Ontario Heritage Trust

Financial Statements

March 31, 2026

ONTARIO HERITAGE TRUST
An agency of the Government of Ontario

10 Adelaide Street East
Toronto, Ontario M5C 1J3

Telephone: 416-325-5000
Fax : 416-325-5071
www.heritagetrust.on.ca

July 23, 2026

Management Responsibility for Financial Information

The accompanying financial statements of the Ontario Heritage Trust have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to July 23, 2026.

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded, and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board of Directors reviews and approves the financial statements.

The Office of the Auditor General, appointed by our legislation, has audited the financial statements in accordance with Canadian generally accepted auditing standards, as stated in their Independent Auditor's Report. The Office of the Auditor General has full and unrestricted access to the Audit Committee to discuss their audit and related findings.

Helen Chimirri-Russell
Chief Executive Officer

Paul Dempsey
Director, Corporate Businesses and Services

Office of the Auditor General of Ontario
Bureau du vérificateur général de l’Ontario

20 Dundas Street West, Suite 1530,
Toronto, Ontario, M5G 2C2

20, rue Dundas Ouest, bureau 1530,
Toronto (Ontario) M5G 2C2

416-327-2381
www.auditor.on.ca

INDEPENDENT AUDITOR’S REPORT

To the Ontario Heritage Trust

Opinion

I have audited the financial statements of the Ontario Heritage Trust (the Trust), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in fund balances, remeasurement gains and losses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Trust’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 the Trust either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Trust'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 Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust 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.

I 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 I identify during my audit.

Jeremy Blair

Toronto, Ontario
July 23, 2026

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Ontario Heritage Trust
Statement of Financial Position
(in thousands of Canadian dollars)
As at March 31

	General Fund		Restricted Funds		Endowment Funds		Total	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Assets								
Current assets								
Cash and cash equivalents (note 3)	**1,490**	5,177	**-**	497	-	-	**1,490**	5,674
Accounts receivable	**1,377**	484	**365**	174	-	-	**1,742**	658
Prepaid expenses and inventories	**61**	43	**-**	16	-	-	**61**	59
Total current assets	**2,928**	5,704	**365**	687	-	-	**3,293**	6,391
Long–term investments (note 4)	**1,839**	-	**67,123**	64,320	**12,588**	12,343	**81,550**	76,663
Capital assets (note 6)	**190**	242	**110**	233	-	-	**300**	475
Total assets	**4,957**	5,946	**67,598**	65,240	**12,588**	12,343	**85,143**	83,529
Liabilities and Fund Balances								
Current liabilities								
Accounts payable and accrued liabilities	**2,189**	2,514	**496**	259	-	-	**2,685**	2,773
Unearned revenue	**282**	303	-	-	-	-	**282**	303
Employee future benefits (note 7)	**164**	207	-	-	-	-	**164**	207
Total current liabilities	**2,635**	3,024	**496**	259	-	-	**3,131**	3,283
Employee future benefits (note 7)	**176**	174	-	-	-	-	**176**	174
Total liabilities	**2,811**	3,198	**496**	259	-	-	**3,307**	3,457
Fund balances								
Externally restricted (note 5)	-	-	**46,102**	41,365	**9,311**	9,311	**55,413**	50,676
Internally restricted	-	-	**18,593**	21,865	**1,823**	1,820	**20,416**	23,685
Legislated reserve	-	-	-	-	**750**	750	**750**	750
Unrestricted	**2,071**	2,694	-	-	-	-	**2,071**	2,694
	2,071	2,694	**64,695**	63,230	**11,884**	11,881	**78,650**	77,805
Accumulated remeasurement gains	**75**	54	**2,407**	1,751	**704**	462	**3,186**	2,267
Total fund balances	**2,146**	2,748	**67,102**	64,981	**12,588**	12,343	**81,836**	80,072
Total liabilities and fund balances	**4,957**	5,946	**67,598**	65,240	**12,588**	12,343	**85,143**	83,529

