

Financial Statements of

**ERINOAKKIDS**  
Centre for Treatment  
and Development

And Independent Auditor's Report thereon

Year ended March 31, 2026



## **KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of ERINOAKKIDS  
Centre for Treatment and Development

### ***Opinion***

We have audited the financial statements of ERINOAKKIDS Centre for Treatment and Development (the Entity), which 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 for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 25, 2026

# ERINOAKKIDS

## Centre for Treatment and Development

### Statement of Financial Position

March 31, 2026, with comparative information for 2025


	2026	2025
<b>Assets</b>		
Current assets:		
Cash	\$ 18,277,672	\$ 18,863,044
Accounts receivable (note 10)	804,553	512,765
Prepaid expenses	730,823	861,695
	<u>19,813,048</u>	<u>20,237,504</u>
Investments (note 2)	36,319,665	34,914,124
Capital assets (note 3)	167,158,961	172,510,813
	<u>\$ 223,291,674</u>	<u>\$ 227,662,441</u>


### Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (notes 4 and 10)	\$ 9,820,152	\$ 10,004,854
Deferred revenue (note 5)	2,381,745	2,615,092
	<u>12,201,897</u>	<u>12,619,946</u>
Deferred capital contributions (note 6)	150,328,505	155,680,357
	<u>162,530,402</u>	<u>168,300,303</u>
Net assets:		
Internally restricted - operating (note 8)	1,902,550	1,902,550
Internally restricted - capital (note 8)	5,368,030	5,368,030
Invested in capital assets (note 7)	18,568,778	18,568,778
Unrestricted	34,921,914	33,522,780
	<u>60,761,272</u>	<u>59,362,138</u>
Contingencies and indemnifications (note 15)		
	<u>\$ 223,291,674</u>	<u>\$ 227,662,441</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# ERINOAKKIDS

## Centre for Treatment and Development

### Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Ministry of Children, Community and Social Services and Ministry of Health (note 11)	\$ 75,876,709	\$ 76,894,023
Other revenue and recoveries (note 12)	8,039,145	4,848,956
Amortization of deferred capital contributions (note 6)	6,883,460	6,808,035
Other funding and operating grants (note 13)	2,668,071	2,550,520
Investment	2,430,778	2,564,449
Donations and fundraising	1,595,234	2,765,092
	<u>97,493,397</u>	<u>96,431,075</u>
Expenses:		
Salaries and benefits	65,369,690	63,354,352
Contracted out services	12,464,993	13,301,798
Amortization of capital assets	6,883,460	6,808,035
Buildings and grounds	3,255,464	3,357,078
Information technology costs	2,383,586	2,338,384
Professional fees	1,665,338	2,180,937
Sundry	843,381	802,227
Supplies	774,338	984,313
Travel and training	732,247	713,528
Fundraising	517,231	535,004
Equipment	348,562	395,365
	<u>95,238,290</u>	<u>94,771,021</u>
	2,255,107	1,660,054
Unrealized gain (loss) on investments	(855,973)	171,554
<b>Excess of revenue over expenses</b>	<b>\$ 1,399,134</b>	<b>\$ 1,831,608</b>

See accompanying notes to financial statements.

# ERINOAKKIDS

## Centre for Treatment and Development

### Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

					2026	2025
	Unrestricted	Internally restricted - operating (note 8)	Internally restricted - capital (note 8)	Invested in capital assets (note 7)	Total	Total
Net assets, beginning of year	\$ 33,522,780	\$ 1,902,550	\$ 5,368,030	\$ 18,568,778	\$ 59,362,138	\$ 57,530,530
Excess of revenue over expenses	1,399,134	–	–	–	1,399,134	1,831,608
Net assets, end of year	\$ 34,921,914	\$ 1,902,550	\$ 5,368,030	\$ 18,568,778	\$ 60,761,272	\$ 59,362,138

See accompanying notes to financial statements.

