Doane Grant Thornton

Non-Consolidated Financial Statements

Nanaimo & District Hospital Foundation

March 31, 2026

Contents

Independent Auditors' Report

Doane Grant Thornton LLP
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To Members of Nanaimo & District Hospital Foundation

Qualified Opinion

We have audited the non-consolidated financial statements of Nanaimo & District Hospital Foundation ("the Foundation"), which comprise the non-consolidated statement of financial position as at March 31, 2026, and the non-consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2026 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2026 was modified accordingly because of the possible effects of this limitation in scope.

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 non-consolidated financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 non-consolidated 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 these non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 Society's Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis with that of the preceding year.

Doane Grant Thornton LLP

Nanaimo, Canada
June 29, 2026

Chartered Professional Accountants

Nanaimo & District Hospital Foundation
Non-Consolidated Statement of Financial Position
As at March 31

	2026	2025
Assets		
Current		
Cash and cash equivalents (Note 3)	$ 12,840,356	$ 7,205,952
Accounts receivable (Note 4)	264,151	123,484
Investments (Note 5)	3,321,792	5,934,165
Prepaid expenses	54,347	44,748
Due from subsidiaries (Note 6)	374,678	314,370
Assets held for sale	1,189,000	-
	18,044,324	13,622,719
Long-term		
Tangible capital assets (Note 7)	375,324	371,933
Investment in subsidiaries (Note 8)	-	54,263
	375,324	426,196
	$ 18,419,648	$ 14,048,914
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 606,876	$ 469,747
Unearned revenue	20,264	27,000
	627,140	496,747
Net Assets		
General Fund - Unrestricted	4,955,252	4,355,520
General Fund - Internally Restricted	550,000	550,000
Externally Restricted Fund	10,954,262	7,401,753
Gaming Fund	158,868	109,783
Endowment Fund	1,174,126	1,135,111
	17,792,508	13,552,167
	$ 18,419,648	$ 14,048,914

Commitments (Note 9)

On behalf of the Board of Directors

DocuSigned by:
Tony Harris
BAEDC036F1994D8

Director

Director

Nanaimo & District Hospital Foundation
Non-Consolidated Statement of Operations
Year Ended March 31

	General Fund	Externally Restricted Fund	Gaming Fund	Endowment Fund	**2026**	2025
Revenue						
Donations (Note 11)	$ 1,909,444	$ 8,677,096	$ 68,570	$ 3,000	**$ 10,658,110**	$ 7,282,354
Investments (Note 5)	619,282	3,309	4,715	43,015	**670,321**	623,165
Miscellaneous income (Note 6)	203,629	2,211	-	-	**205,840**	243,533
	2,732,355	8,682,616	73,285	46,015	**11,534,271**	8,149,052
Expenses						
Administration (Schedule 1)	1,351,517	4,775	-	-	**1,356,293**	1,223,460
Fundraising (Schedule 1)	567,759	937,151	21,200	-	**1,526,109**	1,040,163
	1,919,276	941,926	21,200	-	**2,882,402**	2,263,623
Excess of revenues over expenses from operations	813,079	7,740,690	52,085	46,015	**8,651,869**	5,885,429
Other revenues (expenses)						
Loss from investments in subsidiaries	(54,263)	-	-	-	**(54,263)**	(61,859)
Cost recovery (Note 6) (Note 10)	1,105,763	(1,105,763)	-	-	**-**	-
Grants to programs	(700,735)	(3,646,530)	(3,000)	(7,000)	**(4,357,265)**	(2,491,782)
	350,765	(4,752,293)	(3,000)	(7,000)	**(4,411,528)**	(2,553,641)
Excess of revenues over expenses	$ 1,163,844	$ 2,988,397	$ 49,085	$ 39,015	**$ 4,240,341**	$ 3,331,788

Nanaimo & District Hospital Foundation
Non-Consolidated Statement of Changes in Net Assets
Year Ended March 31

	General Fund	Externally Restricted Fund	Gaming Fund	Endowment Fund	**2026**	2025
Balance, beginning of year	$ 4,905,520	$ 7,401,753	$ 109,783	$ 1,135,111	**$ 13,552,167**	$ 10,220,379
Excess of revenues over expenses	1,163,844	2,988,397	49,085	39,015	**4,240,341**	3,331,788
Transfer of administrative costs	(564,112)	564,112	-	-	**-**	-
Balance, end of year	$ 5,505,252	$ 10,954,262	$ 158,868	$ 1,174,126	**$ 17,792,508**	$ 13,552,167

