 2026 and 2025, no funds had been drawn on this revolving credit facility.
- b) On June 9, 2016, the Hospital issued \$200,000 of 3.527% Series A senior unsecured debentures at par value, with a maturity date of June 9, 2056. Interest is payable semi-annually on June 9 and December 9, with the principal to be repaid on June 9, 2056. During the year, interest paid amounted to \$7,054 (2025 – \$7,047). Interest expense recorded in the statement of operations amounted to \$5,248 (2025 – \$3,735) and interest capitalized in capital and intangible assets amounted to \$1,806 (2025 – \$3,312).
- c) On April 8, 2020, the Hospital issued \$200,000 of 3.209% Series B senior unsecured debentures at par value, with a maturity date of April 8, 2060. Interest is payable semi-annually on April 8 and October 8, with the principal to be repaid on April 8, 2060. During the year, interest paid amounted to \$6,418 (2025 – \$6,436). Interest expense recorded in the statement of operations amounted to \$6,418 (2025 – \$6,418).
- d) The Hospital has the following term facilities for capital available to draw upon:
- i) An unsecured revolving term facility of \$10,000, available by way of advances at the bank's prime lending rate less 0.85% and bankers' acceptance fee, of which \$nil was drawn as at March 31, 2026 (2025 – \$nil). The facility expired on April 15, 2026 and was renewed on an annual basis under the same terms and conditions.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

- ii) An unsecured non-revolving term facility of \$30,000, maturing on December 1, 2039, with a fixed base rate of 3.05% plus a floating rate credit spread of 0.5% (2025 – 0.50%), of which \$19,258 (2025 – \$20,370) was drawn as at March 31, 2026.

- e) The Hospital has an interest rate swap contract relating to its unsecured non-revolving facility (note 7(d)(ii)), which is recorded at fair value. The fair value of the interest rate swap is based on current pricing for the same notional interest rate swap (Level 2 of the fair value hierarchy). The swap has a notional principal amount of \$30,000, maturing on December 1, 2039. During the year, an unrealized gain of \$512 (2025 – unrealized loss of \$1,242) was recorded in the statement of remeasurement gains (losses). As at March 31, 2026, the swap was in a net favourable position and an asset of \$451 (2025 – a liability of \$61) was recorded on the statement of financial position.

Principal due within each of the next five years and thereafter on the long-term debt as at March 31, 2026 is as follows:

	\$
2027	1,145
2028	1,180
2029	1,217
2030	1,255
2031	1,293
Thereafter	<u>411,492</u>
	<u>417,582</u>

8 Other long-term liabilities

	2026 \$	2025 \$
Long-term accrued sick days	7,020	6,594
Construction holdbacks	1,374	1,082
Net obligation in government business enterprises (note 12)	4,445	5,437
HIROC legal defense liability (note 14(c))	4,356	4,277
Asset retirement obligation	1,957	1,647
	<u>19,152</u>	<u>19,037</u>

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

9 Long-term redevelopment obligation

	2026 \$	2025 \$
HBH long-term redevelopment obligation, due on February 28, 2043, monthly payments of \$2,112 including principal and interest at 7.46%	289,906	300,471
Renew Sinai long-term redevelopment obligation	-	5,339
	<hr/>	<hr/>
	289,906	305,810
Less: Current portion	11,106	15,904
	<hr/>	<hr/>
Long-term portion	278,800	289,906
	<hr/>	<hr/>

a) HBH Redevelopment Project

In July 2009, HBH entered into a P3 agreement with the successful bidder for the construction of HBH's Capital Redevelopment Project as a Design, Build, Finance and Maintain Alternative Financing and Procurement Project. The project agreement includes a 30-year facility maintenance period with no stated renewal option. The Hospital is entitled to terminate the project agreement on 180 days' notice with the inclusion of prior written consent of the MOH. The Hospital retains the rights to ownership of the redeveloped HBH. The redeveloped HBH is purpose-built to serve those in need of rehabilitation services and those living with complex chronic conditions.

The redeveloped facility is recognized as a tangible capital asset, as control of the asset rests with the Hospital in accordance with PS 3160, Public Private Partnerships. The asset is amortized over its estimated useful life consistent with the Hospital's tangible capital asset policies.