# ERINOAKKIDS

## Centre for Treatment and Development

### Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,399,134	\$ 1,831,608
Items not involving cash:		
Amortization of capital assets	6,883,460	6,808,035
Amortization of deferred capital contributions	(6,883,460)	(6,808,035)
Write-off of capital assets	5,726	175,956
Write-off of deferred capital contributions	(5,726)	(175,956)
Unrealized loss (gain) on investments	855,973	(171,554)
Reinvested distribution	(1,574,366)	(932,496)
Change in non-cash operating working capital	(578,965)	785,997
	101,776	1,513,555
Financing activities:		
Deferred capital contributions received	1,537,334	1,273,288
Investing activities:		
Purchase of investments	(3,023,648)	(12,228,532)
Proceeds on redemption and sale of investments	2,336,500	12,567,500
Purchase of capital assets	(1,537,334)	(1,273,288)
	(2,224,482)	(934,320)
Increase (decrease) in cash	(585,372)	1,852,523
Cash, beginning of year	18,863,044	17,010,521
Cash, end of year	\$ 18,277,672	\$ 18,863,044

See accompanying notes to financial statements.

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements

Year ended March 31, 2026

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ERINOAKKIDS Centre for Treatment and Development (the "Organization") is incorporated under the laws of Ontario, without share capital, with the purpose of supporting children and youth with physical, developmental or communication disabilities and their families residing primarily in the Regions of Peel and Halton and Dufferin County in achieving and maintaining optimal levels of independence, health and well-being.

The Organization is a registered charitable organization under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

### 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Canada Handbook - Accounting and include the following significant accounting policies.

#### (a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions.

Operating grants for programs 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.

Unrestricted contributions, including donations and fundraising, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

The monies received to fund capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Monies received for special projects and purposes are recognized as revenue in the year in which the related expenses are incurred.

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

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### 1. Significant accounting policies (continued):

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from client and other service fees are recognized when the services are provided.

#### (b) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value. Construction in progress includes direct construction costs and only transferred into permanent capital asset class at completion of construction.

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

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Land improvements	15 - 20 years
Buildings	40 years
Building service equipment	15 - 40 years
Major equipment	5 - 15 years
Major Information System ("IS") equipment	5 - 15 years

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#### (c) Contributed services:

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

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

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### 1. Significant accounting policies (continued):

#### (d) Cloud computing arrangements:

The Organization has made a policy choice to apply the simplified approach for Accounting for Cloud Computing Arrangements, whereby expenditures related to elements in cloud computing arrangements are recorded as an expense as incurred. During the year, included in information technology and equipment expenses on the statement of operations is \$386,244 (2025 - \$267,020) of costs related to cloud computing arrangements.

#### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry its pooled funds at fair value. Management considers investments as part of its long-term investment portfolio, regardless of term.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

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### 1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

### 2. Investments:

Guaranteed investment certificates are carried at cost plus accrued interest, pooled funds are carried at fair value and consist of the following:

	2026	2025
Guaranteed investment certificates	\$ 20,372,484	\$ 19,685,336
Pooled funds:		
Balanced	3,065,675	2,938,146
Equity	8,314,879	7,782,148
Fixed income	4,566,627	4,508,494
	<u>\$ 36,319,665</u>	<u>\$ 34,914,124</u>

The guaranteed investment certificates have an effective interest rate of 2.85% to 5.35% (2025 - 3.43% to 5.35%) and mature between May 2026 and August 2029 (2025 - May 2025 and May 2029).

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## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

### 3. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 18,568,778	\$ –	\$ 18,568,778	\$ 18,568,778
Land improvements	2,797,374	1,396,433	1,400,941	1,597,761
Buildings	180,229,027	40,796,099	139,432,928	144,071,500
Building service equipment	5,297,755	2,462,437	2,835,318	3,193,402
Major equipment	8,635,279	5,947,223	2,688,056	3,256,354
Major IS equipment	4,694,418	3,044,405	1,650,013	1,457,728
Construction in progress	582,927	–	582,927	365,290
	<b>\$ 220,805,558</b>	<b>\$ 53,646,597</b>	<b>\$ 167,158,961</b>	<b>\$ 172,510,813</b>

In January 2018, the Organization completed its Redevelopment Project, which led to all sites becoming operational. A majority of funding for the acquisition of redevelopment capital assets was received from the Ministry of Children, Community and Social Services ("MCCSS" or "Ministry"). The Organization is therefore not able to dispose of these capital assets or to use the capital assets for other purposes without the consent of the Ministry.

### 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$941,921 (2025 - \$919,801), which includes amounts payable for payroll-related taxes.

Total severance expenses included in salaries and benefits expenses on the statement of operations amounted to \$1,057,381 (2025 - \$604,759). Included in accounts payable and accrued liabilities are \$849,825 (2025 - \$708,800) in severance accruals relating to individuals who will be paid out agreed amounts that will end on dates ranging from April 9, 2026 to February 10, 2028.