Nanaimo & District Hospital Foundation
Non-Consolidated Statement of Cash Flows
Year Ended March 31

	2026	2025
Cash and cash equivalents provided by (used in) the following activities		
Operating		
Cash receipts from donations and grants	**$ 9,527,547**	$ 7,496,620
Cash receipts from investments	**670,322**	623,165
Cash paid for operating expenses	**(2,710,864)**	(1,824,496)
Grants to programs	**(4,357,265)**	(2,491,782)
	3,129,740	3,803,507
Investing		
Disposal of investments	**2,612,373**	1,811,023
Advances to subsidiary companies	**(60,308)**	(38,989)
Purchase of tangible capital assets	**(47,400)**	(78,878)
	2,504,664	1,693,156
Increase in cash and cash equivalents	**5,634,404**	5,496,663
Cash and cash equivalents		
Beginning of year	**7,205,952**	1,709,289
End of year	**$ 12,840,356**	$ 7,205,952

1. Nature of operations

Nanaimo & District Hospital Foundation ("the Foundation") was incorporated under the Societies Act of British Columbia (the "Act") and is a registered charity exempt from income taxes under Section 149(1) of the Income Tax Act. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Foundation's mission is to provide funding for the Nanaimo Regional General Hospital and other Central Vancouver Island health care facilities within Island Health to benefit the community. The Foundation provides grants for equipment, health-related educational scholarships, major renovations and approved research. The Foundation owns two subsidiaries: 629814 B.C. Ltd. (operating as Nanaimo Lifeline Program), a personal emergency response service for seniors and at risk individuals, and 606895 B.C. Ltd. (operating as Code Brew), which operates a coffee kiosk at the Nanaimo Regional General Hospital. These subsidiaries may contribute funds to the Foundation, based on a board-approved percentage of their annual results.

2. Significant accounting policies

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions, and maintains four funds: General Fund, Externally Restricted Fund, Endowment Fund, and Gaming Fund.

The General Fund reports the Foundation's general fundraising, granting, and administrative activities including unrestricted resources and internally restricted funds. The General Fund also reports the assets, liabilities, revenue and expenses related to the Foundation's tangible capital assets. Externally restricted contributions for which there is no corresponding restricted fund are recognized in the General Fund.

The Externally Restricted Fund reports the Foundation's restricted resources that must be used as follows:

Specified Equipment Funds - purchasing equipment for the Nanaimo Regional General Hospital and other organizations that the foundation raises funds for including Oceanside Health Centre, Eagle Park Lodge, Trillium Lodge and Dufferin Lodge.

Education Funds - for education purposes at Nanaimo Regional General Hospital.

Designated Contribution Funds - for specific areas within the Nanaimo Regional General Hospital.

A charge is administered against certain designated contributions received during the year to recover overhead costs. The Endowment Fund reports the Foundation's resources contributed for endowment, which is primarily related to purchases for hospital equipment.

2. Significant accounting policies (continued)

Fund accounting (continued)

The Gaming Fund reports the Foundation's revenue and costs associated with gaming funds donated from other charitable organizations. Net proceeds are donated to the Nanaimo Regional General Hospital for the purpose of purchasing equipment for the hospital.

Cash and cash equivalents

The Foundation's policy is to present bank balances under cash and cash equivalents. Also included in cash and cash equivalents are term deposits with a maturity period of three months or less from the date of acquisition.

Tangible capital assets

Each class of tangible capital assets is carried at cost less, where applicable, any accumulated amortization and impairment losses.

Cost includes the purchase price and other acquisition costs such as installation costs, and freight charges. Contributed tangible capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

For tangible capital assets with a finite life, the cost of each item is amortized over its useful life in a systematic manner appropriate to the nature of that item and its use by the Foundation. Accordingly, tangible capital assets are amortized using the following methods and rates as follows:

Buildings	4%	Declining balance
Office equipments	5 years	Straight-line
Furniture and fixtures	10 years	Straight-line
Leasehold improvements	5 years	Straight-line
Computer equipment	3-5 years	Straight-line

Impairment of long-lived assets

The Foundation tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued)

Revenue recognition (continued)

Endowment contributions are recognized as revenue in the Endowment Fund. Investment income earned on the Endowment Fund is recognized as revenue of the General Fund unless otherwise directed by donors.

