Financial Statements of

BURNABY HOSPITAL & COMMUNITY FOUNDATION

And Independent Auditor's Report thereon

Year ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Burnaby Hospital & Community Foundation

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Burnaby Hospital & Community 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 net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

August 13, 2026

BURNABY HOSPITAL & COMMUNITY FOUNDATION

Statement of Financial Position

March 31, 2026, with comparative information for 2025

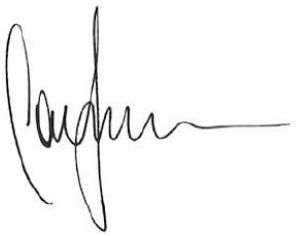
	2026	2025
Assets		
Current assets:		
Cash	$ 16,983,666	$ 10,367,486
Accounts receivable	441,647	189,431
Prepaid expenses	28,045	26,021
Guaranteed investment certificates, at amortized cost (note 3 (a))	23,945,871	21,810,576
	41,399,229	32,393,514
Guaranteed investment certificates, at amortized cost (note 3(a))	250,170	206,419
Investments, at fair value (note 3(b))	12,711,458	12,102,075
	$ 54,360,857	$ 44,702,008
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 244,409	$ 143,030
Deferred revenue	-	60,000
Due to Fraser Health Authority (note 9)	5,157,765	89,953
	5,402,174	292,983
Net assets:		
Unrestricted	4,355,041	3,659,350
Internally restricted (note 4)	6,922,959	5,422,959
Externally restricted (note 5)	37,621,962	35,267,995
Endowment (note 6)	58,721	58,721
	48,958,683	44,409,025
Commitments (note 8)		
	$ 54,360,857	$ 44,702,008

See accompanying notes to financial statements.

Approved on behalf of the Board:



_____ Director



_____ Director

BURNABY HOSPITAL & COMMUNITY FOUNDATION

Statement of Operations

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

	Unrestricted Fund	Externally Restricted Funds: Designated Funds	Externally Restricted Funds: Specified Funds	Externally Restricted Funds: Externally Restricted Funds	Endowment Funds	2026	2025
Revenue:							
Donations	$ 2,777,429	$ 2,731,134	$ 4,855,592	$ 7,586,726	$ -	$ 10,364,155	$ 7,023,560
Investment income, including fair value adjustment (note 7)	2,055,495	30,378	-	30,378	-	2,085,873	2,177,508
Other	-	-	-	-	-	-	40,262
	4,832,924	2,761,512	4,855,592	7,617,104	-	12,450,028	9,241,330
Expenses:							
Consulting and legal	92,795	-	-	-	-	92,795	202,206
Donor recognition and development	258,434	-	-	-	-	258,434	369,461
Office, stationery and miscellaneous	209,566	-	-	-	-	209,566	169,407
Postage and direct mail	272,545	-	-	-	-	272,545	285,716
Salaries and benefits	1,455,226	-	-	-	-	1,455,226	1,111,938
Special events	255,940	-	-	-	-	255,940	212,906
	2,544,506	-	-	-	-	2,544,506	2,351,634
Excess of revenue over expenses before the undernoted	2,288,418	2,761,512	4,855,592	7,617,104	-	9,905,522	6,889,696
Contributions to Burnaby Hospital	(97,727)	(266,767)	(4,991,370)	(5,258,137)	-	(5,355,864)	(1,428,510)
Excess of revenue over expenses and contributions	$ 2,190,691	$ 2,494,745	$ (135,778)	$ 2,358,967	$ -	$ 4,549,658	$ 5,461,186

See accompanying notes to financial statements.

BURNABY HOSPITAL & COMMUNITY FOUNDATION

Statement of Changes in Net Assets

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

	Unrestricted Fund	Internally Restricted Fund	Externally Restricted			Endowment Funds	2026 Total	2025 Total
			Designated Funds	Specified Funds	Externally Restricted Total			
		(note 4)			(note 5)	(note 6)		
Net assets, beginning of year	$ 3,659,350	$ 5,422,959	$ 2,073,560	$ 33,194,435	$ 35,267,995	$ 58,721	$ 44,409,025	$ 38,947,839
Excess of revenue over expenses and contributions	2,190,691	-	2,494,745	(135,778)	2,358,967	-	4,549,658	5,461,186
Interfund transfer (note 4)	(1,495,000)	1,500,000	(5,000)	-	(5,000)	-	-	-
Net assets, end of year	$ 4,355,041	$ 6,922,959	$ 4,563,305	$ 33,058,657	$ 37,621,962	$ 58,721	$ 48,958,683	$ 44,409,025

See accompanying notes to financial statements.

