

Financial Statements of

**CHILDREN'S HEALTH FOUNDATION
OF VANCOUVER ISLAND**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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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, 2024
- 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, 2024, 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada
July 9, 2024

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	General Fund	Restricted Funds	Endowment Fund	2024	2023
Assets					
Current assets:					
Cash	\$ 722,982	\$ 1,646,499	\$ -	\$ 2,369,481	\$ 2,533,526
Accounts receivable	67,550	82,683	-	150,233	206,343
Prepaid expenses	185,601	1,080	-	186,681	193,526
	976,133	1,730,262		2,706,395	2,933,395
Investments (note 2)	-	37,920,807	2,871,772	40,792,579	38,776,075
Capital assets (note 3)	909,120	9,900,037	-	10,809,157	10,434,659
	\$ 1,885,253	\$ 49,551,106	\$ 2,871,772	\$ 54,308,131	\$ 52,144,129

Liabilities

Current liabilities:					
Accounts payable and accrued liabilities	\$ 972,010	\$ 181,343	\$ -	\$ 1,153,353	\$ 1,104,698
Deferred revenue	4,123	41,590	-	45,713	59,482
	976,133	222,933		1,199,066	1,164,180

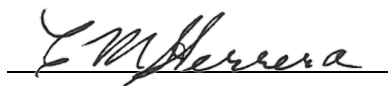
Fund Balances

Invested in capital assets	909,120	9,900,037	-	10,809,157	10,434,659
Unrestricted	-	-	-	-	1,265,894
Externally restricted	-	7,416,718	-	7,416,718	9,345,413
Internally restricted (notes 4 and 7)	-	32,011,418	-	32,011,418	27,064,236
Endowment	-	-	2,871,772	2,871,772	2,869,747
	909,120	49,328,173	2,871,772	53,109,065	50,979,949
	\$ 1,885,253	\$ 49,551,106	\$ 2,871,772	\$ 54,308,131	\$ 52,144,129

Commitments and contingencies (note 8)

See accompanying notes to financial statements.

Approved by the Board:

 Director

 Director

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

	General Fund	Restricted Funds	Endowment Fund	2024	2023
					(Schedule 1) (note 12)
Revenue:					
Fundraising	\$ 941,828	\$ 1,262,058	\$ 2,025	\$ 2,205,911	\$ 3,089,320
Investment income	608,205	1,414,007	-	2,022,212	864,584
Rentals and cost recovery	-	1,138,311	-	1,138,311	1,089,090
	1,550,033	3,814,376	2,025	5,366,434	5,042,994
Expenses:					
Grants and programs (note 5)	582,960	3,682,639	-	4,265,599	4,349,617
Amortization of capital assets	71,691	323,376	-	395,067	369,307
Administration (note 6)	1,159,466	-	-	1,159,466	1,085,828
Communication (note 6)	559,503	-	-	559,503	497,709
Family Programs and impact (note 6)	270,808	-	-	270,808	286,054
Fundraising (note 6)	877,937	-	-	877,937	767,799
Investment counsel and management	167,056	29,857	-	196,913	194,367
	3,689,421	4,035,872	-	7,725,293	7,550,681
Unrealized gain (loss) on investments	-	4,487,975	-	4,487,975	(130,387)
Excess (deficiency) of revenue over expenses	(2,139,388)	4,266,479	2,025	2,129,116	(2,638,074)
Fund balances, beginning of year	2,154,070	45,956,132	2,869,747	50,979,949	53,618,023
Interfund transfers (note 7 and Schedule 2)	894,438	(894,438)	-	-	-
Fund balances, end of year	\$ 909,120	\$ 49,328,173	\$ 2,871,772	\$ 53,109,065	\$ 50,979,949

See accompanying notes to financial statements.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 2,129,116	\$ (2,638,074)
Add amortization which does not involve cash	395,067	369,307
Unrealized (gain) loss on investments	(4,487,975)	130,387
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	62,955	105,166
Current liabilities	34,886	181,196
	(1,865,951)	(1,852,018)
Investing activities:		
Additions to capital assets	(769,565)	(222,283)
Changes in investments:		
Reinvested investment income	(1,966,003)	(670,314)
Net withdrawals from investments	4,437,474	2,492,159
Change in cash surrender value, life insurance policy	-	58,675
	1,701,906	1,658,237
Decrease in cash	(164,045)	(193,781)
Cash, beginning of year	2,533,526	2,727,307
Cash, end of year	\$ 2,369,481	\$ 2,533,526

See accompanying notes to financial statements

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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 2011 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 2023 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.

