

Financial Statements of

LIONS GATE HOSPITAL FOUNDATION

And Independent Auditor's Report thereon

Year ended June 30, 2026



KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada
Tel 604 691 3000
Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lions Gate Hospital Foundation

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Lions Gate Hospital Foundation (the "Foundation"), which comprise:

- the statement of financial position as at June 30, 2026
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to 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 Foundation as at June 30, 2026, and its results of operations and its cash flows for the year then 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 Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Vancouver, Canada

September 24, 2026

LIONS GATE HOSPITAL FOUNDATION

Statement of Financial Position

June 30, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents (note 4)	\$ 3,809,021	\$ 1,807,874
Accounts receivable	447,193	-
Short-term investments held at amortized cost (note 5(a))	49,748,673	75,855,542
Prepaid expenses	24,613	27,629
	54,029,500	77,691,045
Long-term investments held at amortized cost (note 5(a))	73,646,433	40,214,047
Endowment fund investments held at fair value (note 5(b))	106,482,129	92,524,590
Donated properties (notes 6 and 8(c))	4,805,974	4,805,974
Donated artwork (note 7)	1	1
	\$ 238,964,037	\$ 215,235,657

Liabilities and Fund Balances

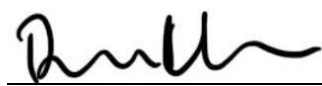
Current liabilities:		
Accounts payable and accrued liabilities (note 8(b))	\$ 6,516,235	\$ 750,114
Retiring allowance	152,009	145,618
	6,668,244	895,732
Fund balances (note 3(a)):		
Unrestricted:		
General fund	8,981,218	5,370,155
Property fund (note 6)	555,974	555,974
Restricted:		
Specific purpose funds	113,964,879	111,639,206
Endowment fund (note 5(b))	104,543,722	92,524,590
Property fund (note 6)	4,250,000	4,250,000
	232,295,793	214,339,925

Commitments (note 13)

	\$ 238,964,037	\$ 215,235,657
--	----------------	----------------

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:



Bruce Chan, Chair

Director



Alina McGuinness, Treasurer

Director

LIONS GATE HOSPITAL FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended June 30, 2026, with comparative information for 2025

	2026						2025
			Endowment				
	General	Specific Purpose	Principal	Distributable	Property	Total	Total
Revenue:							
Fundraising	\$ 3,142,671	\$ 19,594,502	\$ 75,000	\$ -	\$ -	\$ 22,812,173	\$ 30,458,965
Investment income	4,120,803	149	-	6,202,203	-	10,323,155	9,086,326
Estate gifts	8,518,072	5,714,778	15,000	-	-	14,247,850	5,488,582
Other	375,016	-	-	-	-	375,016	287,368
	16,156,562	25,309,429	90,000	6,202,203	-	47,758,194	45,321,241
Expenses and distributions:							
Distributions (note 8(a))	-	30,776,248	-	-	-	30,776,248	41,059,022
Administrative expenses (notes 9 and 14)	2,066,921	-	-	-	-	2,066,921	1,999,828
Fundraising expenses (note 10)	420,465	749,255	-	-	-	1,169,720	1,177,469
Investment management fees (note 5(b))	-	34	-	444,306	-	444,340	391,865
	2,487,386	31,525,537	-	444,306	-	34,457,229	44,628,184
Excess (deficiency) of revenue over expenses and distributions for the year, before the undernoted	13,669,176	(6,216,108)	90,000	5,757,897	-	13,300,965	693,057
Gains on investments (note 5(c))	-	158,292	-	4,496,611	-	4,654,903	6,609,267
Excess (deficiency) of revenue over expenses and distributions for the year, before the undernoted	13,669,176	(6,057,816)	90,000	10,254,508	-	17,955,868	7,302,324
Fund balances, beginning of year	5,370,155	111,639,206	50,756,169	41,768,421	4,805,974	214,339,925	207,037,601
Transfer of funds (note 11)	(10,058,113)	8,383,489	1,787,850	(113,226)	-	-	-
Fund balances, end of year	\$ 8,981,218	\$ 113,964,879	\$ 52,634,019	\$ 51,909,703	\$ 4,805,974	\$ 232,295,793	\$ 214,339,925

See accompanying notes to financial statements.