The long-term redevelopment obligation relates to future capital payments associated with the Project Agreement. The Hospital has an agreement with the MOH to fund 100% of the long-term redevelopment obligation on an annual basis.

b) Renew Sinai Redevelopment Project

The Hospital has undertaken a major multi-year capital redevelopment project (Renew Sinai) to expand and modernize multiple care environments within Mount Sinai Hospital (MSH). Renew Sinai involves the expansion and modernization of the emergency department surgical suites, intensive care unit, key ambulatory patient areas and a new inpatient unit.

In June 2017, the Hospital entered into a project agreement for the build and finance of the Renew Sinai Phase 3A redevelopment project. As part of the project funding agreement, the Ministry has committed to fund a portion of the capital and financing cost of the site. Accordingly, the Hospital has recorded a long-term receivable from the Ministry for its share (note 5). The local share of the costs of Renew Sinai Phase 3A will be funded by contributions from Sinai Health System Foundation and the Hospital, through internally generated funds and debenture financing (note 7(c)).

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

In the fiscal year ended March 31, 2026, building construction and financing costs totalled \$nil (2025 – \$2,600). As at March 31, 2026, the Hospital had a redevelopment obligation of \$nil (2025 – \$5,339). A total of \$383,649 (2025 – \$383,649) has been received from the MOH, representing a portion of its funding share in accordance with the funding agreement. As at March 31, 2026, the Hospital had a redevelopment receivable owing from the MOH for construction and ancillary costs for Phase 3A in the amount of \$18,294 (2025 – \$18,165) (note 5). A corresponding amount of \$402,168 (2025 – \$402,039) has been recorded in deferred capital contributions.

c) Payments

Payments due within each of the next five years and thereafter on the long-term redevelopment obligation are as follows:

	\$
2027	11,106
2028	11,674
2029	12,271
2030	12,899
2031	13,559
Thereafter	<u>228,397</u>
	<u>289,906</u>

10 Employee future benefits

Pension plan

Substantially all employees are eligible to be members of HOOPP, which is a multi-employer defined benefit pension plan. Plan members will receive benefits based on length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death that provide the highest earnings.

The most recent actuarial valuation of the Plan as at December 31, 2025 indicates the Plan is 109% funded. During the year, the Hospital contributed \$50,902 (2025 – \$41,145) to the Plan on behalf of employees.

Other post-employment benefits

The Hospital provides extended healthcare, dental and life benefits to certain of its employees and extends this coverage to the post-retirement period. In addition, a Supplemental Executive Retirement Plan (SERP) is available for a limited number of executive members. The related benefit liabilities were determined by actuarial valuation studies. The date of the last actuarial valuation for post-employment benefits and SERP was March 31, 2026.

Sinai Health System
Notes to Financial Statements
March 31, 2026

(in thousands of dollars)

The employee future benefits as at March 31 include the following components:

	2026		2025	
	SERP \$	Post- employment benefits \$	Total \$	Total \$
Accrued benefit obligation	6,059	30,392	36,451	39,401
Unamortized actuarial loss	(8)	(422)	(430)	(4,206)
Employee future benefits liability	6,051	29,970	36,021	35,195
Less: Current portion included in accounts payable and accrued liabilities	530	1,909	2,439	2,462
Long-term portion	5,521	28,061	33,582	32,733

The movement in the employee future benefits liability during the year is as follows:

	2026		2025	
	SERP \$	Post- employment benefits \$	Total \$	Total \$
Employee future benefits liability – Beginning of year	6,187	29,008	35,195	33,454
Current service cost	-	1,196	1,196	757
Interest cost	283	1,392	1,675	1,178
Prior service costs	-	-	-	1,828
Amortization of actuarial gain (loss)	111	230	341	(364)
Pension and post-employment benefits expense	394	2,818	3,212	3,399
Benefits paid	(530)	(1,856)	(2,386)	(1,658)
Employee future benefits liability – End of year	6,051	29,970	36,021	35,195

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

The significant actuarial assumptions adopted in measuring the Hospital's accrued benefit obligations are as follows:

	2026		2025	
	SERP %	Post- employment benefits %	SERP %	Post- employment benefits %
Discount rate	4.60	4.80	4.40	4.50
Expected benefit cost trend in health care*	-	6.30	-	6.30
Expected benefit cost trend in dental care	-	4.00	-	2.00

*The average remaining service period of active employees is 13 to 15 years.

