Financial Statements of

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

And Independent Auditor's Report thereon

Year ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Children's Health Foundation of Vancouver Island

Report on the Financial Statements

Opinion

We have audited the financial statements of Children's Health Foundation of Vancouver Island (the Entity), which comprise:

- the statement of financial position as at March 31, 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 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 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 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
July 8, 2026

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	General Fund	Restricted Funds	Endowment Fund	2026	2025
Assets					
Current assets:					
Cash	$ 839,013	$ 7,388,583	$ –	$ 8,227,596	$ 2,945,807
Accounts receivable	106,622	157,653	–	264,275	257,457
Prepaid expenses	100,438	1,919	–	102,357	249,985
	1,046,073	7,548,155	-	8,594,228	3,453,249
Investments (note 2)	–	36,688,374	2,905,364	39,593,738	42,093,342
Capital assets (note 3)	796,346	11,058,989	–	11,855,335	10,722,791
	$ 1,842,419	$ 55,295,518	$ 2,905,364	$ 60,043,301	$ 56,269,382
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	$ 1,043,328	$ 245,756	$ –	$ 1,289,084	$ 1,083,381
Deferred revenue	2,745	58,258	–	61,003	60,079
	1,046,073	304,014	-	1,350,087	1,143,460
Fund Balances					
Invested in capital assets	796,346	11,058,989	–	11,855,335	10,722,791
Externally restricted	–	6,769,406	–	6,769,406	6,929,259
Internally restricted (notes 4 and 7)	–	37,163,109	–	37,163,109	34,601,400
Endowment	–	–	2,905,364	2,905,364	2,872,472
	796,346	54,991,504	2,905,364	58,693,214	55,125,922
	$ 1,842,419	$ 55,295,518	$ 2,905,364	$ 60,043,301	$ 56,269,382

Commitments and contingencies (note 8)

See accompanying notes to financial statements.

Approved by the Board:

Paul Murray Director

Paul Murray, Board Chair

Steve Gaskin Director

Steve Gaskin, Board Treasurer

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Statement of Operations and Changes in Fund Balances

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

	General Fund	Restricted Funds	Endowment Fund	2026	2025
					(Schedule 1)
Revenue:					
Fundraising	$ 2,936,877	$ 1,913,578	$ 32,892	$ 4,883,347	$ 3,715,599
Investment income	889,649	3,975,448	-	4,865,097	2,783,705
Rentals and cost recovery	-	1,378,416	-	1,378,416	1,306,898
	3,826,526	7,267,442	32,892	11,126,860	7,806,202
Expenses:					
Grants and programs (note 5)	15,517	3,861,121	-	3,876,638	3,952,911
Amortization of capital assets	89,354	346,604	-	435,958	426,200
Shared services (note 6)	1,441,711	-	-	1,441,711	1,369,598
Communication (note 6)	581,992	-	-	581,992	506,456
Family programs and impact (note 6)	80,167	-	-	80,167	136,031
Fundraising (note 6)	1,224,418	-	-	1,224,418	1,205,036
Investment counsel and management	199,998	29,452	-	229,450	218,412
	3,633,157	4,237,177	-	7,870,334	7,814,644
Unrealized gain on investments	-	310,766	-	310,766	2,143,655
Loss on disposal of assets	-	-	-	-	(118,356)
Excess of revenue over expenses	193,369	3,341,031	32,892	3,567,292	2,016,857
Fund balances, beginning of year	870,426	51,383,024	2,872,472	55,125,922	53,109,065
Interfund transfers (note 7 and Schedule 2)	(267,449)	267,449	-	-	-
Fund balances, end of year	$ 796,346	$ 54,991,504	$ 2,905,364	$ 58,693,214	$ 55,125,922

See accompanying notes to financial statements.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

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	$ 3,567,292	$ 2,016,857
Items which do not involve cash:		
Amortization of capital assets	435,958	426,200
Loss on disposal of capital assets	-	118,073
Unrealized gain on investments	(310,766)	(2,143,655)
Changes in non-cash operating working capital:		
Accounts receivable	(6,818)	(107,224)
Prepaid expenses	147,628	(63,304)
Accounts payable and accrued liabilities	205,703	(69,972)
Deferred revenue	924	14,366
	4,039,921	191,341
Investing activities:		
Additions to capital assets	(1,568,502)	(457,907)
Changes in investments:		
Reinvested investment income	(4,750,752)	(2,682,127)
Net withdrawals from investments	7,561,122	3,525,019
	1,241,868	384,985
Increase in cash	5,281,789	576,326
Cash, beginning of year	2,945,807	2,369,481
Cash, end of year	$ 8,227,596	$ 2,945,807

See accompanying notes to financial statements

Children's Health Foundation of Vancouver Island (the "Foundation") is a registered charity under the Income Tax Act and is incorporated under the Societies Act (British Columbia). The primary purpose of the Foundation is to raise and invest funds to support the health and well-being of children and youth in need on Vancouver Island and the surrounding Islands.

