St. Joseph's Continuing Care Centre

Financial Statements

March 31, 2026

St. Joseph's Continuing Care Centre
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Management's Responsibility

To the Directors of St. Joseph's Continuing Care Centre:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Finance Committee are composed primarily of Directors who are neither management nor employees of the Centre. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Centre's external auditors.

MNP LLP is appointed by the Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

June 25, 2026

Chief Executive Officer

Chief Financial Officer

Independent Auditor's Report

MNP

To the Directors of St. Joseph's Continuing Care Centre:

Opinion

We have audited the financial statements of St. Joseph's Continuing Care Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2026, and the results of its operations 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. 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 Centre 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

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

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Sudbury, Ontario

June 25, 2026

St. Joseph's Continuing Care Centre
Statement of Financial Position
As at March 31, 2026

	2026	2025
Assets		
Current		
Cash *(Note 3)*	**13,453,721**	13,893,794
Accounts receivable *(Note 4)*	**6,897,796**	2,135,600
Inventory	**89,259**	96,226
Prepaid expenses	**67,271**	224,667
Advances to related parties *(Note 5)*	**11,974**	40,911
	20,520,021	16,391,198
Tangible capital assets *(Note 6)*	**59,239,603**	42,176,863
	79,759,624	58,568,061
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 8)*	**8,489,515**	4,146,479
Deferred contributions *(Note 9)*	**9,331,070**	15,674,575
Advances from related parties *(Note 5)*	**4,542,052**	174,950
Current portion of capital lease obligations *(Note 10)*	**31,189**	31,189
	22,393,826	20,027,193
Capital lease obligations *(Note 10)*	**2,599**	33,787
Deferred tangible capital contributions *(Note 11)*	**52,524,759**	34,149,391
Post-employment benefits *(Note 12)*	**605,800**	536,300
	75,526,984	54,746,671
Contingencies *(Note 13)*		
Commitments *(Note 14)*		
Net Assets		
Unrestricted deficit	**(2,448,416)**	(4,841,106)
Invested in tangible capital assets	**6,681,056**	7,962,496
Internally restricted	**-**	700,000
	4,232,640	3,821,390
	79,759,624	58,568,061

Approved on behalf of the Board

Catherine Hunault

Director

The accompanying notes are an integral part of these financial statements

St. Joseph's Continuing Care Centre
Statement of Operations
For the year ended March 31, 2026

	2026	2025
Revenue		
Ministry of Health	**43,520,241**	34,831,953
Amortization of deferred tangible capital contributions *(Note 11)*	**1,317,667**	728,690
Other	**1,255,964**	803,743
	46,093,872	36,364,386
Expenses		
Salaries and wages *(Note 5)*	**20,966,735**	20,525,056
Management fees *(Note 5)*	**9,204,068**	739,413
Supplies and other *(Note 5)*	**7,482,500**	8,483,210
Employee benefits *(Note 16)*	**4,443,853**	4,014,971
Amortization of tangible capital assets	**1,462,046**	818,992
Medical and surgical	**1,106,949**	854,798
Drugs	**845,329**	711,073
Medical staff remuneration	**171,142**	166,651
	45,682,622	36,314,164
Excess of revenue over expenses	**411,250**	50,222

The accompanying notes are an integral part of these financial statements

St. Joseph's Continuing Care Centre
Statement of Changes in Net Assets
For the year ended March 31, 2026

	Unrestricted	*Invested in tangible capital assets*	*Internally restricted*	*2026*	*2025*
Net assets (deficit), beginning of year	**(4,841,106)**	**7,962,496**	**700,000**	**3,821,390**	3,771,168
Excess (deficiency) of revenue over expenses	**555,629**	**(144,379)**	**-**	**411,250**	50,222
Tangible capital assets funded by operations	**(18,524,786)**	**18,524,786**	**-**	**-**	-
Repayments of capital lease obligations	**(31,188)**	**31,188**	**-**	**-**	-
Deferred tangible capital contribution received	**19,693,035**	**(19,693,035)**	**-**	**-**	-
Transfer to unrestricted funds	**700,000**	**-**	**(700,000)**	**-**	-
Net assets (deficit), end of year	**(2,448,416)**	**6,681,056**	**-**	**4,232,640**	3,821,390

The accompanying notes are an integral part of these financial statements

St. Joseph's Continuing Care Centre
Statement of Cash Flows
For the year ended March 31, 2026