The remaining land is recorded at cost.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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. Rental revenue is based on a cost-recovery model.

Donations of life insurance policies are recorded as revenue when the funds are received by the Foundation. The cash surrender value of the life insurance policies and changes in the cash surrender value are recorded for those policies in which the Foundation is the beneficiary. The annual change in the aggregate cash value is recorded in the statement of operations.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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:

	2024	2023
Fixed income funds	\$ 5,323,192	\$ 5,415,794
Global and international equity funds	24,411,561	22,899,868
Infrastructure funds	11,057,826	10,460,413
	<u>\$ 40,792,579</u>	<u>\$ 38,776,075</u>

	2024	2023
Opening balance	\$ 38,776,075	\$ 40,728,307
Reinvested investment income	1,966,003	670,314
Unrealized gains (losses)	4,487,975	(130,387)
Net withdrawals from investments	(4,437,474)	(2,492,159)
Closing balance	<u>\$ 40,792,579</u>	<u>\$ 38,776,075</u>

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

3. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	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	1,871,394	280,428	294,449
Equipment	56,396	20,146	36,250	23,615
	<u>2,328,218</u>	<u>1,891,540</u>	<u>436,678</u>	<u>438,064</u>
West Shore Child Youth and Family Centre:				
Land	870,000	-	870,000	870,000
Building	7,016,152	5,370,499	1,645,653	1,717,061
Furniture and equipment	136,300	43,979	92,321	60,390
	<u>8,022,452</u>	<u>5,414,478</u>	<u>2,607,974</u>	<u>2,647,451</u>
Jeneece Place:				
Building	2,595,094	1,299,308	1,295,786	1,312,879
Furniture and equipment	203,566	187,232	16,334	10,036
	<u>2,798,660</u>	<u>1,486,540</u>	<u>1,312,120</u>	<u>1,322,915</u>
Qwalayu House:				
Building	5,070,174	273,137	4,797,037	4,650,453
Furniture and equipment	491,614	114,590	377,024	428,377
	<u>5,561,788</u>	<u>387,727</u>	<u>5,174,061</u>	<u>5,078,830</u>
Jesse's House:				
Work in progress	369,204	-	369,204	59,223
Total restricted funds	19,080,322	9,180,285	9,900,037	9,546,483
Unrestricted:				
Land (Gordon Head and QA Centre)	587,500	-	587,500	587,500
Buildings	278,277	241,398	36,879	50,799
Office equipment	127,049	66,214	60,835	69,096
Computer software and hardware	355,455	131,549	223,906	180,781
	<u>1,348,281</u>	<u>439,161</u>	<u>909,120</u>	<u>888,176</u>
	<u>\$ 20,428,603</u>	<u>\$ 9,619,446</u>	<u>\$ 10,809,157</u>	<u>\$ 10,434,659</u>

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.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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, 2024 was \$27,495,099 (2023 - \$26,463,041), an increase of 3.9% 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, 2024 was \$29,767,604 (2023 - \$25,064,422).

The other internally restricted amounts within the restricted fund are \$2,243,814 (2023 - \$1,999,814) for a capital replacement reserve.

5. Grants and programs:

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

	2024	2023
		(note 12)
Bear Essentials	\$ 752,047	\$ 692,247
Queen Alexandra Centre	125,000	221,190
Mental Health	573,193	549,052
Home Away from Homes	1,366,743	1,127,346
Child, Youth and Family Centres	952,506	927,942
Scholarships and Bursaries	208,610	171,340
Other Partnership Grants	287,500	660,500
	<u>\$ 4,265,599</u>	<u>\$ 4,349,617</u>

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

6. Expenses:

Administration costs are incurred to provide core mission support. Items that fall under administration include information technology, corporate governance and strategic planning, finance, human resources, and facilities.

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 includes 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 \$134,320 were made from the general fund to offset deficits in externally restricted funds. The general fund received a net of \$346 for grant and program payments made on behalf of the restricted funds.

The sustainability fund covered the deficit in the general fund by transferring \$1,028,758.

Within the restricted fund, interfund transfers were made to increase the internally restricted capital replacement reserves by \$80,000 for Jeneece Place, \$116,000 for the West Shore Child, Youth, and Family Centre, and \$48,000 for the Sooke Child, Youth, and Family Centre. There were also interfund transfers of \$19,840 from restricted funds to the Bear Essentials Fund.