1. Significant accounting policies:

The financial statements of the Foundation have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting:

The General Fund includes investment income and fundraising revenue received for which there are no restrictions attached by the donor.

The Endowment Fund includes resources contributed for endowment where the principal must be held in perpetuity. Investment income earned on the resources of the Endowment Fund is reported in the appropriate restricted funds.

The Restricted Funds include resources subject to restrictions by the donor and amounts internally restricted by the board of directors.

(*i*) GR Pearkes Child Development Fund:

This fund is administered by the Foundation and relates to externally restricted funds of the former GR Pearkes Foundation, which was merged with the Foundation.

(*ii*) Western Communities Centres Funds - West Shore and Sooke:

These funds were established to receive externally restricted donations towards the Western Communities facilities and were used primarily to fund the capital costs of the buildings.

(*iii*) Jeneece Place Fund:

This fund was established to receive externally restricted donations for the construction and operation of Jeneece Place. The purpose of Jeneece Place is to provide a home away from home for families who have to travel to Victoria for medical care.

(*iv*) Qwalayu House Fund:

This fund was established to receive externally restricted donations for the construction and operation of Qwalayu House. The purpose of Qwalayu House is to provide a home away from home for families who have to travel to Campbell River for medical care.

1. Significant accounting policies (continued):

(a) Fund accounting (continued):

(*v*) Jesse's House Fund:

This fund was established to receive externally restricted donations for the construction and operation of Jesse's House. The purpose of Jesse's House is to provide a home away from home for families who have to travel to Nanaimo for medical care.

(*vi*) Queen Alexandra Centre Fund:

This fund was established to receive externally restricted donations in support of child, youth and family programs or services that originate or are hosted by the Queen Alexandra Centre for Children's Health.

(*vii*) Ronald Bayne RDSP Fund:

This fund was established to support the Registered Disability Savings Plan (RDSP) program that is operated by Island Health. The RDSP program supports families who have children with disabilities in creating a personal RDSP.

(*viii*) Named funds:

The Foundation administers funds of special donors in Named Funds. These funds have restrictions by the donors that prescribe the allocation of the resources to specific programs, such as scholarships, child development and research.

(*ix*) Other program funds:

The Foundation administers program funds (other than those specifically defined). The program funds have restrictions by the donors that prescribe the allocation of the resources to specific programs.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and changes in fair value are recognized in excess of revenue over expenses in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Foundation has elected to carry infrastructure funds at fair value.

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.

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

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 Foundation 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 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.

(c) Capital assets:

Land:

In 1996 the Foundation recorded the transfer of three parcels of land from the Queen Alexandra Centre for Children's Health (the "Centre"). Two of the parcels are leased to Island Health under restrictive use conditions at $1 per year for 60 years. Accordingly, the value of these two parcels is nominal and was recorded at an amount of $1. During 2009 the third parcel was sold. During 2009 the Foundation acquired a fourth parcel of land adjacent to the Centre site and recorded the acquisition at cost.

In 2010 the Foundation entered into an agreement with Island Health which grants a license of occupation of land for the purposes of constructing and operating Jeneece Place. The term of the agreement is for 60 years, subject to various conditions of use.

In 2020 the Foundation entered into an agreement with Island Health which grants a license of occupation of land for the purposes of constructing and operating Qwalayu House. The term of the agreement is for 40 years, subject to various conditions of use.

In 2024 the Foundation entered into an agreement with Island Health which grants a license of occupation of land for the purposes of constructing and operating Jesse's House. The term of the agreement is for 40 years, subject to various conditions of use.

The remaining land is recorded at cost.