11 Deferred contributions

	2026				2025	
	Capital funds \$	Designated fund \$	Research funds \$	Other operating \$	Total \$	Total \$
Balance – Beginning of year	834,609	10,015	87,148	197	931,969	926,414
Additions to contributions	31,661	8,338	69,097	-	109,096	142,445
Amortization/recognition	(58,421)	(8,514)	(74,883)	(197)	(142,015)	(136,890)
Balance – End of year	807,849	9,839	81,362	-	899,050	931,969
Less: Current portion	-	9,839	81,362	-	91,201	97,163
Long-term portion	807,849	-	-	-	807,849	834,806

Included in deferred capital contributions is \$11,687 (2025 – \$11,679) of unspent contributions received for specific purposes. The remaining portion of deferred capital contributions represents the unamortized amount of contributions, which has been used for the purchase of capital and intangible assets.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

12 Related entities

Amounts due from and to related entities are summarized as follows:

Related entity	2026		2025	
	Due from \$	Due to \$	Due from \$	Due to \$
Hennick Bridgepoint Health	1,127	50	1,086	56
The Centre for Phenogenomics	1,704	193	1,472	-
Sinai Health System Foundation	7,076	-	8,447	-
Mount Sinai Fertility Corporation	8,589	-	12,307	-
Mount Sinai Services Inc.	1,503	-	1,202	-
2234998 Ontario Inc.	262	-	368	-
Hennick Bridgepoint Foundation	18	1	215	6
Total	20,279	244	25,097	62
Less: Long-term portion Mount Sinai Fertility Corporation	1,548	-	2,322	-
Total current portion	18,731	244	22,775	62

The current portion of amounts due from related entities is included in accounts receivable. The long-term portion of due from related entities is included in other long-term assets. The current portion of due to related entities is included in accounts payable and accrued liabilities.

Hennick Bridgepoint Health (Health)

Bridgepoint Health is the legal name of Hennick Bridgepoint Health. Health is a non-share capital corporation incorporated pursuant to the laws of Canada. Health continued under the Canada Not-for-profit Corporations Act and is a registered charity and public foundation under the Income Tax Act (Canada). Health generates ancillary revenue to support the activities of the Hospital. Health is controlled by the Hospital, given the members of Health are the elected Directors of the Hospital.

The Hospital provides space, banking and administrative services to Health. The Hospital makes payments and receives funds on behalf of Health and settles the outstanding balances at regular intervals throughout the year. No financing charges are levied on these interim balances. During the year, Health granted \$1,000 (2025 – \$1,000) in capital grants to the Hospital. The Hospital has credit facilities arranged related to its HBH capital redevelopment project. Health has provided a guarantee to the Hospital's credit facilities for its capital redevelopment project. As at March 31, 2026, there were no significant restrictions on the resources of Health, and the accounting policies followed by Health substantially conform with those of the Hospital.

As at March 31, 2026, Health owed the Hospital \$1,127 (2025 – \$1,086), which was included in due from related entities, and the Hospital owed Health \$50 (2025 – \$56), which was included in due to related entities. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related entities.

Sinai Health System
Notes to Financial Statements
March 31, 2026

(in thousands of dollars)

A financial summary of this non-consolidated entity as at March 31 is as follows:

	2026	2025
	\$	\$
Financial position		
Total assets	9,374	9,152
Total liabilities	1,158	1,125
	<hr/>	<hr/>
Net assets	8,216	8,027
	<hr/>	<hr/>
Results of operations		
Total revenue	1,624	1,632
Total expenses	1,434	1,400
	<hr/>	<hr/>
Excess of revenue over expenses	190	232
	<hr/>	<hr/>

For the year ended March 31, 2026, there were cash inflows of \$293 (2025 – \$721) from operating activities.