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

Chair

Chair of the Audit Committee

Ontario Heritage Trust
Statement of Operations

(in thousands of Canadian dollars)
For the year ended March 31

	General Funds		Restricted Funds		Endowment Funds		Total	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Revenue								
Government contributions – operating	**4,470**	4,746	**-**	-	**-**	-	**4,470**	4,746
Government contributions – restoration of heritage buildings	**-**	-	**1,495**	1,620	**-**	-	**1,495**	1,620
Government contributions - others	**37**	43	**228**	72	**-**	**-**	**265**	115
Rental, license and ancillary revenue	**3,292**	3,053	**-**	-	**-**	-	**3,292**	3,053
Investment income (note 10)	**2,058**	1,580	**4,900**	2,977	**-**	-	**6,958**	4,557
Interest Income	**22**	186	**53**	351	-	-	**75**	537
Fundraising and corporate sponsorships	**115**	81	**181**	219	**-**	-	**296**	300
Other revenue	**353**	295	**121**	28	**-**	-	**474**	323
Total revenues	**10,347**	9,984	**6,978**	5,267	**-**	-	**17,325**	15,251
Expenses (note 11)								
Trust properties and collections	**4,030**	3,695	**3,636**	3,283	**-**	-	**7,666**	6,978
Business centres' operations	**3,734**	3,759	**186**	37	**-**	-	**3,920**	3,796
Heritage programs, activities and special events	**3,075**	2,795	**449**	1,079	**-**	-	**3,524**	3,874
Administration	**1,299**	1,278	**71**	26	**-**	-	**1,370**	1,304
Total expenses	**12,138**	11,527	**4,342**	4,425	**-**	-	**16,480**	15,952
Excess (deficiency) of revenue over expenses for the year	**(1,791)**	(1,543)	**2,636**	842	**-**	-	**845**	(701)

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

Ontario Heritage Trust
Statement of Changes in Fund Balances
(in thousands of Canadian dollars)
For the year ended March 31

2026

	Externally restricted for endowment	Internally restricted for endowment	Legislated reserve endowment	Externally restricted	Internally restricted	Unrestricted	Total
Balance, beginning of year	**9,311**	**1,820**	**750**	**41,365**	**21,865**	**2,694**	**77,805**
Excess (deficiency) of revenue over expenses for the year	**—**	**—**	**—**	**4,737**	**(2,101)**	**(1,791)**	**845**
Inter-fund transfers (note 12)	**—**	**3**	**—**	**—**	**(1,171)**	**1,168**	**—**
	9,311	**1,823**	**750**	**46,102**	**18,593**	**2,071**	**78,650**
Accumulated remeasurement gains	**704**	**—**	**—**	**1,602**	**805**	**75**	**3,186**
Balance, end of year	**10,015**	**1,823**	**750**	**47,704**	**19,398**	**2,146**	**81,836**

2025

	Externally restricted for endowment	Internally restricted for endowment	Legislated reserve endowment	Externally restricted	Internally restricted	Unrestricted	Total
Balance, beginning of year	9,311	1,817	750	38,289	25,439	2,900	78,506
Excess (deficiency) of revenue over expenses for the year	—	—	—	3,076	(2,234)	(1,543)	(701)
Inter-fund transfers (note 12)	—	3	—	—	(1,340)	1,337	—
	9,311	1,820	750	41,365	21,865	2,694	77,805
Accumulated remeasurement gains	462	—	—	1,069	682	54	2,267
Balance, end of year	9,773	1,820	750	42,434	22,547	2,748	80,072

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

Ontario Heritage Trust
Statement of Remeasurement Gains and Losses
(in thousands of Canadian dollars)
For the year ended March 31

	2026	2025
Accumulated remeasurement gains (losses), beginning of year	**2,267**	(757)
Unrealized gains attributed to:		
Portfolio investments	**1,969**	3,418
Realized amounts reclassified to the statement of operations:		
Portfolio investments	**(1,050)**	(394)
Net remeasurement change for the year	**919**	3,024
Accumulated remeasurement gains, end of year	**3,186**	2,267