	2026	2025
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**411,250**	50,222
Amortization of tangible capital assets	**1,462,046**	818,992
Amortization of deferred tangible capital contributions	**(1,317,667)**	(728,690)
	555,629	140,524
Changes in working capital accounts		
Accounts receivable	**(4,762,196)**	36,905
Inventory	**6,967**	1,165
Prepaid expenses	**157,396**	234,312
Accounts payable and accrued liabilities	**4,343,037**	(391,128)
Deferred contributions	**6,275,176**	14,094,253
	6,576,009	14,116,031
Financing		
Advances from related parties	**4,367,101**	-
Repayment of advances from related parties	**-**	(893,709)
Repayments of capital lease obligations	**(31,188)**	(31,189)
Additions to deferred tangible capital contributions	**7,074,354**	10,412,053
Increase in post-employment benefits	**69,500**	68,142
	11,479,767	9,555,297
Capital activities		
Purchase of tangible capital assets	**(18,524,786)**	(16,829,409)
Investing		
Advances to related parties	**-**	(38,540)
Repayment of advances to related parties	**28,937**	-
	28,937	(38,540)
Increase (decrease) in cash resources	**(440,073)**	6,803,379
Cash resources, beginning of year	**13,893,794**	7,090,415
Cash resources, end of year	**13,453,721**	13,893,794

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

St. Joseph's Continuing Care Centre (the "Centre") was incorporated, without share capital, under the laws of Ontario on January 18, 2008 and commenced operations on June 1, 2009. Throughout the year, the Centre operated 16 complex continuing care and 120 rehabilitation beds (2025 - 16 complex continuing care and 48 rehabilitation beds).

The Centre operates as a hospital providing programs for complex continuing care and rehabilitative care and related services. The Centre is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act are met.

2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. The significant policies are detailed as follows:

Revenue recognition

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

The Centre is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health/Ontario Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on the straight-line basis at rates corresponding to those of the related tangible capital assets.

Revenue from insurance plans and accommodation services are recognized when the service is provided.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on the straight-line basis at the following range of annual rates:

Amortization is taken at 50% of the below rates in the year of acquisition and no amortization is recorded in the year of disposal.

	Method	Rate
Buildings	straight-line	40 years
Furniture and fixtures	straight-line	3 to 20 years
Leasehold improvements	straight-line	30 years
Information technology	straight-line	5 to 10 years
Signs	straight-line	10 years
Equipment under capital lease	straight line	15 years

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Centre determines that a long-lived asset no longer has any long-term service potential to the Centre, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Internally restricted net assets

Restricted net assets represent amounts internally restricted for unforeseen expenses, as per the Board's capital reserve policy.

Retirement and post-employment benefits

The Centre provides retirement and post-employment benefits to certain employee groups. These benefits include pension, health and dental benefits. The Centre has adopted the following policies with respect to accounting for these employee benefits:

i) The costs of post-employment benefits are determined using management's best estimate of health care costs, employee turnover rates and discount rates. Adjustments to these costs arising from plan amendments and changes in estimates are accounted for in the period of the amendment or change.

ii) The expense related to the multi-employer defined benefit pension plan are the employer's contributions to the plan in the year.

iii) The discount rate used in the determination of post-employment benefits is equal to the provincial cost of borrowing rate recommended by the Ministry of Health for hospital use.

Contributed services

A substantial number of volunteers contribute a significant amount of their time to the Centre during the year. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

Financial instruments

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments, if any, held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Any financial instruments that are not recorded at fair value are subsequently recognised at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Accrued liabilities are estimated based on the anticipated charges for unbilled goods and services at year-end and repayable to funder is based on the anticipated amount to be repaid. Post-employment benefits are estimates based on valuations.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Inter-entity transactions

The Centre recognizes and records all transactions with other entities within the St. Joseph's group reporting entity ("inter-entity transactions") at their carrying amount as determined at the transaction date, with the exception of the following:

The Centre pays management fees to St. Joseph's Health Centre and this is undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length and is therefore recorded at the exchange amount.

The Centre records laundry, food, salaries and other services that are transacted with related parties. These costs are recorded in expenses on a gross basis and are measured at their exchange amount.

3. Cash

The cash balance of $13,453,721 (2025 - $13,893,794) includes $2,633,054 (2025 - $8,398,356), which is related to the construction of Lasalle Phase 2.