1. Significant accounting policies (continued):

(c) Capital assets (continued):

Buildings and equipment:

Purchased buildings and equipment are recorded at cost. Assets are amortized over their estimated useful lives using the following methods and rates:

Asset	Basis	Rate
Buildings	Straight-line	20 and 40 years
Furniture and equipment	Straight-line	10 years
Machinery	Straight-line	20 years
Computer hardware	Straight-line	3 years
Computer software	Straight-line	10 years

When a capital asset no longer contributes to the Foundation's ability to provide services its carrying value is written down to its residual value.

Capital assets in progress are not amortized until placed into use.

(d) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue in the appropriate restricted fund when received or receivable. Restricted contributions received specifically for use in subsequent periods are deferred until the specified period in the appropriate fund. Contributions for endowment are recognized as revenue in the Endowment Fund when received or receivable.

Investment income which is required to be expended for restricted purposes is recognized in the appropriate Restricted Fund. Unrealized gains on investments are reported in the General and Sustainability Fund when the General Fund is in a surplus position; unrealized investment losses are reported in the Sustainability Fund.

Bequests, legacies and unspecified donations are recorded when received by the Foundation.

Rental revenue is recorded on a straight-line basis over the term of the rental agreement as rental services are provided to the tenant.

1. Significant accounting policies (continued):

(e) Contributed services and materials:

Volunteers contributed time during the year to assist the Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services and materials are not recognized in the financial statements.

(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:

	2026	2025
Fixed income funds	$ 5,782,199	$ 5,732,829
Global and international equity funds	22,057,908	24,658,671
Infrastructure funds	11,753,631	11,701,842
	$ 39,593,738	$ 42,093,342

	2026	2025
Opening balance	$ 42,093,342	$ 40,792,579
Reinvested investment income	4,750,752	2,682,127
Unrealized gains	310,766	2,143,655
Net withdrawals from investments	(7,561,122)	(3,525,019)
Closing balance	$ 39,593,738	$ 42,093,342

3. Capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Child, Youth and Family Centres:				
Sooke Child Youth and Family Centre:				
Land	$ 120,000	$ -	$ 120,000	$ 120,000
Building	2,151,822	1,899,436	252,386	266,407
Equipment	58,828	31,790	27,038	32,920
	2,330,650	1,931,226	399,424	419,327
West Shore Child Youth and Family Centre:				
Land	870,000	-	870,000	870,000
Building	7,016,152	5,513,314	1,502,838	1,574,246
Furniture and equipment	239,285	86,686	152,599	176,527
	8,125,437	5,600,000	2,525,437	2,620,773
Jeneece Place:				
Building	2,598,555	1,392,747	1,205,808	1,252,559
Furniture and equipment	242,962	197,167	45,795	27,872
	2,841,517	1,589,914	1,251,603	1,280,431
Qwalayu House:				
Building	5,164,893	523,214	4,641,679	4,691,856
Furniture and equipment	502,149	214,450	287,699	333,073
	5,667,042	737,664	4,929,378	5,024,929
Jesse's House:				
Work in progress	1,953,147	-	1,953,147	506,905
Total restricted funds	20,917,793	9,858,804	11,058,989	9,852,365
Unrestricted:				
Land (Gordon Head and QA Centre)	587,500	-	587,500	587,500
Buildings	278,277	269,238	9,039	22,959
Office equipment	137,514	93,193	44,321	58,072
Computer software and hardware	407,980	252,494	155,486	201,895
	1,411,271	614,925	796,346	870,426
	$ 22,329,064	$ 10,473,729	$ 11,855,335	$ 10,722,791

The Foundation owns real property across Vancouver Island. The properties in Sooke and West Shore provide facilities for local community service agencies to deliver services to children, youth and their families in these communities.

Jeneece Place is situated on the grounds of the Victoria General Hospital in the Town of View Royal. Qwalayu House is situated on the grounds of the North Island Hospital, Campbell River campus. Jesse's House is being constructed on the grounds of the Nanaimo Regional General Hospital.

3. Capital assets (continued):

The Gordon Head properties represent the land and buildings of the Queen Alexandra Centre and properties adjacent to the Centre.

4. Internally restricted funds:

At its Board meeting on March 13, 2019, the Board adopted a Spending and Capital Project Plan whereby the balance of $23,032,847 was determined to be the Board Designated Minimum Capital (BDMC) effective April 1, 2019. This balance is to be managed internally as a form of endowment so that capital is held to ensure the future stability of the Foundation, its assets, and the Community it serves. This balance shall grow annually at an inflationary rate determined by the Board. The balance at March 31, 2026 was $28,802,381 (2025 - $28,209,972), an increase of 2.1% over the prior year balance.