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

### 5. Deferred revenue:

	2026	2025
Balance, beginning of year	\$ 2,615,092	\$ 3,649,802
Funds received	3,465,174	1,299,259
Revenue recognized	(3,666,288)	(2,333,969)
Transfer to accounts payable	(32,233)	-
<b>Balance, end of year</b>	<b>\$ 2,381,745</b>	<b>\$ 2,615,092</b>

### 6. Deferred capital contributions:

	2026	2025
Balance, beginning of year	\$ 155,680,357	\$ 161,391,060
Contributions received	1,537,334	1,273,288
Write-offs	(5,726)	(175,956)
	157,211,965	162,488,392
Less amounts amortized to revenue	6,883,460	6,808,035
<b>Balance, end of year</b>	<b>\$ 150,328,505</b>	<b>\$ 155,680,357</b>

The deferred capital contributions include monies raised through the \$20 million In My Dreams Campaign. The campaign raised funds to equip the facilities under the Redevelopment Project.

Deferred capital contributions related to capital assets represent the unamortized amount of funding received for the purchase of the capital assets. At the end of the year, deferred capital contributions include \$1,738,322 (2025 - \$1,738,322) of funds that are unspent.

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

### 7. Net assets invested in capital assets:

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

	2026	2025
Capital assets	\$ 167,158,961	\$ 172,510,813
Less amounts financed by deferred capital contributions, excluding amount unspent	148,590,183	153,942,035
	<u>\$ 18,568,778</u>	<u>\$ 18,568,778</u>

The balance of invested in capital assets represents the land, which is not amortized, that was funded by the Ministry in connection with the Redevelopment Project.

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

	2026	2025
Excess of revenue over expenses:		
Amortization of deferred capital contributions	\$ 6,883,460	\$ 6,808,035
Amortization of capital assets	(6,883,460)	(6,808,035)
	<u>\$ —</u>	<u>\$ —</u>
Net change in investment in capital assets:		
Purchase of capital assets	\$ 1,537,334	\$ 1,273,288
Amounts funded by deferred capital contributions	(1,537,334)	(1,273,288)
	<u>\$ —</u>	<u>\$ —</u>

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

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### 8. Internally restricted funds:

The Board of Directors has internally restricted the following:

- (a) For operating - On an annual basis, the Board of Directors had internally restricted parking revenue related to the operation of the parking lots at its sites in excess of expenses to be used for future parking lot expenses. In the prior year, the Board of Directors approved eliminating parking charges for clients effective November 1, 2024. Net proceeds from parking are not internally restricted from that date forward.
- (b) For capital - The Board of Directors internally restricted the historical gain from the sale of a property for any other future capital and operating needs.

The internally restricted amounts are not available for other purposes without the approval by the Board of Directors.

### 9. Credit facility:

On March 15, 2018, the Organization entered into an updated credit facility agreement for a line of credit for up to \$900,000. The credit facility bears interest at the bank's prime rate and is repayable upon demand. There is no amount drawn on this credit facility as at March 31, 2026 and 2025.

### 10. Contracts with MCCSS:

The Organization is funded for a number of programs with MCCSS. A requirement of these programs is the completion by management of a Final Report Back with Annual Reconciliation, which shows a summary of all revenue and expenses and any resulting surplus or deficit related to the programs. Programs which are in a surplus are included in accounts payable and accrued liabilities and programs which are in a deficit are recorded in accounts receivable. The balances payable (receivable) are as follows:

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	2026	2025
Complex Special Needs - Individual Placements	\$ 63,449	\$ (90,752)
Special Services at Home Program	(151,044)	(65,744)
Autism - Urgent Response Services	60,625	-

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# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

