

Financial Statements of

**THE EAGLE RIDGE HOSPITAL FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2026



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Eagle Ridge Hospital Foundation

### **Report on the Financial Statements**

#### ***Qualified Opinion***

We have audited the financial statements of Eagle Ridge Hospital Foundation (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of 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, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditor's report, the 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 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 Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we are not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statement of financial position as at March 31, 2026 and March 31, 2025
- the donation revenues and excess (deficiency) of revenue over expenses reported in the statement of operations for the years ended March 31, 2026 and March 31, 2025
- the fund balances, at the beginning and end of the year, reported in the statement of changes in fund balances, for the years ending March 31, 2026 and March 31, 2025



- the excess of revenue and expenses reported in the statement of cash flows for the years ended March 31, 2026 and March 31, 2025

Our opinion on the financial statements for the year ended March 31, 2025 was qualified 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 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 qualified 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 auditors' 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 by the Entity 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 period.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Langley, Canada  
June 18, 2026

# THE EAGLE RIDGE HOSPITAL FOUNDATION

## Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 2)	\$ 6,750,465	\$ 6,055,546
Prepaid expenses and accounts receivable	108,313	86,718
	6,858,778	6,142,264
Investments (note 3)	3,296,558	3,043,290
Tangible capital assets (note 4)	257	537
	\$ 10,155,593	\$ 9,186,091

## Liabilities and Fund Balances


Current liabilities:		
Accounts payable and accrued liabilities	\$ 23,797	\$ 12,356
Due to Fraser Health Authority for (note 5):		
Contributions to Eagle Ridge Hospital and Health Care Centre	479,523	-
Operating expenses	60,910	60,549
Deferred revenue	78,220	5,000
	642,450	77,905
Fund balances:		
Unrestricted	5,033,282	3,673,234
Internally restricted (note 6)	700,000	700,000
Externally restricted (note 7)	2,868,999	3,847,861
Endowment (note 8)	910,862	887,091
	9,513,143	9,108,186
Commitments (note 9)		
	\$ 10,155,593	\$ 9,186,091

See accompanying notes to financial statements.

Approved on behalf of the Board:

  
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Director

  
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Director

# THE EAGLE RIDGE HOSPITAL FOUNDATION

## Statement of Operations

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

	Unrestricted	Externally Restricted Funds	Endowment Funds	2026 Total	2025 Total
<b>Revenue:</b>					
Donations and special events	\$ 2,053,544	\$ 694,783	\$ -	\$ 2,748,327	\$ 2,223,668
Investment income	324,991	51,135	23,771	399,897	429,587
Gaming license	15,600	2,250	-	17,850	21,379
Fair value adjustment on investments	58,504	-	-	58,504	43,450
	2,452,639	748,168	23,771	3,224,578	2,718,084
<b>Expenses:</b>					
Consulting & legal	73,002	-	-	73,002	32,956
Donor recognition & development	56,087	-	-	56,087	33,734
Office, stationery & miscellaneous	89,004	-	-	89,004	76,364
Postage & direct mail	27,630	-	-	27,630	50,848
Salaries and benefits	677,369	-	-	677,369	608,091
Special events	270,513	-	-	270,513	210,523
	1,193,605	-	-	1,193,605	1,012,516
Allocation of expenses to restricted funds	(101,014)	101,014	-	-	-
	1,092,591	101,014	-	1,193,605	1,012,516
Excess of revenue over expenses before contributions	1,360,048	647,154	23,771	2,030,973	1,705,568
Contributions to Eagle Ridge Hospital & Health Care Centre (note 5)	-	(1,626,016)	-	(1,626,016)	(1,489,732)
Excess (deficiency) of revenue over expenses and contributions	\$ 1,360,048	\$ (978,862)	\$ 23,771	\$ 404,957	\$ 215,836

See accompanying notes to financial statements.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

## Statement of Changes in Fund Balances

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

	Unrestricted	Restricted Funds			Endowment Funds	2026 Total	2025 Total
		Internally Designated Fund	Externally Restricted Funds	Total Restricted Funds			
Fund balances, beginning of year	\$ 3,673,234	\$ 700,000	\$ 3,847,861	\$ 4,547,861	\$ 887,091	\$ 9,108,186	\$ 8,892,350
Excess (deficiency) of revenue over expenses and contributions	1,360,048	-	(978,862)	(978,862)	23,771	404,957	215,836
Fund balances, end of year	\$ 5,033,282	\$ 700,000	\$ 2,868,999	\$ 3,568,999	\$ 910,862	\$ 9,513,143	\$ 9,108,186

See accompanying notes to financial statements.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