The Sustainability Fund was created in December 2022 and is to be maintained, at a minimum, at the BDMC level. Distributions to fund programs and operations may be made at the discretion of the Board to an annual maximum of 3.5% provided that the fund balance exceeds the current BDMC. Where the undistributed balance of the Sustainability Fund is greater than 110% of the BDMC the Board may approve an additional distribution be made. The balance at March 31, 2026 was $34,276,979 (2025 - $31,965,378).

The other internally restricted amounts within the restricted fund are $2,886,130 (2025 - $2,636,022) for a capital replacement reserve.

5. Grants and programs:

Grants and programs expenses funded by the Foundation cover the following areas:

	2026	2025
Bear Essentials	$ 702,852	$ 852,508
Queen Alexandra Centre	140,419	128,154
Home Away from Homes	1,805,892	1,514,348
Child, Youth and Family Centres	968,784	946,887
Scholarships and Bursaries	183,691	161,070
Other Partnership Grants	75,000	349,944
	$ 3,876,638	$ 3,952,911

6. Expenses:

Shared service costs are incurred to provide core mission support. Items that fall under shared services include information technology, corporate governance and strategic planning, finance, human resources, and facility management.

Communication costs include, but are not limited to, print and digital advertising, website hosting and maintenance, printing, signage and displays, promotional material, photography, and videography.

Family programs and impact costs include community partner engagement, hosting leadership and professional development events, research and capacity building activities and staff wages to undertake this work.

Fundraising costs include donor relations and communications (visits, newsletters, appeals), hosting of internal and external events, fundraising administration, professional development and staff wages to undertake this work.

7. Interfund transfers:

Interfund transfers of $736,096 (2025 - $538,599) were made from the general fund to offset deficits in externally restricted funds. The general fund received a net of $2,055 (2025 - $1,160) for grant and program payments made on behalf of the restricted funds.

There was an interfund transfer of $625,411 from the general fund to offset the current year Jesse's House capital campaign expenses (2025 - total of $928,669 to cover expenses from 2024 and 2025).

The Board approved a motion to transfer $1 million from the Pearkes Fund and $500,000 from the general fund to support the Jesse's House capital campaign.

The sustainability fund covered the deficit in the general fund by transferring $1,588,929.

Within the restricted fund, interfund transfers were made to decrease the internally restricted capital replacement reserves by $69,186 for the Sooke Child, Youth, and Family Centre, and $180,922 for the West Shore Child, Youth, and Family Centre. There were also interfund transfers of $22,654 from restricted funds to the Bear Essentials Fund and $1,654 to the Qwalayu House Fund.

The Goulding Wilson Memorial Fund supported some ongoing program research for $3,075.

8. Commitments and contingencies:

(a) The Foundation is committed to funding a limited number of external programs that align with the Foundation's mission to enhance health care for children, youth and families on Vancouver Island and surrounding islands.

Annual maximum of:	
2027	$ 250,725

(b) In 2002, the Foundation received a $2,000,000 capital grant from the Ministry of Children and Family Development under the Human Resource Facility Act. The capital funding was provided to assist with the development of child and family services in Sooke and West Shore and was used for the construction of facilities in these communities. Based on the restrictions within the Human Resource Facility agreements, if the Sooke and West Shore properties are sold or cease to be used for the purpose the funding was provided for, at that time the Ministry may ask for repayment of the assistance based on the current value of the property. Allocation of the capital grant for each property is $666,000 for Sooke and $1,334,000 for Wale Road and is included in invested in capital assets.

(c) The Foundation has undertaken legal recourse against former consultants for work performed. At this time there is no certainty of outcome so no amounts have been recorded in the financial statements.

(d) The Foundation has committed to building and furnishing Jesse's House, a Home Away from Home located on the grounds of the Nanaimo Regional General Hospital. The project has a capital budget of $10 million. As of March 31, 2026, the Foundation had incurred $1.9 million in costs and has $4.9 million remaining in committed contracts.