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

Ontario Heritage Trust
Statement of Cash Flows

(in thousands of Canadian dollars)
For the year ended March 31

	2026	2025
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses for the year	**845**	(701)
Adjustment for non-cash items:		
Amortization of capital assets	**226**	200
Realized net gain on sale of investments	**(1,050)**	(394)
Changes in working capital items:		
(Increase) decrease in accounts receivable	**(1,084)**	333
(Increase) decrease in prepaid expenses and inventories	**(2)**	22
Increase (decrease) in accounts payable and accrued liabilities	**(88)**	(182)
Increase (decrease) in unearned revenue	**(21)**	(105)
Increase (decrease) in employee future benefits	**(41)**	4
Net cash flows used in operating activities	**(1,215)**	(823)
Cash flows from capital activities		
Purchase of capital assets	**(51)**	(229)
Net cash flows used in capital activities	**(51)**	(229)
Cash flows from investing activities		
Proceeds from investments	**10,465**	32,279
Purchase of investments	**(13,383)**	(37,634)
Net cash flows used in investing activities	**(2,918)**	(5,355)
Net decrease in cash and cash equivalents	**(4,184)**	(6,407)
Cash and cash equivalents, beginning of year	**5,674**	12,081
Cash and cash equivalents, end of year	**1,490**	5,674

The accompanying notes are an integral part of these financial statements

1. Nature of operations

Ontario Heritage Trust [the “Trust”], established by the *Ontario Heritage Act*, R.S.O. 1990 as an agent of His Majesty in Right of Ontario, is committed to preserving, protecting, and promoting Ontario’s heritage by accepting, holding in trust, and caring for gifts of provincially significant heritage properties and articles of historical, architectural, archaeological, recreational, aesthetic, natural and scenic interest. The Trust provides technical expertise and financial support to individuals, organizations and public bodies involved in heritage preservation, and undertakes research, public education, and other initiatives. The Trust is a not-for-profit provincial agency operating under the Ministry of Citizenship and Multiculturalism and is exempt from income taxes on its real property, business and income and can issue official donation receipts to donors.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared by management in accordance with *Canadian Public Sector Accounting Standards, including the 4200 series of standards* for government not-for-profit organizations. The significant accounting policies are summarized below.

Fund accounting

Resources are classified for accounting and reporting purposes into funds that are held in accordance with their specified purpose or in accordance with directives issued by the Board of Directors. Transfers between funds are made when approved by the Board of Directors, except for the Externally Restricted Funds, which require donor approval. For financial reporting purposes, there are three groups of funds:

General Fund

The General Fund includes all day-to-day transactions of the Trust and may disburse, expend, or otherwise deal with any part of its General Fund for the purpose of any of the objects of the Trust and to defray any expenses incurred in carrying out its objectives.

Restricted Funds

Restricted Funds consist of:

[a] Externally Restricted Funds

[i] Contributions received from the Province of Ontario [the “Province”], the federal government and non-profit organizations to finance specific projects; and
[ii] Contributions received from individuals and corporations with restrictions on use in accordance with the terms as specified by the contributors.

[b] Internally Restricted Funds

Amounts set aside by the Board of Directors to finance specific projects within the mandate of the Trust.

Endowment Funds
Endowment funds consist of non-expendable resources subject to restrictions imposed by contributors, legislation, and the Trust’s Board of Directors. A reserve fund is established under Section 13 of the *Ontario Heritage Act*, where the Trust shall not expend any of the capital of the reserve fund without the consent of the Lieutenant Governor in Council.

Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. By their nature, estimates are subject to measurement uncertainty. There are no amounts recognized or disclosed in the financial statements where the effect of measurement uncertainty is material to the financial statements.

Revenue recognition

Contributions – Grants and sponsorships

The Trust follows the restricted fund method of accounting for contributions. Contributions related to general operations are recognized as revenue of the General Fund in the year received or receivable.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Restricted contributions relating to funding for the repair and restoration of heritage properties are recognized as revenue of the Restricted Funds in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate Restricted Funds when received or receivable.

Contributions for endowment are recognized as revenue in the Endowment Funds when received or receivable. Contributions are recognized in the respective funds if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income
Investment income consists of interest, dividends, and realized gains and losses, and is recognized when earned. Investment income subject to restrictions stipulating that it be added to the principal amount of the Endowment Funds is reported as revenue of the Endowment Funds. Other investment income earned on resources of the Endowment Funds is reported in the General Fund or Restricted Funds depending on the nature of any restrictions imposed by contributors of funds for endowment. Where grantors or contributors do not specify the treatment of investment income earned on funds provided, the income is recognized as revenue of the General Fund.