The Centre for Phenogenomics (TCP)

TCP is an unincorporated joint venture between the Hospital and the Hospital for Sick Children, comprising a 120,000 square foot state-of-the-art mouse research facility. TCP is jointly controlled by the Hospital, given its 50% interest in TCP. TCP entered into a lease with the Hospital in 2007 to rent space in the research building for a term of 30 years at a basic rent of \$10 per annum.

As at March 31, 2026, the Hospital had a net receivable due from TCP of \$1,511 (2025 – \$1,472).

A financial summary of the Hospital's share of this non-consolidated entity as at March 31 is as follows:

	2026	2025
	\$	\$
Financial position		
Total assets	877	839
Total liabilities	877	839
	<hr/>	<hr/>
Net assets	-	-
	<hr/>	<hr/>
Results of operations		
Total revenue	5,231	5,557
Total expenses	5,231	5,557
	<hr/>	<hr/>
Excess of revenue over expenses	-	-
	<hr/>	<hr/>

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Sinai Health System Foundation (SHSF)

SHSF is a non-share capital corporation incorporated pursuant to the laws of the Province of Ontario. SHSF is a charitable organization (public foundation) registered under the Income Tax Act (Canada). SHSF supports the Hospital in its charitable mission and provides donations to the Hospital for capital, clinical programs and research activities. SHSF is significantly influenced by the Hospital given they have a limited number of common directors.

During the current year, the Hospital received \$39,388 (2025 – \$46,018) in cash from SHSF. SHSF has contributed funding for a portion of the current year's bank interest expense in the amount of \$nil (2025 – \$111).

As at March 31, 2026, the total net receivable from SHSF was \$7,076 (2025 – \$8,447), of which an estimated amount of \$7,076 (2025 – \$8,447) will be received within one year and is included in due from related entities.

Mount Sinai Fertility Corporation (MSF)

MSF is a for-profit corporation that provides a range of fertility services primarily through private contracts and, to a smaller extent, Ministry supported programs.

For the year ended March 31, 2026, the Hospital recorded equity income from MSF of \$1,412 (2025 – \$392) in the statement of operations. As at March 31, MSF owed the Hospital the following amounts:

	2026 \$	2025 \$
Promissory notes	7,740	7,740
Other receivables	849	4,567
	<hr/>	<hr/>
	8,589	12,307
Less: Current portion	7,041	9,985
	<hr/>	<hr/>
Long-term portion	1,548	2,322
	<hr/>	<hr/>

The promissory note is in the amount of \$7,740, bearing interest at prime plus 1% accruing since issuance, and due annually on March 31. The principal is payable in ten instalments of \$774, beginning March 31, 2020.

Sinai Health System
Notes to Financial Statements
March 31, 2026

(in thousands of dollars)

A financial summary of this non-consolidated entity as at March 31 is as follows:

	2026	2025
	\$	\$
Financial position		
Total assets	8,453	10,440
Total liabilities	11,039	14,319
	<hr/>	<hr/>
Net liabilities	(2,586)	(3,879)
	<hr/>	<hr/>
Results of operations		
Total revenue	24,506	21,398
Total expenses	23,094	21,006
	<hr/>	<hr/>
Excess of revenue over expenses	1,412	392
	<hr/>	<hr/>

Mount Sinai Services Inc. (MSS)

MSS is a for-profit corporation that provides a range of laboratory services primarily through private contracts.

For the year ended March 31, 2026, the Hospital recorded equity loss from MSS of \$460 (2025 – \$1,169) in the statement of operations. As at March 31, 2026, the Hospital had a net receivable due from MSS of \$1,503 (2025 – \$1,202).

A financial summary of this non-consolidated entity as at March 31 is as follows:

	2026	2025
	\$	\$
Financial position		
Total assets	1,350	1,481
Total liabilities	2,735	2,855
	<hr/>	<hr/>
Net liabilities	(1,385)	(1,374)
	<hr/>	<hr/>
Results of operations		
Total revenue	1,813	1,417
Total expenses	2,273	2,586
	<hr/>	<hr/>
Deficiency of revenue over expenses	(460)	(1,169)
	<hr/>	<hr/>

2234998 Ontario Inc.

2234998 Ontario Inc. is a for-profit corporation that operates a rehabilitation and wellness clinic.

For the period ended March 31, 2026, the Hospital recorded equity loss from 2234998 Ontario Inc. of \$250 (2025 – \$244) in the statement of operations. As at March 31, 2026, the Hospital had a net receivable due from 2234998 Ontario Inc. of \$262 (2025 – net receivable of \$368).