4. Accounts receivable

	2026	*2025*
Ministry of Health	**5,195,829**	372,718
Canada Revenue Agency HST rebates	**1,470,958**	1,466,921
Patients	**38,781**	51,099
Other	**192,228**	244,862
	6,897,796	2,135,600

5. Related party transactions

The Centre is related to the St. Joseph's Health Centre of Sudbury ("SJHC"), St. Joseph's Villa of Sudbury Inc. ("SJV"), St. Gabriel's Villa of Sudbury ("VSGV"), St. Joseph's Lodge of Manitoulin Island ("Lodge") and St. Joseph's Foundation of Sudbury by virtue of common board members.

St. Joseph's Foundation of Sudbury was established to raise, receive, maintain and manage funds to be distributed towards various programs and capital projects of the Centre. The Foundation is a non-profit organization incorporated under the Canada Corporations Act and is a registered charity under the Income Tax Act.

The advances to/from related parties are unsecured, non-interest bearing with no specific terms of repayment.

The SJV provides laundry and food and other services to the Centre. The amount of food and other services provided for the year was $841,503 (2025 - $835,172) and laundry services provided for the year was $132,442 (2025 - $126,961).

The VSGV provides food and other services to the Centre. The amount of food and other services provided for the year was $642,679 (2025 - $846,153).

The Centre has acquired salaries, supplies and purchased services from SJHC in the amount of $2,687,137 (2025 - $4,948,724). The management fees charged by SJHC was $9,204,068 (2025 - $739,413).

These transactions have been measured and recorded in the accompanying financial statements at the exchange amount which is the amount of consideration established and agreed to by the management of the related parties.

Amounts due to/from related parties are as follows:

	2026	*2025*
Advances to related parties:		
St. Joseph's Foundation of Sudbury	**224**	8,866
St. Joseph's Lodge of Manitoulin Island	**11,750**	-
St. Gabriel's Villa of Sudbury	**-**	32,045
	11,974	40,911
Advances from related parties:		
St. Joseph's Health Centre of Sudbury	**4,434,928**	156,212
St. Joseph's Villa of Sudbury Inc	**79,138**	18,738
St. Gabriel's Villa of Sudbury	**27,986**	-
	4,542,052	174,950

6. Tangible capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Buildings	**22,352,390**	**9,097,812**	**13,254,578**	13,665,570
Furniture and fixtures	**2,018,517**	**1,578,268**	**440,249**	234,535
Leasehold improvements	**46,147,433**	**949,793**	**45,197,640**	19,340,555
Information technology	**860,280**	**653,493**	**206,787**	115,341
Signs	**64,066**	**64,066**	**-**	-
Assets under construction	**-**	**-**	**-**	8,675,315
	71,442,686	**12,343,432**	**59,099,254**	42,031,316
Assets under capital lease				
Equipment under capital lease	**155,943**	**15,594**	**140,349**	145,547
	71,598,629	**12,359,026**	**59,239,603**	42,176,863

Assets under construction are carried at cost and only amortized when complete and available for use.

7. Short-term demand loans

The Centre has an overdraft lending agreement facility with the Desjardins Ontario Credit Union to a maximum of $1,000,000 with interest charged per annum at the bank's prime lending rate. At March 31, 2026, there was no amount drawn on this facility (2025 - $nil).

8. Accounts payable and accrued liabilities

	2026	2025
Trade accounts payable	**4,920,194**	1,630,841
Due to Ministry of Health	**125,272**	413,883
Accrued salaries, wages and benefits	**2,334,357**	1,139,810
Vacation and other entitlements	**647,155**	577,549
Government remittances	**444,587**	354,379
Other accounts payable and accruals	**17,950**	30,017
	8,489,515	4,146,479

9. Deferred contributions

Deferred contributions consist of unspent externally restricted funding that has been received and may be realized in the subsequent year or repayable to the funder. Changes in deferred contributions are as follows:

	2026	2025
Balance, beginning of year	**15,674,575**	1,580,322
Contributions received	**8,253,073**	17,317,670
Contributions returned	**(73,332)**	(764,595)
Contributions recognized as revenue	**(1,904,565)**	(2,336,753)
Transferred to deferred capital contributions	**(12,618,681)**	(122,069)
Balance, end of year	**9,331,070**	15,674,575