## Statement of Cash Flows

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

	2026	2025
Cash and cash equivalents provided by (used in):		
Operating activities:		
Excess of revenue over expenses and contributions	\$ 404,957	\$ 215,836
Items not involving cash:		
Amortization of tangible capital assets	280	280
Fair value adjustment on investments	(58,504)	(43,450)
	346,733	172,666
Change in operating working capital:		
Prepaid expenses and accounts receivable	(21,595)	(5,867)
Accounts payable and accrued liabilities	11,441	(52,629)
Due to Fraser Health Authority for:		
Operating expenses	361	(39,153)
Contributions to Eagle Ridge Hospital and Health Care Centre	479,523	-
Deferred revenue	73,220	(122,263)
	889,683	(47,246)
Investing activities:		
Purchase of Investments	(194,764)	(146,786)
Increase (decrease) in cash and cash equivalents	694,919	(194,032)
Cash and cash equivalents, beginning of year	6,055,546	6,249,578
Cash and cash equivalents, end of year	\$ 6,750,465	\$ 6,055,546
Cash and cash equivalents consist of:		
Cash	\$ 6,193,389	\$ 5,508,191
Cash equivalents	557,076	547,355
Cash and cash equivalents, end of year	\$ 6,750,465	\$ 6,055,546

See accompanying notes to financial statements.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2026

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## Operations:

The Eagle Ridge Hospital Foundation (the "Foundation") is registered under the Societies Act (British Columbia). The Foundation is a registered charity under the Income Tax Act (the "Act") and accordingly, is exempt from income taxes provided certain requirements of the Act are met and is authorized to issue donation receipts for income tax purposes.

The Foundation's principal purpose is to fund, facilitate and promote high quality patient care through the provision of financial support for development, education and research at Eagle Ridge Hospital and Health Care Centre. The Foundation receives gifts, bequests, funds and property which, in partnership with Fraser Health Authority, are used to enhance the role of the Eagle Ridge Hospital and Health Care Centre.

## 1. Significant accounting policies:

### (a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### (b) Fund accounting:

In order to ensure observance of the limitations and restrictions placed on the use of resources available, the Foundation follows the restricted fund method of accounting for contributions. Under this method, restricted contributions are recorded as revenue of the restricted fund to which they relate. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors (the "Board"). For financial reporting purposes, the accounts have been classified into the following funds:

#### (i) Unrestricted:

The unrestricted fund reflects the results of operating activities and includes undesignated revenue and donations received by the Foundation.

#### (ii) Internally restricted fund:

The internally restricted fund includes amounts designated for specific purposes by the Board.

#### (iii) Externally restricted fund:

The externally restricted fund includes donations and other funding received by the Foundation which has been designated for specific purposes by the donor or funder.

#### (iv) Endowment fund:

The endowment fund comprises donations that are permanently maintained in accordance with donor wishes. The annual investment income earned from these endowments is used for specific purposes, in a manner consistent with the endowment agreement.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### (d) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Amortization of the equipment is provided on a straight-line basis over its estimated useful life of five years and is recorded in Office, stationary, and miscellaneous expenses on the Statement of Operations.

Repairs and maintenance costs are charged to expense. Betterments which extend the estimated useful life of an asset are capitalized.

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has or has reduced long term service potential to the Foundation. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

### (e) Revenue recognition:

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

Contributions are recognized as revenue in the appropriate fund in the year received or receivable if the amount to be received can be reasonably established and collection is reasonably assured.

Investment income is recognized when earned.

Event revenues received in advance for subsequent years' fundraising events are recorded as deferred revenue. These revenues are recognized as revenue in the period in which the event occurs.

### (f) Contributed materials and services:

Contributed materials are recorded at their fair market values where the amount is reasonably determinable and the items would otherwise have been acquired.

Volunteers contribute an indeterminate number of hours to assist the Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

### (g) Employee future benefits:

The Foundation and its employees contribute to the Municipal Pension Plan. Defined contribution plan accounting is applied to the multi-employer defined benefit plan and, accordingly, contributions are expensed when paid or payable.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (h) Allocation of expenses:

The Foundation incurs costs to research, secure and manage gifts, provide recognition to donors as well as manage the investment of the restricted funds. Accordingly, unless otherwise designated, the Foundation allocates expenses up to 20% of the restricted fund donations received in the year, to externally restricted funds as well as expenses related directly to the generation of restricted donations.

### (i) Measurement uncertainty:

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 liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from those estimates.

### (j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship, and equity instruments that are quoted in an active market, are subsequently measured at fair value. 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 all its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets 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.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 2. Cash and cash equivalents:

Cash and cash equivalents include restricted gaming funds of \$94,493 (2025 - \$94,768), a cashable term deposit of \$554,504 (2025 - \$547,355), and cash held in investments of \$2,572 (2025 - \$527).

## 3. Investments:

The aggregate fair value of the Foundation's investments consists of:

	2026	2025
Fixed income securities	\$ 427,617	\$ 406,702
Equity instruments	2,459,613	2,165,816
Mutual Funds	409,328	470,772
	<u>\$ 3,296,558</u>	<u>\$ 3,043,290</u>

Fixed income securities are comprised of guaranteed investment certificates that earn interest at rates ranging from 1.10% to 6.45% (2025 - 1.13% to 6.45%) and have maturities ranging from November 2026 to November 2034 (2025 - September 2025 to October 2034).