In previous years the general fund loaned the Qwalayu House fund a total of \$1,909,379 to pay for its capital build. Once the Qwalayu House fund has raised the necessary funds it will repay the general fund; during the year \$35,000 was repaid, reducing the loan to \$1,829,379. There are no terms attached to this loan.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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:	
2025	\$ 475,550

- (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) As of October 1, 2024, the Foundation will self operate Jeneece Place; operations were previously contracted out to an external organization.
- (d) 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.
- (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:	
2025	\$ 588,150
2026	15,360
2027	2,700
2028	2,700
2029	2,700

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

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, 2024, the Foundation paid remuneration of \$1,350,927 to eleven employees (2023 - \$1,245,262 to ten employees), each of whom received total annual remuneration of \$75,000 or greater. There was no remuneration paid to directors in 2024 or 2023.

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, 2022, the plan has about 240,000 active members and approximately 124,000 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, 2021 indicated a surplus of \$3,761 million for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

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 \$177,053 (2023 - \$153,859) for employer contributions to the plan.

11. Financial instruments:

(a) Foreign currency risk:

The Foundation holds a foreign-denominated bank account and investments in equities outside of Canada which are subject to foreign exchange risk. At March 31, 2024, the Foundation held foreign accounts and investments with a fair value of \$24,411,561 (2023 - \$22,899,869).

(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.

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Notes to Financial Statements

Year ended March 31, 2024

11. Financial instruments (continued):

(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.

12. Comparative information:

During the year the Foundation was made aware that certain investment management fees for one of its infrastructure investments had been net from its investment income. As such, the prior period investment income has been increased by \$113,700 and the investment management fees have been increased by the same amount. In a separate issue, wages related to the Foundation's Bear Essentials program had been included as administrative expenses versus program expenses. As such, the administrative expenses have been decreased by \$116,353 and program costs have been increased by the same amount, which increased the 2023 interfund transfer from the general fund to the restricted funds by \$116,353. The total net income remains unchanged from both restatements. Lastly, expenses that were detailed in a note to the financial statements are now noted on the statement of operations and changes in fund balances.

13. Subsequent events:

Subsequent to year end the Foundation entered into an agreement with Island Health that grants a license of occupation of land for the purposes of constructing and operating a home away from home in Nanaimo. The term of the agreement is for 40 years, subject to various conditions of use.

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

Schedule 1

Year ended March 31, 2024, with comparative information for 2023

	2024				2023 (Note 12)			
	Total	General Fund	Restricted Funds	Endowment Fund	Total	General Fund	Restricted Funds	Endowment
Revenue:								
Fundraising	\$ 2,205,911	\$ 941,828	\$ 1,262,058	\$ 2,025	\$ 3,089,320	\$ 1,141,243	\$ 1,942,677	5,400
Investment income	2,022,212	608,205	1,414,007	-	864,584	383,264	481,320	-
Rentals and cost recovery	1,138,311	-	1,138,311	-	1,089,090	-	1,089,090	-
	5,366,434	1,550,033	3,814,376	2,025	5,042,994	1,524,507	3,513,087	5,400
Expenses:								
Grants and programs	4,265,599	582,960	3,682,639	-	4,349,617	644,627	3,704,990	-
Amortization of capital assets	395,067	71,691	323,376	-	369,307	54,824	314,483	-
Administration	1,159,466	1,159,466	-	-	1,085,828	1,085,828	-	-
Communication	559,503	559,503	-	-	497,709	497,709	-	-
Family programs and impact	270,808	270,808	-	-	286,054	286,054	-	-
Fundraising	877,937	877,937	-	-	767,799	767,799	-	-
Investment counsel and management	196,913	167,056	29,857	-	194,367	163,703	30,664	-
	7,725,293	3,689,421	4,035,872	-	7,550,681	3,500,544	4,050,137	-
Unrealized gain (loss) on investments	4,487,975	-	4,487,975	-	(130,387)	-	(130,387)	-
Excess (deficiency) of revenue over expenses	2,129,116	(2,139,388)	4,266,479	2,025	(2,638,074)	(1,976,037)	(667,437)	5,400
Fund balances, beginning of year	50,979,949	2,154,070	45,956,132	2,869,747	53,618,023	4,273,069	46,480,607	2,864,347
Other interfund transfers	-	894,438	(894,438)	-	-	(142,962)	142,962	-
Fund balances, end of year	\$ 53,109,065	\$ 909,120	\$ 49,328,173	\$ 2,871,772	\$ 50,979,949	\$ 2,154,070	\$ 45,956,132	\$ 2,869,747