LIONS GATE HOSPITAL FOUNDATION

Statement of Cash Flows

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses and distributions	\$ 17,955,868	\$ 7,302,324
Items not affecting cash:		
Change in unrealized gains on investments (note 5(c))	(2,481,864)	(4,864,890)
Realized investment income and gains reinvested	(7,931,051)	(4,883,819)
Change in accrued interest income	638,388	1,526,187
Donated property recognized (note 6)	-	(4,250,000)
	8,181,341	(5,170,198)
Changes in non-cash operating items:		
Accounts receivable	(447,193)	261,303
Prepaid expenses	3,016	20,220
Accounts payable and accrued liabilities	5,766,121	(1,141)
Retiring allowance	6,391	31,240
	13,509,676	(4,858,576)
Investing activities:		
Purchase of portfolio fund investments	(6,144,624)	(5,006,402)
Purchase of short and long-term investments	(80,287,071)	(82,126,929)
Proceeds from disposition of portfolio fund investments	2,600,000	19,853
Proceeds from disposition of short and long-term investments	72,323,166	91,845,261
	(11,508,529)	4,731,783
Increase (decrease) in cash and cash equivalents	2,001,147	(126,793)
Cash and cash equivalents, beginning of year	1,807,874	1,934,667
Cash and cash equivalents, end of year	\$ 3,809,021	\$ 1,807,874

See accompanying notes to the financial statements.

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

1. Nature of operations:

Lions Gate Hospital Foundation (the "Foundation") is a public charitable organization incorporated in 1981 and is registered under the Societies Act (British Columbia).

The Foundation raises funds to support the highest quality health care in the City of North Vancouver, the District of North Vancouver, the District of West Vancouver, the Village of Lions Bay, and the rural district of Bowen Island (collectively, the "North Shore") for:

- Lions Gate Hospital
- The Greta and Robert H. N. HO Psychiatry & Education Centre ("The HOpe Centre")
- North Shore Hospice
- Evergreen House
- Cedarview Lodge
- Cedar Garden Assisted Living
- Berkley Care Centre
- Margaret Fulton Adult Day Centre
- West Vancouver Adult Day Centre
- Community and Mental Health Programs

The Foundation is a charitable organization registered under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and able to issue donation receipts for income tax purposes. To maintain its status as an organization registered under the Act, the Foundation must meet certain requirements within the Act.

2. Basis of accounting:

The Foundation prepares its financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations in Part III of the CPA Canada Handbook - *Accounting*.

3. Significant accounting policies:

(a) Fund accounting:

The Foundation maintains its accounts in accordance with the principles of fund accounting and follows the restricted fund method of accounting for contributions. Under this method, restricted contributions are recorded as revenue of the restricted fund to which they relate. Accordingly, resources are classified for accounting and reporting purposes into funds, according to the activity or objective specified. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by management or the Board of Directors (the "Board").

Transfers between the General Fund, Specific Purpose Fund and Endowment Fund are made when it is considered appropriate and authorized by management or the Board. To meet the objectives of financial reporting and stewardship over assets, certain transfer of funds are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These transfers of funds, if any, are recorded in the Statement of Operations and Changes in Fund Balances (note 11).

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

3. Significant accounting policies (continued):

(a) Fund accounting (continued):

For financial reporting purposes, the accounts have been classified into the following funds:

General Fund - The General Fund is unrestricted and accounts for the Foundation's operating activities. It includes receipts of funds not otherwise designated for endowment or specific purposes.

Specific Purpose Funds - The Specific Purpose Funds include those amounts received and distributed by the Foundation for specified purposes. These funds may also include transfers from other funds, as approved by management or the Board for specified purposes.

Endowment Fund - The Endowment Fund comprises amounts externally restricted by donors and internally restricted by the Board. The Externally Restricted Endowment Fund includes those amounts relating to endowments, bequests, and trust funds made available to the Foundation under trust arrangements specified by donors and independent trustees. The Internally Restricted Endowment Fund includes transfers from other funds, as approved by the Board, with the intention, at the Board's discretion, to be held as an endowment fund. Income earned and investment fair value changes on endowment investments are recorded as part of Endowment Fund and are subject to any spending specifications in accordance with the donor's deed of gift or as approved by the Board.

Property Fund - The Property Fund consists of two donated properties. The East 15th Street, North Vancouver property is recorded as an unrestricted asset and the West Vancouver property is recorded as a restricted asset based on the terms of the donor agreement (note 6).

(b) Revenue recognition:

Unrestricted donations are recognized in the General Fund. Donations designated by donors for specific purposes, including endowment contributions, are recorded in the appropriate restricted or endowment fund upon receipt. Donated property and gifts in kind, with the exception of the Foundation's artwork collection, are recognized at their fair value at the date of donation, with fair value determined through an independent appraisal or other appropriate valuation method.