Sinai Health System
Notes to Financial Statements
March 31, 2026

(in thousands of dollars)

A financial summary of this non-consolidated entity as at March 31 is as follows:

	2026	2025
	\$	\$
Financial position		
Total assets	900	1,370
Total liabilities	1,470	1,636
	<hr/>	<hr/>
Net liabilities	(570)	(266)
	<hr/>	<hr/>
Results of operations		
Total revenue	2,246	1,869
Total expenses	2,495	2,113
	<hr/>	<hr/>
Deficiency of revenue over expenses	(249)	(244)
	<hr/>	<hr/>

Hennick Bridgepoint Foundation (BF)

Bridgepoint Foundation is the legal name of the Hennick Bridgepoint Foundation. BF is a non-share capital corporation incorporated pursuant to the laws of the Province of Ontario. BF is a registered charity (public foundation) under the Income Tax Act (Canada). BF supports the Hospital in its charitable mission and grants funds to the Hospital as approved by the Board of Directors of BF. BF is significantly influenced by the Hospital, given they have a limited number of common directors.

During the year, BF provided operating grants in the amount of \$37 (2025 – \$14) and capital grants in the amount of \$38 (2025 – \$39).

Circle of Care (CoC)

CoC is a community-based not-for-profit agency that is affiliated with the Hospital, the objectives of which include providing home care services to individuals across Metropolitan Toronto. CoC is a registered charity (charitable organization) under the Income Tax Act (Canada). CoC is a separate corporation with its own Board of Directors. CoC is significantly influenced by the Hospital, given the Hospital’s Board of Directors is responsible for appointing 50% of the CoC Board of Directors.

There were no significant transactions between the Hospital and CoC for the year ended March 31, 2026.

Sinai Health System
Notes to Financial Statements
March 31, 2026

(in thousands of dollars)

13 Statement of cash flows

- a) The net change in non-cash working capital balances relating to operations consists of the following:

	2026	2025
	\$	\$
Accounts receivable	(1,217)	(9,998)
Inventories	(49)	(531)
Prepaid deposits and sundry assets	(2,012)	(3,403)
Accounts payable and accrued liabilities	(10,040)	(39,784)
Administered funds	1,178	(442)
	<u>(12,140)</u>	<u>(54,158)</u>

- b) Non-cash transactions

	2026	2025
	\$	\$
Financing of costs incurred on Renew Sinai Phase 3A redevelopment project	-	2,845
Due from MOH related to Renew Sinai Phase 3A redevelopment project recorded as deferred capital contributions	-	14,421

14 Commitments and contingencies

- a) From time to time, the Hospital is named in lawsuits related to its activities. These claims are at various stages and, therefore, it is not possible to determine the merits of these claims or to estimate the possible financial liability, if any, to the Hospital. Accordingly, no material provisions have been made for loss in these financial statements.
- b) Future operating commitments related to future lifecycle costs, leases and contracts for facility operating and maintenance as at March 31, 2026 are as follows:

	\$
2027	17,633
2028	16,450
2029	16,358
2030	15,291
2031	11,994
Thereafter	<u>132,184</u>
	<u>209,910</u>

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

- c) The Hospital is a member of Healthcare Insurance Reciprocal of Canada (HIROC) and, therefore, has an economic interest in HIROC. HIROC is a pooling of the public liability insurance risks of its members, which are Canadian not-for-profit healthcare organizations. All members of HIROC pay annual premiums, which are actuarially determined. All members are subject to assessment for losses, if any, experienced by the pool for the years in which they were members. No assessment has been made for the year ended 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.