In-kind donations are recorded at their fair market value on the date of receipt if the fair market value can be reasonably measured.

Contributed materials and services are recognized in the non-consolidated financial statements when the fair value can be reasonably determined, and they are used in the normal course of operations and would otherwise have been purchased.

Pledges are recorded when received.

Investment income is recognized as revenue when earned.

Investments in non-consolidated subsidiaries

The Foundation accounts for its investments in subsidiaries using the equity method. This method reflects the cost of the investment in the subsidiary, the investment income or loss related to the subsidiary, the Foundation’s share of changes in accounting policies, corrections of prior period errors and capital transactions of the subsidiary as well as the Foundation’s portion of dividends paid by the subsidiary.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Foundation accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivable
- investments
- accounts payable and accrued liabilities
- due from subsidiaries

<u>Financial instruments in arm's length transactions</u>

Initial measurement

The Foundation initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm’s length transactions at fair value.

Subsequent measurement

The Foundation subsequently measures these financial assets and financial liabilities at amortized cost, except for investments in equity and bond instruments that are quoted in an active market, which are measured at fair value. Changes in financial instruments measured at fair value are recognized in net income.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at cost or amortized cost less any reduction for impairment include cash and cash equivalents, accounts receivable, investments, and balances due from subsidiaries.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial instruments measured at fair value include marketable securities included in short-term investments. The fair value of investments in publicly traded companies has been determined using the closing price at year end.

Derecognition

The Foundation removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

<u>Financial instruments in related party transactions</u>

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Foundation does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Foundation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Foundation has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

2. Significant accounting policies (continued)

Measurement uncertainty

The preparation of the non-consolidated financial statements in conformity with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates include the recoverability of accounts receivable and amounts due from subsidiaries, useful life of tangible capital assets, and amounts of accrued liabilities.

These estimates are reviewed periodically by management and as adjustments become necessary, are reported in income in the period in which they become known.

3. Cash and cash equivalents

The cash balance includes $156,652 (2025 - $105,530) in funds derived from gaming activities. The use of these funds is restricted by an agreement with the Province of British Columbia Gaming Commission.

4. Accounts receivable

	2026	2025
Accounts receivable	**$ 68,961**	$ 3,941
Goods and Services Tax receivable	**23,601**	15,378
Provincial Sales Tax receivable	**171,589**	104,165
	$ 264,151	$ 123,484

5. Investments

The General Fund portfolio investments include $550,000 (2025 - $550,000) of funds set aside by the Board in previous years on the understanding that these funds could only be spent with Board approval. The Board has determined that this amount is internally restricted and is not designated for any specific purpose.

5. Investments (continued)

	General Fund	Gaming / Externally Restricted Fund	Endowment Fund	**2026 Total**	2025 Total
Investment portfolio					
Cash balance	$ 33,364	$ -	$ 8,486	**$ 41,850**	$ 96,348
Portfolio	2,097,974	-	1,181,968	**3,279,942**	2,774,529
Term deposits	-	-	-	**-**	3,063,288
	$ 2,131,338	$ -	$ 1,190,454	**$ 3,321,792**	$ 5,934,165
Investment income					
Investment income	$ 446,384	$ 6,001	$ 16,717	**$ 469,102**	$ 491,280
Realized gain	114,540	1,332	17,314	**133,186**	4,377
Unrealized investment gain (loss)	58,358	691	8,984	**68,033**	127,508
	$ 619,282	$ 8,024	$ 43,015	**$ 670,321**	$ 623,165

Investment income includes interest, dividends, and realized and unrealized gains (losses) related to measuring the investments at market value at March 31, 2026. The total cost of portfolio investments on March 31, 2026 is $2,799,122 (2025 - $2,381,399).