Rental, license and ancillary revenue
Rental and license revenue is comprised of fees for the use of the Trust's heritage properties. Rental and license revenue is recognized over the term of the lease or the term of the license period.

Ancillary revenue is primarily comprised of food, beverage and merchandise sales during events held and parking fees charged at the Trust's heritage properties. Ancillary revenue is recognized at a point in time, when the performance obligation is satisfied once goods are sold or when services are provided.

Contributed gifts-in-kind

The work of the Trust is supported by other gifts-in-kind donations in addition to those referred to in Note 9, *Properties and articles of a cultural and natural heritage nature*. The donated items are recorded at fair value as revenue and expenses at the date of contribution when fair value is reasonably determinable.

Contributed services

A number of volunteers contribute a significant amount of time each year to assist in carrying out the Trust's service delivery activities. In addition, the Trust derives benefit from contributed in-kind services as a result of various arrangements with individuals, corporate and community partners. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Allocation of expenses

The Trust owns and operates trust properties and collections, delivers heritage programs and events and manages business centres' activities. The costs of each of these functional areas include salary and benefits, supplies and other expenses that are directly related to providing the programs. The Trust also incurs general support expenses that are common to the administration of these programs.

Executive office and corporate services unit salaries and benefits are allocated to trust property operations, heritage program delivery and business centre management based on time spent on each of the functional areas. General support expenses incurred are assigned proportionately based on staff time to the function to which it directly applies.

Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Trust becomes a party to the contractual provisions of the instrument.

All financial instruments are assigned to one of the two measurement categories at initial recognition: fair value, or cost/amortized cost.

The following is a list of the Trust's financial instruments and their measurement basis:

Financial assets	Measurement basis
Cash and cash equivalents	Amortized cost
Short-term investments	Fair value
Accounts receivable	Amortized cost
Long-term investments	Fair value

Financial liabilities	Measurement basis
Accounts payable and accrued liabilities	Amortized cost
Unearned revenue	Amortized cost

[i] *Financial instruments measured at fair value*

The Trust is permitted to invest in the following main investment categories:

- Canadian equity;
- Foreign equity; and
- Fixed income.

Short-term investments have terms of maturity greater than 90 days to 12 months. Long-term investments include those with terms of maturity greater than 12 months and investments with no maturity date where management's intention is to hold the investment for more than 12 months beyond the fiscal year-end.

Investments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are recorded at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Investments recorded at fair value are remeasured at the end of each reporting period. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until the asset is sold or matures, at which time the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

All investment transactions are recorded on a trade date basis. Transaction costs incurred on the acquisition of financial instruments are expensed as incurred.

Fair value measurements are classified 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 for identical assets or liabilities;
- 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 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.

[ii] *Financial instruments measured at cost or amortized cost*

Other financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and deposits are initially recorded at their fair value and subsequently measured at cost, net of any provisions for impairment.

For financial assets and liabilities measured at amortized cost, interest is recorded using the effective interest rate (EIR) method. The EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or, where appropriate, a shorter period.

Financial assets, except for those recorded at fair market value, are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized loss is adjusted through the statement of remeasurement gains and losses.

[iii] *Derecognition of a financial instrument*

The Trust derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the benefits and risks of ownership of the asset to another organization. The Trust derecognizes a financial liability or part of a financial liability when the obligation specified in the contract is discharged or cancelled, or expires. On derecognition, the difference between the financial instrument's carrying amount and the sum of the consideration received and receivable is recognized in statement of operations.

Capital assets

Capital assets are recorded at cost, less accumulated amortization and write-downs, if any. The historical cost of capital assets includes the cost directly related to their acquisition. Amortization begins when capital assets are available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management).

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

Computer equipment	3 years
Office equipment, furniture and fixtures	5 years

Capital assets are written down when conditions indicate that they no longer contribute to the Trust's ability to provide services, or when the value of future economic benefits associated with the capital assets is less than their net book value. The write-downs are accounted for as expenses in the statement of operations.