The Hospital entered into an agreement with HIROC, dated January 1, 2012, whereby HIROC continues to provide indemnity insurance to the Hospital; however, the cost of investigating and defending any litigation claims, previously included in the insurance premium, will be borne by the Hospital. Costs associated with claims arising prior to January 1, 2012 will be borne by HIROC. Projected costs of defending claims that arise subsequent to January 1, 2012 are based on claims defence costs incurred by HIROC in the past.

Under the agreement, the Hospital provides deposits to HIROC Management Limited (HML), which acts as an agent to pay legal expenses on behalf of the Hospital. For the year ended March 31, 2026, the Hospital recorded legal expenses of \$1,311 (2025 – \$1,291) based on the assessment of the actuary engaged by HML, which have been included in the statement of operations. As at March 31, 2026, the deposit balance was \$9,536 (2025 – \$9,511), of which \$8,432 (2025 – \$8,438) is not expected to be used within one year and is, therefore, disclosed as a long-term asset, and the total liability was estimated to be \$5,460 (2025 – \$5,350), of which \$4,356 (2025 – \$4,277) is not expected to be paid within one year and is, therefore, disclosed as part of other long-term liabilities (note 8).

- d) The Hospital has an agreement with Mohawk Medbuy (MMC), the primary responsibility of which is to provide supply chain services in the areas of strategic sourcing, logistics, buying and certain information technology services. The term of the agreement was to March 31, 2021, but it includes an evergreen clause with existing terms and conditions until formal notice to terminate is provided or the agreement is renegotiated. Based on the agreement, MMC has the right to charge membership fees to its members. A process is established in the agreement for MMC to obtain the approval of the members to charge additional fees. If any member fails to pay their membership fees to MMC throughout the period covered by the agreement, the Hospital and the other members are responsible for lending an amount to MMC, based on a sharing formula, to cover these deficiencies. As at March 31, 2026, no member was in default.
- e) The Hospital has entered into various contracts for construction and purchase of capital equipment. The commitments outstanding as at March 31, 2026 were estimated to be \$1,774 (2025 – \$4,276).

15 Risk management

The Hospital is exposed to a variety of financial risks, including credit risk, liquidity risk and market risk. The Hospital has adopted an integrated risk management framework. The framework provides a consistent methodology to manage risks across the Hospital.

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Credit risk

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 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 for patients regardless of their ability to pay for services provided.

As at March 31, 2026, the following accounts receivable were past due, but not impaired:

	30 days \$	60 days \$	90 days \$	Over 90 days \$	Total \$
Patient services receivable	3,666	1,710	553	2,021	7,950

The credit risk on other financial assets such as cash is limited, because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies

Liquidity risk

Liquidity risk is the possible risk of not being able to meet financial obligations when due. The Hospital manages its liquidity risk by forecasting cash flows from operations and anticipating capital, investing and financing activities and maintaining credit facilities to ensure it has sufficient funds available to meet current and foreseeable financial requirements.

The table below is a maturity analysis of the Hospital's financial liabilities as at March 31, 2026:

	Up to 6 months \$	More than 6 months up to 1 year \$	More than 1 year up to 5 years \$	More than 5 years \$	Total \$
Accounts payable and accrued liabilities	125,912	78,651	-	-	204,563
Long-term debt	568	577	4,945	411,041	417,131
Interest on long-term debt	7,061	7,035	55,976	398,566	468,638
Redevelopment obligation	5,484	5,622	50,403	228,397	289,906
Interest on long-term redevelopment obligation	7,191	7,052	50,993	75,791	141,027
	146,216	98,937	162,317	1,113,795	1,521,265

Sinai Health System

Notes to Financial Statements

March 31, 2026

(in thousands of dollars)

Market risk

The Hospital is exposed to market risk through the fluctuation of financial instrument fair values due to changes in market prices. Interest rate risk is the significant market risk, which arises from fluctuations in interest rates and the degree of volatility of those rates. The Hospital is exposed to interest rate risk on its long-term debt (note 7). The Hospital has mitigated this risk by way of an interest rate swap, which effectively fixes the interest rates of a portion of the long-term debt.

As at March 31, 2026, the Hospital's estimate of the exposure to interest rate risk and the effect on net assets was not material.

16 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation in the statement of financial position, the statement of operations and the statement of cash flows.