(c) Contributed services:

Volunteers make a significant contribution to the Foundation by donating their time and expertise in support of its programs, events, and fundraising activities. During the year, volunteers contributed approximately 4,500 hours (2025 - 4,000 hours) of service. In accordance with Canadian accounting standards for not-for-profit organizations, the value of these contributed services has not been recognized in the financial statements because their fair value cannot be reasonably determined.

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

3. Significant accounting policies (continued):

(d) Distributions:

Distributions are recorded when grants are paid or payable to Vancouver Coastal Health ("VCH") for expenditures incurred by VCH.

(e) Cash and cash equivalents:

Cash and cash equivalents include cash and deposits maturing within 90 days from the original date of acquisition.

(f) Investments:

Portfolio investments - Management has elected to record all investments in pooled funds at fair value, and changes in fair value are recognized in the Statement of Operations and Changes in Fund Balances.

Short-term and long-term investments - Short-term investments include Guaranteed Investment Certificates ("GICs") which mature within one year from fiscal year end and long-term investments GICs which mature more than one year from fiscal year end. GICs are recorded at amortized cost.

Investment income includes dividend and interest income earned in the year. Any realized capital gains and losses and any change in the unrealized gain or loss resulting from a movement in fair value from the previous Statement of Financial Position date has been recognized within gains on investments on the Statement of Operations and Changes in Fund Balances. Investment income and gains are recorded in the respective funds based on restrictions.

(g) Donated artwork:

The Foundation's Art Program solicits donated works of art to enhance the healing environment across Lions Gate Hospital, the HOpe Centre, North Shore Hospice, Evergreen House and the West Vancouver Adult Day Centre.

The collection consists of original works of art and limited-edition prints, each of which is accepted by the Foundation upon the recommendation of the Art Program Committee. Donated artwork is not recognized in revenue since artwork is not used in the normal course of operations. It is classified as a collection at a nominal value. Professional appraisals are required for those donations where the donor requires a receipt for income tax purposes.

(h) Donated properties:

Donated properties are initially recorded at the fair market value at the date of the gift.

Properties are carried at their original values, unless the fair value of the properties is lower than cost and this decline in value is considered to be other than temporary, in which case the properties are written down to fair value.

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

3. Significant accounting policies (continued):

(i) 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. It is reasonably possible that circumstances may arise which cause actual results to differ from management estimates; however, management does not believe it is likely that such differences will materially affect the Foundation's financial position.

(j) Employee Future benefits:

(i) Retiring allowance:

The Foundation has entered into employment agreements, which provide for a one-time payment to eligible employees upon retirement. To become eligible, employees must be over 55 years of age and have worked for the Foundation for at least 10 years. The amount of the retiring allowance is based upon the probability of employees becoming eligible and increases by a fixed amount for each year of service over the period of employment. The estimated cost of this benefit is being accrued and charged to administrative expenses.

(ii) The employees of the Foundation are members of a multi-employer defined benefit plan and accordingly, contributions are expensed as incurred (note 14).

(k) 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 measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value with the exception of GICs, which are held at amortized cost.

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 carried at amortized cost 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 Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

3. Significant accounting policies (continued):

(k) Financial instruments (continued):

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 Foundation 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 carrying value.

4. Restricted cash and cash equivalents:

Included in cash and cash equivalents is \$220,693 (2025 - \$188,671) which is restricted for equipment purchases relating to the Foundation's 50/50 lotteries as required by the Independent Gambling Control Office.

5. Investments:

(a) Investments held at amortized cost:

Short-term investments consist of GICs maturing from July 2026 to May 2027 with interest rates ranging from 2.26 to 3.90% per annum (2025 - 1.15% to 5.40% per annum).

Long-term investments consist of GICs maturing from July 2027 to December 2028 with interest rates ranging from 2.94% to 3.76% per annum (2025 - 2.26% to 3.90% per annum).

The investment balances include accrued interest-to-date.

(b) Portfolio fund investments held at fair value:

The Foundation's portfolio fund investments are managed externally. The investment portfolio consists of the following:

	2026		2025	
	Fair value	Cost	Fair value	Cost
Cash and money market funds	\$ 3,864,067	\$ 3,862,671	\$ 3,856,422	\$ 3,854,833
Bond funds	37,441,423	38,244,754	30,314,192	30,954,714
Equity funds:				
Canadian	19,242,145	13,971,100	17,615,886	13,423,248
International	45,934,494	35,849,402	40,738,090	32,219,457
	\$ 106,482,129	\$ 91,927,927	\$ 92,524,590	\$ 80,452,252

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

5. Investments (continued):

(b) Portfolio fund investments held at fair value (continued):

The Endowment Fund within the portfolio fund investments comprises the following:

	Original contribution/ bequest	Balance June 30, 2025	Donations/ transfer in	Donations/ transfer out	Investment income	Investment management fees	Gains on investments	Balance June 30, 2026
Externally restricted	\$ 14,569,990	\$ 24,712,720	\$ 140,798	\$ (114,024)	\$ 1,637,157	\$ (117,321)	\$ 1,186,001	\$ 27,445,331
Internally restricted	38,064,029	67,811,870	1,737,850	-	4,565,046	(326,985)	3,310,610	77,098,391
	\$ 52,634,019	\$ 92,524,590	\$ 1,878,648	\$ (114,024)	\$ 6,202,203	\$ (444,306)	\$ 4,496,611	\$ 104,543,722

Included in the Externally Restricted Endowment Fund is \$14,569,990 (2025 - \$14,429,990) subject to donor-imposed external restrictions requiring that they be maintained permanently, and \$12,875,341 (2025 - \$10,282,730) for distributable income subject to specific use in accordance with donor-imposed external restrictions.

The Specific Purpose Fund within the Portfolio fund investments is \$1,938,407 (2025 - nil).

(c) Gains on investments:

	2026	2025
Realized gains	\$ 2,173,039	\$ 1,744,377
Change in unrealized gains	2,481,864	4,864,890
	\$ 4,654,903	\$ 6,609,267

6. Donated properties:

The Foundation holds a donated property on East 15th Street, North Vancouver initially recognized and valued at \$555,974 which is classified as a long-term investment. The agreement sets out acceptable uses for the property (note 8(c)). There are no restrictions on how proceeds are to be utilized upon sale of the property.

During the 2025 fiscal year, the Foundation received a donation of a property in West Vancouver with an appraised value of \$4,250,000 at the date of gift. The Foundation will hold this property as an investment, in accordance with the terms of the donor agreement which states the property must be held until the donor departs the property. The agreement further stipulates how sale proceeds are to be utilized upon sale of the property.

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

7. Donated artwork:

As at June 30, 2026, the Foundation has recorded the art collection at a nominal value of \$1 in the Statement of Financial Position. The Foundation has 948 (2025 - 927) works of art in the collection valued at approximately \$2,506,000 (2025 - \$2,440,000) at the time of receipt. Additionally, 29 (2025 - 25) works of art are on loan to the Foundation, valued at approximately \$149,000 (2025 - \$107,000). Donations of artwork receipted during the year totaled \$76,850 (2025 - \$154,000).

8. Related party transactions:

The Foundation undertakes fundraising to enhance the quality of health care on the North Shore for VCH. The Foundation commits funds to VCH for capital and non-capital related projects. VCH will initially pay for the costs associated with these projects and invoice the Foundation for recovery. VCH also pays for all operating expenses on behalf of the Foundation, including salaries, and invoices the Foundation for recovery. Transactions are measured at the exchange amount.

- (a) During the year ended June 30, 2026, total distributions made to VCH are \$30,776,248 (2025 - \$41,059,022).
- (b) Included in accounts payable and accrued liabilities is \$418,431 (2025 - \$362,679) for the reimbursement of Foundation operating expenses paid or payable by VCH, including reimbursement of VCH's non-capital items that the Foundation has agreed to fund and \$5,612,928 (2025 - nil) disbursement invoices accrued and payable to VCH. Included within the payables to VCH are payroll taxes of \$14,667 (2025 - nil) to be remitted to the federal government on behalf of the Foundation.
- (c) The Board has approved the use of the East 15th Street, North Vancouver property by VCH on a rent-free basis in accordance with the donor agreement (note 6).
- (d) VCH provides the Foundation with office premises, certain office equipment, and certain administrative services including accounting services, use of payroll and benefit administration, and information technology support at no cost to the Foundation.

9. Administrative expenses:

	2026	2025
Salaries and benefits	\$ 1,739,503	\$ 1,717,116
General administration	114,887	75,359
Banking and credit card charges	95,917	95,029
Insurance	66,500	63,004
Audit	45,129	45,583
Professional development	4,985	3,737
	<u>\$ 2,066,921</u>	<u>\$ 1,999,828</u>

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

10. Fundraising expenses:

	2026	2025
50/50 draw	\$ 480,191	\$ 406,550
Events	342,206	379,228
Annual gifts	207,076	200,984
Marketing and communications	78,246	109,653
Recognition and development	54,160	62,988
Planned giving	7,841	18,066
	\$ 1,169,720	\$ 1,177,469