(e) The Foundation is committed to future payments under various contracts for service. Future minimum payments under these agreements are as follows:

Annual maximum of:	
2027	$ 410,913
2028	110,362
2029	52,365
2030	2,700
2031	2,700

9. Employee and contractor remuneration:

The BC Societies Act requires disclosure of the remuneration of directors, employees, and contractors; for employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than $75,000. For the fiscal year ending March 31, 2026, the Foundation paid remuneration of $2,209,645 to nineteen employees (2025 - $2,007,615 to seventeen employees), each of whom received total annual remuneration of $75,000 or greater. There was no remuneration paid to directors in 2026 or 2025.

10. Employee pension plan:

The Foundation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteed 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. As at December 31, 2024, the plan has about 273,000 active members and approximately 133,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2024 indicated a surplus of $2,675 million for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2027, with results available in 2028.

Due to insufficient information relating to the Foundation's share of the Plan's assets and liabilities, the Foundation accounts for the Plan as if it were a defined contribution plan. The Foundation's annual cost is represented by contributions required for the respective year. During the year, the Foundation paid $227,790 (2025 - $199,936) for employer contributions to the plan.

11. Financial instruments:

(a) Foreign currency risk:

The Foundation holds investments in equities outside of Canada which are subject to foreign exchange risk. At March 31, 2026, the Foundation held foreign investments with a fair value of $22,057,908 (2025 - $24,658,671).

(b) Interest rate risk:

The Foundation's exposure to interest rate risk relates to its investments in fixed income funds. The fair value of these funds is directly impacted by changes in interest rates.

(c) Credit risk:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. The Foundation manages the risk associated with credit risk through its policy of dealing with high credit quality financial institutions. Investments are managed by external advisors in accordance with the Foundation's Investment Policy specifying the required asset mix and minimum required credit ratings of investments within the portfolio.

(d) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND
Schedule of Operations and Changes in Fund Balances

Schedule 1

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

	2026				2025			
	Total	General Fund	Restricted Funds	Endowment Fund	**Total**	General Fund	Restricted Funds	Endowment
Revenue:								
Fundraising	**$ 4,883,347**	$ 2,936,877	$ 1,913,578	$ 32,892	**$ 3,715,599**	$ 2,916,399	$ 798,500	$ 700
Investment income	**4,865,097**	889,649	3,975,448	-	**2,783,705**	715,001	2,068,704	-
Rentals and cost recovery	**1,378,416**	-	1,378,416	-	**1,306,898**	-	1,306,898	-
	11,126,860	3,826,526	7,267,442	32,892	**7,806,202**	3,631,400	4,174,102	700
Expenses:								
Grants and programs	**3,876,638**	15,517	3,861,121	-	**3,952,911**	30,500	3,922,411	-
Amortization of capital assets	**435,958**	89,354	346,604	-	**426,200**	86,412	339,788	-
Shared services	**1,441,711**	1,441,711	-	-	**1,369,598**	1,369,598	-	-
Communications	**581,992**	581,992	-	-	**506,456**	506,456	-	-
Family programs and impact	**80,167**	80,167	-	-	**136,031**	136,031	-	-
Fundraising	**1,224,418**	1,224,418	-	-	**1,205,036**	1,205,036	-	-
Investment counsel and management	**229,450**	199,998	29,452	-	**218,412**	189,033	29,379	-
	7,870,334	3,633,157	4,237,177	-	**7,814,644**	3,523,066	4,291,578	-
Unrealized gain on investments	**310,766**	-	310,766	-	**2,143,655**	-	2,143,655	-
Loss on dispoal of assets	**-**	-	-	-	**(118,356)**	(283)	(118,073)	-
Excess of revenue over expenses	**3,567,292**	193,369	3,341,031	32,892	**2,016,857**	108,051	1,908,106	700
Fund balances, beginning of year	**55,125,922**	870,426	51,383,024	2,872,472	**53,109,065**	909,120	49,328,173	2,871,772
Interfund transfers	**-**	(267,449)	267,449	-	**-**	(146,745)	146,745	-
Fund balances, end of year	**$ 58,693,214**	$ 796,346	$ 54,991,504	$ 2,905,364	**$ 55,125,922**	$ 870,426	$ 51,383,024	$ 2,872,472

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND
Schedule of Changes in Fund Balances