Properties and articles of a cultural and natural heritage nature

Purchased properties and articles of a cultural and natural heritage nature are expensed at cost, while those donated are recorded as revenue and expenses at their fair value at the date of contribution. Expenditures for restoration on owned properties are expensed as incurred.

(in thousands of Canadian dollars)

Properties, such as land, buildings and articles owned by the Trust [note 9], are classified as part of cultural and natural heritage collections held in trust and, as such, are exempt from being included as capital assets and are not subject to amortization.

Employee future benefits

Pension plans

The Trust is a participating employer in the Public Service Pension Plan (PSPP) and the Ontario Public Service Employees Union Pension Plan (OPSEUPP), which are multi-employer defined benefit plans. The Province of Ontario is the sole sponsor of the PSPP and a joint sponsor of the OPSEUPP with the Ontario Public Service Employees Union (OPSEU). When benefits are provided to employees through a multi-employer defined benefit plan, each entity participating in the plan, other than the sponsoring entity, is required to follow the standards for defined contribution plans. As a result, the Trust recognizes an expense equal to the amount of required contributions provided for employees' services rendered during the period. Any outstanding contributions are recognized as an accrued liability in the statement of financial position.

Post-employment benefits other than pension plans

Other employee future benefits include post-employment benefits payable on termination that are provided to certain employees and are accrued as the employees render the service necessary to earn these future benefits.

Foreign currency translation

The financial statements are presented in Canadian dollars.

At the transaction date, each asset, liability, revenue and expense in other currencies are translated into Canadian dollars using the closing exchange rate at that date. At the financial reporting date, monetary assets and liabilities, and non-monetary items that are included in the fair value category of financial instruments are translated to Canadian dollars by using the closing exchange rate at that date. The Trust made an irrevocable election to recognize any unrealized exchange gains and losses arising from all financial assets or liabilities directly in the statement of operations.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2026		**2025**	
	Cost	**Amortized cost**	Cost	Amortized cost
Cash – demand deposits	**488**	**488**	1,653	1,653
Cash equivalents – term deposits	**1,000**	**1,002**	4,000	4,021
	1,488	**1,490**	5,653	5,674

Cash is comprised of funds deposited in bank accounts with financial institutions that are charted banks in Canada. Demand deposits at financial institutions earn interest at floating rates based on daily bank deposit rates.

Cash equivalents include term deposits with Canadian financial institutions that have maturity dates of less than three months from the date of acquisition. Interest earned from demand deposits and cash equivalents are reported as part of interest income in the statement of operations. The rate of return from cash equivalents is 2.53% [2025 – 3.11% to 3.50%].

(in thousands of Canadian dollars)

4. Investments

Long-term investments consist of the following:

		2026		2025	
	FV Hier.	Cost	Fair value	Cost	Fair value
Pooled fixed income funds					
Canadian	1	**41,285**	**42,096**	40,054	41,811
Global	1	**2,901**	**3,035**	2,624	2,747
Pooled equity funds					
Canadian	1	**8,739**	**12,507**	9,030	10,527
Global	1	**17,124**	**18,180**	14,984	16,313
Pooled income funds					
Canadian	1	**2,255**	**2,273**	1,955	1,980
Global	1	**3,618**	**3,459**	3,308	3,285
Total		**75,922**	**81,550**	71,955	76,663

All the long-term investments are in pooled fixed income, pooled equity and pooled income funds. The maturity dates for long-term fixed income investments range from April 2026 to October 2084 (2025 – May 2025 to May 2081) and the rate of interest ranges from 2.45% to 10.46% (2025 – 2.20% to 14.00%).