## 4. Tangible capital assets:

	2026		2025	
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$ 7,798	\$ 7,541	\$ 257	\$ 537

## 5. Due to Fraser Health Authority:

The amounts due to Fraser Health Authority consist of contributions and amounts owing for operating expenses that are unpaid as at year end.

All amounts paid to Fraser Health Authority to cover operating expenses are in the normal course of operations and are recorded at the exchange amount of the contributed amounts.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 6. Internally restricted funds:

The Foundation's internally restricted fund is a designated fund. The principal can only be used at the discretion of the Board as set out in the bylaws of the Foundation.

The purpose of this reserve is to set aside sufficient funds to cover approximately six months of budgeted operating expenses. The amount will be reviewed annually by the Finance Committee. Any revenue earned on investments related to the contingency reserve will be included in the Foundation's unrestricted fund.

## 7. Externally restricted funds:

Designated funds are restricted by donors for various special purposes for the benefit of the Eagle Ridge Hospital and Health Care Centre.

## 8. Endowment funds:

	2026	2025
Blake & Ailsa Rowson Fund (a)	\$ 383,575	\$ 360,829
Susan Meredith Memorial Education Fund (b)	17,287	16,262
Jack Cewe Endowment Fund (c)	510,000	510,000
	<u>\$ 910,862</u>	<u>\$ 887,091</u>

Included in the Endowment Fund is \$785,200 (2025 - \$785,200) subject to external restrictions requiring that they be maintained permanently.

### (a) Blake & Ailsa Rowson Fund:

The Fund is restricted for the purposes of supporting the introduction of innovative health care services. This fund shall be held in perpetuity, invested according to the investment policy of the Board, with the investment income derived being used to fund the purpose identified. Any investment income not used in the year earned is recapitalized to the capital amount.

### (b) Susan Meredith Memorial Education Fund:

The Fund is to support education. The capital shall be held in perpetuity, invested according to the investment policy of the Board, with the investment income derived being used to fund the purpose identified. Any investment income not used in the year earned is recapitalized to the capital amount.

### (c) Jack Cewe Endowment Fund:

The Fund is to purchase medical equipment. The capital shall be held in perpetuity, invested according to the investment policy of the Board, with the investment income derived being used to fund the purpose identified. Any investment income not used in the year earned is included in the externally restricted funds.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

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## 9. Commitments:

In prior years, the Foundation pledged to make contributions to the Eagle Ridge Hospital and Health Care Centre at the end of each fiscal period for future capital purchases. Outstanding commitments approved by the Foundation are advanced to Eagle Ridge Hospital and Health Care Centre in conjunction with the timing of purchases of the respective equipment by Fraser Health on behalf of Eagle Ridge Hospital and Health Care Centre. Outstanding commitments from current and prior fiscal years are as follows:

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2023	\$ 9,200
2024	-
2025	73,164
2026	662,626
	<hr/>
	\$ 744,990

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## 10. Employee pension benefits:

The Foundation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2025, the Plan has about 286,000 active members and approximately 138,000 retired members. Active members include 8 contributors from the Foundation.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation as at December 31, 2024 indicated a \$2,675 million funding surplus for basic pension benefits and a balance of \$4,598 million in the rate stabilization account. The next valuation will be as at December 31, 2027, with results available in 2028.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

During fiscal 2026, the Foundation paid \$46,280 (2025 - \$42,536) for employer contributions to the Plan.

# THE EAGLE RIDGE HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

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## 11. Remuneration to directors, employees and contractors:

During the fiscal year ending March 31, 2026, the Foundation paid total remuneration of \$356,864 (2025 - \$207,705) to four (2025 - two) employees, who received annual remuneration of \$75,000 or greater.

No remuneration was paid to any member of the Foundation's Board of Directors.

## 12. Financial risks:

### (a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Foundation is exposed to credit risk with respect to cash, investments, and accounts receivables. The Foundation's receivables are not significant. The Foundation assesses amounts receivable for impairment and makes provisions as required. Cash, and investments are held with major banks and other reputable financial institutions. Thus, the Foundation is not considered to be significantly exposed to credit risk.

### (b) Liquidity risk:

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities.

The Foundation is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. The Foundations mitigates this risk by budgeting and monitoring expenditures through the year.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in pooled fund instruments that are highly liquid.

### (c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as market prices change. The Foundation manages its investment portfolio to earn investment income and invests according to an Investment Policy Statement approved by the Board. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. The Foundation manages interest-rate, market, credit, foreign currency and cash flow risk from its investments by investing in a diversified portfolio.

There has been no change to the financial risk exposures from the prior year.