Schedule 2

Year ended March 31, 2026

	Balance beginning of year	Fundraising revenue	Investment income	Rentals and cost recovery	Expenses (except amortization)	Amortization	**Excess (deficiency) of revenue over expenses**	Transfer from (to) General Fund	**Balance end of year**
Externally restricted:									
Bear Essentials	**$ -**	$ 174,718	$ -	$ -	$ (444,365)	$ -	(269,647)	$ 269,647	**$ -**
GR Pearkes Child Development	**2,851,977**	-	-	-	(458,389)	-	(458,389)	(1,000,000)	**1,393,588**
Queen Alexandra Centre	**-**	2,055	-	-	-	-	2,055	(2,055)	**-**
Named Funds									
Goulding Wilson Memorial	**148,116**	-	38,873	-	-	-	38,873	(3,075)	**183,914**
Lisa Huus Memorial	**233,202**	-	315,774	-	(164,575)	-	151,199	-	**384,401**
Vantreight	**1,653**	-	3,132	-	(14)	-	3,118	(1,654)	**3,117**
Women's Institute	**8,491**	11,750	1,438	-	(3,000)	-	10,188	-	**18,679**
Ronald Bayne RDSP Fund	**38,434**	10,000	2,375	-	(44,477)	-	(32,102)	-	**6,332**
Tim Miller Fund	**226,537**	333	24,070	-	(1,077)	-	23,326	(22,654)	**227,209**
Home Away From Home Funds									
Jeneece Place (Note 1)	**2,128,962**	259,600	-	103,874	(603,360)	(53,369)	(293,255)	-	**1,835,707**
Qwalayu House (Note 2)	**5,024,929**	91,438	-	77,370	(577,121)	(177,996)	(586,309)	490,758	**4,929,378**
Jesse's House (Note 3)	**2,895,332**	1,363,684	-	-	(625,411)	-	738,273	2,125,411	**5,759,016**
Building Funds									
Sooke Child, Youth and Family Centre	**512,993**	-	7	321,862	(288,069)	(19,904)	13,896	(69,186)	**457,703**
West Shore Child, Youth and Family Centre	**2,710,998**	-	15	875,310	(680,715)	(95,335)	99,275	(180,922)	**2,629,351**
Total Externally Restricted Funds	**16,781,624**	1,913,578	385,684	1,378,416	(3,890,573)	(346,604)	(559,499)	1,606,270	**17,828,395**
Internally restricted:									
Capital Replacement Reserves	**2,636,022**	-	-	-	-	-	-	250,108	**2,886,130**
Sustainability Fund	**31,965,378**	-	3,900,530	-	-	-	3,900,530	(1,588,929)	**34,276,979**
Total Internally Restricted Funds	**34,601,400**	-	3,900,530	-	-	-	3,900,530	(1,338,821)	**37,163,109**
Total Restricted Funds	**$ 51,383,024**	**$ 1,913,578**	**$ 4,286,214**	**$ 1,378,416**	**$ (3,890,573)**	**$ (346,604)**	**$ 3,341,031**	**$ 267,449**	**$ 54,991,504**
Endowment									
Goulding Wilson Fund	**$ 201,252**	$ -	$ -	$ -	$ -	$ -	-	$ -	**$ 201,252**
Vantreight Endowment Fund	**26,900**	600	-	-	-	-	600	-	**27,500**
Lisa Huus Endowment Fund	**2,644,320**	32,292	-	-	-	-	32,292	-	**2,676,612**
Total Endowment Funds	**$ 2,872,472**	$ 32,892	$ -	$ -	$ -	$ -	$ 32,892	$ -	**$ 2,905,364**
General									
General unrestriced (Note 4)	**$ 870,426**	2,936,877	889,649	-	(3,543,803)	(89,354)	193,369	(267,449)	**$ 796,346**
Total Fund Balances	**$ 55,125,922**	**$ 4,883,347**	**$ 5,175,863**	**$ 1,378,416**	**$ (7,434,376)**	**$ (435,958)**	**$ 3,567,292**	**$ -**	**$ 58,693,214**

Note 1: Of the ending balance of $1,835,707, $1,251,603 represents amounts invested in capital assets. The remaining amount of $584,104 represents cash restricted to fund future operations.
Note 2: The ending balance of $4,929,378 represents amounts invested in capital assets.
Note 3: Of the ending balance of $5,759,016, $1,953,147 represents work-in-progress for the construction of Jesse's House. The remaining amount of $3,805,869 represents cash restricted to fund the capital build.
Note 4: The ending balance of $796,346 represents amounts invested in capital assets.