5. External restrictions on restricted fund balances

Major categories of externally imposed restrictions on restricted funds' balances are, as follows:

	2026	2025
Capital projects	**124**	415
Heritage property acquisitions	**23,585**	21,336
Programming	**22,393**	19,614
Total externally restricted fund balances	**46,102**	41,365

(in thousands of Canadian dollars)

6. Capital assets

	2026		
	Cost	**Accumulated amortization**	**Net book value**
Computer equipment	**532**	**450**	**82**
Office equipment, furniture and fixtures	**552**	**334**	**218**
	1,084	**784**	**300**

	2025		
	Cost	**Accumulated amortization**	**Net book value**
Computer equipment	574	381	193
Office equipment, furniture and fixtures	504	222	282
	1,078	603	475

In the current year, included in General Fund and Restricted Fund expenses is amortization expenses of $104 and $122 [2025 – $83 and $117], respectively. In addition, fully amortized office equipment and furniture and fixture assets with a total cost of $45 [2025 – $22] were no longer in use and were written off.

7. Employee future benefits

Pension benefits

The Trust provides pension plans for regular employees through its participation in the PSPP or the OPSEUPP, which are multi-employer defined benefit pension plans. The Province, which is the sole sponsor of the PSPP and a joint sponsor of the OPSEUPP, determines the Trust's annual payments to the funds. The pension benefit formula is based on a member's best five-year average salary and length of service. Pension benefits are indexed to changes in the Consumer Price Index to provide protection against inflation. Plan benefits are funded by contributions from participating employers, employees, the Province, as well as investment earnings. Plan members normally contribute 8 to 12 per cent of their salaries to the plan and participating employers match these contributions. There were no significant changes to the plan during the period.

The Trust's annual payments of $783 [2025 – $777] are included in the expenses of the General and Restricted Funds in the statement of operations.

Non-pension benefits

The obligations for severance and time banking entitlements earned by eligible employees are included in employee future benefits in the statement of financial position. These entitlements were calculated using a discount rate of 4.01% (2025 – 3.49%) and expected average remaining service life of 10.77 years (2025 – 9 years). Due to the curtailment of the plan in 2015, no assumption of salary escalation is used. For the year ended March 31, 2026, changes in assumptions resulted in net adjustments of $76 [2025 – $123], which are recorded in the statement of operations.

8. Related party transactions

As an agency of the Province, the Trust is required to procure mandatory Central Common Services from other designated government ministries and agencies. The Trust receives payroll, workforce information network, employee benefit plan administration, recruitment advertising, legal, telecommunications, bulk mailing, insurance and risk management services from the Province.

(in thousands of Canadian dollars)

In addition, the Trust delivers heritage programs, activities, and special events in partnership with other provincial government ministries and agencies and secures funding through granting programs administered by the provincial government ministries and agencies.

9. Properties and articles of a cultural and natural heritage nature

At year-end, the Trust's portfolio of owned properties included 192 properties owned by the Trust (26 cultural and 166 natural heritage properties) and represents 102 buildings. Close to 1 million archaeological artifacts have been recovered from Trust properties and are part of the Trust's collection. In addition, the Trust is responsible for the protection and care of over 25,000 cultural artifacts directly associated with Trust-owned properties. The Trust holds conservation easements on 196 cultural heritage and 70 natural heritage properties in 113 municipalities across the province. Since 1956, the Trust has erected over 1,300 provincial plaques commemorating significant people, places and events.

10. Investment income

Investment income includes income earned on resources held for endowment and long-term investments, which is reported in the following funds:

	General Fund		Restricted Funds		Endowment Funds		Total	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Long term investments – Endowment Funds	**194**	126	**1,641**	996	**-**	-	**1,835**	1,122
Long term investments – Restricted Funds	**1,707**	1,454	**3,259**	1,981	**-**	-	**4,966**	3,435
Long term investments – General Funds	**157**	-	**-**	-	**-**	-	**157**	-
Total	**2,058**	1,580	**4,900**	2,977	**-**	-	**6,958**	4,557

During the year, $1,835 [2025 - $1,122] of investment income was earned on Endowment Funds, of which $Nil [2025 - $Nil] was directed by the contributor to be recorded as investment income in the Endowment Funds. $1,641 [2025 - $996] of the investment income is subject to restrictions imposed by contributors and was recorded in Restricted Funds. The remaining Endowment Funds investment income of $194 [2025 - $126] was recorded as revenue in the General Fund.