10. Capital lease obligations

	2026	*2025*
Capital lease obligation payable in equal monthly installments of $2,924 including interest at 3.965%, due April 2027, secured by equipment under capital lease with a carrying value of $140,349 (2025 - $145,547).	**33,788**	64,976
Less: Current portion	**31,189**	31,189
	2,599	33,787

Future minimum lease payments related to the obligation under capital lease are as follows:

2027	35,085
2028	2,924
	38,009
Less: imputed interest	(4,221)
	33,788
Less: current portion	(31,189)
	2,599

11. Deferred tangible capital contributions

Deferred tangible capital contributions represent the unamortized balances of donations and grants restricted for tangible capital asset acquisitions. Details of the continuity of these funds are as follows:

	2026	*2025*
Balance, beginning of year	**34,149,391**	24,466,028
Additions to deferred tangible capital contributions	**19,693,035**	10,412,053
Less: Amounts amortized	**(1,317,667)**	(728,690)
	52,524,759	34,149,391

12. Post-employment benefits

The Centre pays certain health, dental and life insurance benefits on behalf of its retired employees and recognizes these post-retirement costs in the period in which the employees rendered their services. During the current year, an actuarial valuation was prepared which calculated the accrued benefit obligation at March 31, 2026. The accrued benefit liability and the expense for the period ended March 31, 2026 were determined using an annual discount rate of 3.89% (2025 - 3.89%), and projected future benefit cost annual growth rates of 4% and 5.50% (2025 - 3.50% and 6%) for dental and extended health care benefits respectively. The accrued benefit obligation is as follows:

	2026	*2025*
Balance, beginning of year	**536,300**	468,158
Expense for the year	**83,100**	77,342
Benefits paid for the year	**(13,600)**	(9,200)
Balance, end of year	**605,800**	536,300

13. Contingent liabilities

The Centre is a member of the Health Care Insurance Reciprocal of Canada (HIROC). HIROC is a pooling of the public liability insurance risk 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 were members and these losses could be material. No reassessments have been made to March 31, 2026.

The Centre has entered into accountable contribution agreements with the Ministry. The programs are subject to audit by the Ministry and should these audits result in recoveries of contributions, the amount of these recoveries would be charged to the the Centre in the period in which they are determined.

14. Commitments

The Centre has entered into a premises lease agreement expiring in April 2055 with minimum annual payments as follows:

2027	2,395,787
2028	2,395,787
2029	2,395,787
2030	2,395,787
2031	2,395,787
Thereafter	57,698,538
	69,677,473

15. Economic dependence

The Centre receives a significant portion of its revenue from the Ministry of Health ("MOH"). The ability of the Organization to continue operations is dependent upon these government transfers.

16. Pension plan

Substantially all of the full-time employees of the Centre are members of the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer defined benefit plan. Defined contribution plan accounting principles are applied to a multi-employer plan, whereby contributions are expensed when due, as the Centre has insufficient information available to apply defined benefit plan accounting principles. The Centre records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

Contributions made to HOOPP during the year on behalf of the employees amounted to $1,064,924 (2025 - $987,800). These amounts are included in employee benefits in the statement of operations. The most recent valuation for financial reporting purposes completed by HOOPP as of December 31, 2025 disclosed net assets available for benefits of $131.9 billion with a pension obligation of $120.8 billion resulting in a surplus of $11 billion.

17. Financial instruments

The Centre, as part of its operations, carries a number of financial instruments. It is management's opinion that the Centre is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

17. Financial instruments *(Continued from previous page)*

Liquidity risk

Liquidity risk is the risk that the Centre will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Centre is exposed to this risk relating to its accounts payable and accrued liabilities of $8,489,515 (2025 - $4,146,479).

The Centre reduces its exposure to liquidity risk by management's monitoring of cash activities and expected outflow through extensive budgeting and maintaining enough cash and investments to repay creditors as those liabilities become due.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Centre is exposed to credit risk with respect to accounts receivable and advances to related parties.

The Centre incurs receivable transactions in the normal course of operations and is exposed to credit risk associated with its accounts receivable balance of $6,897,796 (2025 - $2,135,600). The Centre manages this risk exposure through management's on-going monitoring of accounts receivable balances and collections. The Centre measures its exposure to credit risk with respect to accounts receivable based on how long the amounts have been outstanding and management's analysis of accounts.

Refer to note 2 regarding the Centre's policies for assessing impairment of financial assets measured at other than fair value which includes its advances to related parties.