BURNABY HOSPITAL & COMMUNITY FOUNDATION

Statement of Cash Flows

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

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses and contributions	$ 4,549,658	$ 5,461,186
Unrealized gain on investments (note 7)	(107,667)	(89,267)
	4,441,991	5,371,919
Changes in non-cash operating working capital:		
Accounts receivable	(252,216)	(10,846)
Prepaid expenses	(2,024)	(1,874)
Accrued interest on guaranteed investment certificates	927,131	(522,993)
Accounts payable and accrued liabilities	101,379	(183,800)
Deferred revenue	(60,000)	60,000
Due to Fraser Health Authority	5,067,812	(89,634)
	10,224,073	4,622,772
Investment activities:		
Purchase of guaranteed investment certificates	(38,831,177)	(2,525,000)
Proceeds from guaranteed investment certificates	35,725,000	12,456,000
Purchase of investments	(501,716)	(9,008,916)
	(3,607,893)	922,084
Increase in cash	6,616,180	5,544,856
Cash, beginning of year	10,367,486	4,822,630
Cash, end of year	$ 16,983,666	$ 10,367,486

Cash includes restricted gaming funds of $8,619 (2025 - $3,037).

See accompanying notes to financial statements.

1. Operations:

Burnaby Hospital & Community Foundation (the "Foundation") is incorporated under the laws of British Columbia and is registered under the *Societies Act* (British Columbia). The Foundation's purpose is to fund, facilitate and promote high quality health care through the provision of financial support for development, education and research at Burnaby Hospital & Community.

The Foundation receives gifts, bequests, donations, legacies and endowments which, in partnership with Fraser Health Authority (the "Authority"), are used to enhance the role of Burnaby Hospital. The Foundation is a registered charity under the *Income Tax Act* and accordingly, is exempt from income taxes provided certain requirements of the *Income Tax Act* are met.

2. 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.

(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 Trustees (the "Board"). For financial reporting purposes, the accounts have been classified into the following funds:

(i) Unrestricted:

The unrestricted fund includes unrestricted donations and other unrestricted funding and revenue received by the Foundation. Administrative and general fundraising expenses are charged to the unrestricted fund.

(ii) Internally restricted:

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

2. Significant accounting policies (continued):

(b) Fund accounting (continued):

(*iii*) Externally restricted:

The externally restricted funds include donations and other funding received by the Foundation which have been designated for specific purposes by the donor or the gaming authority, as well as the restricted income earned on endowment funds to be distributed in accordance with the specified purpose of the funds. Expenses incurred directly related to the fundraising of restricted funds such as special events and direct mail campaigns are charged to the externally restricted funds.

(a) Designated funds:

These funds are donations that are made to the Foundation with restrictions placed on the gifts by the donors. The gifts are provided to a specific department, program or partner, but are not necessarily restricted to a specific equipment or purpose. The investment income accrued on these funds is not restricted and is accordingly recorded as revenue within the unrestricted fund, aside from interest earned on the guaranteed investment certificates held on the St. Michael's Centre funds which is restricted and hence recorded under designated funds when earned.

(b) Specified funds:

These funds are donations that are made to the Foundation with restrictions placed on the gifts by the donors and are provided for specific projects such as the redevelopment project at Burnaby Hospital. The investment income accrued on these funds is not restricted and is accordingly recorded as revenue within the unrestricted fund.

(*iv*) Endowments:

The endowment funds include amounts restricted by the donor or the Board with the intention that the principal balance of each fund remains intact, generating income to be distributed for the specified purpose of the funds.

Transfers between the funds are made when it is considered appropriate and authorized by the Board to meet the objectives of financial reporting and stewardship over assets. The interfund transfers are recorded in the statement of changes in net assets.

(c) 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 and recognized as unrestricted revenue unless restricted under the terms of an endowment fund. Changes in the fair value of investments are recorded on the statement of operations as part of investment income (note 7).

2. Significant accounting policies (continued):

(d) Contributed materials and services:

Contributed materials are recorded at their fair value where the amounts are reasonably determinable.

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

(e) 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 assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results may ultimately differ from the estimates.

(f) 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 record all its investments, other than guaranteed investment certificates, 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.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. 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.

(g) Future employee benefits:

The employees of the Foundation are members of the Municipal Pension Plan, a multi-employer defined benefit plan. Contributions made toward the plan are expensed as incurred (note 11).

3. Investments:

(a) Guaranteed investment certificates ("GICs"), are non-redeemable, held at amortized cost, earn interest rates of 2.85% to 5.85% (2025 - 3.1% to 6.0%) and mature over various dates from April 2026 to September 2027 (2025 - April 2025 to August 2026). The amounts recognized include accrued interest as of March 31, 2026. The certificates that mature on or before March 31, 2027 are classified as current assets. The certificates that mature on or after April 1, 2027 are classified as long-term assets.