6. Due from subsidiaries and related party transactions

(a) Transactions

The following is a summary of the Foundation's related party transactions:

	2026	2025
629814 B.C. Ltd. (Nanaimo Lifeline Program)		
Management fee revenue included in miscellaneous income	**$ 82,000**	$ 82,000
Reimbursement of operating costs	**134,828**	350,124
606895 B.C. Ltd. (Code Brew)		
Management fee revenue included in miscellaneous income	**$ 82,000**	$ 82,000
Reimbursement of operating costs	**151,354**	277,451

These transactions are in the normal course of operations and have been valued in these non-consolidated financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(b) The balances due from subsidiaries are unsecured, non-interest bearing and have no set terms of repayment.

6. Due from subsidiaries and related party transactions (continued)

	2026	2025
629814 B.C. Ltd. (Nanaimo Lifeline Program) - 100% wholly owned subsidiary	**$ 347,088**	$ 288,694
606895 B.C. Ltd. (Code Brew) - 100% wholly owned subsidiary	**27,590**	25,676
	$ 374,678	$ 314,370

7. Tangible capital assets

	Cost	Accumulated amortization	**2026 Net Book Value**	2025 Net Book Value
Buildings	$ 450,107	$ 236,348	**$ 213,759**	$ 222,666
Office equipment	10,353	2,941	**7,413**	8,574
Furniture and fixtures	98,239	17,607	**80,632**	62,465
Leasehold improvements	209,482	143,736	**65,746**	67,605
Computer equipment	14,238	6,463	**7,775**	10,622
	$ 782,418	$ 407,095	**$ 375,324**	$ 371,933

8. Investment in subsidiaries

The Foundation holds investments in the following subsidiaries, which are accounted for using the equity method:

	% Ownership	**2026**	2025
629814 B.C. Ltd. (Nanaimo Lifeline Program)	100.00%	**$ -**	$ 54,263
606895 B.C. Ltd. (Code Brew)	100.00%	**-**	-
		$ -	$ 54,263

629814 B.C. Ltd. (Nanaimo Lifeline Program) was incorporated under the laws of the Societies Act of British Columbia on June 21, 2001 and is exempt from income taxes under Section 149 (1) (e) of the Income Tax Act. 629814 B.C. Ltd. (Nanaimo Lifeline Program) provides monitoring and assistance to at risk individuals in emergency situations and serves the Central Vancouver Island region, from Cassidy to Bowser, monitoring over 1,500 clients.

Summary unaudited financial information of 629814 B.C. Ltd. (Nanaimo Lifeline Program) as at March 31, 2026 and March 31, 2025 is as follows:

8. Investment in subsidiaries (continued)

	2026	2025
Financial Position		
Total assets	$ 354,302	$ 419,924
Total liabilities	370,575	365,658
Total shareholder's equity	$ (16,273)	$ 54,266
Results of Operations		
Total revenue	$ 771,099	$ 790,677
Total expenses	735,991	893,707
Net income (loss)	$ 35,108	$ (103,030)
Cash Flows Provided by:		
Operating activities	$ (28,823)	$ (257)
Financing activities	58,394	74,696
Investing activities	(50,022)	(76,139)
Decrease in cash	$ (20,451)	$ (1,700)

606895 B.C. Ltd. (Code Brew) was incorporated under the laws of the Societies Act of British Columbia on December 5, 2000. 606895 B.C. Ltd. (Code Brew) Operates a coffee kiosk located in the lobby of the Nanaimo Regional General Hospital.

Summary unaudited financial information of 606895 B.C. Ltd. (Code Brew) as at March 31, 2026 and March 31, 2025 is as follows:

	2026	2025
Financial Position		
Total assets	$ 120,375	$ 87,713
Total liabilities	124,649	122,367
Total shareholder's equity	$ (4,274)	(34,654)
Results of Operations		
Total revenue	$ 1,153,514	$ 1,181,257
Total expenses	1,040,957	1,174,739
Net income (loss)	$ 112,557	$ 6,518
Cash Flows Provided by:		
Operating activities	$ 43,794	$ 35,923
Financing activities	1,914	(35,708)
Investing activities	(1,210)	(1,339)
Decrease in cash	$ 44,498	$ (1,124)

Subsidiaries of the Foundation provided funds to the Foundation through management fees and donations. A reconciliation of transfers to the Foundation is provided below:

8. Investment in subsidiaries (continued)

	2026	2025
629814 B.C. Ltd. (Nanaimo Lifeline Program)		
Net operating results	**$ 11,461**	$ (21,031)
Management fees	**82,000**	82,000
Net loss	**$ (70,539)**	$ (103,032)
606895 B.C. Ltd. (Code Brew)		
Net operating results	**$ 114,388**	$ 123,172
Management fees	**82,000**	82,000
Net income	**$ 32,388**	$ 41,172

9. Commitments

At March 31, 2026, the Foundation has committed to fund the following projects and equipment in the amounts noted below:

High Acuity Unit (HAU)	2,842,999
SPEC CT	2,570,084
Oceanside Treatment Centre	1,200,000
Seniors Outpatient Clinic	600,000
Oceanside First Floor Expansion	600,000
Fetal Monitors	412,000
Vital Signs Monitors	238,000
Cancer Equipment	192,194
Vital Signs Monitors	175,000
Rehab Upgrades	173,000
Resectoscopes/Ureteroscopes	72,145
Nerve Integrity Monitors	168,000
Mopec Grossing Station	160,000
Cardiac Monitors and Central System	135,000
Old ICU Renovation	118,449
Incubators	96,000
Holmium Laser	47,433
Parallel Bars	28,929
NuStep Cross Trainer	18,480
Stretcher	6,137
	9,853,850

10. Interfund transactions

During the year, the Foundation transferred $1,105,763 (2025 - $883,019) from the Externally Restricted Fund to the Foundation's General Fund representing up to 14.5% (2025 - 18%) of designated donations as a cost recovery.

At March 31, 2026, the Externally Restricted Fund has an interfund receivable totalling $12,738,240 (2025 - $8,907,768) due from the General Fund. There are no set terms or conditions on borrowing from other funds.

11. Donations and gifts-in-kind

	2026	2025
Cash	**$ 7,133,065**	$ 5,491,417
Gifts of securities	**2,310,263**	1,738,360
Gifts of property	**1,189,700**	-
Gifts in Kind	**25,082**	52,577
	$ 10,658,110	$ 7,282,354

12. Pledges and bequests

The Foundation receives pledges and bequests for donations that will be received in future years. Management estimates that the Foundation will receive bequests that are in progress of approximately $3,892,980 (2025 - $1,130,625), documented pledges of approximately $2,200,000 (2025 - $2,436,000), and identified planned gifts of approximately $11,515,000 (2025 - $9,665,000) in future years. Pledges, bequests, and planned gifts are recognized as revenue in the non-consolidated financial statements when received.

13. Remuneration

During the year, the Foundation paid $1,334,686 (2025 – $753,150) to nine (2025 - six) employees whose salaries were greater than $75,000.

14. Financial Instruments

The main risks the Foundation is exposed to through its financial instruments are liquidity risk, interest rate risk, and price risk

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Foundation is exposed to this risk mainly in respect of its commitments to Island Health as well as its accounts payable and accrued liabilities.

The Foundation manages liquidity risk through cash flow management and monitoring of capital.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments.

The Foundation is exposed to interest rate risk through its investments with a value of $3,321,792 as at March 31, 2026 (2025 - $5,934,165). In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities.

14. Financial Instruments (continued)

The Foundation monitors investments for fluctuations and rebalances the investments as needed in accordance with the Foundation's investment policy.

Other price risk

Other 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 or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments quoted in an active market.

Nanaimo & District Hospital Foundation
Schedule 1 – Schedule of Expenses
Year Ended March 31

	2026	2025
Administration		
Amortization	**$ 44,009**	$ 42,757
Bank charges	**47,214**	49,899
Education	**28,386**	14,794
Investment management	**27,011**	25,720
Insurance	**6,469**	4,458
Office	**3,390**	6,045
Professional fees	**107,737**	80,106
Rent and occupancy	**3,867**	1,181
Salaries and benefits	**1,088,210**	998,501
	1,356,293	1,223,460
Fundraising		
Appeal salaries	**539,884**	464,341
Donor insurance	**17,825**	17,825
IT Services	**115,299**	106,689
Marketing and communications	**470,281**	233,142
Meetings and meals	**35,866**	15,891
Miscellaneous	**2,956**	3,537
Office	**40,534**	20,649
Postage	**11,819**	14,894
Publicity and promotions	**261,164**	141,282
Travel	**30,481**	21,913
	1,526,109	1,040,163
Total expenses	**$ 2,882,402**	$ 2,263,623