11. Transfer of funds:

	General	Specific purpose	Endowment	Total
Transfer from:				
General to endowment (a)	\$ (1,737,850)	\$ -	\$ 1,737,850	\$ -
General to specific purpose (b)	(8,321,663)	8,321,663	-	-
Endowment to specific purpose (c)	-	111,826	(111,826)	-
Specific purpose to endowment (d)	-	(50,000)	50,000	-
Endowment to general (e)	1,400	-	(1,400)	-
	\$ (10,058,113)	\$ 8,383,489	\$ 1,674,624	\$ -

- (a) *Transfer from General to endowment* represents transfers of estate gifts and general funds as approved by the Board to the Internally Restricted Endowment Fund principal.
- (b) *Transfer from General to specific purpose* represents an allocation of estate gifts or general donations received with no external restriction to a specific purpose fund.
- (c) *Transfer from Endowment to specific purpose* represents a transfer per terms of external restricted endowment agreements, as well as Board approved transfers.
- (d) *Transfer from Specific purpose to endowment* represents management approved transfers as per consultation with donor to the Externally Restricted Endowment Fund principal.
- (e) *Transfer from Endowment to general* represents a transfer per terms of external restricted endowment agreements.

12. Life insurance:

The Foundation is the irrevocable beneficiary of life insurance policies purchased by donors. Revenue relating to those policies is recorded on a cash basis. The policies outstanding of which the Foundation is aware as at June 30, 2026 have benefit values totaling \$60,700 (2025 - \$60,700).

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

13. Commitments:

Commitments represent the total amount the Foundation is to provide to VCH. This represents both funds received and pledges which are not recorded as revenue until received. Total committed to capital projects, programs and medical equipment as at June 30, 2026 is \$109,388,000.

14. Employee pension plan:

The Foundation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustees pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has approximately 273,000 active members and approximately 133,000 retired members. Active members include 11 (2025 - 11) employees of the Foundation.

The most recent actuarial valuation as at December 31, 2024 indicated a \$2,675 million funding surplus for basic pension benefits. The next valuation will be as at December 31, 2027. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan, in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Foundation paid \$116,095 (2025 - \$110,468) for employer contributions to the Plan in fiscal 2026 that has been included in salaries and benefits under administrative expenses.

15. Financial risks:

(a) Market risk:

Market risk is the risk that the fair value of an investment will fluctuate due to changes in market conditions. Market risk comprises interest rate risk, foreign currency risk and price risk.

(i) Interest rate risk:

Interest rate risk relates to the risk that changes in interest rates will affect their fair value or future cash flows of financial instruments held by the Foundation. Fixed rate instruments are subject to fair value risks while floating rate instruments are subject to cash flow risks. The risk arises primarily on interest-bearing financial instruments held in pooled money market and bond funds as disclosed in note 5(b) and short and long-term investments held in GICs as disclosed in note 5(a).

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

15. Financial risks (continued):

(a) Market risk (continued):

(ii) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation is exposed to currency risk through its portfolio fund investments in international equity funds as disclosed in note 5(b).

(iii) 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 risk or currency risk whether those changes are caused by factors specific to the individual financial instrument, its issuer, or factors affecting all similar financial instruments traded in the market. It arises primarily on bond and equity fund investments, including investments in pooled funds. The Foundation manages this risk by setting up and monitoring appropriate guidelines on the diversification and weighting of investments.

The risks associated with portfolio fund investments are managed through the Foundation's established investment policy.

(b) Credit risk:

Credit risk is the risk of loss resulting from the failure of an individual or group to honour their financial obligations. The Foundation is exposed to credit risk with respect to cash and cash equivalents, investments and accounts receivables. The Foundation's receivables are not significant. The Foundation assesses amounts receivable for impairment and makes provisions as required. Cash and cash equivalents, GICs and investments are held with major banks and other reputable financial institutions. Its investments are managed to maintain minimum credit criteria and are diversified within various asset pools held by the Foundation. Thus, the Foundation is not considered to be significantly exposed to credit risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flows from the General and Endowment Funds to fund the operations and settle liabilities when due. The Foundation prepares a budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There are no significant changes to the financial risks from prior year.

LIONS GATE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2026

16. Remuneration disclosure under Societies Act (British Columbia):

(a) Remuneration paid to employees and contractors:

For the fiscal year ending June 30, 2026, the Foundation paid total remuneration of \$1,087,045 (2025 - \$1,050,474) to eight (2025 - eight) employees, each of whom received total annual remuneration of \$75,000 or greater.

(b) Remuneration paid to directors:

Directors receive no remuneration for being a director of or for acting in another capacity with the Foundation.

17. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year. The reclassification did not impact the excess (deficiency) of revenue over expenses or fund balances reported in the prior year.