(b) Portfolio investments held at fair value are comprised of the following:

	2026	2025
Fixed income	$ 10,578,512	$ 10,196,871
Canadian equity	1,044,579	963,488
Global equity	1,077,824	929,937
Others	10,543	11,779
	$ 12,711,458	$ 12,102,075

Investments held at fair value are invested in direct securities and pooled funds containing a combination of equity and fixed income instruments in accordance with the Foundation's investment policy.

4. Internally restricted funds:

During the year ended March 31, 2026, an aggregate total transfer of $1,500,000 (2025 - $1,745,743) was made from the unrestricted fund to the internally restricted fund as approved by the Board policy to be used toward the intended purpose of benefiting Burnaby Hospital in its redevelopment project.

5. Externally restricted funds:

		2026	2025
Designated funds	(a)	$ 4,563,305	$ 2,073,560
Specified funds	(b)	33,058,657	33,194,435
		$ 37,621,962	$ 35,267,995

5. Externally restricted funds (continued):

(a) Designated funds:

These funds are donations that are made to the Foundation with restrictions placed on the gifts by the donors. The gifts are provided to a specific department, program or partner but are not necessarily restricted to a specific equipment or purpose. The investment income accrued on these funds is not restricted and is accordingly recorded as revenue within the unrestricted fund.

(b) Specified funds:

These funds are donations that are made to the Foundation with restrictions placed on the gifts by the donors and are provided for specific projects such as the redevelopment project at Burnaby Hospital. The investment income accrued on these funds is not restricted and is accordingly recorded as revenue within the unrestricted fund.

6. Endowment funds:

	2026	2025
Nurse Essex Endowment Fund	$ 58,721	$ 58,721

Nurse Essex Endowment Fund returns are used to provide financial assistance for educational and certification opportunities for healthcare professionals serving in the field of Hospice Palliative End of Life care at Burnaby Hospital. The principal of $58,721 is to be held in perpetuity.

7. Investment income:

	2026	2025
Interest	$ 1,787,526	$ 1,967,310
Dividends	164,782	110,511
Realized gains	25,898	10,420
Unrealized gains	107,667	89,267
	$ 2,085,873	$ 2,177,508

Income from funds held in GICs and treasury accounts totaling $1,419,870 (2025 - $1,882,690) is included in the interest income above.

8. Commitments:

The Foundation currently has pledged to Fraser Health Authority to raise $30 million towards the purchase of equipment for Phase 1 and $15 million for Phase 2 of the Burnaby Hospital redevelopment project. As of March 31, 2026, $5 million of the $30 million pledged has been recorded as contributions relating to the Phase 1 commitment.

9. Fraser Health Authority:

As at March 31, 2026, the Foundation owed the Authority $5,157,765 (2025 - $89,953) related to the reimbursement of contributions to Burnaby Hospital and operating expenses paid by the Authority on behalf of the Foundation.

The Authority provides office space and computer equipment for the Foundation's use on a no-charge basis. The Foundation also receives certain administrative services from the Authority including payroll and benefit administration, custodial services and information technology support. Due to the difficulty in determining their fair value, these contributed services, materials and rent at no charge are not recognized in the financial statements.

10. Remuneration to employees and contractors:

For the year ended March 31, 2026, the Foundation paid total remuneration of $1,207,026 (2025 - $625,334) to (2025 - four) employees and contractors for services, each of whom received total annual remuneration of $75,000 or greater.

No remuneration was paid to any members of the Board during the year (2025 - nil).

11. Municipal Pension Plan:

The Foundation and its employees contribute to the Municipal Pension Plan (the "Plan), a jointly trusteed pension plan. The Board of Trustees of the Plan, 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 defined. The Plan has about 273,000 active members, 11 of which are employees (2025 - 11) of the Foundation.

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

11. Municipal Pension Plan (continued):

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

The Foundation paid $116,394 (2025 - $92,644) for employer contributions to the Plan in fiscal 2026.

12. Financial risks:

The Foundation manages its investment portfolio to earn investment income and invests according to an investment policy 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 is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments held in GICs subject the Foundation to a fair value risk while the floating rate instruments held in fixed income funds subject it to cash flow risk.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation has investments in fixed income and equity funds which are subject to risks arising from changes in market conditions.

Credit risk arises when a failure of a counterparty to discharge their obligations could reduce the future cash inflows from financial assets. The Foundation's credit risk arises primarily from its investments in fixed income pooled funds and cash balance. The Foundation manages its credit risk on fixed income investments by restricting investments to issuers with minimum investment grades as assigned by national investment grade rating agencies and ensuring a diversified portfolio mix. The Foundation manages its credit risk on cash by holding these financial assets at various high credit quality Canadian financial institutions.

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 forecasts to ensure it has sufficient funds to fulfill its obligations.

The Foundation believes that it is not exposed to significant foreign currency arising from its financial instruments.

There have been no changes to the risk exposures from 2025.