CHILDREN'S HEALTH FOUNDATION OF VANCOUVER ISLAND

Schedule of Changes in Fund Balances

Schedule 2

Year ended March 31, 2024

	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	\$ 225,000	\$ 198,944	\$ -	\$ -	\$ (440,210)	\$ -	\$ (241,266)	\$ 19,840	\$ 3,574
GR Pearkes Child Development	4,325,126	-	-	-	(699,517)	-	(699,517)	-	3,625,609
HerWay Home	-	-	-	-	-	-	-	-	-
Innovation in Mental Health	-	10,233	-	-	(10,233)	-	-	-	-
Queen Alexandra Centre	-	4,820	-	-	(4,820)	-	-	-	-
Named Funds									
Goulding Wilson Memorial	137,218	-	15,468	-	-	-	15,468	(346)	152,340
Lisa Huus Memorial	260,179	-	129,405	-	(174,303)	-	(44,898)	-	215,281
Vantreight	445	-	1,217	-	(13)	-	1,204	(446)	1,203
Women's Institute	11,005	-	457	-	(2,000)	-	(1,543)	-	9,462
Ronald Bayne RDSP Fund	127,213	-	4,431	-	(61,095)	-	(56,664)	-	70,549
Tim Miller Fund	193,943	53,952	9,657	-	(1,056)	-	62,553	(19,394)	237,102
Home Away From Home Funds									
Jeneece Place (Note 1)	2,684,571	336,714	-	77,541	(578,442)	(46,794)	(210,981)	(80,000)	2,393,590
Qwalayu House (Note 2)	5,976,398	171,410	-	27,540	(492,455)	(174,923)	(468,428)	-	5,507,970
Jesse's House (Note 3)	1,865,284	485,985	-	-	(295,844)	-	190,141	-	2,055,425
Building Funds									
Sooke Child, Youth and Family Centre	438,061	-	2,329	311,751	(288,487)	(18,790)	6,803	(8,188)	436,676
West Shore Child, Youth and Family Centre	2,647,453	-	7,078	721,479	(664,021)	(82,869)	(18,333)	(21,146)	2,607,974
Total Externally Restricted Funds	18,891,896	1,262,058	170,042	1,138,311	(3,712,496)	(323,376)	(1,465,461)	(109,680)	17,316,755
Internally restricted:									
Capital Replacement Reserves	1,999,814	-	-	-	-	-	-	244,000	2,243,814
Sustainability Fund	25,064,422	-	5,731,940	-	-	-	5,731,940	(1,028,758)	29,767,604
Total Internally Restricted Funds	27,064,236	-	5,731,940	-	-	-	5,731,940	(784,758)	32,011,418
Total Restricted Funds	\$ 45,956,132	\$ 1,262,058	\$ 5,901,982	\$ 1,138,311	\$ (3,712,496)	\$ (323,376)	\$ 4,266,479	\$ (894,438)	\$ 49,328,173
Endowment									
Goulding Wilson Fund	\$ 201,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,252
Vantreight Endowment Fund	26,000	800	-	-	-	-	800	-	26,800
Lisa Huus Endowment Fund	2,642,495	1,225	-	-	-	-	1,225	-	2,643,720
Total Endowment Funds	\$ 2,869,747	\$ 2,025	\$ -	\$ -	\$ -	\$ -	\$ 2,025	\$ -	\$ 2,871,772
General									
General unrestricted (Note 4)	\$ 2,154,070	941,828	608,205	-	(3,617,730)	(71,691)	(2,139,388)	894,438	\$ 909,120
Total Fund Balances	\$ 50,979,949	\$ 2,205,911	\$ 6,510,187	\$ 1,138,311	\$ (7,330,226)	\$ (395,067)	\$ 2,129,116	\$ -	\$ 53,109,065

Note 1: Of the ending balance of \$2,393,590, \$1,312,120 represents amounts invested in capital assets. The remaining amount of \$1,081,470 represents cash restricted to fund future operations.

Note 2: Of the ending balance of \$5,507,970, \$5,174,061 represents amounts invested in capital assets. The remaining amount of \$333,909 represents cash restricted to fund future operations.

Note 3: Of the ending balance of \$2,055,425, \$369,204 represents amounts invested in capital assets. The remaining amount of \$1,686,221 represents cash restricted to fund future the future capital build.

Note 4: The ending balance of \$909,120 represents amounts invested in capital assets.