### 11. MCCSS and Ministry of Health ("MOH") revenue:

	2026		2025	
	Revenue	Expenses	Revenue	Expenses
MCCSS programs:				
Childrens Rehab Services	\$ 32,904,843	\$ 32,904,843	\$ 32,457,611	\$ 32,457,611
Ontario Autism Program ("OAP") - Urgent Response Services	11,990,685	11,990,685	12,341,036	12,341,036
Early Intervention - PSL/BLV	9,746,033	9,746,033	9,814,153	9,814,153
OAP - Entry to School	8,465,665	8,465,665	8,794,337	8,794,337
Special Needs Program	2,967,759	2,967,759	2,938,229	2,938,229
Connections for Students	2,673,748	2,673,748	2,952,442	2,952,442
OAP - Caregiver-mediated Early years	2,193,549	2,193,549	2,231,025	2,231,025
Complex Special Needs OAP - Foundational Family Services	2,091,496	2,091,496	1,562,952	1,562,952
Respite Services	1,654,619	1,654,619	1,717,147	1,717,147
One-Time Funding - OAP Workforce Capacity Fund	876,150	876,150	659,337	659,337
Early Intervention - IHP	200,000	200,000	—	—
Physiotherapy Clinic	—	—	1,336,124	1,336,124
Assistive Devices Leasing Program	81,162	81,162	61,630	61,630
Program	31,000	31,000	28,000	28,000
	\$ 75,876,709	\$ 75,876,709	\$ 76,894,023	\$ 76,894,023

### 12. Other revenue and recoveries:

	2026	2025
Children's Hospital of Eastern Ontario	\$ 2,772,242	\$ 1,361,121
Sales and rentals	2,714,816	1,359,611
Diagnostic hub	1,269,300	1,269,300
One-time grants and other income	566,819	368,662
Coordinated service planning	286,450	286,450
Extensive Needs Services	250,000	—
Client and other service fees	179,518	165,749
Other revenue	—	38,063
	\$ 8,039,145	\$ 4,848,956

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

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### 13. Other funding and operating grants:

	2026	2025
Region of Peel - Early Childhood Resource Services	\$ 1,972,304	\$ 1,933,224
Halton Region - Special needs resourcing	585,644	566,384
One-time grants and other income	110,123	50,912
	<hr/>	<hr/>
	\$ 2,668,071	\$ 2,550,520

### 14. Pension plan:

Most employees of the Organization are members of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees. The Plan members will receive benefits based on length of service and the average annualized earnings during the five consecutive years that provide the highest earnings prior to retirement, termination or death.

Contributions to the Plan made during the year by the Organization on behalf of its employees amounted to \$4,691,925 (2025 - \$4,441,756) and is included in the statement of operations.

Since the Plan is a multi-employer plan, the Organization's contributions are accounted for as if the Plan were a defined contribution plan, with the Organization's contributions being expensed in the period they come due. Any pension surplus or deficit is a joint responsibility of members and employers and may affect future contribution rates related to members. The Organization does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the Organization's share of the underlying pension assets and liabilities.

The most recent actuarial valuation filed with pension regulators as at December 31, 2024 indicated an actuarial surplus of \$26,321,000.

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

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### 15. Contingencies and indemnifications:

#### (a) Contingent liabilities:

On July 1, 1987, a group of health care organizations ("subscribers") formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a reciprocal pursuant to the Provincial Insurance Act, which permits persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage to health care organizations in the Provinces of Ontario, Manitoba, Saskatchewan and Newfoundland and Labrador. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2026.

#### (b) Director/officer indemnifications:

The Organization indemnifies its directors/officers and former directors/officers to the extent permitted by legislation against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by them in connection with any action, suit or proceeding in which the directors and/or officers are used as a result of their service, if they acted honestly and in good faith with a view to the best interests of the Organization. The nature of the indemnification prevents the Organization from making a reasonable estimate of the maximum potential amount that it could be required to pay counterparties. The Organization has purchased directors' and officers' liability insurance. No amount has been accrued in the financial statements as at March 31, 2026 with respect to this liability.

# ERINOAKKIDS

## Centre for Treatment and Development

Notes to Financial Statements (continued)

Year ended March 31, 2026

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### 16. Financial risk management:

Financial risk relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate risk, market price risk, and liquidity risk. These risks will also impact future cash flow streams, including dividends, gains and losses and interest income.

(a) Interest rate risk:

The Organization is exposed to interest rate risk on its fixed interest rate financial instruments. There has been no change to the interest rate risk exposure from 2025.

(b) Market price risk:

Market price risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the Organization to a risk of loss. The Organization mitigates this risk through controls to monitor and limit concentration levels. There has been no change to the interest rate risk exposure from 2025.

(c) Liquidity risk:

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. It is management's opinion that the Organization's liquidity is considered low given its current cash position. There has been no change to the liquidity risk exposure from 2025.