11. Allocation of expenses

[a] General support expenses for the executive office and corporate services of $359 [2025 – $341] have been allocated to other programs as follows:

	2026	**2025**
Trust properties and collections	**130**	79
Heritage programs, activities, and special events	**96**	125
Business Centre's operations	**59**	57
Administration	**74**	80
Total allocated general support expenses	**359**	341

(in thousands of Canadian dollars)

[b] Salary and benefit costs of $3,096 [2025 – $2,670] for the executive office and corporate services have been allocated to other programs as follows:

	2026	2025
Trust properties and collections	**402**	295
Heritage programs, activities, and special events	**1,192**	1,043
Business Centre's operations	**545**	474
Administration	**957**	858
Total allocated salary and benefit costs	**3,096**	2,670

12. Inter-fund transfers

Unrestricted contributions recognized initially in the General Fund and set aside by the Board of Directors' resolutions are allocated as required to address various approved internal priorities or contingencies. These transfers are reported as inter-fund transfers between the General Fund and Internally Restricted Funds. The Board of Directors approved inter-fund transfers of $1,171 [2025 – $1,340] from the Internally Restricted Funds to the General Fund.

13. Credit facility

The Trust has an operating line of credit for $250 established at a variable annual interest rate of Bank Prime plus 25 basis points. As at March 31, 2026 and 2025, the Trust has not drawn any amounts under this facility.

14. Financial instruments

Credit risk

Credit risk arises when one party to a financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Trust is exposed to credit risk in connection with its cash and cash equivalents, accounts receivable and investments. The credit risk associated with cash is low as the Trust holds cash with chartered banks in Canada. As at March 31, 2026, 43% [2025 – 66%] of the accounts receivable balance is due from the governments of Canada, Ontario, other provinces and municipalities. Investments held by the Trust are professionally managed and are limited to those with investment grade credit ratings from at least one recognized international rating agency.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with its financial liabilities. The Trust receives a significant portion of its operating revenue from the provincial government. To manage liquidity risk, the Trust keeps sufficient resources readily available to meet its obligations. Almost all the Trust's accounts payable and accrued liabilities are due within 90 days.

Market risk

Market risk arises when the fair value of an investment portfolio fluctuates as a result of changes in the underlying market factors. The Trust's investment portfolio is exposed to interest rate risk and price risk.

[i] *Price risk*
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), which is a significant source of risk of Canadian and global public equities included in portfolio investments.

The Trust's diversified portfolio investment consists of pooled income funds, equity funds and fixed income fund holdings. As at March 31, 2026, the Trust has one pooled income funds that constitutes 26% [2025 – 28%] of the total investments. Potential market risks are managed through established investment policy parameters, which prescribe a conservative asset mix of investments, limit concentration levels in types of securities, and set acceptable bond ratings. The Trust engages professional investment managers to advise on and invest funds in individual securities and pooled funds, within a suitable asset mix in accordance with the approved investment policy, to achieve an appropriate balance between risks and returns. The investments are diversified to minimize the risk of loss resulting from over-concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies are established and periodically reviewed. The Finance and Investment Committee of the Board of Directors of the Trust meets periodically with the managers to review performance and compliance with satisfactory risk levels.

The Trust's investment in pooled income and equity fund holdings is sensitive to changes in market prices of the underlying instrument. A 10% change in market prices, with all other variables held constant, would result in a change in the fair value of pooled income and equity fund holdings of $3,642 [2025 – $3,211] as at March 31, 2026.

[ii] *Interest rate risk*

Interest rate risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in market interest rates. Portfolio investments are exposed to interest rate risk primarily through holdings of government bonds.

The Trust's investment in pooled fixed income fund holdings is sensitive to interest rate movements. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa. The relationship between bond duration and interest rates is not linear as other factors, such as credit rating or liquidity, also impact bond prices. A 1% change to interest rate levels could potentially translate to a 4.51% [2025 – 4.46%] change in bond prices.

The magnitude of the decline will generally be greater for long-term debt securities than short-term debt securities. A 1% change in interest rates, with all other variables held constant, would result in a change in the fair value of fixed income fund holdings of $451 [2025 – $446] as at March 31, 2026.

The above risks have not changed from the prior year.

15. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.